FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

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

For the Quarterly period ended July 31, 2000

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 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.)

512 Seventh Avenue, New York, New York	10018
(Address of Principal Executive Office)	(Zip Code)

(212) 403-0500
(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 X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of September 1, 2000.

Common Stock, $.01 par value per share: 6,535,354 shares.

Part I FINANCIAL INFORMATION Page No.

* The Balance Sheet at January 31, 2000 has been taken from the audited financial statements at that date. All other financial statements are unaudited.

Part II OTHER INFORMATION

(a) Exhibits

1. Amendment No. 5 to the Fifth Amended and Restated Loan Agreement, dated as of July 14, 2000, by and among G-III, the Banks and Fleet Bank.

G-III Apparel Group, Ltd. and Subsidiaries
CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)

ASSETS	JULY 31, 2000 (unaudited)	JANUARY 31, 2000
CURRENT ASSETS		
Cash and cash equivalents	$ 1,231	$ 14,530
Accounts receivable	40,395	16,597
Allowance for doubtful accounts and sales discounts	(4,188)	(3,892)
Inventories - net	53,019	21,175
Prepaid expenses and other current assets	3,189	894
Total current assets	93,646	49,304
PROPERTY, PLANT AND EQUIPMENT, NET	3,310	3,316
DEFERRED INCOME TAXES	4,676	4,676
OTHER ASSETS	1,509	2,305
	$ 103,141	$ 59,601
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes payable	$ 46,367	$ 3,311
Current maturities of obligations under capital leases	102	116
Income taxes payable	323	2,874
Accounts payable	7,781	5,875
Accrued expenses	5,666	4,714
Accrued nonrecurring charges	1,063	1,259
Total current liabilities	61,302	18,149
OTHER LONG-TERM LIABILITIES	390	419
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred stock, 1,000,000 shares authorized; no shares issued and outstanding in all periods		
Common stock - $.01 par value; authorized, 20,000,000 shares; 6,780,171 and 6,767,921 shares issued at July 31, 2000 and January 31, 2000, respectively	68	68
Additional paid-in capital	24,902	24,874
Retained earnings	17,449	16,521
	42,419	41,463
Less common stock held in treasury - 244,817 shares at July 31, 2000 and 118,575 shares at January 31, 2000, at cost	(970)	(430)
	41,449	41,033
	$ 103,141	$ 59,601

The accompanying notes are an integral part of these statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except share and per share amounts)

	THREE MONTHS ENDED JULY 31, (Unaudited) 2000	1999
Net sales	$47,385	$33,246
Cost of goods sold	33,587	23,761
Gross profit	13,798	9,485
Selling, general and administrative expenses	7,280	6,772
Operating income	6,518	2,713
Interest and financing charges, net	787	430
Income before minority interest and income taxes	5,731	2,283
Minority interest in loss of joint venture		382
Income before income taxes	5,731	2,665
Income tax expense	2,284	1,066
Net income	$ 3,447	$ 1,599
INCOME PER COMMON SHARE:		
Basic:		
Net income per common share	$ 0.53	$ 0.24
Weighted average number of shares outstanding	6,524,360	6,717,921
Diluted:		
Net income per common share	$ 0.49	$ 0.24
Weighted average number of shares outstanding	7,048,484	6,786,911

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The accompanying notes are an integral part of these statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except share and per share amounts)

	SIX MONTHS ENDED JULY 31, (Unaudited) 2000	1999
Net sales	$57,963	$41,716
Cost of goods sold	41,985	31,398
Gross profit	15,978	10,318
Selling, general and administrative expenses	13,582	13,659
Operating income (loss)	2,396	(3,341)
Interest and financing charges, net	872	528
Income (loss) before minority interest and income taxes	1,524	(3,869)
Minority interest in loss of joint venture	9	813
Income (loss) before income taxes	1,533	(3,056)
Income tax expense (benefit)	605	(1,222)
Net income (loss)	$ 928	$(1,834)
INCOME (LOSS) PER COMMON SHARE:		
Basic:		
Net income (loss) per common share	$ 0.14	$ (0.27)
Weighted average number of shares outstanding	6,569,370	6,717,921

Diluted:		
Net income (loss) per common share	$ 0.13	$ (0.27)
Weighted average number of shares outstanding	7,033,839	6,717,921

The accompanying notes are an integral part of these statements.

