# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# FORM 10-Q

**(Mark One)**

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended April 30, 2010**

**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 Offices) | (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 ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files. Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☑ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of June 1, 2010, there were 19,099,214 shares of our common stock, par value $0.01 per share, outstanding.

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## PART I — FINANCIAL INFORMATION

**Item 1. Financial Statements.**

### G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

### CONDENSED CONSOLIDATED BALANCE SHEETS

| | April 30, 2010 | April 30, 2009 | January 31, 2010 |
|---|---|---|---|
| | (Unaudited) | (Unaudited) | |
| | (In thousands, except share and per share amounts) | | |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | $ 17,869 | $ 2,262 | $ 46,813 |
| Accounts receivable, net of allowance for doubtful accounts and sales discounts of $28,184, $17,452 and $29,092, respectively | 82,887 | 52,307 | 73,456 |
| Inventories | 100,006 | 89,354 | 119,877 |
| Prepaid income taxes | — | 5,188 | — |
| Deferred income taxes | 15,315 | 11,565 | 15,315 |
| Prepaid expenses and other current assets | 14,561 | 14,280 | 10,694 |
| Total current assets | 230,638 | 174,956 | 266,155 |
| PROPERTY AND EQUIPMENT, NET | 11,585 | 9,755 | 7,539 |
| DEFERRED INCOME TAXES | 10,672 | 11,640 | 10,672 |
| OTHER ASSETS | 1,893 | 1,783 | 1,723 |
| INTANGIBLES, NET | 19,482 | 20,940 | 19,826 |
| GOODWILL | 26,100 | 25,494 | 26,100 |
| | $ 300,370 | $ 244,568 | $ 332,015 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Notes payable | $ — | $ 31,080 | $ — |
| Income taxes payable | 602 | — | 10,874 |
| Accounts payable | 37,502 | 28,966 | 50,337 |
| Accrued expenses | 17,189 | 14,916 | 29,333 |
| Contingent purchase price payable | — | 4,935 | — |
| Deferred income taxes | 1,529 | 1,578 | 1,529 |
| Total current liabilities | 56,822 | 81,475 | 92,073 |
| DEFERRED INCOME TAXES | 6,495 | 6,648 | 6,495 |
| OTHER NON-CURRENT LIABILITIES | 1,877 | 620 | 1,237 |
| TOTAL LIABILITIES | 65,194 | 88,743 | 99,805 |
| STOCKHOLDERS' EQUITY | | | |
| Preferred stock; 1,000,000 shares authorized; No shares issued and outstanding | | | |
| Common stock — $.01 par value; 40,000,000 shares authorized; 19,466,439, 17,063,002 and 19,192,704 shares issued | 195 | 171 | 192 |
| Additional paid-in capital | 142,104 | 99,901 | 137,764 |
| Accumulated other comprehensive loss | (41) | — | (36) |
| Retained earnings | 93,888 | 56,723 | 95,260 |
| Common stock held in treasury — 367,225 shares at cost | (970) | (970) | (970) |
| | 235,176 | 155,825 | 232,210 |
| | $ 300,370 | $ 244,568 | $ 332,015 |

*The accompanying notes are an integral part of these statements.*

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**G-III APPAREL GROUP, LTD. AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

| | Three Months Ended April 30, | |
|---|---|---|
| | 2010 | 2009 |
| | (Unaudited) (In thousands, except per share amounts) | |
| Net sales | $ 154,278 | $ 107,563 |
| Cost of goods sold | 105,241 | 76,348 |
| Gross profit | 49,037 | 31,215 |
| Selling, general and administrative expenses | 49,682 | 40,883 |
| Depreciation and amortization | 1,280 | 1,404 |
| Operating loss | (1,925) | (11,072) |
| Interest and financing charges, net | 362 | 685 |
| Loss before income taxes | (2,287) | (11,757) |
| Income tax benefit | (915) | (4,938) |
| Net loss | $ (1,372) | $ (6,819) |
| **NET LOSS PER COMMON SHARE**: | | |
| Basic and Diluted: | | |
| Net loss per common share | $ (0.07) | $ (0.41) |
| Weighted average number of shares outstanding | 18,903 | 16,696 |

