Dear Valued Trading Partner,

We appreciate your timely efforts and response as we continue to improve our systems and technology strategies including our EDI platform at Party City Corporation. Previously, we changed our URL address for Party City trading partners to http://AS2PROD.PARTYCITY.COM:8080/as2 to allow those using AS2 or a VAN to connect directly to Party City, bypassing Easylink Services Intl. Corp. (formerly known as Enable Trading Corp.).

As disclosed in our vendor standards manual, Party City stores will be migrating to the Retail.net system currently in use by Party America. Our Party City store conversions are scheduled to begin around March 1st. However, Party City will be piloting two stores this week (January 22). The Party City store numbers converting to the new system are #4 and #12.

If you are currently an AS2 or VAN vendor with Party America, this week you will see the addition of two Party City stores in the batch of purchase orders from the Retail.net system.   You will need to determine if this will have any impact on your internal processing systems.

If you are currently an AS2 or VAN vendor with Party City only, you will need to create new EDI maps using the version 4010 to send/receive data through the Retail.net system. You will continue to connect to the Party City URL, but the sender receiver ID for the Retail.net
 system is not the same. (Please see TP Questionnaire attachment for the IS and GS information).

If you are currently an AS2 or VAN vendor trading with both companies, your data will be processed using the vs. 4010 documents currently in place for Party America, and you will see the Party City store data come through your Retail.net connection as we migrate the stores.

The data differences between Retail.net 4010 and the Party City system 4030 mappings are:

   850   Purchase Order v 4010 vs   v 4030

   - Your Vendor ID in the Retail.net system will be different than the ID used by Party City. (See attached list)
   - Dept code will be found in the PER02. PER01 will be BD. (see attached code listing)
   - CUR will not be used
   - CSH01 – Backorder Code , available in future
   - DTM01 will be: 061 – Cancel if Not Delivered By and 064 – Do Not Deliver Before
   - REF01 - MR - PO Type Code will not be passed
   - REF01 – BM – available in future
   - REF01 – 11 – will be used in near future to indicate Vendor Account Number for Franchise stores

We require four EDI Documents using vs 4010 (please see attachments):

   - 850 – Purchase Order
   - 860 – Purchase Order Cancellation – will not send changes, only cancellations
   - 856 – Advanced Ship Notice
   - 810 – Invoice

Upon completion of your maps, please notify the EDI department to set up a testing schedule.

Until these transactions are ready to be accepted using the 4010 mapping, the Purchase orders and invoices will be processed using non-EDI documents (paper or pdf files).

If you are using a VAN, you will need to notify your VAN of the changes noted above.

The 850 and 810 documents must be compliant by March 1, 2008.

The 860 and 856 documents must be compliant by March 31, 2008.

Payments and Other changes

As Party City stores convert to the Retail.net system, the vendor number we use to identify you in our system will change to the Retail.net vendor number (see attached list). As new stores convert, new orders will be created using the Retail.net vendor number and all subsequent invoices will be processed and paid using the Retail.net vendor number. This means that checks issued for Party America invoices will now begin to include payments for Party City invoices as we progress through the conversion process.

If you have any questions related to these changes, please contact:

Nancy Higgins
EDI Specialist
973-453-8641
nhiggins@partycity.com

Please forward copies of this letter to all other departments within your company. This is a significant change and could impact processing orders for Party City Stores.