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Luxury Jewelry Brand to Become Third Brand in Xcel's Portfolio

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NEW YORK April 4, 2014 - Xcel Brands, Inc. ([OTCQX: XELB](#)) ("Xcel" or the "Company"), an Omnichannel brand management company, announced today that it has acquired the Judith Ripka Brand and related intellectual property (the "Judith Ripka Brand"). Xcel Brands was founded by Robert W. D'Loren in 2011 and currently owns the Isaac Mizrahi brand and has an interest in the Liz Claiborne New York brand.

The Company acquired the Judith Ripka Brand for a value of approximately \$22.5 million comprised of (i) \$14 million in cash, (ii) \$6 million in interest-free promissory notes due 5 years from the date of issuance, and payable in cash or stock at the Company's option, and (iii) approximately 571,500 shares of the Company's common stock. In addition to the purchase price, Xcel will provide for up to an additional \$5 million in contingent future payments, payable in cash or stock at the Company's option, based upon the Company achieving certain net royalties generated by the Judith Ripka Brand during the annual periods from October 2015 through September 2018. The acquisition is expected to be accretive to Xcel's 2014 earnings.

Robert W. D'Loren, Xcel's Chairman and Chief Executive Officer stated, "We are excited by the opportunity to work with Judith Ripka and her distinctive designs; the Judith Ripka Brand embodies our core mission of delivering products of uncompromising quality. We see a tremendous potential for engaging Judith's brand followers across new product categories, leveraging our Omnichannel strategy. This acquisition satisfied all of our acquisition criteria; it's strategic, synergistic, and accretive."

"This is an outstanding opportunity to cultivate our brand and reach our loyal followers in a new way," said Judith Ripka, who will serve as the brand's Chief Designer. "We deeply value our relationship with Robert D'Loren and look forward to joining him at Xcel. I'm thrilled to be part of the Company and believe that we are well positioned for the future."

About the Companies

Xcel Brands, Inc. engages in the acquisition, design, licensing, marketing, and retail sales of consumer brands incorporating an Omnichannel sales strategy inclusive of interactive media, digital and bricks and mortar retail. In 2011, the Company acquired designer apparel brand Isaac Mizrahi New York and an interest in the Liz Claiborne New York brand, quickly expanding into 100+ categories for the Isaac Mizrahi brand. The Company's executive management team possesses significant talent, experience and a proven track record of success to create and grow branded consumer products businesses. www.xcelbrands.com.

The **Judith Ripka Brand** was founded in 1977 and is the leading international fine jewelry and watch brand, known for its distinctive and refined designs. Ms. Ripka is the recipient of many accolades including "The Leading Women Entrepreneurs of the World" and the DeBeers Award for Outstanding Jewelry Design. As an avid philanthropist, Ms. Ripka was also honored with the prestigious Albert Einstein Spirit of Achievement Award. The Judith Ripka Brand's existing product lines are sold by independent jewelers in the U.S., abroad and online, as well as on QVC under the "Judith Ripka Sterling" brand. Judith Ripka Brand is currently distributed in over 200 stores in the U.S. and generates approximately \$140 million in retail sales.

Forward-Looking Statement Disclosure

This press release contains "forward-looking statements," as such term is used in the Securities Exchange Act of 1934, as amended. Such forward-looking statements include those regarding expectations for the development of the new IP strategy business and expectations for the performance of our brands. When used herein, the words "anticipate," "believe," "estimate," "future," "intend," "may," "will," "expect" and similar expressions as they relate to the Company or its management are intended to identify such forward-looking statements. Forward-looking statements are based on current expectations and assumptions, which are subject to risks and uncertainties. They are not guarantees of future performance or results. The Company's actual results, performance or achievements could differ materially from the results expressed in, or implied by, these forward-looking statements. Factors that could cause or contribute to such differences include, among other factors: (1) the Company may not be successful in implementing its IP management strategy, (2) the Company may not be able to acquire IP or consumer brand companies or finance or exploit them on terms that are acceptable to the Company, (3) the Company is likely to face substantial competition in seeking to acquire and market desirable IP and consumer product companies, and competitors may

have substantially greater resources than we do, (4) the Company may not be successful in operating or expanding its brands or integrating the Judith Ripka Brand into its IP business strategy, (5) risks associated with marketing and licensing its trademarks and with successfully developing and marketing new products particularly in light of rapidly changing fashion trends, (6) risks associated with the ability of licensees to successfully market and sell branded products, and (7) competition. The financial performance targets that must be achieved for the sellers of the Judith Ripka Brand to be entitled to receive additional consideration under the earn-out arrangement discussed above are not a prediction of future financial performance. Xcel undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

For more information on this transaction, or Xcel Brands please visit our website at www.Xcelbrands.com or contact:

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