*The accompanying notes are an integral part of these statements.*

**G-III APPAREL GROUP, LTD. AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

| | Three Months Ended April 30, 2010 | Three Months Ended April 30, 2009 |
|---|---|---|
| | (Unaudited) (In thousands) | |
| Cash flows from operating activities | | |
| Net loss | $ (1,372) | $ (6,819) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization | 1,280 | 1,404 |
| Stock based compensation | 661 | 415 |
| Deferred financing charges | 104 | 140 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable, net | (9,431) | 17,389 |
| Inventories | 19,871 | 27,258 |
| Income taxes, net | (10,272) | (10,410) |
| Prepaid expenses and other current assets | (3,867) | (3,961) |
| Other assets, net | (274) | (64) |
| Accounts payable, accrued expenses and other liabilities | (24,339) | (26,800) |
| Net cash used in operating activities | (27,639) | (1,448) |
| Cash flows from investing activities | | |
| Capital expenditures | (4,982) | (830) |
| Net cash used in investing activities | (4,982) | (830) |
| Cash flows from financing activities | | |
| Proceeds from notes payable, net | — | 2,032 |
| Proceeds from exercise of stock options | 1,113 | — |
| Tax benefit from exercise/vesting of equity awards | 2,569 | — |
| Net cash provided by financing activities | 3,682 | 2,032 |
| Effect of exchange rate changes | (5) | — |
| Net decrease in cash and cash equivalents | (28,944) | (246) |
| Cash and cash equivalents at beginning of period | 46,813 | 2,508 |
| Cash and cash equivalents at end of period | $ 17,869 | $ 2,262 |
| Supplemental disclosures of cash flow information: | | |
| Cash paid during the period for: | | |
| Interest | $ 258 | $ 751 |
| Income taxes | 6,788 | 5,446 |

*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 — Basis of Presentation

As used in these financial statements, the term "Company" refers to G-III Apparel Group, Ltd. and its wholly-owned subsidiaries. The results for the three month period ended April 30, 2010 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 period presented have been reflected.

The Company consolidates the accounts of all its wholly-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 10-K filed with the Securities and Exchange Commission for the fiscal year ended January 31, 2010.

Note 2 — Inventories

Wholesale inventories are stated at the lower of cost (determined by the first-in, first out method) or market. Retail inventories are valued at the lower of cost or market as determined by the retail inventory method. Inventories consist of:

| | April 30, 2010 | April 30, 2009 | January 31, 2010 |
|---|---|---|---|
| | | (In thousands) | |
| Finished goods | $ 93,531 | $ 85,273 | $ 116,627 |
| Raw materials and work-in-process | 6,475 | 4,081 | 3,250 |
| | $ 100,006 | $ 89,354 | $ 119,877 |

Note 3 — Net Loss per Common Share

Basic net loss per share has been computed using the weighted average number of common shares outstanding during each period. Diluted net income per share, when applicable, is computed using the weighted average number of common shares and potential dilutive common shares, consisting of stock options, stock purchase warrants and unvested restricted stock awards outstanding during the period. All stock options, warrants and restricted stock outstanding as of April 30, 2010 and 2009 have been excluded from the diluted per share calculation as their inclusion would be anti-dilutive. For the year ended January 31, 2010 and the three months ended April 30, 2010, 222,702 and 273,735 shares of common stock, respectively, were issued in connection with the exercise or vesting of equity awards.

Note 4 — Notes Payable

The Company has a financing agreement with JPMorgan Chase Bank, N.A. as Agent for a consortium of banks. The financing agreement is a senior secured revolving credit facility. The interest rate under this credit facility during the three month period ended April 30, 2010 was the prime rate plus 0.75%, or LIBOR plus 3.00%, at the Company's option. Amounts available under this facility are subject to borrowing base formulas and over advances as specified in the financing agreement.

