

**To Sub-participants of Bank Group Claims  
Holding through a Bank Group Participant:**

Pursuant to the Plan, each holder of an Allowed General Unsecured Claim as of the record date in the Debtor's Chapter 11 Case has been granted Subscription Rights to purchase shares of New Common Stock as set forth in the Plan. Reference is made to the Plan and the Creditors' Disclosure Statement dated as of November 13, 1998, as amended (the "Disclosure Statement"), for a more complete description of New Barneys, the Subscription Rights and the New Common Stock purchasable thereunder.

Each Subscription Right entitles the holder to purchase one share of New Common Stock at a price of \$ 8.68 per share. A claimant can exercise all or any portion of the number of Subscription Rights held by it, provided that it may not exercise a fractional Subscription Right

The bank group led by Chase Manhattan Bank (the "Bank Group") has a number of participants (each a "Bank Group Participant"). Some Bank Group Participants may hold claims ("Bank Group Claims") on behalf of additional parties (the "Sub-participants")

This letter is being sent to Sub-participants of Bank Group Claims holding through a Bank Group Participant. If you wish to exercise the Subscription Rights to which you are entitled, your Bank Group Participant must do so on your behalf.

**IF YOU WISH TO EXERCISE YOUR SUBSCRIPTION RIGHTS,  
PLEASE CONTACT YOUR BANK GROUP PARTICIPANT TO MAKE  
THE NECESSARY ARRANGEMENTS.** If you have any questions, you may contact the Ballot Agent, The Altman Group, Inc., at (212) 681-9600.