BANDERA

BANDERA PARTNERS LLC 50 BROAD STREET SUITE 1820 NEW YORK NY 10004

May 2, 2012

The Special Committee of the Board of Directors
Kenneth Cole Productions, Inc.
603 West 50th Street
New York, New York 10019
Attn: Denis F. Kelly, Chairman

Dear Mr. Kelly,

Bandera Partners owns 500,000 shares in Kenneth Cole Productions, Inc. ("KCP"), representing approximately 5% of the outstanding class A shares. We are a *long-term* oriented value investing firm. Our strategy involves using fundamental investment research to find and evaluate companies trading at a discount to their intrinsic value. We are *long-term* Kenneth Cole shareholders -- we have owned the stock since 2008 -- and we believe that KCP remains undervalued by the stock market.

We wanted to share some of our thoughts about KCP. I am aware that the Special Committee, as part of its review of Mr. Cole's offer to take KCP private, will consult with its financial adviser, Bank of America Merrill Lynch ("BofA Merrill Lynch"). We also know that the members of the Special Committee are sophisticated investors and businessmen that understand KCP's industry and know their way around a balance sheet and income statement. Nevertheless, we thought it might be helpful for you to hear from one of KCP's significant class A shareholders.

KCP does not look particularly cheap based on traditional valuation metrics such as "price to earnings" and "enterprise value to EBIT." If BofA Merrill Lynch prepares a table of competitors and tries to conjure up a "comparable valuation" for KCP based on P/E and TEV/EBIT multiples, we believe it will grossly undervalue KCP. It is clear to us that KCP is at an inflection point at which profitability in its wholesale business is set to dramatically improve while losses in the long-suffering retail segment are tapering. This is not especially evident from looking at the trailing numbers.

While we respect Kenneth Cole's position that he is a buyer and has no interest in being a seller, we believe his $15 per share offer values KCP at only $200 million after you subtract net cash and a conservative estimate of KCP's real estate. This is clearly an exceptionally low value for such a high-quality brand and business! KCP's licensing income alone -- which we view as a barometer of the brand's health and value – was $39 million in 2011. It grew 5% despite KCP's decision to take women's sportswear in-house. Organic licensing growth was over 9%. In other words, Mr. Cole's $15 bid is only about 5 times the segment income from licensing, which continues to grow rapidly.

Brand royalty businesses are some of the most valuable businesses in the world. Applying a 10x multiple to KCP's licensing segment income would value KCP at $25 per share! Indeed, when KCP was reported to be in discussions with Iconix, a brand licensor, in 2010, Iconix was widely rumored to be considering a $22 per share bid for KCP.

KCP's licensing business generates substantial cash and highlights the tremendous intrinsic value in the Kenneth Cole brand. What we are most excited about, however, is the wholesale segment, which grew revenues 47% in the last reported quarter. We view KCP as primarily a wholesale business, and we believe the future of the brand depends on good execution in designing great products and selling them into the wholesale channel. Mr. Blum had an excellent first year as CEO, and we believe the wholesale segment's sharp increases in revenues and income over the last half of the year mark a significant turning point in the business.

We very much understand Mr. Cole's desire to seek private ownership of KCP. As long-term investors, we are all too aware that many public shareholders focus on short-term issues. KCP could very well face a much brighter future by continuing its turnaround as a private company. But as large owners of KCP, we will not sell our shares for $15, a price which substantially undervalues KCP and in no way reflects its intrinsic value. We believe KCP is worth well in excess of $20 per share. We think Mr. Cole's offer is lower than the current value of the brand, and attributes no value at all to KCP's ample growth prospects in the US and overseas. We would welcome the opportunity to meet with the Special Committee to further discuss our views on valuation.

Over the last two years, KCP's Board and management have done many things that show an awful lot of confidence in the future. You repurchased shares on the open market for the first time since 2008. You entrusted a large part of the licensing business to an in-house team. You brought Paul Blum back and made key investments into the wholesale business. You did not pursue an opportunity to sell the brand to a licensing company. Most telling to me: you parted ways with an able CEO, Ms. Granoff, who had performed reasonably well in her tenure. This, to me, provided a lot of insight into KCP's ambition for the future.

When the Board decided to part ways with Ms. Granoff in early 2011, it seemed like a clear statement: *We can do better.* The Kenneth Cole brand registers higher in consumer surveys than many of its larger and more profitable competitors. KCP is predominantly a domestic business in a world that embraces global brands. There is a huge opportunity for this business to grow and create more value from its brand. As owners, we deserve an opportunity to participate in this growth or to be fairly paid for our shares.

We also believe that with a dual class structure it is imperative that the Special Committee take the necessary steps to protect the interest of KCP's independent stockholders. We believe at a minimum that any transaction should require the approval of a majority of the outstanding shares of KCP not owned by Kenneth Cole. Further, we believe that the Special Committee should be comfortable not recommending any transaction that does not fully and fairly value KCP. We have sent this letter to the Special Committee on a private basis so that we can start a dialogue on our views on valuation and work together to protect the interests of all shareholders. We are prepared, however, to take whatever steps may be necessary should the Special Committee recommend a transaction that we believe does not fully and fairly value KCP. We look forward to hearing from you.

Sincerely,

Jefferson Gramm
Bandera Partners

cc: Steve Wolosky, Esq.

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