The financing agreement requires the Company, among other things, to maintain a maximum senior leverage ratio and minimum fixed charge coverage ratio, as defined, and also limits payments for cash dividends and stock redemptions. As of April 30, 2010, the Company was in compliance with these covenants. The financing agreement is secured by all of the Company's assets.

Note 4 — Notes Payable (continued)

The financing agreement was amended in May 2010 to (a) increase the maximum line of credit from $250 million to $300 million; (b) reduce the interest rate on borrowings to, at the Company's option, the prime rate plus 0.50% or LIBOR plus 2.75%, (c) extend the maturity of the loan from July 11, 2011 to July 31, 2013, and (d) revise the maximum senior leverage ratio that must be maintained.

Note 5 — Segments

The Company's reportable segments are business units that offer different products and are managed separately. The Company operates in three segments; wholesale licensed apparel, wholesale non-licensed apparel and retail operations. There is substantial intersegment cooperation, cost allocations and sharing of assets. As a result, the Company does not represent that these segments, if operated independently, would report the operating results below. The following information, in thousands, is presented for the three month period indicated below:

| | Three Months Ended April 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2010 | | | 2009 | | |
| | Wholesale Licensed | Wholesale Non-Licensed | Retail | Wholesale Licensed | Wholesale Non-Licensed | Retail |
| Net sales (1) | $ 92,432 | $ 40,265 | $ 30,006 | $ 59,997 | $ 28,779 | $ 27,157 |
| Cost of goods sold (1) | 68,271 | 28,587 | 16,808 | 45,229 | 22,836 | 16,653 |
| Gross profit | 24,161 | 11,678 | 13,198 | 14,768 | 5,943 | 10,504 |
| Selling, general and administrative | 26,666 | 9,078 | 13,938 | 19,246 | 7,406 | 14,231 |
| Depreciation and amortization | 154 | 815 | 311 | 209 | 919 | 276 |
| Operating profit (loss) | $ (2,659) | $ 1,785 | $ (1,051) | $ (4,687) | $ (2,382) | $ (4,003) |

(1) Net sales and cost of goods sold for the wholesale licensed apparel and wholesale non-licensed apparel segments include an aggregate of $8.4 million of intersegment sales to the Company's retail operations for each of the three months ended April 30, 2010 and 2009.

Included in finished goods inventory at April 30, 2010 are approximately $52.6 million, $16.6 million and $24.3 million of inventories for wholesale licensed apparel, wholesale non-licensed apparel and retail operations, respectively. Included in finished goods inventory at April 30, 2009 are approximately $46.9 million, $17.5 million and $20.9 million of inventories for wholesale licensed apparel, wholesale non-licensed apparel and retail operations, respectively. All other assets are commingled.

**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. For example, our fiscal year ending January 31, 2010 is referred to as "fiscal 2010".

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 licensed product, reliance on foreign manufacturers, risks of doing business abroad, the current economic and credit environment, the nature of the apparel industry, including changing consumer demand and tastes, customer concentration, seasonality, risks of operating a retail business, customer acceptance of new products, the impact of competitive products and pricing, dependence on existing management, possible disruption from acquisitions and 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.

**Overview**

G-III designs, manufactures, and markets an extensive range of outerwear, sportswear and dresses, including coats, jackets, pants and women's suits. We sell our products under our own proprietary brands, which include the Andrew Marc, Marc New York and Marc Moto labels, licensed brands and private retail labels. G-III also operates retail stores, almost all of which are outlet stores operated under the Wilsons Leather name. While our products are sold at a variety of price points through a broad mix of retail partners and our own outlet stores, a majority of our sales are concentrated with our ten largest customers.