G-III Apparel Group, Ltd. and Subsidiaries

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	SIX MONTHS ENDED JULY 31, (Unaudited)	
	2000	1999
Cash flows from operating activities		
Net income (loss)	$ 928	$ (1,834)
Adjustments to reconcile net income (loss) to net cash used in operating activities		
Depreciation and amortization	433	710
Minority interest	(9)	(813)
Changes in operating assets and liabilities:		
Accounts receivable	(23,502)	(15,611)
Inventories	(31,844)	(18,708)
Income taxes	(2,551)	(911)
Prepaid expenses and other current assets	(2,295)	(1,492)
Other assets	(207)	11
Accounts payable and accrued expenses	2,858	6,644
Accrued nonrecurring charge	(235)	(41)
Other long term liabilities	50	
Net cash used in operating activities	(56,374)	(32,045)
Cash flows from investing activities		
Capital expenditures	(444)	(281)
Capital dispositions	17	
Net cash used in investing activities	(427)	(281)
Cash flows from financing activities		
Increase in notes payable, net	43,056	26,242
Payments for capital lease obligations	(54)	(119)
Investment in joint venture by minority partner	1,012	750

Purchase of common stock for Treasury	(540)	
Proceeds from exercise of stock options	28	
Net cash from financing activities	43,502	26,873
Net decrease in cash and cash equivalents	(13,299)	(5,453)
Cash and cash equivalents at beginning of period	14,530	7,241
Cash and cash equivalents at end of period	$ 1,231	$ 1,788
Supplemental disclosures of cash flow information:		
Cash paid (received) during the period for		
Interest	$ 422	$ 591
Income taxes	$ 3,105	$ (290)

The accompanying notes are an integral part of these statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - General Discussion

The results for the six-month period ended July 31, 2000 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.

The Company consolidates the accounts of all its majority-owned subsidiaries. All material intercompany balances and transactions have been eliminated.

The accompanying financial statements should be read in conjunction with the financial statements and notes included in the Company's Annual Report on Form 10K filed with the Securities and Exchange Commission for the year ended January 31, 2000.

Certain reclassifications have been made to conform to the fiscal 2001 presentation.

Note 2 - Inventories

Inventories consist of:

	JULY 31, 2000	January 31, 2000
	(in thousands)	
Finished products	$ 29,299	$ 10,990
Work-in-process	5,320	326
Raw materials	18,400	9,859

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$ 53,019	$ 21,175
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Note 3 - Net Income (Loss) Per Common Share

Basic earnings per share amounts have been computed using the weighted average number of common shares outstanding during each year. When applicable, diluted earnings per share amounts are computed using the weighted average number of common shares and the dilutive potential common shares outstanding during the year.

Note 4 - Notes Payable

The Company's loan agreement, which expires on May 31, 2002, provides for a maximum line of credit in amounts that range from $45 million to $72 million during each year of the loan term. The amounts available include direct borrowings that range from $30 million to $52 million during each year of the loan term. The balance of the credit line may be used for letters of credit. All amounts available for borrowing are subject to borrowing base formulas and overadvances specified in the agreement. There was $44.9 million outstanding at July 31, 2000 and no loan balance outstanding at January 31, 2000 under this agreement.

Notes payable also includes borrowings by PT Balihides, the Company's Indonesian subsidiary, under a credit facility with an Indonesian bank. Notes payable of approximately $1.5 million as of July 31, 2000 and January 31, 2000 represent maximum borrowings under this facility.

In November 1999, the Company and Black Entertainment Television decided to discontinue their BET Design Studio joint venture. BET Design Studio had an asset-based credit facility with The CIT Group. Direct borrowings bore interest at the prevailing prime rate plus 50 basis points. To support the requirement for overadvances which occurred when the available collateral was not sufficient to support the level of direct bank debt and letters of credit opened to pay for product, both partners opened standby letters of credit in the amount of $750,000 under which The CIT Group was the beneficiary. The loan ($1.2 million at January 31, 2000) was paid off in its entirety on February 16, 2000 by drawing down both partners' standby letters of credit (See Note 5).

