



Differentiate By Design

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XCEL BRANDS INC. ANNOUNCES THE ISAAC MIZRAHI NEW YORK APPLICATION POWERED BY AURASMA

NEW YORK, Sept. 24, 2012 (GLOBE NEWSWIRE) -- Xcel Brands, Inc. (OTCQB:XELB) announced today the release of the Isaac Mizrahi New York Aurasma-powered mobile application. When viewing various printed images such as Isaac Mizrahi hang tags, shoebox inserts, and the Fabulous Isaac Mizrahi logo through the viewfinder of the application on a mobile device, hidden dynamic content comes to life on the screen. The groundbreaking image recognition technology will literally bring printed content to life in the form of videos, animation and more.

"We at Xcel Brands have embraced Aurasma as a cutting-edge way to bring the Isaac Mizrahi brand to life. Aurasma and our rich video content lend a new and unique way of engaging the consumer at the point of purchase and beyond," stated Robert D'Loren, Chairman and Chief Executive Officer, Xcel Brands, Inc.

"Aurasma is excited to partner with Xcel Brands to bring additional consumer engagement to the popular Isaac Mizrahi brand," said General Manager of Aurasma, Jennifer Rapp. "By augmenting a variety of brand-related images on products in stores, the Isaac Mizrahi New York app will captivate consumers with an innovative and memorable shopping experience."

The Isaac Mizrahi New York app will be available for free on the App store on September 24, 2012.

Xcel Brands, Inc. ("Xcel") engages in the acquisition, design, licensing, and marketing of consumer brands. Xcel is leading the Omni channel sales strategy across three channels of distribution including interactive media, online and brick and mortar retailers. In 2011, Xcel acquired designer apparel brand Isaac Mizrahi New York. Xcel's management team consists of executives with significant experience in creating and growing businesses in the branded consumer products industry and has a proven track record for successfully completing multiple similar acquisitions. Xcel will seek to acquire brands that it can utilize in an Omni Channel sales strategy with a focus on identifying designers or celebrities with personalities that connect directly with consumers through social and other media.

www.xcelbrands.com.

Isaac Mizrahi has been a leader in the fashion industry for almost 30 years. Since his first collection in 1987, Mr. Mizrahi's designs have come to stand for timeless, cosmopolitan style. He has been awarded four CFDA awards, including a special award in 1996 for the groundbreaking documentary "Unzipped." Currently, Mr. Mizrahi is launching the Isaac Mizrahi New York and Isaac Mizrahi Jeans collections, available at brick and mortar retailers in Fall 2012 and Spring 2013. Previously, in December 2009, Mr. Mizrahi launched his exclusive lifestyle collection, ISAACMIZRAHLIVE! on QVC. In addition, television

audiences have come to value Isaac's media presence through his roles on "Project Runway All Stars" for Lifetime, "The Fashion Show" for Bravo and his own series for both Oxygen and the Style Network. www.isaacmizrahiny.com

The Isaac Mizrahi New York logo is available at
<http://www.globenewswire.com/newsroom/prs/?pkgid=14855>

Aurasma is the world's leading augmented reality platform that merges the physical world with the virtual. Available as a free app for iPhones, iPads and high-powered Android devices or as a free kernel for developers, Aurasma uses advanced image and pattern recognition to recognize and understand real-world images and objects in much the same way as the human brain does. It then seamlessly blends the real-world with rich interactive content such as videos and animations called "Auras". Auras can be created for printed images, product packaging, clothing, physical places and users can even use the app to create and share their own. www.aurasma.com

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