



**Contact at the Company:**

Marc S. Goldfarb  
Senior Vice President & General Counsel  
201-337-9000

**Contacts at Financial Dynamics:**

Erica Pettit or Leigh Parrish  
212-850-5600

FOR IMMEDIATE RELEASE

**RUSS BERRIE SIGNS AGREEMENTS TO ACQUIRE TWO INFANT & JUVENILE  
BUSINESSES**

*LaJobi to Add Infant Furniture to Product Categories*

*CoCaLo to Extend Presence in Infant Bedding and Accessories*

*Company Intends to Expand Existing Credit Facility to Provide Necessary Financing*

**Oakland, N.J. — April 1, 2008 —** Russ Berrie and Company, Inc. (NYSE: RUS) today announced two intended acquisitions that will significantly enhance its Infant & Juvenile segment. The Company has entered into agreements to acquire LaJobi Industries, Inc. (“LaJobi”), a privately-held branded infant furniture and related products company based in Cranbury, N.J, and CoCaLo Inc. (“CoCaLo”), a privately-held infant bedding and accessory products company based in Costa Mesa, CA. Both acquisitions are anticipated to be accretive to 2008 earnings per share before any potential synergies. Completion of both acquisitions is expected shortly.

Bruce G. Crain, Chief Executive Officer and President, commented, “LaJobi’s leadership position in the infant furniture business will allow us to penetrate a complementary category in the Infant & Juvenile industry, and will provide us with branded products that are the cornerstone of any nursery. CoCaLo’s well-designed branded products represent a key opportunity to further extend our presence in infant bedding and accessories. We are very impressed with the caliber of the management teams at both companies, as well as their unique products, deep customer relationships, and impressive product safety standards, processes and records. We plan to maintain the individual brand identities and management structures of both LaJobi and CoCaLo, while building on the strengths of these companies. Across our Infant & Juvenile segment, we look forward to these acquisitions further enhancing and expanding our strong customer and consumer relationships and, over time, leveraging certain operational scale synergies and sourcing infrastructures.”

Mr. Crain continued, “We are enthusiastic about the potential growth prospects at both LaJobi and CoCaLo through product and distribution channel expansion. Importantly, these

acquisitions fit our strategy to develop long-term opportunities in the Infant & Juvenile industry and expand our non-seasonal, less discretionary revenue streams. Record birthrates not seen since the early 1960s, growing spending levels on each child by new families, and the importance of design-led and branded Infant & Juvenile products all point to favorable demographic trends for these consumer products. Through the additions of LaJobi and CoCaLo, as well as our existing Kids Line and Sassy businesses, we are well positioned to support our retail partners and provide branded products in the infant bedding and accessories, infant furniture, infant development toys, bathing and baby care categories.”

### **LaJobi Transaction**

LaJobi Industries, Inc. offers branded infant furniture through a multi-brand strategy to meet the various needs of consumers shopping at specialty stores, baby super stores, and mass merchandisers. For the year ended December 31, 2007, net sales for LaJobi were \$54.3 million.

LaJobi, Inc., a newly-formed, indirect subsidiary of Russ Berrie, will acquire substantially all of the assets and specified obligations of LaJobi Industries. The purchase price for the transaction will be \$47 million, plus or minus a working capital adjustment. In addition, the sellers will have the opportunity to earn an additional payment ranging from zero to \$15 million based on the compound annual growth rate of the acquired business during 2008 through 2010. LaJobi, Inc. will enter into a three year employment agreement with Mr. Lawrence Bivona, who co-founded LaJobi Industries and currently serves as its Chief Executive Officer and President. Joseph Bivona, who co-founded LaJobi Industries, will serve as a business consultant through 2008.

Mr. Bivona commented, “Retailers and consumers have grown to know and trust the innovative design, fine quality and craftsmanship of our cribs and infant furniture. We have worked very hard to establish the best-in-class safety standards and processes to build our excellent track record for safe cribs. We are excited about the complementary product categories that Russ Berrie has for the nursery. The LaJobi team is expected to remain in place and continue to build on our record of success with the support of Russ Berrie.”

Aquetong Capital Advisors advised LaJobi Industries, Inc. in connection with this transaction.

### **CoCaLo Acquisition**

CoCaLo, Inc. sells its CoCaLo Baby, CoCaLo Couture and Baby Martex® infant bedding and accessory products through leading North American boutiques, specialty stores, baby super stores and online retailers.