Our business is dependent on, among other things, retailer and consumer demand for our products. We believe that significant economic uncertainty and a slowdown in the global macroeconomic environment continue to negatively impact the level of consumer spending for discretionary items. The current uncertain economic environment has been characterized by a decline in consumer discretionary spending that has affected retailers and sellers of consumer goods, particularly those whose goods are viewed as discretionary purchases, such as fashion apparel and related products, such as ours. We cannot predict the direction in which the current economic environment will move. Continued uncertain macroeconomic conditions and concerns about the access of retailers and consumers to credit may have a negative impact on our results for fiscal 2011.

We operate in fashion markets that are intensely competitive. Our ability to continuously evaluate and respond to changing consumer demands and tastes, across multiple market segments, distribution channels and geographies is critical to our success. Although our portfolio of brands is aimed at diversifying our risks in this regard, misjudging shifts in consumer preferences could have a negative effect on our business. Our success in the future will depend on our ability to design products that are accepted in the markets we serve, source the manufacture of our products on a competitive basis, and continue to diversify our product portfolio and the markets we serve.

We have expanded our portfolio of proprietary and licensed brands for more than 15 years through acquisitions and by entering into license agreements for new brands or for additional products under previously licensed brands. We have made five acquisitions since July 2005 that have helped to broaden our product offerings, expand our ability to serve different tiers of distribution and add a retail component to our business.

In February 2008, we acquired Andrew Marc, a supplier of fine outerwear for both men and women to upscale specialty and department stores. As a result of this acquisition, we added Andrew Marc and Marc New York as additional company-owned brands and Levi's and Dockers as additional licensed brands. We believe that the Andrew Marc brand can be leveraged into a variety of new categories to become a meaningful lifestyle brand for us. Since we acquired Andrew Marc, we have entered into agreements to license the Andrew Marc and Marc New York brands for women's footwear, men's accessories, women's handbags and men's cold weather accessories. In May 2010, we entered into a license agreement with the Jones Jeanswear Division of Jones Apparel Group for the design, marketing and distribution of Andrew Marc, Marc New York and Marc Moto men's denim and related sportswear. The initial launch of these products under our Marc Moto label is expected to commence in the fourth quarter of 2010. We also launched Andrew Marc and Marc New York dress lines utilizing our own in-house designers and our manufacturing sources.

In July 2008, we acquired certain assets of Wilsons The Leather Experts, which had been a national retailer of outerwear and accessories. The assets acquired included 116 outlet store leases, inventory, distribution center operations and the Wilsons name and other related trademarks and trade names. Our retail operations segment, which consists almost entirely of our Wilsons retail outlet store business, had an operating loss during fiscal 2009 and fiscal 2010, as well as during the first quarter of fiscal 2011. During fiscal 2010, we undertook the following initiatives to improve the performance of our retail outlet business:

- Improve the merchandise mix of outerwear at our stores, with increased emphasis on leather outerwear and a stronger assortment of private label product;
- Emphasize presentation of product in our stores and training of our sales associates;
- Incorporate an improved mix of private label and branded accessories; and
- Reduce overhead costs at the distribution center for our retail operations by reducing our leased space by one-half at that distribution center.

As a result, the amount of the operating loss in our retail segment was reduced in fiscal 2010, as well as in the first quarter of fiscal 2011 compared to the first quarter of fiscal 2010. We continue to believe that operation of the Wilsons retail stores is part of our core competency, as outerwear comprised about one-half of our net sales at Wilsons in fiscal 2010, the first full year of operation for us. We expect to continue to implement and refine these initiatives with a view to creating a store concept that is capable of building growth and profitability.

Our acquisitions are part of our strategy to expand our product offerings and increase the portfolio of proprietary and licensed brands that we offer through different tiers of retail distribution and at a variety of price points. We believe that both Andrew Marc and the Wilsons retail outlet business leverage our core strength in outerwear and provide us with new avenues for growth. We also believe that these acquisitions complement our other licensed brands, G-III owned labels and private label programs.