Note 5 - Nonrecurring Charges

In November 1999, the Company formulated a plan to cease operations of the BET Design Studio joint venture. The joint venture generated revenues of approximately $2.4 million and $884,000 in the years ended January 31, 2000 and 1999, respectively. The Company incurred losses from the joint venture of approximately $2.0 million, $1.4 million, and $450,000 for the years ended January 31, 2000, 1999, 1998, respectively. In connection with the plan, the Company recorded $1.6 million of unusual and non-recurring charges, consisting of $1.1 million in asset writedowns and $500,000 relating to a provision for closing costs and various accrued expenses. The remaining nonrecurring balance ($281,000) relates to the reserve associated with the closure of the Company's domestic factory that was completed by January 31, 1995. Based on current estimates, management believes that existing accruals are adequate. Other long-term liabilities include $188,000 and $227,000 of nonrecurring charges at July 31, 2000 and January 31, 2000, respectively.

The status of the provision at the end of the period was:

	Balance January 31, 2000	2000 Activity	BALANCE JULY 31, 2000
		(in thousands)	
Domestic operating lease obligation	$ 316	$ (35)	$ 281
Dissolution of BET Design Studio	1,170	(200)	970
	$1,486	$ (235)	$1,251

Note 6 - Comprehensive Income

As of February 1, 1998, the Company adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" (SFAS 130). The adoption of this Statement had no impact on the Company's net income or stockholders' equity. This pronouncement sets forth requirements for disclosure of the Company's comprehensive income and accumulated other comprehensive items. Comprehensive income is defined as the change in equity during a period from transactions in other events and circumstances unrelated to net income (e.g., foreign currency translation gains and losses). For the six-month periods ended July 31, 2000 and 1999, other comprehensive income was not material.

Note 7 - Segments

The Company's reportable segments are business units that offer different products and are managed separately. The company operates in two segments, licensed and non-licensed apparel. The following information is presented for the three and six month periods indicated below:

	THREE MONTHS ENDED JULY 31,			
	2000		1999	
	LICENSED	NON-LICENSED	Licensed	Non-Licensed
Net sales	$ 16,738	$ 30,647	$ 14,480	$ 18,766
Cost of goods sold	12,024	21,563	10,128	13,633
Gross profit	4,714	9,084	4,352	5,133
Selling, general and administrative	3,422	3,858	2,354	4,418
Operating income	1,292	5,226	1,998	715
Interest expense	317	470	82	348
Income before minority interest and income taxes	975	4,756	1,916	367
Minority interest				382
Income before income taxes	$ 975	$ 4,756	$ 1,916	$ 749

SIX MONTHS ENDED JULY 31,

2000 1999

	LICENSED	NON-LICENSED	Licensed	Non-Licensed
Net sales	$ 23,418	$ 34,545	$ 19,387	$ 22,329
Cost of goods sold	17,075	24,910	14,328	17,070
Gross profit	6,343	9,635	5,059	5,259
Selling, general and administrative	6,458	7,124	4,531	9,128
Operating income (loss)	(115)	2,511	528	(3,869)
Interest expense	290	582	57	471
Income (loss) before minority interest and income taxes	(405)	1,929	471	(4,340)
Minority interest		9		813
Income (loss) before income taxes	$ (405)	$ 1,938	$ 471	$ (3,527)

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

Statements in this Quarterly Report on Form 10-Q concerning the Company's business outlook or future economic performance; anticipated revenues, expenses or other financial items; product introductions and plans and objectives related thereto; and statements concerning assumptions made or expectations as to any future events, conditions, performance or other matter, are "forward-looking statements" as that term is defined under the Federal securities laws. Forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from those stated in such statements. Such risks, uncertainties and factors include, but are not limited to, reliance on foreign manufacturers, risks of doing business abroad, the nature of the apparel industry, including changing consumer demand and tastes, seasonality, customer acceptance of new products, the impact of competitive products and pricing, dependence on existing management, general economic conditions, as well as other risks detailed in the Company's filings with the Securities and Exchange Commission, including this Quarterly Report on Form 10-Q.

