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LIZ CLAIBORNE, INC. ANNOUNCES MEXX JOINT VENTURE AGREEMENT

- **Enters into a Joint Venture ("JV") of Mexx with The Gores Group, LLC, with Liz Claiborne, Inc. retaining an 18.75% equity interest**
- **Will eliminate losses from the global Mexx business in Liz Claiborne, Inc.'s current and forward year results**

New York, NY – September 2, 2011 – Liz Claiborne, Inc. (NYSE:LIZ) today announced that it has agreed to sell its global Mexx business to a joint venture in exchange for 18.75% of the common equity of the joint venture and total cash consideration of $85 million, subject to working capital closing adjustments, which includes $60 million of ABL facility debt that is expected to be assumed by the joint venture and refinanced at closing. The Gores Group will own an 81.25% majority interest in the joint venture and has also committed to supporting the business through its ongoing turnaround. The global Mexx business will continue to be led by Thomas Grote as Chief Executive Officer, while Lloyd Perlmutter will continue as Chief Executive Officer of Mexx Canada. The transaction is expected to close in the fourth quarter.

Transaction Highlights:

- strengthens Liz Claiborne's financial position;
- enables the Company to de-consolidate the losses from Mexx;
- requires no further cash investment in Mexx by the Company;
- receives total cash consideration of $85 million, net of working capital closing adjustments, which further de-levers the Company, contributing to its goal of reporting 2011 year end debt below that of 2010's year end debt of $578 million; and
- retains an 18.75% interest in the joint venture which gives the Company and its shareholders the ability to participate in the long-term growth potential of Mexx.

William L. McComb, Chief Executive Officer of Liz Claiborne, Inc., said: "We've brought the Mexx European business to the early stages of a true turnaround. But there is more to be done, and in uncertain times and true market volatility, de-risking became essential. This transaction balances risk mitigation, debt reduction, and ongoing upside realization in just the right mix for our shareholders. The forecasted 2011 Adjusted EBITDA loss of approximately ($25) million associated with the global Mexx business will be eliminated. The Gores Group is an ideal partner for the Mexx business given its extensive experience in successful corporate carve-outs and growing presence in the apparel retail sector. With 2010 revenues of over $730 million, we believe the Mexx business will ultimately thrive under Thomas Grote's continued leadership as a private enterprise after the completion of this transaction."

Mr. McComb concluded: "We've made a lot of important changes in the past few years, primarily transitioning Liz Claiborne, Inc. to be a more brand-centric and retail-based company, and every decision we make is driven by how to do so as effectively, efficiently and dynamically as possible.

At the close of this transaction, we will be a more capital efficient, growth-oriented company and will be able to fully turn our attention to building and growing our core portfolio of global lifestyle brands."

Thomas Grote, Chief Executive Officer of Mexx, said: "Taking the Mexx business private is a logical and important step. We have identified a winning product and merchandising direction that re-activates the strong positive attributes of the Mexx brand, and we are gaining traction now. The new partnership between Gores and Liz Claiborne will give us the ability to fully carry out our work and maximize Mexx's full potential."

Alec Gores, Founder and Chairman of The Gores Group, said: "We are excited to partner with Liz Claiborne, Inc. and to back this management team to continue the turnaround efforts which are well underway. This transaction serves as a prime example of our ability to apply our extensive carve-out experience to the retail sector, and we see an excellent opportunity to create value and rebuild a great brand."

Perella Weinberg Partners advised Liz Claiborne, Inc. on the transaction and Paul, Weiss, Rifkind, Wharton & Garrison LLP served as legal counsel.

Liz Claiborne, Inc. will sponsor a conference call at 4:30pm EDT on Tuesday, September 6th to discuss this transaction. The dial-in number is 1-888-694-4676 with pass code 97317036. The web cast and slides accompanying the prepared remarks can be accessed via the Investor Relations section of the Liz Claiborne website at www.lizclaiborneinc.com. An archive of the webcast will be available on the website. Additional information on the results of the Company's operations is available in the Company's Form 10-Q for the second quarter of 2011, filed with the Securities and Exchange Commission.

About Liz Claiborne, Inc.

Liz Claiborne, Inc. designs and markets a global portfolio of retail-based premium brands including Juicy Couture, kate spade, Lucky Brand and Mexx. The Company also has a refined group of department store-based brands with strong consumer franchises including the Monet family of brands, Kensie, Kensiegirl, Mac & Jac, and the licensed DKNY® Jeans and DKNY® Active brands. The Liz Claiborne and Claiborne brands are available at JCPenney and the Liz Claiborne New York brand designed by Isaac Mizrahi is available at QVC. Visit www.lizclaiborneinc.com for more information.

Information on The Gores Group, LLC

Founded in 1987, The Gores Group, LLC is a private equity firm focused on acquiring controlling interests in mature and growing businesses which can benefit from the firm's operating experience and flexible capital base. The firm combines the operational expertise and detailed due diligence capabilities of a strategic buyer with the seasoned M&A team of a traditional financial buyer. The Gores Group, LLC has become a leading investor having demonstrated over time a reliable track record of creating substantial value in its portfolio companies alongside management. The firm's current private equity fund has committed equity capital of $4 billion. Headquartered in Los Angeles, California, The Gores Group, LLC maintains offices in Boulder, Colorado and London. For more information, please visit www.gores.com.