We market our products to department, specialty and mass merchant retail stores in the United States. We also supply our outerwear to our Wilsons outlet stores and to our Wilsons e-commerce business.

We operate our business in three segments, wholesale licensed apparel, wholesale non-licensed apparel and retail operations. The wholesale licensed apparel segment includes sales of apparel brands licensed by us from third parties. The wholesale non-licensed apparel segment includes sales of apparel under our own brands and private label brands. The retail operations segment consists almost entirely of the Wilsons retail outlet stores we acquired in July 2008, now operating as AM Retail Group, Inc.

The sale of licensed product has been a key element of our business strategy for many years. As part of this strategy, we continue to add new fashion and sports apparel licenses. In May 2010, we added licenses for Calvin Klein better luggage and for Calvin Klein better women's handbags and small leather goods. First shipment of these products is expected to commence in 2011.

We believe that consumers prefer to buy brands they know and we have continually sought licenses that would increase the portfolio of name brands we offer through different tiers of retail distribution, for a wide array of products and at a variety of price points. We believe that brand owners will look to consolidate the number of licensees they engage to develop product and they will seek licensees with a successful track record of developing brands. We are continually having discussions with licensors regarding new opportunities.

Significant trends that affect the apparel industry include the continuing consolidation of retail chains, the desire on the part of retailers to consolidate vendors supplying them, a shift in consumer shopping preferences away from traditional department stores to other mid-tier and specialty store venues and increases in raw material and transportation costs.

Retailers are seeking to expand the differentiation of their offerings by devoting more resources to the development of exclusive products, whether by focusing on their own private label products or on products produced exclusively for a retailer by a national brand manufacturer. Retailers are placing more emphasis on building strong images for their private label merchandise. Exclusive brands are only made available to a specific retailer, and thus customers loyal to their brands can only find them in the stores of that retailer.

The weakness in the economy and financial markets has reduced consumer confidence and consumer spending. There has also been significant downward pressure on average retail prices for many categories of apparel, in large part as a result of the weakness of the economy.

A number of retailers are experiencing financial difficulties, which in some cases has resulted in bankruptcies, liquidations and/or store closings. The financial difficulties of a retail customer of ours could result in reduced business with that customer. We may also assume higher credit risk relating to receivables of a retail customer experiencing financial difficulty that could result in higher reserves for doubtful accounts or increased write-offs of accounts receivable. We attempt to lower credit risk from our customers by closely monitoring accounts receivable balances and shipping levels, as well as the ongoing financial performance and credit standing of customers.

We have attempted to respond to these trends by continuing to focus on selling products with recognized brand equity, by attention to design, quality and value and by improving our sourcing capabilities. We have also responded with the strategic acquisitions made by us and new license agreements entered into by us that have added additional licensed and proprietary brands and helped diversify our business by adding new product lines, additional distribution channels and a retail component to our business. We believe that our broad distribution capabilities help us to respond to the various shifts by consumers between distribution channels and that our operational capabilities will enable us to continue to be a vendor of choice for our retail partners.

**Results of Operations**

***Three months ended April 30, 2010 compared to three months ended April 30, 2009***

Net sales for the three months ended April 30, 2010 increased to $154.3 million from $107.6 million in the same period last year. Net sales of wholesale licensed apparel increased to $92.4 million from $60.0 million primarily as a result of an increase of $31.7 million in net sales of Calvin Klein licensed product, primarily due to increased sales of women's dresses and sportswear. Net sales of wholesale non-licensed apparel in the three months ended April 30, 2010 increased to $40.3 million from $28.8 million primarily due to a $6.6 million increase in net sales of our Jessica Howard dress division. Net sales of our retail operations were $30.0 million for the three months ended April 30, 2010 compared to $27.2 million in the same period last year primarily as a result of an increase in outerwear sales.

