

KENNETH COLE PRODUCTIONS, INC.

OUR FUTURE IS IN GOOD STANDING.

-KENNETH COLE

-KENNETH COLE

KENNETH COLE
REACTION

UNLISTED
A KENNETH COLE PRODUCTION

gentle souls 


LE TIGRE®



KENNETH COLE
MAKE A STATEMENT

FROM KENNETH

Dear Fellow Shareholders,

Throughout 2010, we made difficult, but necessary, decisions to improve efficiencies, reduce costs, and streamline processes. We made noticeable progress and our full year revenues increased 11% to \$457 million. I'm pleased to note that our growth was broad based in all operating segments, with increases in Wholesale, Consumer Direct and Licensing. We also drove gross margin improvement and controlled our expenses. As a result, we returned to profitability, increased our cash position and continue to operate with no long-term debt.

While our results are better and our share price increased we did not meet our own expectations. Within each of our existing channels and classifications, we remain significantly underpenetrated, bringing further light to this significant growth potential throughout the organization.

As you know, we recently made a couple of significant management changes. We are very excited to have a new seasoned President of our Consumer Direct Business in Carol Massoni and I am pleased to welcome back Paul Blum, our former President and Chief Operating Officer, to the Company as Vice Chairman. Paul knows this brand and business extremely well and after leading the global expansion of the David Yurman brand and business, he comes to us with a fresh perspective and a range of new experience from which I'm sure we will benefit. Carol built and ran Jones NY's various retail and e-commerce concepts and brings fresh perspective and important experience with her. I will assume the role of Interim Chief Executive Officer and work closely with Paul, Carol, and the rest of the management team with the goal to elevate and energize our agenda.

Kenneth Cole New York remains a powerful fashion brand that is recognized around the globe for style, quality, and a unique social voice. I continue to be reminded how much bigger the brand is than our business reflects and how much opportunity exists.

Our decision late this year to optimize our real estate fleet and to accelerate the closure of 17 underperforming full-price stores has provided us with a springboard to improve long-term profitability. In doing so, we believe we have eliminated approximately \$8 million of annualized four-wall pre-tax losses. Currently, between full price and outlet we still have 170 stores worldwide with approximately 100 in the U.S. and 70 through various licensing agreements.

While Footwear remains our heritage, in 2010 we moved to consolidate our sportswear, which will provide us with better control over our brand and offer meaningful new growth opportunities. As announced last September, we launched an exclusive collection of men's *Reaction* sportswear in 200 Macy's doors and expect to be in over 300 doors for this coming fall. We also made the decision to bring our women's Kenneth Cole sportswear business in house,

which we will begin shipping in July 2011. Women's sportswear has been one of our fastest growing businesses over the past few years and we look forward to further growing and leveraging it. Additionally, having both these sportswear businesses in-house vertically integrates our consumer direct and international divisions, which should improve efficiency and overall performance.

Our brand continues to be our most valuable asset and we remain focused on communicating its distinctive fashion and social heritage across all channels and consumer touch points. Our brand is stronger than ever and remains compelling and relevant on a global basis. We are dedicated to leveraging the power of new media and we are working to become leaders in social networking to ensure we can maintain our ongoing dialogue with our most loyal consumers.

Product is king. We focused on enhancing our product offerings and adding new design and sourcing talent has enabled us to create more compelling, higher-quality product across all categories. We are the modern, wear-to-work, day-to-night alternative. We recognize the importance of giving our consumer a "reason to buy" and will be elevating our efforts on creating distinctive, relevant product across all categories and sub-brands.

I look forward to realizing the enormous opportunities that exist. I believe we have a stronger leadership team that can and will leverage our brands, utilize our highly capable infrastructure, and propel this company to new, record levels of sales and profitability. While we have a lot of work to do to get there, we are energized and excited and I have tremendous confidence in our combination of experienced and new management talent.

As always, I am grateful for the support and dedication of our talented associates, our world-class partners and suppliers, and our loyal customers and shareholders.

Thank you.

A handwritten signature in black ink, appearing to read "Kenneth Cole", with a stylized flourish at the end.

KENNETH COLE
Chairman and Interim CEO



KENNETH COLE REACTION

CORPORATE INFORMATION

Board of Directors

Kenneth D. Cole
*Chairman of the Board, Interim Chief
Executive Officer and Chief Creative Officer*

Michael J. Blitzer^(1,2)
*Principal
Portsmouth Partners, LLC*

Martin E. Franklin^(2,3)
*Chairman and Chief Executive Officer
Jarden Corporation*

Robert C. Grayson^(1,2,3)
*President
Robert C. Grayson & Associates, Inc.*

Denis F. Kelly^(1,2,3)
*Managing Partner
Scura, Rise & Partners, LLC*

Philip R. Peller^(1,3)
*Independent Consultant
Retired Partner, Arthur Andersen LLP*

- 1) Audit Committee Member
- 2) Compensation Committee Member
- 3) Corporate Governance/Nominating Committee Member

Executive Officers and Senior Management

Kenneth D. Cole
*Chairman of the Board, Interim Chief
Executive Officer and Chief Creative Officer*

David P. Edelman
Chief Financial Officer and Treasurer

Michael F. Colosi
*Senior Vice President, General Counsel
and Secretary*

Peter Charles
Chief Supply Chain Officer

Michael DeVirgilio
President, Licensing and International

Danesha Dixon Smith
Senior Vice President, Human Resources

Carol Massoni
President, Consumer Direct

Chris Nakatani
President, Wholesale

Ingo Wilts
*Senior Vice President,
Creative Director*

Corporate Headquarters

Kenneth Cole Productions, Inc.
603 West 50th Street
New York, New York 10019

Internet Address

www.kennethcole.com

Stock Listing

Shares of the Company's Class A Common Stock are listed and traded on the New York Stock Exchange (trading symbol KCP).

Annual Meeting

The Annual Meeting of Shareholders will be held at 10:00 a.m. Wednesday, May 25, 2011 at the Company's Administrative Offices, 400 Plaza Drive, 3rd Floor, Secaucus, New Jersey 07094.

Corporate Governance

The Company's Corporate Governance Guidelines are available through the Investor Relations Corporate Governance link on our website www.kennethcole.com

Independent Auditors

Ernst & Young LLP
5 Times Square
New York, New York 10036

Transfer Agent

BNY Mellon Shareowner Services
480 Washington Boulevard
Jersey City, New Jersey 07310-1900
www.bnymellon.com/shareowner/equityaccess
1-866-210-6999
TDD for Hearing Impaired: 1-800-231-5469
Foreign Shareowners: 1-201-680-6578
TDD: Foreign Shareowners: 1-201-680-6610

Information Requests

Copies of the Company's Annual Report on Form 10-K as filed with the Securities and Exchange Commission are available free of charge to shareholders either on the Company's website or upon request to:

Investor Relations

Kenneth Cole Productions, Inc.
400 Plaza Drive, 3rd Floor
Secaucus, New Jersey 07094
201-864-8080 ext. 28451
investorrelations@kennethcole.com

