FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OF 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly period ended April 30, 1996

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 0-18183

G-III APPAREL GROUP, LTD.
(Exact of name of registrant as specified in its charter)

Delaware	41-1590959
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

345 West 37th Street, New York, New York	10018
(Address of Principal Executive Office)	(Zip Code)

(212) 629-8830
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes XX No_______

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of June 1, 1996.

Common Stock, $.01 par value per share: 6,467,336 shares.

Part I FINANCIAL INFORMATION Page No.

* The Balance Sheet at January 31, 1996 has been taken from the audited financial statements at that date. All other financial statements are unaudited.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)

ASSETS	JANUARY 31, 1996	APRIL 30, 1996 (unaudited)
Current Assets:		
Cash and Cash Equivalents	$ 7,617	$ 3,122
Accounts Receivable - Net	8,995	5,157
Inventories - Net	14,207	18,196
Prepaid and Refundable Income Taxes	502	2,907
Prepaid Expense & Other Current Assets	968	1,165
Total Current Assets	32,289	30,547
Property and Equipment at Cost - Net	6,324	6,000
Other Assets	927	1,022
Deferred Income Taxes	1,717	1,717
	$ 41,257	$ 39,286
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Notes Payable	$ 2,980	$ 3,384
Current Maturities of Obligations Under Capital Leases	571	571
Accounts Payable	2,469	2,905
Accrued Expenses	1,751	2,584
Accrued Nonrecurring Charges	2,294	2,238
Total Current Liabilities	10,065	11,682
Obligations Under Capital Leases	919	771
Nonrecurring Charges - Long Term	557	557
Stockholders' Equity:		
Preferred stock, 1,000,000 shares authorized; no shares issued and outstanding		
Common Stock, $.01 par value: authorized 20,000,000 shares; issued and outstanding, 6,465,836 shares on January 31, 1996 and on April 30, 1996	65	65
Additional Paid-in Capital	23,615	23,615
Retained Earnings	6,036	2,596
	29,716	26,276
	$ 41,257	$ 39,286

See Accompanying Notes to Financial Statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share amounts)

THREE MONTHS ENDED

	APRIL 30,	
	1995	1996
	(Unaudited)	
Net Sales	$ 9,275	$ 5,063
Cost of Goods Sold	8,612	4,911
Gross Profit	663	152
Selling, General and Administrative Expenses	5,315	5,660
Operating Loss	(4,652)	(5,508)
Interest and Financing Charges, Net	406	212
Loss Before Taxes	(5,058)	(5,720)
Income Taxes (Benefit)	(2,023)	(2,280)
Net Loss	$ (3,035)	$ (3,440)
Loss per common share:		
Primary and Fully Diluted; Net Loss per common share	$ (.47)	$ (.53)
Weighted average number of shares outstanding	6,459,381	6,465,836

See Accompanying Notes to Financial Statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	THREE MONTHS ENDED APRIL 30,	
	1995	1996
	(Unaudited)	
Cash Flows from Operating Activities:		
Net Loss	$ (3,035)	$ (3,440)
Adjustment to Reconcile Net Loss:		

Depreciation and Amortization	255	364
Changes in Operating Assets and Liabilities:		
Accounts Receivable	8,710	3,838
Inventory	(3,655)	(3,989)
Prepaid and refundable Income Taxes	(1,941)	(2,405)
Prepaid Expenses	(316)	(197)
Other Assets	(81)	(95)
Accounts Payable and Accrued Expenses	(177)	1,269
Accrued Nonrecurring Charge	(128)	(56)
Net Cash (Used in) Operating Activities	(368)	(7,299)
Cash Flows for Investing Activities:		
Capital Expenditures	(300)	(93)
Capital Dispositions	0	53
Net Cash (Used in) Investing Activities:	(300)	(40)
Cash Flows from Financing Activities:		
Borrowings of notes payable	3,321	404
Repayments of notes payable	(3,543)	0
Payment of capital lease obligations	(120)	(148)
Net Cash Provided by Financing Activities	(342)	256
Net (Decrease) in Cash	(1,010)	(4,495)
Cash at Beginning of Period	1,421	7,617
Cash at End of Period	$ 411	$ 3,122
Supplemental Disclosures of Cash Flow Information		
Cash Paid During the Period for:		
Interest	$ 238	$ 109
Income Taxes	$ 2	$ 1

See Accompanying Notes to Financial Statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - General Discussion

The results of the three month period ended April 30, 1996 are not necessarily indicative of the results expected for the entire fiscal year. The accompanying financial statements included herein are unaudited. In the opinion of management, all adjustments (consisting of only normal recurring adjustments) necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods presented have been reflected.

Certain reclassifications have been made to conform to the 1996 presentation.

The accompanying financial statements should be read in conjunction with the financial statements and notes included in the Company's Form 10K filed with the Securities and Exchange Commission for the year ended January 31, 1996.

