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, 2001

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, 2001.

Common Stock, $.01 par value per share: 6,689,804 shares.

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(a) Exhibits

1. Amendment No. 9 to the Fifth Amended and Restated Loan Agreement, dated as of May 31, 2001 by and among G-III, the Banks and Fleet Bank.

2. Amendment No. 10 to the Fifth Amended and Restated Loan Agreement, dated as of July 27, 2001, 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, 2001 (unaudited)	JANUARY 31, 2001
CURRENT ASSETS		
Cash and cash equivalents	$ 1,433	$ 9,231
Accounts receivable	49,355	11,528
Allowance for doubtful accounts and sales discounts	(4,636)	(4,242)
Inventories - net	83,650	42,450
Prepaid expenses and other current assets	7,410	2,481
Total current assets	137,212	61,448
PROPERTY, PLANT AND EQUIPMENT, NET	2,896	2,940
DEFERRED INCOME TAXES	4,889	4,889
OTHER ASSETS	2,904	2,675
	$147,901	$ 71,952

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Notes payable	$ 63,599	$ 1,500
Current maturities of obligations under capital leases	32	80
Income taxes payable	2,117	2,312
Accounts payable	23,642	7,411
Accrued expenses	4,928	8,190
Accrued nonrecurring charges	101	97
Total current liabilities	94,419	19,590
OTHER LONG-TERM LIABILITIES	292	293
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; 6,934,521 and 6,878,171 shares issued at July 31, 2001 and January 31, 2001, respectively	69	69
Additional paid-in capital	25,423	25,295
Retained earnings	28,668	27,675
	54,160	53,039
Less common stock held in treasury - 244,817 shares at July 31, 2001 and January 31, 2001, at cost	(970)	(970)
	53,190	52,069
	$147,901	$ 71,952

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) 2001	2000
Net sales	$62,913	$47,385
Cost of goods sold	46,298	33,587
Gross profit	16,615	13,798
Selling, general and administrative expenses	9,027	7,280
Operating income	7,588	6,518
Interest and financing charges, net	1,113	787
Income before income taxes	6,475	5,731
Income tax expense	2,590	2,284
Net income	$ 3,885	$ 3,447
INCOME PER COMMON SHARE:		
Basic:		
Net income per common share	$ 0.58	$ 0.53
Weighted average number of shares outstanding	6,678,639	6,524,360
Diluted:		
Net income per common share	$ 0.52	$ 0.49
Weighted average number of shares outstanding	7,456,050	7,048,484

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) 2001	2000
Net sales	$ 80,080	$57,963
Cost of goods sold	60,515	41,985
Gross profit	19,565	15,978
Selling, general and administrative expenses	16,492	13,582
Operating income	3,073	2,396
Interest and financing charges, net	1,418	872
Income before minority interest and income taxes	1,655	1,524
Minority interest in loss of joint venture		9
Income before income taxes	1,655	1,533
Income tax expense	662	605
Net income	$ 993	$ 928
INCOME PER COMMON SHARE:		
Basic:		
Net income per common share	$ 0.15	$ 0.14
Weighted average number of shares outstanding	6,662,121	6,569,370
Diluted:		
Net income per common share	$ 0.13	$ 0.13
Weighted average number of shares outstanding	7,412,370	7,033,839

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) 2001	2000
Cash flows from operating activities		
Net income	$ 993	$ 928
Adjustments to reconcile net income to net cash used in operating activities		
Depreciation and amortization	583	433
Minority interest		(9)
Changes in operating assets and liabilities:		
Accounts receivable	(37,433)	(23,502)
Inventories	(41,200)	(31,844)

