

For Immediate Release

## **HOSIERY INDUSTRY LEADERS GOLD TOE AND MORETZ TO COMBINE**

NEW YORK, N.Y. and NEWTON and BURLINGTON, N.C – August 15, 2006 – Two of the hosiery industry’s leading companies, Gold Toe Investment Corp. and Moretz Inc., will combine in a transaction announced today, creating one of the largest global sock companies. The deal is backed by an investment from The Blackstone Group, a global private investment and advisory firm, which is acquiring Gold Toe and simultaneously facilitating a merger between the two companies.

In addition to a meaningful direct presence via its online and owned and operated outlet stores, the combined company will be a leading supplier to the department store and specialty sporting goods channels and have a significant presence in the growing mass market channel. The company will possess a diverse portfolio of highly recognized brands across all retail channels. Together, Gold Toe and Moretz will have the financial and management resources to pursue new growth opportunities by expanding product lines and distribution.

The senior management teams of Gold Toe and Moretz will remain with the combined company following the merger. As a result of its investment, The Blackstone Group will be the majority owner of the company; John Moretz, CEO, will be the second largest shareholder and an affiliate of Vestar Capital Partners, the current majority owner of Gold Toe, will retain a minority stake. The terms of the transaction were not disclosed.

John Moretz, CEO of Moretz, commented, “I am extremely pleased and honored that our two companies can join together and create an entity of unparalleled opportunity. The combination of Gold Toe and Moretz, coupled with Blackstone’s vision and financial power, will bring to the marketplace a leading collection of brands and private label capabilities to the industry.”

Gold Toe President Jim Williams stated, “The combined strengths of our new company are perfect complements. Our diversified portfolio of premium brands will target multiple price points and distribution channels across a broad customer base. The company will be uniquely positioned to capitalize on future strategic opportunities.”

Norm Alpert, Vestar Managing Director, commented, “Over the past eight years, Gold Toe has grown from a leading brand in a single channel to a broad portfolio of Gold Toe branded products in multiple channels. We are tremendously proud of the achievements of the company and its management team and are excited about being a continuing part of the company’s future in combination with Moretz.”

Ben Jenkins, Principal in Blackstone’s private equity group, noted, “We are delighted to be part of this compelling strategic combination. By leveraging the management teams, the brands and the distribution capabilities of Gold Toe and Moretz, we will create the

industry leader and the fastest-growing hosiery company in the United States.”

In connection with the acquisition of Gold Toe, the outstanding indebtedness and preferred stock of Gold Toe’s wholly-owned subsidiary Gold Toe Corp. (f/k/a Cluett American Corp.) will be refinanced, including its 10 1/8% senior subordinated notes due 2008 and 12.5% senior exchangeable preferred stock due 2010.

Gold Toe Investment Corp. was advised by Bear, Stearns & Co. Inc. and Devon Value Advisors. Moretz, Inc. was advised by Financo, Inc.

#### **About Gold Toe Investment Corp.**

Gold Toe Investment Corp. is the leading designer, manufacturer, marketer, and retailer of the iconic Gold Toe® sock brand and related Gold Toe® endorsed brand extensions, including Gold Toe® Premier, Silver Toe®, ST™, Gold Toe Gear®, Auro®, All Pro®, and gt™. Founded in 1934, Gold Toe Investment Corp. is the second-largest branded sock company in the United States and sells a comprehensive product line across multiple price points, styles, ages, and genders that appeals to a broad consumer base. Gold Toe also sells its products directly to consumers through its 11 retail outlets and via the Internet ([www.goldtoe.com](http://www.goldtoe.com)). Gold Toe Investment Corp. aims to deliver the best quality socks in terms of durability, fit, and quality across all points of sale. Gold Toe is headquartered in Burlington, North Carolina.

#### **About Moretz, Inc.**

Moretz Inc. is a family-owned sock wear manufacturer and marketer, founded by Hugh Moretz in 1946, and headquartered in Newton, North Carolina. Moretz Sports, a division of Moretz, Inc., is the #1 selling sock manufacturer in the sporting goods trade channel and maker of PowerSox. Moretz is also a licensed brands partner for Kathy Ireland, New Balance, Under Armour and Coleman. The Moretz Mass Market division’s private label brands include Cherokee, Exhilaration, Old Navy, Gap, Pro Spirit, Athletic Works, Merona and Faded Glory. Moretz, Inc. is the honoree of Wal-Mart’s select 2003, 2004 and 2005 Supplier of the Year award.

Visit [www.moretzsports.com](http://www.moretzsports.com) for more information, to purchase PowerSox, to share an adventure story, to learn about Moretz Fitness Council experts Ryan Nece, Ronnie Lott, Kathy Ireland and John Elway; or to read on-line journals by PowerSox extreme athletes, ultra marathoner Pam Reed and global mountaineer Dave Hahn.

#### **About The Blackstone Group**

The Blackstone Group, a global private investment and advisory firm, was founded in 1985. The firm has raised a total of more than \$63 billion for alternative asset investing since its formation of which approximately \$30 billion has been for private equity investing. The Private Equity Group is currently investing its fifth general private equity fund with commitments of \$15.6 billion, and has over 60 experienced professionals with broad sector expertise. Blackstone’s other core businesses include Private Real Estate Investing, Corporate Debt Investing, Hedge Funds, Mutual Fund Management, Private

Placement, Marketable Alternative Asset Management, and Investment Banking Advisory Services. Further information is available at <http://www.blackstone.com>.

### **About Vestar Capital Partners**

Vestar Capital Partners is a leading private equity firm specializing in management buyouts and growth capital investments. Vestar's investment strategy is targeted towards companies in the U.S. and Europe with valuations in the \$100 million to \$5 billion range. Since the firm's founding in 1988, Vestar has completed over 50 investments in the U.S. and Europe in companies with a total value of approximately \$17 billion. These companies have varied in size and geography and span a broad range of industries. The firm's strategy is to invest behind management teams, family owners or corporations in a creative, flexible and entrepreneurial way with the overriding goal to build long-term franchise value. Vestar currently manages funds totaling approximately \$7 billion and has offices in New York City, Denver, Boston, Paris and Milan. More information about Vestar is available at <http://www.vestarcapital.com>

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