Gross profit increased to $49.0 million, or 31.8% of net sales, for the three month period ended April 30, 2010, from $31.2 million, or 29.0% of net sales, in the same period last year. The gross profit percentage in our wholesale licensed apparel segment was 26.1% in the three month period ended April 30, 2010 compared to 24.6% in the same period last year primarily as a result of increased sales volume in our Calvin Klein dress division which typically has a higher gross margin percentage than other Calvin Klein products sold by us. The gross profit percentage in our wholesale non-licensed apparel segment increased to 29.0% in the three month period ended April 30, 2010 from 20.6% in the same period last year primarily as a result of improved margins on increased sales volume of our Jessica Howard division. The gross profit percentage for our retail operations segment was 44.0% for the three months ended April 30, 2010 compared to 38.7% for the comparable period last year as a result of higher initial margins and less markdown activity across substantially all product categories.

Selling, general and administrative expenses increased $8.8 million to $49.7 million in the three month period ended April 30, 2010 from $40.9 million in the same period last year. This increase is primarily a result of increases in personnel costs ($4.5 million), advertising and promotion expenses ($1.9 million) and outside warehousing ($924,000). Personnel costs increased due to an increase in accrued bonuses as a result of expected profitability for the year and as a result of salaries in the prior comparable period being reduced as part of cost cutting measures taken by us that were in effect for the first six months of fiscal 2010. Advertising costs increased because sales of licensed product, primarily Calvin Klein, increased and we typically pay an advertising fee under our license agreements based on a percentage of sales of licensed product. Outside warehousing costs increased as a result of increased shipping volume.

Depreciation and amortization decreased to $1.3 million in the three months ended April 30, 2010 from $1.4 million in the same period last year primarily as a result of certain intangible assets that became fully amortized during fiscal 2010.

Interest and finance charges, net for the three months ended April 30, 2010 were approximately $362,000 compared to $685,000 for the comparable period last year. Our charges were lower because we did not draw on our credit facility in the first fiscal quarter due to application of the proceeds from our public offering in December 2009 to temporarily pay down debt under the facility.

Income tax benefit for the three months ended April 30, 2010 was $915,000 compared to $4.9 million for the same period last year. Income tax benefit decreased because our loss before income taxes was significantly less in the three months ended April 30, 2010. The effective tax rate for the three month period ended April 30, 2010 was 40.0% compared to an effective tax rate of 42.0% in the same period last year. The effective tax rate in the prior comparable period is higher primarily due to not being able to recognize the benefit of certain state losses incurred by our AM Retail Group, Inc. subsidiary that operates our Wilsons retail outlet stores.

**Liquidity and Capital Resources**

Our primary cash requirements are to fund our seasonal build up in inventories and accounts receivable, primarily during our second and third fiscal quarters each year. Due to the seasonality of our business, we generally reach our maximum borrowing under our asset-based credit facility during our third fiscal quarter. The primary sources to meet our cash requirements have been borrowings under our credit facility, cash generated from operations and proceeds from offerings of our common stock.

The amount borrowed under our line of credit varies based on our seasonal requirements. At April 30, 2010, we had cash and cash equivalents of $17.9 million and no outstanding borrowings. At April 30, 2009, we had cash and cash equivalents of $2.3 million and outstanding borrowings of $31.1 million. The primary reason for our improved cash and borrowing positions compared to last year was the receipt of $34.7 million in net proceeds from our public offering of common stock in December 2009.

Our contingent liability under open letters of credit was approximately $26.5 million as of April 30, 2010 compared to $23.5 million as of April 30, 2009.

*Financing Agreement*

We have a financing agreement with JPMorgan Chase Bank, N.A. as Agent for a consortium of banks. The financing agreement is a senior secured revolving credit facility. The interest rate under this credit facility during the three month period ended April 30, 2010 was the prime rate plus 0.75%, or LIBOR plus 3.00%, at our option. Amounts available under this facility are subject to borrowing base formulas and over advances as specified in the financing agreement.