Liz Claiborne, Inc. Forward-Looking Statement

Statements contained herein that relate to the Company's future performance, financial condition, liquidity or business or any future event or action are forward-looking statements under the Private Securities Litigation Reform Act of 1995. Such statements are indicated by words or phrases such as "intend," "anticipate," "plan," "estimate," "target," "forecast," "project," "expect," "believe," "we are optimistic that we can," "current visibility indicates that we forecast" or "currently envisions" and similar phrases. Such statements are based on current expectations only, are not guarantees of future performance, and are subject to certain risks, uncertainties and assumptions. The Company may change its intentions, belief or expectations at any time and without notice, based upon any change in the Company's assumptions or otherwise. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. In addition, some risks and uncertainties involve factors beyond the Company's control. Among the risks and uncertainties are the following: our ability to continue to have the necessary liquidity, through cash flows from operations and availability under our amended and restated revolving credit facility, may be adversely impacted by a number of factors, including the level of our operating cash flows, our ability to maintain established levels of availability under, and to comply with the financial and other covenants included in, our amended and restated revolving credit facility and the borrowing base requirement in our amended and restated revolving credit facility that limits the amount of borrowings we may make based on a formula of, among other things, eligible accounts receivable and inventory and the minimum availability covenant in our amended and restated revolving credit facility that requires us to maintain availability in excess of an agreed upon level; general economic conditions in the United States, Europe and other parts of the world including the impact of debt reduction efforts in the United States; levels of consumer confidence, consumer spending and purchases of discretionary items, including fashion apparel and related products, such as ours; restrictions in the credit and capital markets, which would impair our ability to access additional sources of liquidity, if needed; changes in the cost of raw materials, labor, advertising and transportation, which could impact prices of our products; our dependence on a limited number of large US department store customers, and the risk of consolidations, restructurings, bankruptcies and other ownership changes in the retail industry and financial difficulties at our larger department store customers; our ability to successfully implement our long-term strategic plans; our ability to close the Mexx joint venture transaction pursuant to the applicable merger agreement, asset purchase agreement and related transaction documents; risks associated with the transition of the Mexx business to a joint venture in which we will hold a minority interest and the possible failure of such Mexx joint venture that may make our interest in such joint venture of little or no value and risks associated with the ability of the controlling JV partner to operate the Mexx business successfully which will impact the potential value of our minority interest; our ability to sustain recent performance in connection with the re-launch of our Lucky Brand product offering and our ability to revitalize our Juicy Couture creative direction and product offering; our ability to anticipate and respond to constantly changing consumer demands and tastes and fashion trends, across multiple brands, product lines, shopping channels and geographies; our ability to attract and retain talented, highly qualified executives, and maintain satisfactory relationships with our employees; our ability to effectively transition our distribution function alternative third party solutions, and to realize the cost savings anticipated from the closure of our Ohio distribution facility; our ability to adequately establish, defend and protect our trademarks and other proprietary rights; our ability to successfully develop or acquire new product lines or enter new markets or product categories, and risks related to such new lines, markets or categories; risks associated with the licensing arrangements with J.C. Penney Corporation, Inc. and J.C. Penney Company, Inc. and with QVC, Inc., including, without limitation, our ability to continue a good working relationship with these licensees and possible changes or disputes in our other brand relationships or relationships with other retailers and existing licensees as a result; the impact of the highly competitive nature of the markets within which we operate, both within the US and abroad; our reliance on independent foreign manufacturers, including the risk of their failure to comply with safety standards or our policies regarding labor practices; risks associated with our buying/sourcing agent agreements with Li & Fung Limited, which results in a single foreign buying/sourcing agent for a significant portion of our products; risks associated with our United States distribution services agreement with Li & Fung, which results in a single third party service provider for a significant portion of our United States distribution; a variety of legal, regulatory, political and economic risks, including risks related to the importation and exportation of product, tariffs and other trade barriers, to which our international operations are subject; our ability to adapt to and compete effectively in the current quota environment in which general quota has expired on apparel products, but political activity seeking to re-impose quota has been initiated or threatened; our exposure to foreign currency fluctuations; risks associated with material disruptions in our information technology systems; risks associated with privacy breaches; risks associated with our plans to substantially grow our business in Asia through Kate Spade's joint venture with E-Land Fashion China Holdings, Limited and Kate Spade's reacquisition of certain distribution rights in (i) the People's Republic of China via such joint venture and (ii) certain Southeast Asian territories; limitation on our ability to utilize all or a portion of our US deferred tax assets if we experience an "ownership change"; and the outcome of current and future litigations and other proceedings in which we are involved; and such other factors as are set forth in the Company's 2010 Annual Report on Form 10-K and the Company's Quarterly Reports on Form 10-Q for the quarters ending April 2, 2011 and July 2, 2011, each filed with the Securities and Exchange Commission, including in the section in each report entitled "Item 1A-Risk Factors". The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.