

## **The Parent Company Voluntarily Petitions for Reorganization Bankruptcy Protection**

DENVER, December 28, 2008 -- The Parent Company (Nasdaq: [KIDS](#)), today announced that it and nine of its subsidiaries have filed for voluntary protection under Chapter 11 of the U.S. Bankruptcy Code before the United States Bankruptcy Court in Wilmington, Delaware.

“This action is an unfortunate but necessary and responsible step to preserve the company’s value for our stakeholders in light of the ongoing challenging retail environment,” said Michael Wagner, CEO of The Parent Company.

The company has engaged the investment banking firm Oppenheimer & Co. to explore strategic alternatives, including a sale of some or all of the company’s businesses.

The company’s Chapter 11 counsel is Pachulski Stang Ziehl & Jones LLP, and the company’s financial adviser is Clear Thinking Group LLC.

In addition, the company announced that, on December 24, 2008, the company received a Nasdaq Staff Deficiency Letter notifying the company that it is not in compliance with the requirements for continued listing set forth in Nasdaq Marketplace Rule 4310(c)(14) because of the company's failure to timely file its Quarterly Report on Form 10-Q for the period ended November 1, 2008.

Pursuant to Nasdaq rules, the company has 60 days, until February 23, 2009, to submit a plan to Nasdaq to regain compliance. Following any such submission, Nasdaq may provide the company with up to 180 days (until June 22, 2009) to regain compliance.

### About The Parent Company

The Parent Company is a leading commerce, content and new media company for growing families. The Parent Company provides comprehensive eCommerce and eContent resources to help families plan, play and grow. The company's toy business offers toys and children's products through its eToys.com web site, catalogs and strategic retail partnerships; and personalized dolls and accessories through its My Twinn.com brand. Through its baby business, the company is a leading online retailer of brand-name baby, toddler and maternity products sold through the BabyUniverse.com and DreamtimeBaby.com web sites. The company's luxury brands, PoshTots.com and PoshLiving.com, reach the country's most affluent consumers with luxury baby apparel and furnishings. With its content sites, BabyTV.com, PoshCravings.com and ePregnancy.com, The Parent Company has established a recognized platform for the delivery of content and new media resources to a national audience of expectant parents. The Parent Company is a market-leading digital content and eCommerce company focused on parents.

### Special Note Regarding Forward-Looking Statements

This press release contains forward-looking statements that involve risks and uncertainties relating to future events or our future financial performance. These statements involve known and unknown risks, uncertainties and other factors that may cause the actual results to differ materially from those expressed or implied by such forward-looking statements. You are advised to consult further disclosures we may make on related subjects in our future filings with the Securities and Exchange Commission.

In some cases, you can identify forward-looking statements by terminology such as "may," "could," "should," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," "potential" or "continue," the negative of such terms or other comparable terminology. These statements are only predictions. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements.