

Note to Vendors

As you may be aware, recent economic challenges have made it a difficult period for The Parent Company and our entire industry. After much consideration, we have decided it would be best to address this difficult time through a bankruptcy filing. Therefore, on Sunday, December 28, 2008, The Parent Company and its affiliates filed voluntary petitions for protection under Chapter 11 of the Bankruptcy Code before the United States Bankruptcy Court, District of Delaware.

We recognize that this decision may cause uncertainty, and we will do our best to address your concerns and answer any questions you may have. We will continue to pursue all avenues available to us to maximize recoveries to all stakeholders. Please be assured that The Parent Company expects to have sufficient access to DIP (Debtor in Possession) financing to pay for post-petition vendor merchandise and services. However, please be aware that, under a Chapter 11 filing, the handling of unpaid invoices for merchandise and services rendered before the filing date (Sunday, December 28, 2008) can not be paid and will be determined by a plan of reorganization developed during the Chapter 11 court proceeding. This reorganization plan must then be approved by the Bankruptcy Court.

Our merchandise and service creditors will receive a notice fairly soon on the bankruptcy filing and information about the case. You can also find the most up-to-date information about the filing as well as more detailed claim information at www.omnimgt.com/etoys. We encourage you to visit that web site often; as new information becomes available, it will be updated there immediately.