Income taxes	(195)	(2,551)
Prepaid expenses and other current assets	(4,929)	(2,295)
Other assets	(102)	(207)
Accounts payable and accrued expenses	12,969	2,858
Accrued nonrecurring charge	(47)	(235)
Other long term liabilities	50	50
Net cash used in operating activities	(69,311)	(56,374)
Cash flows from investing activities		
Capital expenditures	(485)	(444)
Capital dispositions	24	17
Purchase of certain assets of Gloria Gay Coats, LLC	(205)	
Net cash used in operating activities	(666)	(427)
Cash flows from financing activities		
Increase in notes payable, net	62,099	43,056
Payments for capital lease obligations	(48)	(54)
Investment in joint venture by minority partner		1,012
Purchase of common stock for Treasury		(540)
Proceeds from exercise of stock options	128	28
Net Cash from financing activities	62,179	43,502
Net decrease in cash and cash equivalents	(7,798)	(13,299)
Cash and cash equivalents at beginning of period	9,231	14,530
Cash and cash equivalents at end of period	$ 1,433	$ 1,231
Supplemental disclosures of cash flow information:		
Cash paid during the period for		
Interest	$ 945	$ 422
Income taxes	$ 806	$ 3,105

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 three and six month periods ended July 31, 2001 are not necessarily indicative of the results expected for the entire fiscal year, given the seasonal nature of the Company's business. 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, 2001.

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

Note 2 - Inventories

Inventories consist of:

	JULY 31, 2001	January 31, 2001
	(in thousands)	
Finished products	$ 46,034	$ 17,605
Work-in-process	8,977	1,707
Raw materials	28,639	23,138

	$ 83,650	$ 42,450

Note 3 - Net Income Per Common Share

Basic earnings per share amounts have been computed using the weighted average number of common shares outstanding during each period. 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 period.

Note 4 - Notes Payable

The Company's loan agreement, which expires on May 31, 2002, is a collateralized working capital line of credit with six banks that provides for a maximum line of credit in amounts that range from $45 million to $85 million at specific times during the year. The line of credit provides for maximum direct borrowings ranging from $30 million to $72 million during the year. The unused balance may be used for letters of credit. Amounts available for borrowing are subject to borrowing base formulas and overadvances specified in the agreement. There was $62.8 million outstanding at July 31, 2001 and no loan balance outstanding at January 31, 2001 under this agreement.

Notes payable also includes borrowings by PT Balihides, the Company's Indonesian subsidiary, under a credit facility with an Indonesian bank. During the six month period ended July 31, 2001, the Company reduced the amount of this foreign debt. There were notes payable outstanding under this facility of $800,000 as of July 31, 2001 and $1.5 million as of January 31, 2001.

Note 5 - Nonrecurring Charge

The nonrecurring charge refers to the reserve associated with the closure of the company's domestic factory that was completed by January 31, 1995. The balance of $181,000 at July 31, 2001 and $228,000 at January 31, 2001 relates to the remaining obligation under an operating lease obligation. Based on current estimates, management believes that existing accruals are adequate. Other long-term liabilities include $80,000 and $131,000 of nonrecurring charges at July 31, 2001 and January 31, 2001, respectively.

Note 6 - 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,			
	2001		2000	
	LICENSED	NON-LICENSED	Licensed	Non-Licensed
Net sales	$ 21,389	$41,524	$ 16,738	$ 30,647
Cost of goods sold	15,150	31,148	12,024	21,563
Gross profit	6,239	10,376	4,714	9,084
Selling, general and administrative	4,991	4,036	3,422	3,858
Operating income	1,248	6,340	1,292	5,226
Interest expense	545	568	317	470
Income before income taxes	$ 703	$ 5,772	$ 975	$ 4,756

SIX MONTHS ENDED JULY 31,

	2001		2000	
	LICENSED	NON-LICENSED	Licensed	Non-Licensed
Net sales	$29,699	$50,381	$ 23,418	$ 34,545
Cost of goods sold	22,018	38,497	17,075	24,910
Gross profit	7,681	11,884	6,343	9,635
Selling, general and administrative	8,915	7,577	6,458	7,124
Operating income (loss)	(1,234)	4,307	(115)	2,511
Interest expense	647	771	290	582
Income (loss) before minority interest and income taxes	(1,881)	3,536	(405)	1,929
Minority interest				9
Income (loss) before income taxes	$ (1,881)	$ 3,536	$ (405)	$ 1,938

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

Unless the context otherwise requires, "G-III", "us", "we" and "our" refer to G-III Apparel Group, Ltd. and its subsidiaries. References to fiscal years refer to the year ended or ending on January 31 of that year.

Statements in this Quarterly Report on Form 10-Q concerning our 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.

