



AT THE COMPANY

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FOR IMMEDIATE RELEASE

RUSS BERRIE AND COMPANY, INC. ANNOUNCES RESTRUCTURING PLAN

~ Expected to Generate Annualized Pre-Tax Cost Savings of \$15 million Upon Completion ~

Oakland, N.J. — November 3, 2005 — Russ Berrie and Company, Inc. (NYSE: RUS) today announced a restructuring plan for its domestic gift business segment. The plan is designed to reduce expenses, better align the Company's product lines and resources to support the changing requirements of its customers and improve operating efficiencies.

The plan includes the elimination of approximately 50 positions in the Company's domestic gift operation, which will result in a pre-tax charge of approximately \$1.4 million in the fourth quarter of 2005, primarily related to employee severance costs. The Company will also rationalize its warehouse and distribution facilities, which is expected to result in additional pre-tax restructuring charges in 2006 of approximately \$2.5 million.

The plan is expected to create annualized pre-tax cost savings of approximately \$15 million, and will be initiated immediately, with a portion expected to be finalized during 2006.

Commenting on the restructuring plan, Andy Gatto, President and CEO stated, "While we are pleased by the recent success of our sales initiatives in the mass market channel, as well as our growing juvenile business, we continue to experience challenges in our specialty gift business. As a result, we are taking proactive steps to streamline our infrastructure so that it more closely reflects current business levels and to re-align our domestic gift operations to better meet the needs of each of our distribution channels."

Mr. Gatto continued, "We believe these actions will lead to more efficient use of our resources, while preserving our ability to continue to provide superior products and service to our customers and to capitalize on new strategic sales opportunities."

The Company will address its restructuring plan in more detail during its third quarter conference call scheduled for Thursday, November 10, 2005 at 10:00 a.m.

Russ Berrie and Company, Inc. (RUSS), a leader in the gift industry, designs, develops, and distributes a variety of innovative gift, infant and juvenile products to specialty and mass market retailers worldwide. Known for its teddy bears and other plush animals, the Company's gift and infant and juvenile lines are comprised of a diverse range of everyday, seasonal, and occasion-themed products that help people celebrate the milestones in their lives. Founded in 1963 by the late Russell Berrie from a rented garage

in New Jersey, today the Company operates offices, showrooms, and distribution centers all over the world and trades on the NYSE under the symbol RUS.

Note: This press release contains certain forward-looking statements. Additional written and oral forward-looking statements may be made by the Company from time to time in Securities and Exchange Commission (SEC) filings and otherwise. The Private Securities Litigation Reform Act of 1995 provides a safe-harbor for forward-looking statements. These statements may be identified by the use of forward-looking words or phrases including, but not limited to, “anticipate”, “believe”, “expect”, “intend”, “may”, “planned”, “potential”, “should”, “will”, “would” or “projects”. The Company cautions readers that results predicted by forward-looking statements, including, without limitation, those relating to the Company’s future business prospects, revenues, working capital, liquidity, capital needs, interest costs and income are subject to certain risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements. Specific risks and uncertainties include, but are not limited to, the Company’s ability to continue to manufacture its products in the Far East, the seasonality of revenues, the actions of competitors, ability to increase production capacity, price competition, the effects of government regulation, results of any enforcement action by the People’s Republic of China (“PRC”) authorities with respect to the Company’s PRC operations, the resolution of various legal matters, possible delays in the introduction of new products, customer acceptance of products, changes in foreign currency exchange rates, issues related to the Company’s computer systems, the ability to obtain debt financing to fund acquisitions, the current and future outlook of the global retail market, the ability to integrate new business ventures, the ability to meet covenants in the Credit Agreement with LaSalle Business Credit LLC and other factors.

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