

## **Ditan Distribution to Add WebConcepts' Demand Management and Replenishment Suite to its "Product Lifecycle Management" Solution.**

Los Angeles, CA – December 4, 2006

Ditan Distribution, the number one provider of direct-to-store distribution services for retailers and suppliers in the entertainment industry, and WebConcepts, the leading software solutions provider for demand planning and replenishment tools, today announced an agreement through which Ditan will offer its clients access to WebConcepts' best-in-class advanced demand management and replenishment platform. The two companies, both recognized as leading supply chain technology providers to the electronic media, home entertainment and consumer electronics industries, will also pursue joint marketing opportunities.

Under the terms of the agreement, Ditan will incorporate the WebConcepts modules into its customized SAP application to allow its customers to not only physically execute retail compliant drop ships to stores, but also provide the ability to optimize inventory placement on the front end of new product launches, and to rapidly replenish through each product's initial lifecycle.

"This strategic alliance is a natural fit for both companies," notes Bill Pryor, Ditan's Executive Vice President of Sales & Marketing. "As the leading pioneer of expedited order fulfillment and direct-to-store distribution, Ditan has always been focused on developing the strongest technology solutions for our customers. WebConcepts' platform has won a number of industry awards and we have found them to be the most progressive and flexible technology company in the demand planning and replenishment software space. We have a similar outlook, a similar operating philosophy and share very similar objectives in terms of the value we deliver to our clients."

The sentiment regarding the benefits to both companies is echoed by WebConcepts' Chairman, Ray Young. "Our alliance," observes Young, "enables Ditan to extend their reach well beyond the order management and physical execution process by providing high value supply chain planning capabilities for their customers. At the same time it offers us access to a broader market through an innovative business model."

Both firms view the partnership as offering significant and multi-dimensional benefits to both retailer and manufacturer. Pryor sees the service as appealing not only for the tangible financial benefits it offers, but also because of the simplification it provides in bringing products to market. "As new "must have" items are introduced to the consumer, it is very difficult to gauge their initial demand. The ability to react to this very unpredictable and volatile period can mean the difference in maximizing in-stocks and inventory turns. Through Ditan's Virtual Distribution solution, retailers and suppliers can now augment their own asset based distribution networks and fulfill key categories and assortments externally, with the assurance that all the processes will be retail compliant from the outset. This significantly lowers the barriers to entry for new products from large and small companies alike. Incorporating WebConcepts' impressive demand planning and VMI replenishment applications allows buyer and seller alike to monitor consumer pull and control inventory flow to maximize sales. Retailers can have the flexibility to test ideas quickly and economically, leading to greatly improved roll-out strategies."

Both executives are quick to note the high potential to overlay this model to the wide range of branded industries outside the gaming and home entertainment market. The combination of services is viewed as immediately applicable to any branded business with short product lifecycles, fast time-to-market requirements and complex distribution and replenishment environments. At present Ditan and WebConcepts are in the process of introducing specific opportunities for the combined services to their existing clients, and will complete the first major retail installation by the end of January 2007.

**Ditan Corporation** is one of the country's leading logistics management and distribution providers, specializing in direct-to-store distribution of high-velocity, time-sensitive consumer products. With a broad client base including major retailer chains, distributors, manufacturers and publishers Ditan has established itself as a premier 3PL resource for home entertainment and consumer electronics, shipping one-third of all video game titles released in the United States. For more information, visit Ditan's web site at [www.ditan.com](http://www.ditan.com) or contact Bill Pryor @ 1-888-939-6932 .

**WebConcepts, Inc.** is a widely-recognized developer of innovative supply chain planning and replenishment applications, noted for its leadership in shelf-level planning and replenishment. From its origins in serving the home entertainment media industry, the company has grown rapidly into a leading solution for media, entertainment, consumer electronics and other high-velocity consumer goods. For more information, visit the WebConcepts web site at [www.wcisoft.com](http://www.wcisoft.com) or contact Jim Everett @ 1-626-820-8600.