Traditionally, we have our highest quarterly sales volume in the quarter ending October 31 of each year. We are unable to predict the effect that the terrorist attacks on September 11, 2001 will have on our business and related retail sales. The effects of these recent events could have a material adverse effect on our results of operations for the three months ending October 31, 2001 and for the six months and year ending January 31, 2002.

RESULTS OF OPERATIONS

Net sales for the three months ended July 31, 2001 were $62.9 million compared to $47.4 million for the same period last year. The increase in net sales during the quarter was attributable to a $10.9 million increase in sales of non-licensed apparel and a $4.7 million increase in sales of licensed apparel. Net sales for the six months ended July 31, 2001 were $80.1 million compared to $58.0 million for the same period in the prior year. The increase in net sales in the six month period was attributable to a $15.8 million increase in sales of non-licensed apparel and a $6.3 million increase in sales of licensed apparel.

Gross profit was $16.6 million, or 26.4% of net sales, for the three months ended July 31, 2001 compared to $13.8 million, or 29.1% of net sales, for the same period last year. Gross profit was $19.6 million, or 24.4% of net sales, for the six months ended July 31, 2001 compared to $16.0 million, or 27.6% of net sales, for the same period last year. The decrease in gross profit percentage for the three month period ended July 31, 2001 resulted from a lower gross profit percentage in the non-licensed apparel segment offset, in part, by a higher gross profit percentage in the licensed apparel segment. The gross profit percentage decreased in the non-licensed apparel segment primarily due to sales of lower margin products. In addition, a portion of the decrease resulted from a lower volume of commission fee income. Commission fee income, which is primarily generated in the non-licensed apparel segment, decreased to $1.4 million during the three months ended July 31, 2001 from $1.7 million in the comparable period of the prior year. There is no cost of goods sold component associated with commission transactions.

The decrease in gross profit percentage for the six month period ended July 31, 2001 was due primarily to a larger portion of sales at deeper discounts in both the licensed and non-licensed apparel segments. In addition, commission fee income decreased to $1.5 million during the six months ended July 31, 2001 from $2.1 million in the comparable period of the prior year.

Selling, general and administrative expenses for the three months ended July 31, 2001 were $9.0 million compared to $7.3 million in the three months ended July 31, 2000. Selling, general and administrative expenses for the six months ended July 31, 2001 were $16.5 million compared to $13.6 million for the same period last year. The increases in both the three and six month periods were primarily a result of expenses relating to the start-up of the Cole Haan, Caterpillar, and the two Jones New York divisions, which increased expenses in the licensed apparel segment by $1.4 million in the three month period and $1.6 million in the six month period. In addition, during the six month period, personnel expenses increased by $856,000 and facility expenses increased by $314,000 over the comparable period of the prior year.

Interest expense and finance charges for the three months ended July 31, 2001 were $1.1 million compared to $787,000 in the same period last year. Interest expense and finance charges for the six month period ended July 31, 2001 were $1.4 million compared to $872,000 in the same period last year. The increase in interest expense in both the three and six month periods resulted primarily from increased inventory investments needed to support our increased sales volume offset, in part, by lower interest rates.

Income tax expense was $2.6 million for the three months ended July 31, 2001 compared to $2.3 million in the same period in the prior year. Income tax expense was $662,000 for the six months ended July 31, 2001 compared to $605,000 in the same period last year. Our effective tax rate was 40% in both periods in each fiscal year.

For the three months ended July 31, 2001, we had net income of $3.9 million, or $.52 per diluted share, compared to $3.4 million, or $.49 per diluted share, for the same period in the prior year. For the six months ended July 31, 2001, we had net income of $993,000, or $.13 per diluted share, compared to $928,000, or $.13 per diluted share, for the same period in the prior year.

LIQUIDITY AND CAPITAL RESOURCES

Our loan agreement, which expires on May 31, 2002, is a collateralized working capital line of credit with six banks that provides for a maximum line of credit in amounts that range from $45 million to $85 million at specific times during the year. The line of credit provides for maximum direct borrowings ranging from $30 million to $72 million during the year. The unused balance may be used for letters of credit. Amounts available for borrowing are subject to borrowing base formulas and overadvances specified in the agreement.

