



NEWS RELEASE

American Apparel to pilot retail solutions from Xterprise

Pilot to deploy highly scalable item-level inventory and operations management capabilities

DALLAS, TX -- October 16, 2008 -Xterprise Incorporated, a leading global supplier of *Solutions for the High Definition Enterprise*™ and a Microsoft Gold Certified Partner, announced today it has entered into an agreement with American Apparel, Inc. (APP: AMEX) to immediately begin a pilot of its recently announced Clarity-ARS Advanced Retail System. The pilot is designed to allow American Apparel to validate the solution's store item-level inventory and operations management capabilities in an actual store environment.

American Apparel is a leading brand for young adults, and is well known for cutting-edge advertising and product branding, as well as establishing itself as an innovation leader in the use of RFID for next generation in-store systems. Its "Made in Downtown LA" operations have contributed to significant brand awareness and a cult status worldwide. American Apparel uses a vertically integrated business model, which minimizes the use of sub-contractors and offshore labor. With over 225 retail stores today, and plans to grow significantly in the next several years, establishing a repeatable, scalable store item-level inventory management solution is a key component of American Apparel's aggressive growth plans.

"We are excited about the prospect of helping American Apparel to manage out-of-stock issues and item level security in their stores," said Doug Wallace, Chief Operating Officer of Xterprise. "American Apparel is a recognized leader in the use of RFID technology to solve business problems and we are pleased with the opportunity to pilot our solution in their store environment."

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The Clarity-ARS Store Inventory Management solution from Xterprise was selected for the pilot because of its out of the box item-level inventory management functionality and proven ability to scale to address the complexities and volumes found in retail store networks. The solution uses Microsoft BizTalk Server 2006 R2 and its BizTalk RFID capabilities, providing enterprise-class scalability at a low total cost of ownership. Anticipated benefits include increased sales and customer service, reduced out of stocks, and greater security and loss prevention. American Apparel will also be able to use advanced business intelligence to better respond to stock movements and in-store consumer behavior.

“With mounting competition and consumer expectations, retailers must tap into the next generation of store-level technologies to deliver an exceptional customer experience at the store,” said David Gruehn, U.S. retail industry director, Microsoft Corp. “Xterprise’s Clarity-ARS Advanced Retail System solution, using Microsoft BizTalk RFID, will help American Apparel optimize inventory availability on the selling floor and respond more effectively to shoppers wants and needs in a way that will differentiate their experience at the local level.”

About American Apparel

American Apparel is a vertically integrated manufacturer, distributor, and retailer of branded fashion basic apparel based in downtown Los Angeles, California. As of September 30, 2008, American Apparel employed over 10,000 people and operated more than 225 retail stores in 19 countries, including the United States, Canada, Mexico, Brazil, United Kingdom, Austria, Belgium, France, Germany, Italy, the Netherlands, Spain, Sweden, Switzerland, Israel, Australia, Japan, South Korea, and China. American Apparel also operates a leading wholesale business that supplies high quality T-shirts and other casual wear to distributors and screen printers. In addition to its retail stores and wholesale operations, American Apparel operates an online retail e-commerce website at <http://store.americanapparel.net>.

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About Xterprise

Xterprise Incorporated was founded in 2002 as a provider of enterprise-class RFID (Radio Frequency Identification) applications. Today our solutions combine Microsoft platform technology, continuous improvement and lean supply chain expertise, enterprise supply chain systems integration along with RFID and other sensory technology to deliver previously unachievable levels of visibility, assurance, accuracy, process improvement and value to our clients. The growing list of Xterprise customers includes Alcon, Allergan, Chicken of the Sea, Corning, Continental, Dairy Fresh, Dial, Eureka, ExxonMobil, General Mills, Georgia Pacific, Kraft, iGPS, Intel, L'Oreal, Nokia, Samsung, SchoellerArca Systems, ShopVac, The Libman Company, The US Department of Veterans Affairs, TIMCO Aviation Services, TNT Express, Toyota Motors N.A. and many others. Xterprise has been recognized as the 2008 Microsoft RFID Partner of the year and is ranked as one of 30 fastest growing software companies in America by the Inc. 500. The Xterprise headquarters is located in Carrollton, Texas (Dallas/Fort Worth). For additional information call +1-972-690-9460 US, email info@xterprise.com or visit www.xterprise.com.

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