



Jennifer Convertibles, Inc., 417 Crossways Park Drive, Woodbury, NY 11797 516/496-1900

FOR IMMEDIATE RELEASE

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JENNIFER CONVERTIBLES REPORTS SECOND QUARTER RESULTS

- **Revenue from continuing operations decreased 17.5% for quarter, 19.7% year-to-date**
- **Comparable store sales decreased by 21.2% for quarter, 22.9% year-to-date**
- **Loss from continuing operations \$2,184,000 versus \$1,073,000 for quarter, \$3,999,000 versus \$1,533,000 year to date**
- **Basic and Diluted EPS (\$0.33) versus (\$0.18) for quarter, (\$0.60) versus (\$0.25) year to date**

Woodbury, New York ***April 20, 2009*** Jennifer Convertibles, Inc. (AMEX: JEN) announced today its unaudited financial results for the second fiscal quarter ended February 28, 2009.

For the second quarter, revenue from continuing operations decreased by 17.5% to \$22.8 million from the \$27.6 million reported for the same period last year. For the six-month period, revenue from continuing operations decreased 19.7% to \$49.4 million from the \$61.5 reported in the same period last year.

For the second quarter, the Company had a net loss of \$2,344,000 or (\$0.33) per basic and diluted share, compared to net loss of \$1,246,000 or (\$0.18) per basic and diluted share for the same period last year. For the six-month period, the net loss was \$4,213,000 or (\$0.60) per basic and diluted share, compared to net loss of \$1,751,000 or (\$0.25) per basic and diluted share for the same period last year.

Operating margins from continuing operations increased during the current three-month period to 28.0% compared to 27.5% the same period last year. For the current six-month period operating margins from continuing operations decreased to 28.6% compared to 28.9% for the six-month period last year.

For the second quarter, selling, general, and administrative expenses from continuing operations increased to 35.7% as a percentage of revenue from continuing operations compared to 31.1% for the same period last year. For the six-month period, selling, general and administrative expenses from continuing operations increased to 35.4% compared to 31.1% for the same period last year.

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During the second quarter, we closed three stores of which two stores were in Missouri and one store in Virginia compared to three store closings in Ohio and one store in Georgia the same period last year. The operating results of the closed store in Virginia were recorded in continuing operations based on management's judgment that there will be significant continuing sales to customers of the closed stores from other stores in the respective area. The operating results of the two closed stores in Missouri were reported as discontinued operations. Loss from operations of discontinued operations was \$160,000 and \$173,000 in the second quarter of fiscal 2009 and 2008, respectively. For the six month periods for fiscal 2009 and 2008, loss from discontinued operations amounted to \$214,000 and \$218,000, respectively.

During the quarter, the Company did not open any stores, relocated two stores and closed three stores as described above.

Commenting on the results of the second fiscal quarter Harley J Greenfield, Chief Executive Officer of Jennifer said, "We are disappointed by the results achieved during our second fiscal quarter, however we continue to be optimistic about the future. The results were impacted by both the fact that historically the second fiscal quarter is the seasonally slowest quarter of our year and the significant weakness in the economy particularly in the furniture industry. We have taken a number of additional steps to reduce operating expenses including restructuring leases and modifying the warehousing and management agreement with the Related Company, which should improve our operating results for the balance of the fiscal year. We still believe that our model which provides consumers with quality products at affordable prices while maintaining good margins will return the Company to solid profitability when the economy begins to improve."

Mr. Greenfield added, "Our Ashley division continues to grow, producing almost 13% of revenues and generating operating profit during the quarter. At the end of the quarter we had cash of \$7.1 million. We have begun the transition of our vendor financing from Caye to a Chinese supplier. On April 13, 2009 we amended this agreement to provide, effective August 1, 2009, up to 150 days to pay for our goods from the previous 75 days. This should provide us additional working capital. In addition, we have engaged an investment banking firm to evaluate strategic opportunities for Jennifer."

Jennifer Convertibles is the owner and licensor of the largest group of sofabed specialty retail stores in the United States, with 151 Jennifer Convertibles® stores and is the largest specialty retailer of leather furniture with 14 Jennifer Leather stores. As of April 20, 2009, the Company owned 144 stores and licensed 21 stores (including 19 owned and operated by a related company on a royalty free basis) and operates two licensed Ashley Furniture HomeStore.

Statements in this press release other than the statements of historical fact are "forward-looking statements." Such statements are subject to certain risks and uncertainties, including changes in retail demand, vendor performance and other risk factors identified from time to time in the Company's filings with the Securities and Exchange Commission that could cause actual results to differ materially from any forward-looking statements. These forward-looking statements represent the Company's judgment as of the date of the release. The Company disclaims, however, any interest or obligations to update these forward-looking statements.

