



Differentiate By Design

Aug 5, 2013

## XCEL BRANDS INC. COMPLETES \$13MM SENIOR FINANCING

NEW YORK, Aug. 5, 2013 (GLOBE NEWSWIRE) -- Xcel Brands, Inc. (OTCQX:XELB), a leader and innovator in Omnichannel retail sales and owner of the Isaac Mizrahi New York brand, today announced that on August 1, 2013 the Company completed a \$13 million senior term loan with Bank Hapoalim, which was used to refinance its previous senior debt facility with MidMarket Capital Partners and for general working capital purposes. The new term loan will bear interest at a rate of 4.44%, payable quarterly, and has a five year term. The new senior term loan is expected to lower the Company's annual interest expense, and provides the company with additional operating flexibility.

Separately, on June 7, 2013, Xcel completed a \$5 million private placement of its common stock. Threadstone Partners LP acted as the placement agent. These transactions are part of the Company's continuing efforts to decrease net leverage, which includes the Company's settlement of \$1.4 million of future payment obligations and the reduction of \$6.3MM of contingent obligations in December 2012, and provides Xcel with additional working capital and flexibility for future growth.

Robert D'Loren, Chairman and Chief Executive Officer, Xcel Brands, Inc., said, "I am pleased with the progress that we have made with the repositioning of the Isaac Mizrahi New York brand. These recent capital transactions position us well for the future."

About Xcel Brands, Inc.

Xcel Brands engages in the acquisition, design, licensing and marketing 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 Liz Claiborne New York, 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](http://www.xcelbrands.com)

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995. The statements that are not historical facts contained in this press release are forward-looking statements that involve a number of known and unknown risks, uncertainties and other factors, all of which are difficult or impossible to predict and many of which are beyond the control of Xcel, which may cause the actual results, performance or achievements of Xcel to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Such factors include, but are not limited to, uncertainty regarding the results of Xcel's acquisition of additional licenses, continued market acceptance of current products and the ability to successfully develop and market

new products particularly in light of rapidly changing fashion trends, the impact of supply and manufacturing constraints or difficulties relating to Xcel's licensees' dependence on foreign manufacturers and suppliers, uncertainties relating to customer plans and commitments, the ability of licensees to successfully market and sell branded products, competition, uncertainties relating to economic conditions in the markets in which Xcel operates, the ability to hire and retain key personnel, the ability to obtain capital if required, the risks of litigation and regulatory proceedings, the risks of uncertainty of trademark protection, the uncertainty of marketing and licensing acquired trademarks and other risks detailed in Xcel's SEC filings. The words "believe," "anticipate," "estimate," "expect," "confident," "continue," "will," "project," "provide" "guidance" and similar expressions identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date the statement, was made. All forward-looking statements are qualified by these cautionary statements and apply only as of the date they are made. Xcel undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

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