

R.G. BARRY SECURES NEW FINANCING

Three-year arrangement allows company to continue

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Slipper-maker R.G. Barry Corp., which has been fighting serious financial problems, said yesterday that it has secured financing to remain in operation. Previously, R.G. Barry had said it had enough financing to operate only through the end of this month.

The Pickerington-based company has a three-year agreement with CIT Group's commercial-services division to borrow up to \$35 million and pay off its current lender, Huntington National Bank, according to the company and regulatory filings. "We believe (the agreement) provides a financing arrangement that is well-suited to our comfort-footwear business," President and Chief Executive Thomas Von Lehman said in a news release.

Terms of the agreement were not disclosed. Earlier this month, Von Lehman replaced longtime company President and Chief Executive Gordon Zacks, whose parents founded the company in the 1940s.

R.G. Barry, which employs about 125 at its Pickerington headquarters, sells slippers and comfort-footwear products to retailers under labels such as Dearfoams and EZfeet. The company lost \$11.9 million in 2002 and has not yet reported fourth-quarter and 2003 financial results.

R.G. Barry said in October it hoped to show a modest operating profit for 2003, but that changed after Thanksgiving because of canceled orders and lower-than-expected sales. In February, the company said it had likely violated the terms of its bank loan and might not have enough financing to operate in March.

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