Note 2 - Inventories (in thousands)

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Inventories consist of:	January 31, 1996	April 30, 1996
Finished products.......................	$ 12,112	$ 13,388
Work-in-process.........................	49	513
Raw materials...........................	2,046	4,295
	$ 14,207	$ 18,196

Note 3 - Net Loss Per Common Share

Net loss per common share is based on the weighted average number of common shares outstanding during each of the periods, adjusted for the dilutive effect of the common share equivalents, when applicable.

Note 4 - Notes Payable

The Company has a loan agreement with three banks for $48,000,000 through October 30, 1996 and $40,000,000 through May 31, 1997, of which $40,000,000 through October 30, 1996 and $30,000,000 through May 31, 1997 is available for direct borrowings and the unused balance for letters of credit. All amounts available for borrowings are subject to borrowing base formulas.

Note 5 - Nonrecurring Charges

As of the year ended January 31, 1996, the Company had a remaining reserve of approximately $2.9 million related to a cost reduction program. The status of the components of the provision at the end of the period was:

	Balance January 31, 1996	(in thousands) 1996 Activity	Balance April 30, 1996
Severance and related costs	$ 161	$ (40)	$ 121
Closure of domestic and foreign facilities	2,690	(16)	2,674
	$ 2,851	$ (56)	$ 2,795

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Results of Operations

Net sales for the three months ended April 30, 1996 were $5.1 million compared to $9.3 million for the same period last year. The decrease in net sales during the quarter was primarily due to lower sales in the JL Colebrook ($2.5 million) and Womens Leather ($1.5 million) divisions. These declines resulted from weakness in retail sales of outerwear apparel. The Company expects that the softness in the outerwear apparel market will continue to adversely affect sales in the quarter ending July 31, 1996.

Gross profit was $152,000 for the quarter ended April 30, 1996, compared to

$663,000 in the same period last year. Gross profit as a percentage of net sales was 3.0% for the three months ended April 30, 1996, compared to 7.1% for the same period last year. The decrease in the gross profit percentage was a result of certain period costs included in cost of goods sold being spread over lower net sales.

Selling, general and administrative expenses of $5.7 million for the three months ended April 30, 1996 were approximately $345,000 more than in the same period last year. The increase in selling, general and administrative expenses compared to last year resulted from start-up costs relating to new product development in branded merchandise, which includes licensed product under the Kenneth Cole label, as well as development of new distribution channels. These increases were partially offset by savings resulting from the sub-lease of a warehouse in March, 1996. The Company continues to monitor and seeks to reduce expense levels whenever possible.

For the three months ended April 30, 1996, interest and financing charges was $212,000, a decrease of $194,000 from the same period of the prior year. The decrease is attributable to lower borrowing levels as a result of the Company maintaining lower levels of inventory.

Income tax benefit of $2.3 million reflects an effective tax rate of 40% for the three months ended April 30, 1996, compared to an income tax benefit of $2.0 million which reflected the same effective tax rate of 40% in the comparable period of the prior year.

As a result of the foregoing, for the three month period ended April 30, 1996, the Company had a net loss of $3.4 million, or $.53 per share, compared to a net loss of $3.0 million, or $.47 per share, for the comparable period in the prior year.

Liquidity and Capital Resources

The Company has a loan agreement, which expires May 31, 1997, providing for a collateralized working capital line of credit for a maximum amount of $48 million through October 30, 1996 (reduced to $40 million commencing October 31, 1996), of which a maximum of $40 million (reduced to $30 million commencing October 31, 1996) is available for direct borrowings and the unused balance for letters of credit. All amounts available for borrowings are subject to borrowing base formulas and overadvances specified in the agreement.

Direct borrowings bear interest at the agent's prime rate (8.25% as of June 1, 1996) plus 1.75%. All borrowings are collateralized by the assets of the Company. The loan agreement requires the Company, among other covenants, to maintain certain earnings and tangible net worth levels, and prohibits the payment of cash dividends. As of April 30, 1996, there were no direct borrowings outstanding and approximately $11.1 million of contingent liability under open letters of credit. The amount borrowed under the line of credit varies based upon the Company's seasonal requirements.

The Company's wholly-owned Indonesian subsidiary has a line of credit with a bank for approximately $3.5 million which is supported by a $2.0 million stand-by letter of credit issued under the Company's loan agreement. As of April 30, 1996, the borrowing by the Indonesian subsidiary under its line of credit approximated $3.4 million.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

G-III APPAREL GROUP, LTD.
(Registrant)

Date: June 14, 1996 By: /s/ MORRIS GOLDFARB

Morris Goldfarb
President and Chief
Executive Officer

Date: June 14, 1996 By: /s/ ALAN FELLER

Alan Feller
Chief Financial Officer,
Treasurer, and Secretary

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