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FOR IMMEDIATE RELEASE

**RUSS BERRIE AND COMPANY, INC. ANNOUNCES
CORPORATE RESTRUCTURING**

**Changes Include Certain Management Departures and the
Appointment of a New Executive Vice President of Sales**

Oakland, N.J. — September 28, 2004 — RUSS BERRIE AND COMPANY, INC. (NYSE: RUS) today announced a corporate restructuring designed to align the Company's management and sales organization with its strategic plans and to right size its expense structure. The restructuring supports Russ Berrie's continued focus on its core independent gift business, and facilitates the pursuit of mass-market and other channels of distribution.

The restructuring eliminated approximately 75 domestic positions and will result in a pretax charge of approximately \$4.1 million in the third quarter of 2004, primarily related to severance costs. The Company expects the restructuring will produce annual savings of approximately \$7.5 million.

Commenting on the restructuring, Andy Gatto, President and CEO stated, "Today's announcement represents a major step in aligning our business model in response to changing shopping preferences and opportunities, as mentioned in our second quarter 2004 earnings release."

Management Changes

The Company further announced that Lynn Moran has joined the Company as Executive Vice President of Sales. Ms. Moran, age 53, served in various executive capacities at Masterfoods USA, a division of Mars Incorporated, recently as President of the Company's Ethel M. division.

Mr. Gatto commented, "We are delighted to have someone with Lynn's expertise in sales management and major account channel management join our team."

The Company also announced the departures of John (Jack) Toolan, President of the Company's North American Division and A. Curts Cooke, the Company's Chief Administrative Officer. Mr. Toolan, who is leaving to pursue other opportunities, had agreed to remain with the Company to support Mr. Gatto through the organizational transition. Mr. Cooke is returning to retirement. Mr. Gatto added, "Having joined Russ Berrie on June 1, 2004, I appreciate all the assistance and guidance Jack and Curts have provided during this transitional period. We wish both of them well in their future endeavors."

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Russ Berrie and Company, Inc., a leader in the gift industry, and its wholly-owned subsidiaries, design, develop and distribute more than 8,000 gift products under the RUSS trademark through over 41,000+ specialty retail stores worldwide. Known for its teddy bears and other plush animals, the Company's gift line is comprised of a diverse range of everyday, seasonal and occasion-themed products, ranging from baby gifts and teen/tween accessories to simple, beautiful, home decor and lifestyle items. Founded in 1963 by the late Russ Berrie from a rented garage in Palisades Park, New Jersey, today the Company operates offices, showrooms and distribution centers all over the world. Headquartered in Oakland, New Jersey, the Company's flagship 18,000-square foot showroom draws thousands of retailers annually.

Note: This News 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" 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, 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, and other factors.

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