The financing agreement requires us, among other things, to maintain a maximum senior leverage ratio and minimum fixed charge coverage ratio, as defined, and also limits payments for cash dividends and stock redemptions. As of April 30, 2010, we were in compliance with these covenants. The financing agreement is secured by all of our assets.

The financing agreement was amended in May 2010 to (a) increase the maximum line of credit from $250 million to $300 million, (b) reduce the interest rate on borrowings by 0.25% to, at our option, the prime rate plus 0.50% or LIBOR plus 2.75%, (c) extend the maturity of the loan from July 11, 2011 to July 31, 2013, and (d) revise the maximum senior leverage ratio that we must maintain.

*Cash from Operating Activities*

We used $27.6 million of cash from operating activities during the three months ended April 30, 2010, primarily as a result of a decrease in accounts payable and accrued expenses of $24.3 million, a net decrease in our income tax payable of $10.3 million, and an increase of $9.4 million in accounts receivable, offset in part by a decrease of $19.9 million in inventory.

The decrease in accounts payable is primarily attributable to vendor payments made in the first quarter as we collected our accounts receivable from the fall shipping season. The decrease in income taxes payable is attributable to income taxes paid subsequent to year end as a result of our fiscal 2010 income. The increase in accounts receivable resulted primarily from an increase in sales in our women's dress and sportswear businesses. Growth in our dress and sportswear businesses reversed our typical seasonal trend of having lower accounts receivable in our first quarter. Our inventory decreased because we experience lower sales levels in our first and second fiscal quarters than in our third and fourth fiscal quarters.

*Cash from Investing Activities*

We used $5.0 million of cash in investing activities in the three months ended April 30, 2010 for capital expenditures. In December 2009, we entered into a lease for a new warehouse facility. In March 2010, we amended our leases for our existing corporate showrooms and offices to extend the leases and add additional office space. We expect our capital expenditures for fiscal 2011 to be an aggregate of approximately $13.0 million, net of landlord contributions, for the build out and renovation of the additional warehouse facility and office space, as well as of additional retail outlet stores.

*Cash from Financing Activities*

Cash from financing activities provided $3.7 million in the three months ended April 30, 2010, as a result of $2.6 million in tax benefits recognized from equity compensation and $1.1 million of proceeds from the exercise of stock options.

*Financing Needs*

We believe that our cash on hand and cash generated from operations, together with funds available from our line of credit and our public offering of common stock in December 2009, are sufficient to meet our expected operating and capital expenditure requirements. We may seek to acquire other businesses in order to expand our product offerings. We may need additional financing in order to complete one or more acquisitions. We cannot be certain that we will be able to obtain additional financing, if required, on acceptable terms or at all.

**Critical Accounting Policies**

Our discussion of results of operations and financial condition relies on our consolidated financial statements that are prepared based on certain critical accounting policies that require management to make judgments and estimates that are subject to varying degrees of uncertainty. We believe that investors need to be aware of these policies and how they impact our financial statements as a whole, as well as our related discussion and analysis presented herein. While we believe that these accounting policies are based on sound measurement criteria, actual future events can and often do result in outcomes that can be materially different from these estimates or forecasts. The accounting policies and related estimates described in our Annual Report on Form 10-K for the year ended January 31, 2010 are those that depend most heavily on these judgments and estimates. As of April 30, 2010, there have been no material changes to our critical accounting policies.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

There are no material changes to the disclosure made with respect to these matters in our Annual Report on Form 10-K for the year ended January 31, 2010.

**Item 4. Controls and Procedures.**

As of the end of the period covered by this report, our management, including the Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms and (ii) accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure, and thus, are effective in making known to them material information relating to G-III required to be included in this report.

