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**Kleinert's Announces Sale of Sleepwear Division.**

Business Wire

Kleinert's, Inc., a leading provider of branded and private label children's and infants' sleepwear and playwear, announced today that the U.S. Bankruptcy Court approved the sale of its sleepwear division to Russell-Newman, Inc. for \$4.0 million. The sale is expected to close May 16, 2003.

Chairman and CEO Gregory A. Sandfort said that he is pleased with the sale of the Kleinert's sleepwear division as it is the "best outcome for the value of the estate and the employees."

The Company also confirmed that with its \$24 million DIP facility, it has the full support from its bank group to fund the ongoing operations. The Company will now focus its efforts on organizing the orderly sale process of the Buster Brown playwear division, which is expected within the next 60 to 90 days. **Inquiries regarding the sale should be made to Jack Hendler of Net Worth Solutions, the Company's investment banker.**

Kleinert's, Inc. and four affiliates filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the Southern District of New York on May 7, 2003. Kleinert's, Inc. designs, sources and sells children's and infants' sleepwear and playwear under private labels and the Buster Brown brand name domestically to department stores, mass merchandisers and specialty stores, as well as its ten Buster Brown retail outlet stores.