RESULTS OF OPERATIONS

Net sales for the three months ended July 31, 2000 were $47.4 million compared to $33.2 million for the same period last year. The increase in net sales during the quarter was primarily attributable to an increase in sales of non-licensed apparel ($11.9 million), as well as an increase in sales of licensed apparel ($2.3 million). Net sales for the six months ended July 31, 2000 were $58.0 million compared to $41.7 million for the same period in the prior year. The increase in net sales in the six month period was also primarily attributable to an increase in sales of non-licensed apparel ($12.2 million), as well as an increase in sales of licensed apparel ($4.0 million).

Gross profit was $13.8 million, or 29.1% of net sales, for the three months ended July 31, 2000 compared to $9.5 million, or 28.5% of net sales, for the same period last year. Gross profit was $16.0 million, or 27.6% of net sales, for the six months ended July 31, 2000 compared to $10.3 million, or 24.7% of net sales, for the same period last year. As a percentage of net sales, gross profit for the three and six month-periods ended July 31, 2000 increased primarily due to sales of higher margin products in the non-licensed apparel segment and higher commission fee income which is included in the non-licensed apparel segment.

Selling, general and administrative expenses for the three months ended July 31, 2000 were $7.3 million compared to $6.8 million in the three months ended July

31, 1999. Selling, general and administrative expenses for the six months ended July 31, 2000 were $13.6 million compared to $13.7 million for the same period last year. Last year's six-month period included $1.7 million of expenses relating to the BET Design Studio joint venture that was discontinued in November 1999. Excluding the BET Design Studio expenses, the Company's selling, general and administrative expenses increased approximately $1.6 million over the prior year. This increase is primarily a result of expenses relating to the start-up of the Cole Haan, Caterpillar, and Jones New York Men's divisions, which caused increased expenses in the licensed apparel segment. In addition, personnel expenses increased over the prior year. Excluding the BET Design Studio expenses in the prior year, selling, general and administrative expenses were 23.4% of net sales in the six months ended July 31, 2000 compared to 28.7% in the same period in the prior year.

Interest expense and finance charges for the three months ended July 31, 2000 were $787,000 compared to $430,000 in the same period last year. Interest expense and finance charges for the six months ended July 31, 2000 were $872,000 compared to $528,000 in the same period last year. The increase in interest expense resulted primarily from increased inventory investments, because orders for fall merchandise deliveries are at a higher level than in the prior year. Interest expense also increased due to higher interest rates.

Income tax expense of $2.3 million reflect an effective tax rate of 40% for the three months ended July 31, 2000 compared to income taxes of $1.1 million (same effective tax rate) in the comparable period in the prior year. Income tax expense of $605,000 for the six months ended July 31, 2000 also reflects an effective tax rate of 40%, compared to an income tax benefit of $1.2 million (same effective tax rate) in the same period last year.

For the three months ended July 31, 2000, the Company had net income of $3.4 million, or $.49 per diluted share, compared to net income of $1.6 million, or $.24 per diluted share, for the comparable period in the prior year. Net income per share increased as the result of the foregoing factors. For the six months ended July 31, 2000, the Company had net income of $928,000, or $.13 income per diluted share, compared to a net loss of $1.8 million, or $.27 loss per diluted share, for the same period in the prior year.

LIQUIDITY AND CAPITAL RESOURCES

The Company's loan agreement, which expires on May 31, 2002, provides for a maximum line of credit in amounts that range from $45 million to $72 million during each year of the loan term. The amounts available include direct borrowings that range from $30 million to $52 million during each year of the loan term. The balance of the credit line may be used for letters of credit. All amounts available for borrowing are subject to borrowing base formulas and overadvances specified in the agreement.

Direct borrowings bear interest at the agent's prime rate (9.5% as of September 1, 2000) or LIBOR plus 225 basis points (8.92% at September 1, 2000) at the election of the Company. 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 July 31, 2000, direct borrowings were $44.9 million and contingent liability under open letters of credit approximated $19.3 million. The amount borrowed under the line of credit varies based upon the Company's seasonal requirements.

