



Differentiate By Design

September 30, 2011

Xcel Brands Announces Acquisition Of Isaac Mizrahi

Fashion Icon Brand to Become First Brand Acquisition in Company's Portfolio

New York, N.Y. September 30, 2011 – Xcel Brands, Inc. ("Xcel" or the "Company") is pleased to announce today that it is going public through a reverse merger transaction and has closed the acquisition of the designer apparel brand Isaac Mizrahi known for its timeless, cosmopolitan style for women. Xcel is a brand licensing and management company that was formed by Robert W. D'Loren who has developed a track record of successfully acquiring and monetizing a vast array of consumer brands. Xcel has entered into a merger agreement with NetFabrics Holdings, Inc. (NFBH.PK) ("NetFabrics"), a public company currently traded on the pink sheets, pursuant to which Xcel merged with a subsidiary of NetFabrics concurrently with its acquisition of the Isaac Mizrahi brand. Immediately following the transaction, Xcel merged with and into NetFabrics and NetFabrics changed its name to Xcel. The Company will manage Isaac Mizrahi's existing line which is sold on QVC under the "IsaacMizrahiLIVE" brand, and plans to announce license agreements for various apparel, footwear and home categories to launch at better retailers beginning in Fall 2012.

Robert W. D'Loren, Xcel's Chairman and Chief Executive Officer, stated: "Isaac Mizrahi is a timeless cosmopolitan lifestyle brand that represents the best of fashion." He noted further, "We could not think of a more suitable brand than Isaac Mizrahi to be the cornerstone for our business strategy of acquiring brands with significant media presence that we can grow through bricks-and-mortar, internet retailers, and direct-response television channels such as QVC. We look forward to working with Isaac to grow the Isaac Mizrahi brand."

"This is a spectacular opportunity for our brand," said Isaac Mizrahi, who will serve as the Company's Chief Designer for his namesake brand. "We've spent nearly a year working closely with Bob D'Loren and look forward to joining him at Xcel. I'm thrilled to be such a significant shareholder in the Company and believe that we are poised for growth."

Xcel will pay \$31.5 million at closing through a combination of cash, a seller note and the issuance of Xcel common stock. The stock component is valued at [\$14.8] million, or [47%] of the initial purchase price. Xcel also agreed to an earn-out arrangement that will entitle the sellers to receive an additional amount of up to \$32.7 million of cash or stock subject to the gross royalties generated by the Isaac Mizrahi trademark achieving certain levels for the following four (4) years.

About the Companies

Xcel Brands, Inc. ("Xcel") engages in the acquisition, design, licensing, and marketing of consumer brands. Xcel's management team consists of executives with significant experience in creating and growing businesses in the branded consumer products industry and a proven track record for successfully completing multiple similar acquisitions. Xcel will seek to acquire brands that it can utilize in a multi-channel distribution strategy (bricks and mortar, internet retailers and interactive media) with a focus on identifying designers or celebrities with personalities that connect directly with consumers through social and other media.

IM Ready-Made, LLC. (Isaac Mizrahi) was founded 1987. In December 2009, Mr. Mizrahi launched his lifestyle collection, ISAACMIZRAHILIVE! on QVC. Under a design agreement with Liz Claiborne, Mr. Mizrahi also serves as the creative director for the Liz Claiborne New York line at QVC. Previously, Mr. Mizrahi teamed with Target in 2003 to launch an innovative collection of chic and stylish clothing and accessories for women. Mr. Mizrahi has received four awards from the Council of Fashion Designers of America (CFDA), including two awards for Designer of the Year and an award in 1996 for the documentary "Unzipped". Mr. Mizrahi's media presence includes recently being selected by Lifetime TV to serve as one of the coveted new judges for "Project Runway All Stars" (airing Fall 2011), publishing the book "How to Have Style" in 2008, and appearances and roles in films and television shows, including "Sex in the City," "Ugly Betty" and "Celebrity Jeopardy" and has hosted his own series, Bravo's "The Fashion Show," as well as series on the Oxygen Network and the Style Network. Mr. Mizrahi has also designed costumes and/or directed productions for the Metropolitan Opera, the Mark Morris Dance Company, the Opera Theatre of St. Louis, and the Brooklyn Youth Choir, and has served on the board of directors of and is actively involved with the Good Shepherd Services which provides services to underserved children.

Forward-Looking Statement Disclosure

This press release contains "forward-looking statements," as such term is used in the Securities Exchange Act of 1934, as amended. Such forward-looking statements include those regarding expectations for the development of the new IP strategy business, expectations for the performance of the Isaac Mizrahi brand. When used herein, the words "anticipate," "believe," "estimate," "future," "intend," "may," "will," "expect" and similar expressions as they relate to the Company or its management are intended to identify such forward-looking statements. Forward-looking statements are based on current expectations and assumptions, which are subject to risks and uncertainties. They are not guarantees of future performance or results. The Company's actual results, performance or achievements could differ materially from the results expressed in, or implied by, these forward-looking statements. Factors that could cause or contribute to such differences include, among other factors, (1) the Company may not be successful in implementing its IP management strategy, (2) the Company may not be able to acquire IP or consumer brand companies or finance or exploit them on terms that are acceptable to the Company, (3) the Company is likely to face substantial competition in seeking to acquire and market desirable IP and consumer product companies, and competitors may have substantially greater resources than we do, (4) the Company may not be successful in operating or expanding Isaac Mizrahi or integrating it into its IP business strategy, (5) risks associated with marketing and licensing acquired trademarks and with successfully developing and marketing new products particularly in light of rapidly changing fashion trends, (6) risks associated with the ability of licensees to successfully market and sell branded products, and (7) competition. The financial performance targets that must be achieved for the sellers of Isaac Mizrahi to be entitled to receive additional consideration under the earn-out arrangement discussed above are not a prediction of future financial performance. Xcel undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

For more information on this transaction, or Xcel Brands please visit our website at www.Xcelbrands.com or contact:

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