Direct borrowings under the line of credit bear interest at our option at either the prevailing prime rate (6.5% as of September 1, 2001) or LIBOR plus 225 basis points (5.8% at September 1, 2001). All borrowings are collateralized by our assets. The loan agreement requires us, among other covenants, to maintain specified earnings and tangible net worth levels, and prohibits the payment of cash dividends.

The amount borrowed under the line of credit varies based on our seasonal requirements. As of July 31, 2001, direct borrowings were $62.8 million and contingent liabilities under open letters of credit was approximately $13.6 million compared to direct borrowings of $44.9 million and contingent liabilities under open letters of credit of approximately $19.3 million as of July 31, 2000. The increase in borrowings under our credit facility compared to last year resulted primarily from the increase in inventories needed to support our increased sales volume.

PT Balihides, our Indonesian subsidiary, has a separate credit facility with an Indonesian bank. During the six month period ended July 31, 2001, we reduced the amount of this foreign debt. There were notes payable outstanding under this facility of approximately $800,000 as of July 31, 2001 and $1.5 million as of January 31, 2001.

In November 1999, along with Black Entertainment Television ("BET"), we decided to discontinue our BET Design Studio joint venture. The joint venture was started in February 1997 to provide a BET-branded clothing and accessory line. BET and us each contributed $3.8 million to this joint venture, of which $1.0 million was contributed during the quarter ended April 30, 2000. The final distribution from the joint venture company was made in January 2001.

On December 20, 1999, our Board of Directors authorized the repurchase of up to $1,000,000 worth of our common stock. We purchased 244,817 shares of our common stock at a total cost of $970,000. We concluded this buyback program in the quarter ended April 30, 2000, when we expended $540,000 to purchase our shares.

EFFECT OF RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Derivatives

Effective February 1, 2001, we adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities." Due to the immaterial amount of our derivative and hedging activity, the effect of adopting SFAS 133 on our results of operations and financial position was immaterial.

Business Combinations/Goodwill and Other Intangible Assets

In June 2001, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards No. 141, Business Combinations, and No. 142, Goodwill and Other Intangible Assets, effective for fiscal years beginning after December 15, 2001. Under the new rules, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized but will be subject to annual impairment tests in accordance with the Statements. Other intangible assets will continue to be amortized over their useful lives.

We will apply the new rules on accounting for goodwill and other intangible assets beginning in the first quarter of the fiscal year ending January 31, 2003. We do not believe the new pronouncements will have a material impact on our consolidated financial position or results of operations

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF STOCKHOLDERS

(a) Our Annual Meeting of Stockholders was held on June 12, 2001.

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

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

NOMINEE	VOTES FOR	WITHHELD AUTHORITY TO VOTE
Morris Goldfarb	6,403,884	64,355
Aron Goldfarb	6,403,884	64,355
Lyle Berman	6,427,884	40,355

Thomas J. Brosig	6,425,384	42,855
Alan Feller	6,425,884	42,355
Carl Katz	6,425,884	42,355
Willem van Bokhorst	6,425,884	42,355
Sigmund Weiss	6,424,379	43,860
George J. Winchell	6,423,984	44,255

(ii) The ratification of the appointment of Ernst & Young LLP as our independent certified public accountants for the fiscal year ending January 31, 2002. Our stockholders voted as follows:

FOR:	6,466,484
AGAINST:	1,105
ABSTENTIONS:	650
BROKER NON-VOTES:	0

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(A) EXHIBITS

1. Amendment No. 9 to the Fifth Amended and Restated Loan Agreement, dated as of May 31, 2001, by and among G-III, the Banks and Fleet Bank.

2. Amendment No. 10 to the Fifth Amended and Restated Loan Agreement, dated as of July 27, 2001, by and among G-III, the Banks and Fleet Bank.