PT Balihides, the Company's Indonesian subsidiary, has a separate credit facility with an Indonesian bank. Notes payable of approximately $1.5 million as of July 31, 2000 and January 31, 2000 represent maximum borrowings under this facility.

In November 1999, the Company and Black Entertainment Television ("BET") decided to discontinue their BET Design Studio joint venture. The joint venture was started in February 1997 to provide a BET-branded clothing and accessory line. As of July 31, 2000, BET and the Company had each contributed $3.8 million to this joint venture.

BET Design Studio had an asset-based credit facility with The CIT Group. Direct borrowings bore interest at the prevailing prime rate plus 50 basis points. To support the requirement for overadvances which occurred when the available collateral was not sufficient to support the level of direct bank debt and letters of credit opened to pay for product, both partners opened standby letters of credit in the amount of $750,000 under which The CIT Group was the beneficiary. The loan was paid off in its entirety on February 16, 2000 by drawing down both partners' standby letters of credit.

BET advanced $600,000 to BET Design Studio under a lending agreement. Borrowings under this agreement bore interest at 12% during the first twelve months of the agreement and 14% thereafter. The loan was paid off in its entirety on March 9, 2000.

On December 20, 1999, the Board of Directors authorized the Company to repurchase up to $1,000,000 worth of the Company's common stock, from time to time, until September 30, 2000, in open market purchases at market prices or in privately negotiated transactions, at the discretion of the Chief Executive Officer of the Company. The Company purchased 244,817 shares of its common stock at a total cost of $970,000. The Company concluded its buyback program in April 2000.

EFFECT OF RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Derivatives

In June 1998, the FASB issued Statement of Financial Accounting Standards No. 133 ("SFAS NO. 133"), "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS NO. 137, is effective with the first quarter of fiscal years beginning after June 15, 2000. SFAS No. 133 will require the Company to recognize all derivatives on the balance sheet at fair value. Adoption of SFAS No. 133 is not expected to have a material effect on the Company's financial statements.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF STOCKHOLDERS

(a) The Company's Annual Meeting of Stockholders was held on June 13, 2000 (the "Annual Meeting").

(b) The following matters were voted on and approved by the Company's stockholders at the Annual Meeting:

(i) The election of nine directors to serve for the ensuing year. The following nominees were elected as directors of the Company (with the Company's stockholders having voted as set forth below):

NOMINEE	VOTES FOR	WITHHELD AUTHORITY TO VOTE
Morris Goldfarb	5,740,608	493,579
Aron Goldfarb	5,740,608	493,579
Lyle Berman	5,740,608	493,579
Thomas J. Brosig	5,740,508	493,679
Alan Feller	5,740,608	493,579
Carl Katz	5,740,028	494,159
Willem van Bokhorst	5,740,508	493,679
Sigmund Weiss	5,740,403	493,784
George J. Winchell	5,740,508	493,679

(ii) The adoption of the G-III Apparel Group, Ltd. 2000 Stock Option Plan for Non-Employee Directors. The Company's stockholders voted as follows:

FOR:	5,329,162
AGAINST:	885,375
ABSTENTIONS:	19,650
BROKER NON-VOTES:	0

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(A) EXHIBITS

1. Amendment No. 5 to the Fifth Amended and Restated Loan Agreement, dated as of July 14, 2000, by and among G-III, the Banks and Fleet Bank.

(B) REPORT ON FORM 8-K

On July 20, 2000, the Registrant filed a Report on Form 8-K reporting a change in certifying accountant under Item 4.

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: September 13, 2000	By: /s/ Morris Goldfarb ------------------- Morris Goldfarb Chief Executive Officer
Date: September 13, 2000	By: /s/ Wayne S. Miller ------------------- Wayne S. Miller Chief Financial Officer

AMENDMENT NO. 5 AND ASSIGNMENT TO THE FIFTH

AMENDED AND RESTATED LOAN AGREEMENT

THIS AMENDMENT NO. 5 AND ASSIGNMENT TO THE FIFTH AMENDED AND RESTATED LOAN AGREEMENT, dated as of July 14, 2000 (this "Amendment and Assignment"), by and among G-III LEATHER FASHIONS, INC., a New York corporation (the "Borrower"), the Lenders that have executed the signature pages hereto (individually, a "Lender" and collectively, the "Lenders"), and FLEET BANK, N.A., a national banking association as agent for the Lenders (in such capacity, together with its successors in such capacity, the "Agent"),