I&J HoldCo, Inc., a newly-formed subsidiary of Russ Berrie, will acquire all of the capital stock of CoCaLo. The purchase price for the transaction will be \$16 million, plus or minus a working capital adjustment. Of this amount, \$1.6 million will be paid in equal annual installments over a three year period. In addition, the sellers will have the opportunity to earn an additional payment ranging from zero to \$4 million based on the performance during 2008 through 2010 of certain sales, gross profit and EBITDA measures. Ms. Renee Pepys-Lowe, who founded CoCaLo and currently serves as its President, will enter into a three year employment agreement.

Ms. Pepys-Lowe said, “We are delighted by the opportunity to join the Russ Berrie family of infant and juvenile products companies. While CoCaLo will continue to be run as a separate company, we believe Russ Berrie will provide the resources needed to further grow the CoCaLo brand globally.”

Meridian Capital, LLC advised CoCaLo, Inc. in connection with this transaction.

### **Amended Credit Facility**

The Company also announced today that it intends to expand its existing Infant & Juvenile segment credit facility to provide for up to \$175 million in senior bank financing. Banc of America Securities LLC will be the lead arranger for the facility. This facility will be used to finance the acquisitions of LaJobi and CoCaLo and to provide additional financial flexibility for our Infant & Juvenile segment.

Mr. Crain added, “The expanded credit facility is a significant achievement that enhances our capital structure. Given current market conditions, we consider our lenders’ actions a very strong indication of their confidence in our financial strength and business strategies. The additional liquidity will enable our ongoing expansion in existing markets, and support our efforts to pursue opportunities in new markets.”

Both the LaJobi and CoCaLo agreements are subject to customary closing conditions. Each is expected to close shortly, although there can be no assurance that either transaction will be consummated. The Company also expects to sign and close the amended credit facility shortly, although there can be no assurance that the agreement will be consummated. Please refer to the Company’s Annual Report on Form 10-K, filed earlier today, for a more complete description of these acquisition agreements.

### **About LaJobi Industries, Inc.**

Founded in 1993, LaJobi Industries, Inc. is a leading designer, manufacturer, marketer and distributor of branded infant furniture and related products across all three price point categories: high-end to smaller specialty stores and boutiques; mid-tier to larger specialty retail; and value-priced to mass-merchant, discount retailers. The Company also licenses brands such as Graco® for cribs and Serta® for crib mattresses. Substantially all of the Company’s products are manufactured and outsourced from independent factories in China, Vietnam and Thailand.

### **About CoCaLo, Inc.**

Established in 1998, CoCaLo, Inc. is a leading manufacturer and distributor of infant bedding and accessory products under the brands of CoCaLo Baby, CoCaLo Couture and Baby Martex®. The privately-held company sells their products through leading retailers and online merchants in North America. The Orange County Business Journal named CoCaLo among the top 100 Fastest Growing Companies and Top Women-Owned Businesses in the Orange County, CA. CoCaLo is the recipient of the 2007 Reader’s Favorites Award in the Blanket Category from Baby & Children’s Product News.

### **About Russ Berrie and Company, Inc.**

Founded in 1963, Russ Berrie and Company, Inc. and its subsidiaries engage in the design, development and distribution of branded products through its Infant & Juvenile segment and Gift segment. Its design-led products are sold primarily through mass market, toy, specialty, food, drug and other independent retailers worldwide.

The Infant & Juvenile segment sells its products under the Sassy® and KidsLine® brand names and select private label programs. Kids Line designs and markets infant bedding and related nursery accessories. Sassy offers products and collections such as infant development toys, teething, bathing and baby care products. The businesses also license brands for select categories and markets including Disney®, Leap Frog™ and Carter's®.

The Gift segment encompasses seasonal and everyday plush products. The Gift segment markets its products primarily under the RUSS® and APPLAUSE® brand names and also produces products in select markets and categories under licenses that include Shining Stars®, Raggedy Ann™, Curious George™, Simpsons™ and a variety of other well-recognized trademarks.

More information about the Company can be found at: [www.russberrie.com](http://www.russberrie.com).

*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", "project", "intend", "may", "planned", "potential", "should", "will" or "would". 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, order backlog, 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 those set forth under Item 1A, "Risk Factors", of the Company's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the SEC. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.*

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