



Jennifer Convertibles, Inc., 419 Crossways Park Drive, Woodbury, NY 11797 516-496-1900

FOR IMMEDIATE RELEASE

Contact: Donald Radcliffe
Radcliffe & Associates
212-605-0201

JUDGE APPROVES SETTLEMENT OF DERIVATIVE LAWSUIT

Woodbury, New York ***February 8, 2005*** Jennifer Convertibles, Inc. (AMEX: JEN) announced today that Judge Hurley of the Eastern District Court in Hauppauge, Long Island has approved the settlement of the derivative lawsuit which began in 1994. On July 6, 2001, a related private company and Jennifer entered into a series of agreements designed to settle the derivative action among such private company, certain of Jennifer's current and former officers and directors, former accounting firms and Jennifer. The Company has been operating under an Interim Operating Agreement designed to implement certain of the provisions prior to court approval.

Harley J. Greenfield, Chief Executive of Jennifer Convertibles, Inc. said, "We are pleased to have finally settled and received court approval of the last piece of litigation which began in 1994. With the class action and derivative suits finally behind us, we can now turn our full attention to building a profitable, growing business."

Jennifer Convertibles is the owner and licensor of the largest group of sofabed specialty retail stores in the United States, with 192 Jennifer Convertibles® stores and 16 Jennifer Leather stores. As of January 30, 2005, the Company owned 133 stores and licensed 75 (including 24 owned and operating stores by a private company on a royalty free basis.)

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.