W I T N E S S E T H:

WHEREAS:

A. The Borrower, the Lenders and the Agent are parties to the Fifth Amended and Restated Loan Agreement, dated as of May 31, 1999, as further amended hereby (as it may be further amended, modified and supplemented from time to time, the "Loan Agreement"); and

B. Lenders would like to transfer and assign a portion of their rights and interest in and to all the relevant Lender's rights and obligations under the Loan Agreement.

C. The parties hereto wish to amend the Loan Agreement as hereinafter provided;

D. Each capitalized term used but not otherwise defined herein shall have the meaning ascribed thereto in the Loan Agreement;

NOW, THEREFORE, the parties hereto hereby agree as follows:

SECTION 1. AMENDMENT TO LOAN AGREEMENT.

1.1 This Amendment and Assignment shall be deemed to be a fifth amendment to the Fifth Amended and Restated Loan Agreement and shall not be construed in any way as a replacement or substitution therefor. All of the terms and conditions of, and terms defined in, this Amendment are hereby incorporated by reference into the Loan Agreement as if such terms and provisions were set forth in full therein.

1.2 Fleet's signature page of the Loan Agreement is amended by changing (i) Fleet's Commitment to make Revolving Loans from July 14, 2000 to July 31, 2000 and from September 1, 2000 to October 31, 2000 to "$21,635,417"; (ii) Fleet's Commitment to make Revolving Loans for the month of August 2000 to "$23,250,000", (iii) Fleet's Commitment to make Revolving Loans from November 1, 2000 and thereafter to "$14,531,250" and (iv) Fleet's Percentage of Revolving Loan Commitment to "32.29%".

1.3 Chase Manhattan's signature page of the Loan Agreement is amended by changing (i) Chase's Commitment to make Revolving Loans from July 14, 2000 to July 31, 2000 and from September 1, 2000 to October 31, 2000 to "$18,430,169"; (ii) Chase's Commitment to make Revolving Loans for the month of August 2000 to "$19,805,555", (iii) Chase's Commitment to make Revolving Loans from November 1, 2000 and thereafter to "$12,378,472" and (iv) Chase's Percentage of Revolving Loan Commitment to "27.51%".

1.4 The CIT's signature page of the Loan Agreement is amended by changing (i) CIT's Commitment to make Revolving Loans from July 14, 2000 to July 31, 2000 and from September 1, 2000 to October 31, 2000 to "$17,628,858"; (ii) CIT's Commitment to make Revolving Loans for the month of August 2000 to "$18,944,445", (iii) CIT's Commitment to make Revolving Loans from November 1, 2000 and thereafter to "$11,840,278" and (iv) CIT's Percentage of Revolving Loan Commitment to "26.31%".

1.5 A new signature page for Israel Discount Bank of New York shall be inserted with relevant dollar amounts for Commitment to make Revolving Loans and Percentage of Revolving Loan Commitments as specified on Schedule A.

1.6 The provisions of Section 10.13(a)(ii) are hereby waived solely for the purpose of this Amendment and Assignment and shall be in full force and effect otherwise.

1.7 The Loan Agreement, the Loan Documents and all agreements, instruments and documents executed and delivered in connection with any of the foregoing, shall each be deemed to be amended hereby to the extent necessary, if any, to give effect to the provisions of this Amendment. Except as so amended hereby, the Loan Agreement and the Loan Documents shall remain in full force and effect in accordance with their respective terms.

SECTION 2. ASSIGNMENT

2.1 Fleet Bank, N.A., The Chase Manhattan Bank, The CIT Group/Commercial Services, Inc. (each, a "Transferor" and together the "Transferors") wish to assign to the Israel Discount Bank of New York (the "Transferee") that interest in and to all the relevant Transferor's rights and obligations under the Loan Agreement as of the date hereof (the "Assigned Portion") and the Transferee hereby accepts said assignment and obligations established under the Loan Agreement with respect to the Assigned Portion, the resulting Revolving Commitments from said assignments are set forth in Schedule A.

