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**GSI Commerce Acquires VendorNet***Acquisition Expands GSI's Multichannel E-commerce Capabilities, Adds Unique Solution for Same-Day Delivery Leveraging Local-Store Inventory*

KING OF PRUSSIA, Pa., May 11, 2010 – GSI Commerce Inc. (Nasdaq: GSIC), a leading provider of e-commerce and interactive marketing solutions, today announced it has acquired VendorNet, a Boynton Beach, Fla.-based multichannel e-commerce supply chain solutions provider to more than 100 retailers and brand marketers. The acquisition expands the breadth of GSI's e-commerce offerings, including the capability to leverage local-store inventory to enable cost-effective same- and next-day delivery direct to consumers, and strengthens GSI's position as a leading provider of multichannel e-commerce solutions.

VendorNet offers retailers a suite of proven on-demand or licensed supply chain management products that enable real-time collaboration between multiple potential fulfillment channels, including drop ship networks, distribution centers, retail stores and other inventory locations. VendorNet's products provide an integrated view of inventory across the supply chain and enable the sourcing of products from the most efficient location. These capabilities allow for retail stores to be leveraged as a source of inventory for e-commerce sales and inventory to be sourced from the closest location to the consumer. This shortens delivery times while reducing shipping costs, minimizes lost online sales due to out-of-stock inventory, and allows retailers to greatly expand their Web store product assortment by leveraging existing inventory outside their business-to-consumer fulfillment center. With these capabilities, multichannel retailers are able to overcome traditional barriers to leveraging local-store inventory while meeting consumer demand for rapid and affordable delivery options.

VendorNet's multichannel collaboration technology, VendorNet Commerce Suite, includes:

- **VendorNet StoreNet® Live**, which enables retailers to access store-level inventory for efficient direct-to-consumer fulfillment of online orders. This increases e-commerce sales that would otherwise be lost due to out-of-stock conditions, while improving customer satisfaction, by allowing more rapid delivery of inventory that is located closer to the consumer. It also allows retailers to expand online product assortment by tapping into inventory beyond what is stored in their B2C fulfillment center. Its cross-channel inventory management capabilities reduce fulfillment and shipping costs, delivering benefits to both retailer and consumer.
- **VendorNet Dropship Manager**, which streamlines the flow of information between multichannel retailers and their drop ship suppliers by automating this largely manual and time-intensive process. This improves order accuracy and reduces costs and labor needs. With more than 17,000 suppliers connected, Dropship Manager offers retailers a high degree of connectivity and efficient implementation.
- **VendorNet Stock PO Manager**, which synchronizes the information-exchange process of all purchase orders, related shipments and invoices, reducing many manual tasks, as well as operational and inventory expenses.

In addition to these products, Commerce Suite offers a series of add-on solutions designed to improve workflow and more efficiently manage inventory, returns, events and products. VendorNet also provides client-support services to ensure smooth integration with client systems and operations. Services include customized implementation and project management support, 24/7 technical support, module upgrades, and a series of Web-based training sessions and interactive webinars.

VendorNet sells its products on both a licensed and hosted basis, and its multiple offerings can be purchased as a suite of products or modularly, allowing for maximum flexibility. Under GSI, its offerings will also be integrated as part of GSI's e-commerce solutions.

"VendorNet perfectly complements GSI's strategic objectives and provides solutions that could reshape e-commerce for both retailers and consumers," said Jim MacIntyre, chief of e-commerce technology at GSI. "Retailers today are consistently challenged to manage distributed inventory, achieve full data visibility across channels and deliver merchandise to consumers more rapidly. VendorNet's unique solutions provide retailers the insight and tools they need to streamline their multichannel efforts and drive operational efficiencies in a way we have yet to otherwise see in the industry."

"Multichannel expertise is an increasingly critical part of retail growth strategies," continued MacIntyre. "Real-time, cross-channel inventory management should be a part of this strategy and should respond to growing consumer demand for quick product delivery. This acquisition centrally positions GSI to help our clients address these needs head on with proven solutions that nicely enhance our existing offerings and can propel our clients to the forefront of the industry by enabling affordable same-day and next-day delivery services."

"VendorNet has been dedicated to optimizing critical aspects of e-commerce. Partnering with GSI at this stage in our development will enable us to reach a broader segment of the e-commerce market and will benefit GSI's clients by expanding their multichannel capabilities and increasing their efficiency," said Sharon Gardner, president of VendorNet. "This is a win-win pairing for our companies and for retailers looking to capitalize on technologies that drive sales while increasing customer satisfaction."

VendorNet will operate as a wholly owned subsidiary of GSI. Terms of the deal were not disclosed.

#### **About VendorNet**

Headquartered in Boynton Beach, Florida, VendorNet delivers real-time supply chain management solutions to multichannel retailers enabling real-time collaboration with third-party suppliers and all corporate fulfillment channels including stores. VendorNet Commerce Suite establishes a powerful foundation for solutions that dramatically improve supply chain processes, reduce costs, increase sales, and strengthen cross-channel inventory collaboration. VendorNet's clients include Neiman Marcus, David's Bridal, Guitar Center, Spiegel, Norm Thompson, The Swiss Colony, FrontGate, CompUSA, Nine West, Orvis, and Lands' End.

#### **About GSI Commerce**

GSI Commerce<sup>®</sup> is a leading provider of services that enable e-commerce, multichannel retailing and interactive marketing for large, business-to-consumer (b2c) enterprises in the U.S. and internationally. We deliver customized solutions through an e-commerce platform, which is comprised of technology, fulfillment and customer care and is available on a modular basis or as part of an integrated, end-to-end solution. We offer a full suite of interactive marketing services through two divisions, TrueAction<sup>™</sup> and e-Dialog. Additionally, we provide brands and retailers a platform for online private sales through RueLaLa.com.

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**Forward-Looking Statements**

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements made in this release, other than statements of historical fact, are forward-looking statements. The words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “will,” “would,” “should,” “guidance,” “potential,” “opportunity,” “continue,” “project,” “forecast,” “confident,” “prospects,” “schedule” and similar expressions typically are used to identify forward-looking statements. Forward-looking statements are based on the then-current expectations, beliefs, assumptions, estimates and forecasts about the business of GSI Commerce. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or implied by these forward-looking statements. Factors which may affect GSI Commerce’s business, financial condition and operating results include the effects of changes in the economy, consumer spending, the financial markets and the industries in which GSI Commerce and its clients operate, changes affecting the Internet and e-commerce, the ability of GSI Commerce to develop and maintain relationships with strategic partners and suppliers and the timing of its establishment, extension or termination of its relationships with clients, the ability of GSI Commerce to timely and successfully develop, maintain and protect its technology, confidential and proprietary information, and product and service offerings and execute operationally, the ability of GSI Commerce to attract and retain qualified personnel, and the ability of GSI Commerce to successfully integrate its acquisitions of other businesses and the performance of acquired businesses. More information about potential factors that could affect GSI Commerce can be found in its most recent Form 10-K, Form 10-Q and other reports and statements filed by GSI Commerce with the SEC. GSI Commerce expressly disclaims any intent or obligation to update these forward-looking statements.

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