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 14, 2001 By: /s/ Morris Goldfarb

Morris Goldfarb
Chief Executive Officer

Date: September 14, 2001 By: /s/ Wayne S. Miller

Wayne S. Miller
Chief Financial Officer

AMENDMENT NO. 9 TO THE FIFTH

AMENDED AND RESTATED LOAN AGREEMENT

THIS AMENDMENT NO. 9 TO THE FIFTH AMENDED AND RESTATED LOAN AGREEMENT, dated as of May 31, 2001 (this "Amendment"), 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 NATIONAL BANK, (FORMERLY KNOWN AS 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. The Agent and Lenders would like to add license agreements of the Borrower to the calculation of the Borrowing Base;

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 shall be deemed to be a ninth 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 The definition of "Eligible Inventory" in Article 1 of the Loan Agreement shall be amended by deleting the phrase in subparagraph (x) in its entirety and replacing it with the following:

"includes Inventory subject to a license agreement which was assigned to Agent on behalf of the Lenders and the value of which, when attributed to any determination of Borrowing Base on or prior to July 22, 2001, does not exceed $10,200,000;"

1.3 The definition of "Inventory" in Article 1 of the Loan Agreement shall be amended by inserting the phrase, "licenses as listed on Schedule 1 hereto which may be amended from time to time, after "supplies" and before "packaging".

1.4 The definition of "Overadvance" in Article 1 of the Loan Agreement shall be amended by inserting the following sentence as the final sentence of such definition:

> "Notwithstanding the foregoing, upon and after July 22, 2001, the applicable Overadvance amount and all subsequent Overadvance amounts shall be reduced by an amount equal to 50% of the Eligible Inventory attributable to the licenses as listed on Schedule 1 hereto, which may be amended from time to time."

1.5 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. REPRESENTATIONS AND WARRANTIES.

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

2.1 After giving effect to the amendment of the Loan Agreement pursuant to this Amendment: (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.

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

SECTION 3. CONDITIONS PRECEDENT TO AMENDMENTS.

The effectiveness of the amendments contained in Section 1 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:

3.1 The Borrower, shall have duly executed and delivered this Amendment.

3.2 Borrower shall provide Agent with a copy of executed consents to license agreements between Borrower and parties listed on Schedule 1 hereto.

3.3 The representations and warranties set forth in Section 2 hereof shall be true, correct and complete on and as of the closing date of this Amendment as though made on such date.

3.4 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.

3.5 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 4. REFERENCE TO AND EFFECT UPON THE LOAN AGREEMENT AND OTHER LOAN DOCUMENTS.

4.1 Except as specifically amended in Section 1 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.

4.2 The execution, delivery and effect of this Amendment 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, as specifically amended in Section 1 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 5. MISCELLANEOUS

5.1 This Amendment 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.

5.2 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).

5.3 GOVERNING LAW. THIS AMENDMENT 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 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 NATIONAL BANK, AS LENDER

By: /s/ Stephen M. Leavenworth

Name: Stephen M. Leavenworth

Title: Vice President

THE CHASE MANHATTAN BANK,
AS LENDER

By: /s/ John Mulvey

Name: John Mulvey

Title: Vice President

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

By: /s/ Lisa Murakami

Name: Lisa Murakami

Title: Vice President

ISRAEL DISCOUNT BANK OF NEW YORK
AS LENDER

By: /s/ Matilde Reyes

Name: Matilde Reyes

Title: Vice President

By: /s/ Howard Weinberg

Name: Howard Weinberg

Title: First Vice President

FLEET NATIONAL BANK., AS AGENT

By: /s/ Stephen M. Leavenworth

Name: Stephen M. Leavenworth

Title: Vice President

Schedule A

SCHEDULE A

TO THE ASSIGNMENT AGREEMENT

TOTAL COMMITMENTS

Bank	Commitments for closing through 4/30/01; and 11/24/01 through Commitment Termination Date	Commitments for 5/1/01 through 6/15/01	Commitments for 6/16/01 through 9/15/01	Commitments for 9/16/01 through 10/31/01	Commitments for 11/01/01 through 11/23/01	% of Commitments
Fleet	$11,026,654.41	$15,927,389.71	$20,828,125.00	$18,377,757.35	$13,477,022.06	24.50%
Chase Manhattan	9,393,075.85	13,567,776.23	17,742,476.61	15,655,126.42	11,480,426.04	20.87%
CIT Group	8,984,681.50	12,977,873.28	16,971,065.06	14,974,469.17	10,981,277.39	19.97%
IDB	4,742,647.06	6,850,490.20	8,958,333.33	7,904,411.76	5,796,568.63	10.54%
HSBC	6,882,352.94	9,941,176.47	13,000,000.00	11,470,588.24	8,411,764.71	15.29%
Bank Leumi	3,970,588.24	5,735,294.12	7,500,000.00	6,617,647.06	4,852,941.18	8.82%
TOTAL	45,000,000.00	65,000,000.00	85,000,000.00	75,000,000.00	55,000,000.00	