2.2 In connection with the assignment affected hereby by each Transferor to Transferee:

(a) From and after the date hereof, (a) Transferee shall (i) be a Lender party to the Loan Agreement for all purposes of the Loan Agreement and the other Loan Documents; (ii) be subject to the terms and conditions thereof; and (iii) have all of the rights, interests, liabilities, duties and obligations of the Transferors under the Loan Agreement and other Loan Documents to the extent of the Assigned Portion; and (b) the Transferors shall to the extent provided in this Amendment and Assignment relinquish such rights and interest and be released from such liabilities, duties and obligations under the Loan

Agreement and other Loan Documents as shall have been assigned to the Transferee hereunder.

(b) From and after the date hereof, the Agent shall make all payments under the Loan Agreement in respect of the Assigned Portion (including, without limitation, all payments of principal, interest and fees, if applicable, with respect thereto) to the Transferee.

2.3. Each of the parties to this Amendment and Assignment agrees that at any time and from time to time upon the written request of any other party, it will execute and deliver such further documents and perform such further acts as such other party may reasonably request in order to effect the purposes of this Amendment and Assignment, provided neither this Amendment and Assignment nor any term hereof may be changed, waived, discharged or terminated except by an instrument in writing signed by the party (including, if applicable, any party required to evidence its consent to or acceptance of this

Amendment and Assignment) against whom enforcement of such change, waiver, discharge or termination is sought.

SECTION 3. REPRESENTATIONS AND WARRANTIES.

A. The Borrower hereby represents and warrants to the Agent and the Lenders that:

3.1 After giving effect to the amendment of the Loan Agreement pursuant to this Amendment and Assignment: (i) each of the representations and warranties set forth in Article 3 of the Loan Agreement is true and correct in all respects as if made on the date hereof, and (ii) there exists no Default or Event of Default under the Loan Agreement after giving effect to this Amendment and Assignment.

3.2 The Borrower has full corporate power and authority to execute and deliver this Amendment and Assignment and to perform the obligations on its part to be performed thereunder and under the Loan Agreement as amended hereby.

B. Transferors hereby represent and warrant to the Agent, Transferee, and Borrower that:

3.3 By executing and delivering this Amendment and Assignment each Transferor, for itself, (a) represents and warrants that it is the legal and beneficial owner of the interest being assigned hereby free and clear of any adverse claim; (b) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement or any other Loan Document, or any other instrument or document furnished pursuant thereto; (c) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or any of its respective Subsidiaries, or the performance or observance by Borrower or any of its respective Subsidiaries of any of its obligations under the Loan Agreement or any other Loan Document or any other instrument or document furnished pursuant hereto.

C. Transferee hereby represents and warrants to the Agent, Transferors and Borrower that:

3.4 By executing and delivering this Amendment and Assignment, Transferee, for itself: (a) confirms that it has received a copy of the Loan Agreement, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Amendment and Assignment; (b) will independently and without reliance upon the Agent, any Transferor, or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Agreement; (c) appoints and authorizes the Agent to take such action as the Agent on its behalf and to exercise such powers under the Loan Agreement and the other Loan Documents as are delegated to the Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (d) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Loan Agreement and the other Loan Documents are required to be performed by it as a Lender.

3.5. Each Transferor and Transferee represents and warrants, for itself, to the Borrower and the Agent that after giving effect to the assignment of the Assigned Portion affected hereby, each of the Transferor and such Transferee is in compliance with the provisions of Section 10.13 of the

Loan Agreement.

SECTION 4. CONDITIONS PRECEDENT TO AMENDMENTS.

The effectiveness of the amendments and assignments contained in Section 1 and Section 2 of this Amendment, are each and all subject to the satisfaction, in form and substance satisfactory to the Agent, of each of the following conditions precedent:

4.1 The Borrower, each Transferor and Transferee shall have duly executed and delivered this Amendment.

4.2 Each of the conditions precedent set forth in Section 4.1 and Section 4.2 of the Loan Agreement shall have been satisfied or waived in accordance with the terms of the Loan Agreement.

