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undersigned hereunto duly authorized.

THE LEATHER FACTORY, INC.

Date: April 29, 2004

BY: /s/ Wray Thompson  
Wray Thompson, Chairman of the Board  
and Chief Executive Officer

EXHIBIT 99.1

FOR IMMEDIATE RELEASE

APRIL 29, 2004

### THE LEATHER FACTORY REPORTS 1ST QUARTER 2004 RESULTS NET INCOME UP 25% ON RECORD REVENUES

FORT WORTH, TEXAS - The Leather Factory, Inc. (AMEX: TLF) today reported financial results for the first quarter of 2004. Net income for the quarter ended March 31, 2004 was \$971,000, a 25% increase from \$775,000 for the first quarter of 2003. Fully-diluted earnings per share for the quarter increased to \$0.09 from \$0.07 in the first quarter of last year. Total sales for the first quarter were \$12.2 million, up 15% from \$10.6 million in the same quarter last year.

Tandy Leather sales increased \$1.3 million in the first quarter, a 70% improvement over last year's first quarter. Twenty-nine stores comprised the Tandy Leather operations on March 31, 2004, compared to nineteen retail stores a year ago. Three new stores opened in the first quarter of 2004. First quarter sales for the Leather Factory wholesale centers increased \$242,000 or 3% over the same quarter last year, in line with anticipated growth of 2-4% annually. Roberts, Cushman's first quarter sales increased \$77,000 or 15% over the same period a year ago.

Consolidated gross profit margins for the quarter improved to 55.2% compared to 53.5% a year ago. Operating expenses rose \$748,000, less than 0.5% of sales. Increases in advertising and marketing initiatives plus expenses (rent, personnel, etc.) associated with the new Tandy Leather stores contributed to the additional costs.

Wray Thompson, Chairman and Chief Executive Officer, commented, "All three operating segments produced positive results in the first quarter. We were on target with our goal of rapid profitability for new Tandy Leather stores, as two of the three new stores that were opened this quarter recorded profits in March. We made some modest progress in improving our operating margins and will continue those efforts with the goal of improving operating leverage as we continue Tandy Leather's expansion."

The Leather Factory, Inc., (<http://www.leatherfactory.com>), headquartered in Fort Worth, Texas, is a specialty retailer and wholesale distributor of a broad product line including leather, leatherworking tools, buckles and adornments for belts, leather dyes and finishes, saddle and tack hardware, and do-it-yourself kits. It also manufactures and distributes decorative hat trims, leather lacing and kits. The Company distributes its products as The Leather Factory through its wholesale centers and as Tandy Leather Company through its retail stores (<http://www.tandyleather.com>). Its common stock trades on the American Stock Exchange with the symbol "TLF".

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This news release may contain forward-looking statements. All forward-looking statements made here or in other news releases issued by The Leather Factory, Inc. (TLF) are based on current expectations as of the date of the release. These forward-looking statements involve risks and uncertainties that could cause the results of The Leather Factory, Inc. to differ materially from management's current expectations. Many of these risks and uncertainties are detailed from time to time in TLF's reports filed with the Securities and Exchange Commission, including its most recent annual report on Form 10-K and the most recent quarterly report on Form 10-Q. Investors are reminded that past performance may not be predictive of future results.

THE LEATHER FACTORY, INC.  
CONSOLIDATED STATEMENTS OF INCOME  
(UNAUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2004 AND 2003

	Three Months	
	2004	2003
NET SALES	\$12,180,877	\$10,560,085
COST OF SALES	5,455,964	4,914,581
Gross Profit	6,724,913	5,645,504
OPERATING EXPENSES	5,277,778	4,529,832
INCOME FROM OPERATIONS	1,447,135	1,115,672
Interest expense	13,638	63,352
Other, net	1,737	(30,818)
Total other expense	15,375	32,534
INCOME BEFORE INCOME TAXES	1,431,760	1,083,138
PROVISION FOR INCOME TAXES	460,794	308,620
NET INCOME	\$970,966	\$774,518
NET INCOME PER COMMON SHARE - BASIC	\$0.09	\$0.08
NET INCOME PER COMMON SHARE-DILUTED	\$0.09	\$0.07
WEIGHTED AVG NUMBER OF SHARES OUTSTANDING:		
Basic	10,506,995	10,177,433
Diluted	11,011,122	10,793,464

THE LEATHER FACTORY, INC.  
CONSOLIDATED BALANCE SHEETS  
(UNAUDITED)

3/31/04

12/31/03

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Cash	\$1,678,607	\$1,728,344
Accounts receivable, net of allowance for doubtful accounts	3,055,545	1,828,738
Inventory	11,392,312	11,079,893
Prepaid income taxes	-	206,023
Deferred income taxes	161,674	134,312
Other current assets	1,054,036	702,236
<b>TOTAL CURRENT ASSETS</b>	<b>17,342,174</b>	<b>15,679,546</b>
Property and equipment, net	1,904,646	1,905,893
Goodwill and other intangibles, net	1,170,587	1,136,784
Other assets	322,107	336,183
	<b>\$20,739,514</b>	<b>\$19,058,406</b>
	=====	=====
Accounts payable	\$2,355,092	\$1,545,079
Accrued expenses and other liabilities	1,113,237	1,000,427
Income taxes payable	229,631	-
Notes payable and current maturities of long-term debt	-	1,134
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,697,960</b>	<b>2,546,640</b>
Deferred income taxes	216,877	209,289
Notes payable and long-term debt, net of current maturities	1,267,984	1,792,984
<b>Total Liabilities</b>	<b>5,182,821</b>	<b>4,548,913</b>
Common stock	25,261	25,171
Paid-in capital	4,755,208	4,673,158
Retained earnings	10,775,685	9,804,719
Notes receivable secured by common stock	(15,000)	(20,000)
Accumulated other comprehensive loss	15,539	26,445
<b>Total Stockholders' Equity</b>	<b>15,556,693</b>	<b>14,509,493</b>
	<b>\$20,739,514</b>	<b>\$19,058,406</b>
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