AMENDMENT NO. 10 AND ASSIGNMENT TO THE FIFTH AMENDED AND RESTATED LOAN AGREEMENT

THIS AMENDMENT NO. 10 TO THE FIFTH AMENDED AND RESTATED LOAN AGREEMENT, dated as of July 27, 2001 (this "Amendment"), 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 NATIONAL BANK, (FORMERLY KNOWN AS 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. The Borrower would like to amend the definitions of Direct Debt Sublimit and Eligible Inventory;

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 shall be deemed to be a tenth 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 The definition of "Eligible Inventory" in Article 1 of the Loan Agreement shall be amended by deleting the phrase in subparagraph (x) in its entirety and replacing it with the following:

> "includes Inventory subject to a license agreement which was assigned to Agent on behalf of the Lenders and the value of which, when attributed to any
>
> determination of Borrowing Base from July 23, 2001 through October 15, 2001, does not exceed $10,200,000;"

1.3 The definition of "Overadvance" in Article 1 of the Loan Agreement shall be amended by inserting the following sentence as the final sentence of such definition:

> "Notwithstanding the foregoing, from October 16, 2001 and thereafter, the applicable Overadvance amount and all subsequent Overadvance amounts shall be reduced by an amount equal to 50% of the Eligible Inventory attributable to the licenses as listed on Schedule 1 hereto, which may be amended from time to time."

1.4 The definition of "Direct Debt Sublimit" in Article 1.1 of the Loan Agreement is amended by deleting the existing definition in its entirety and replacing it with the following:

DIRECT DEBT SUBLIMIT DATES	TOTAL DIRECT DEBT SUBLIMIT

11/30/00 - 4/30/01	$30,000
5/1/01 - 7/22/01	$64,000
7/23/01 - 8/31/01	$72,000
9/1/01 - 9/30/01	$70,000
10/1/01 - 10/31/01	$64,000
11/1/01 - 11/16/01	$47,000
11/17/01 maturity	$30,000

1.5 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. REPRESENTATIONS AND WARRANTIES.

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

2.1 After giving effect to the amendment of the Loan Agreement pursuant to this Amendment: (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.

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

SECTION 3. 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:

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

3.2 The Agent on behalf of the Lenders shall have received an Amendment Fee in the amount of $30,000 from the Borrower.

3.3 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.

3.4 The representations and warranties set forth in Section 2 hereof shall be true, correct and complete on and as of the closing date of this Amendment as though made on such date.

3.5 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 4. REFERENCE TO AND EFFECT UPON THE LOAN AGREEMENT AND OTHER LOAN DOCUMENTS.

4.1 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.

4.2 The execution, delivery and effect of this Amendment 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, 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 5. MISCELLANEOUS

5.1 This Amendment 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.

5.2 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).

5.3 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 NATIONAL BANK.,
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/ Juan C. Zaino

Name: Juan C. Zaino

Title: Vice President

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

By: /s/ Lisa Murakami

Name: Lisa Murakami

Title: Vice President

ISRAEL DISCOUNT BANK OF NEW YORK
AS AS LENDER AND TRANSFEROR

By: /s/ Matilde Reyes

Name: Matilde Reyes

Title: Vice President

By: /s/ Howard Weinberg

Name: Howard Weinberg

Title: Senior Vice President

HSBC BANK USA, AS TRANSFEREE

By: /s/ Thomas DeGeorge

Name: Thomas DeGeorge

Title: First Vice President

BANK LEUMI USA
AS TRANSFEREE

By: /s/ John Koenigsberg

Name: John Koenigsberg

Title: First Vice President

By: /s/ Phyllis Rosenfeld

Name: Phyllis Rosenfeld

Title: Vice President

FLEET NATIONAL BANK., AS AGENT

By: /s/ Stephen M. Leavenworth

Name: Stephen M. Leavenworth

Title: Vice President