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JENNIFER CONVERTIBLES, INC. & SUBSIDIARIES
SUMMARY CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

	02/28/09	08/30/08
	(Unaudited)	
CASH AND CASH EQUIVALENTS	\$ 6,029	\$ 9,057
RESTRICTED CASH	1,099	1,116
ACCOUNTS RECEIVABLE	1,726	779
MERCHANDISE INVENTORIES, Net	9,961	10,646
DUE FROM RELATED COMPANY	3,090	4,063
PREPAID EXPENSES AND OTHER CURRENT ASSETS	1,724	1,508
TOTAL CURRENT ASSETS	<u>23,629</u>	<u>27,169</u>
MARKETABLE AUCTION RATE SECURITIES	-	1,400
FIXTURES, EQUIPMENT & LEASEHOLD IMPROVEMENTS, Net	2,749	3,202
GOODWILL	1,650	1,650
OTHER ASSETS	680	691
TOTAL ASSETS	<u>\$ 28,708</u>	<u>\$ 34,112</u>
ACCOUNTS PAYABLE	\$ 11,674	\$ 12,932
CUSTOMER DEPOSITS	4,877	6,493
ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES	6,377	3,892
DUE TO RELATED COMPANY	300	400
DEFERRED RENT AND ALLOWANCES – Current Portion	547	634
TOTAL CURRENT LIABILITIES	<u>23,775</u>	<u>24,351</u>
DEFERRED RENT AND ALLOWANCES – Net of Current Portion	2,300	2,905
OBLIGATIONS UNDER CAPITAL LEASES – Net of Current Portion	118	139
TOTAL LIABILITIES	<u>26,193</u>	<u>27,395</u>
STOCKHOLDERS' EQUITY	<u>2,515</u>	<u>6,717</u>
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	<u>\$ 28,708</u>	<u>\$ 34,112</u>

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JENNIFER CONVERTIBLES, INC. & SUBSIDIARIES
SUMMARY CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT SHARE DATA)
(UNAUDITED)

	<u>THREE MONTHS ENDED</u>		<u>SIX MONTHS ENDED</u>	
	<u>02/28/09</u>	<u>02/23/08</u>	<u>02/28/09</u>	<u>02/23/08</u>
REVENUE:				
NET SALES	\$ 21,518	\$ 25,997	\$ 46,632	\$ 57,853
REVENUE FROM SERVICE CONTRACTS	1,282	1,641	2,764	3,650
	<u>22,800</u>	<u>27,638</u>	<u>49,396</u>	<u>61,503</u>
COST OF SALES AND OTHER CHARGES	16,412	20,042	35,287	43,719
SELLING, GENERAL & ADMINISTRATIVE EXPENSES	8,134	8,608	17,473	19,145
DEPRECIATION AND AMORTIZATION	453	255	698	509
	<u>24,999</u>	<u>28,905</u>	<u>53,458</u>	<u>63,373</u>
LOSS FROM OPERATIONS	(2,199)	(1,267)	(4,062)	(1,870)
INTEREST INCOME	20	150	74	349
INTEREST EXPENSE	(5)	(3)	(10)	(6)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(2,184)	(1,120)	(3,998)	(1,527)
INCOME TAXES	-	(47)	1	6
LOSS FROM CONTINUING OPERATIONS	(2,184)	(1,073)	(3,999)	(1,533)
LOSS FROM OPERATIONS OF DISCONTINUED OPERATIONS (including loss on store closings of \$118 and \$70 for the thirteen week and \$113 and \$70 for the twenty-six week periods ended in fiscal 2009 and 2008, respectively)	(160)	(173)	(214)	(218)
NET LOSS	<u>\$ (2,344)</u>	<u>\$ (1,246)</u>	<u>\$ (4,213)</u>	<u>\$ (1,751)</u>
BASIC AND DILUTED LOSS PER COMMON SHARE:				
LOSS FROM CONTINUING OPERATIONS	\$ (0.31)	\$ (0.15)	\$ (0.57)	\$ (0.22)
LOSS FROM DISCONTINUED OPERATIONS	(0.02)	(0.03)	(0.03)	(0.03)
NET LOSS PER COMMON SHARE	<u>\$ (0.33)</u>	<u>\$ (0.18)</u>	<u>\$ (0.60)</u>	<u>\$ (0.25)</u>
BASIC AND DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	<u>7,073,466</u>	<u>7,073,466</u>	<u>7,073,466</u>	<u>7,073,466</u>

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