4.3 The representations and warranties set forth in Section 3 hereof shall be true, correct and complete on and as of the closing date of this Amendment as though made on such date.

4.4 The Agent shall have received such approvals, opinions or documents as any Lender through the Agent may reasonably request, the Borrower and the Guarantors shall have taken all such other actions as any Lender through the Agent may reasonably request, and all legal matters incident to the foregoing shall be satisfactory to the Agent.

SECTION 5. REFERENCE TO AND EFFECT UPON THE LOAN AGREEMENT AND OTHER LOAN DOCUMENTS.

5.1 Except as specifically amended in Section 1 and Section 2 above, the Loan Agreement and each of the other Loan Documents shall remain in full force and effect and each is hereby ratified and confirmed.

5.2 The execution, delivery and effect of this Amendment and Assignment shall be limited precisely as written and shall not be deemed to (i) be a consent to any waiver of any term or condition or to any amendment or modification of any term or condition of the Loan Agreement or any other Loan Document, except, upon the effectiveness, if any, of this Amendment and Assignment, as specifically amended in Section 1 and Section 2 above, or (ii) prejudice any right, power or remedy which the Agent or any Lender now has or may have in the future under or in connection with the Loan Agreement or any other Loan Document. Upon the effectiveness of this Amendment, each reference in the Loan Agreement to "this Agreement", "hereunder", "hereof", "herein" or any other word or words of similar import shall mean and be a reference to the Loan Agreement as amended hereby, and each reference in any other Loan Document to the Loan Agreement or any word or words of similar import shall mean and be a reference to the Loan Agreement as amended hereby.

SECTION 6. MISCELLANEOUS

6.1 This Amendment and Assignment may be executed in any number of counterparts, each of which when so executed shall be deemed an original, but all such counterparts shall constitute one and the same instrument.

6.2 The Borrower shall pay on demand all reasonable fees, costs and expenses incurred by Agent in connection with the preparation, execution and delivery of this Amendment (including, without limitation, all reasonable attorneys' fees).

6.3 GOVERNING LAW. THIS AMENDMENT AND ASSIGNMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (AS OPPOSED TO CONFLICTS OF LAW PROVISIONS) OF THE STATE OF NEW YORK.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment and Assignment to be duly executed on the date first above written.

G-III LEATHER FASHIONS, INC.

By: /s/ Wayne S. Miller

Name: Wayne S. Miller

Title: Chief Financial Officer

FLEET BANK, N.A., AS LENDER AND TRANSFEROR

By: /s/ Stephen M. Leavenworth

Name: Stephen M. Leavenworth

Title: Vice President

THE CHASE MANHATTAN BANK,
AS LENDER AND TRANSFEROR

By: /s/ John Mulvey

Name: John Mulvey

Title: Vice President

THE CIT GROUP/COMMERCIAL
SERVICES, NC., AS LENDER AND TRANSFEROR

By: /s/ Charles M. Carbone

Name: Charles M. Carbone

Title: Vice President

ISRAEL DISCOUNT BANK OF NEW YORK
AS TRANSFEREE

By: /s/ Matilde Reyes

Name: Matilde Reyes

Title: Vice President

By: /s/ Howard Weinberg

Name: Howard Weinberg

Title: First Vice President

FLEET BANK, N. A., AS AGENT

By: /s/ Stephen M. Leavenworth

Name: Stephen M. Leavenworth

Title: Vice President

SCHEDULE A
TO THE ASSIGNMENT AGREEMENT

TOTAL COMMITMENTS

BANK	COMMITMENTS FOR 7/14/00-7/31/00	COMMITMENTS FOR 8/2000	COMMITMENTS FOR 9/1/00-10/31/00	COMMITMENTS FOR 11/1 AND THEREAFTER	% OF COMMITMENTS
Fleet	$21,635,417	$23,250,000	$21,635,417	$14,531,250	32.29%
Chase Manhattan	18,430,169	19,805,555	18,430,169	12,378,472	27.51%
CIT Group	17,628,858	18,944,445	17,628,858	11,840,278	26.31%
IDB	9,305,556	10,000,000	9,305,556	6,250,000	13.89%
	$67,000,000	$72,000,000	$67,000,000	$45,000,000	

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