During our last fiscal quarter, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II — OTHER INFORMATION

### Item 1A. Risk Factors.

In addition to the other information set forth in this report, you should carefully consider the factors discussed in "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended January 31, 2010, which could materially affect our business, financial condition or future results. There have been no material changes to the risk factors as previously disclosed in our Annual Report on Form 10-K. The risks described in our Annual Report on Form 10-K are not the only risks facing our company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

**Item 6. Exhibits.**

| | |
|---|---|
| 10.1 | Amendment No. 4 (as revised), dated May 13, 2010, to Amended and Restated Financing Agreement, by and among G-III Leather Fashions, Inc., J. Percy for Marvin Richards, Ltd., CK Outerwear, LLC, A. Marc &Co., Inc., Andrew & Suzanne Company Inc. AM Retail Group, Inc. and the Lenders that are parties thereto and JPMorgan Chase Bank, N.A., as Agent. |
| 31.1 | Certification by Morris Goldfarb, Chief Executive Officer of G-III Apparel Group, Ltd., pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, in connection with G-III Apparel Group, Ltd.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2010. |
| 31.2 | Certification by Neal S. Nackman, Chief Financial Officer of G-III Apparel Group, Ltd., pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, in connection with G-III Apparel Group, Ltd.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2010. |
| 32.1 | Certification by Morris Goldfarb, Chief Executive Officer of G-III Apparel Group, Ltd., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in connection with G-III Apparel Group, Ltd.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2010. |
| 32.2 | Certification by Neal S. Nackman, Chief Financial Officer of G-III Apparel Group, Ltd., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in connection with G-III Apparel Group, Ltd.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2010. |

**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 7, 2010 | By: /s/ Morris Goldfarb<br>Morris Goldfarb<br>Chief Executive Officer |
| Date: June 7, 2010 | By: /s/ Neal S. Nackman<br>Neal S. Nackman<br>Chief Financial Officer |

**Exhibit 10.1**

AMENDMENT NO. 4

TO

AMENDED & RESTATED FINANCING AGREEMENT

This Amendment No. 4 to Amended & Restated Financing Agreement (this "Amendment No. 4") is entered into as of May 13, 2010, by and among G-III Leather Fashions, Inc., a New York corporation ("G-III Inc."), J. Percy for Marvin Richards, Ltd., a New York corporation ("JPMR"), CK Outerwear, LLC, a New York limited liability company ("CKO"), A. Marc & Co., Inc., a New York corporation ("AMC"), Andrew & Suzanne Company Inc., a New York corporation ("A&S"), AM Retail Group, Inc., a Delaware corporation ("AMRGI", and together with G-III Inc., JPMR, CKO, AMC and A&S, individually a "Company" and collectively, the "Companies"), JPMorgan Chase Bank N.A. ("JPMC"), The CIT Group/Commercial Services, Inc., a New York corporation ("CIT") (JPMC, CIT and the other financial institutions which are now or hereafter become a party to the Financing Agreement (as hereafter defined) each a "Lender" and collectively, "Lenders"), and JPMC, as successor agent to CIT, as agent for Lenders (JPMC, in such capacity, "Agent").

BACKGROUND

The Companies, Agent and Lenders are parties to an Amended and Restated Financing Agreement, dated as of April 3, 2008 (as amended by Joinder and Amendment No. 1 to Amended and Restated Financing Agreement dated as of July 21, 2008, Amendment No. 2 to Amended and Restated Financing Agreement dated as of April 20, 2009, Amendment No. 3 to Amended & Restated Financing Agreement dated as of August 31, 2009, and as further amended, restated, modified and/or supplemented from time to time, the "Financing Agreement") pursuant to which Agent and Lenders provide the Companies with certain financial accommodations.

The Companies have requested Agent and Lenders to (a) extend the Termination Date set forth in the Financing Agreement from July 11, 2011 to July 31, 2013, (b) increase the Line of Credit from $250,000,000 to $300,000,000, (c) lower the interest rates applicable to the Loans by one-quarter of one percent (0.25%) and (d) make certain other modifications to the Financing Agreement. Agent and Lenders are willing to agree to such extension, increase the Line of Credit, lower the interest rates and amend certain of the terms of the Financing Agreement, all as hereinafter set forth.

NOW, THEREFORE, in consideration of any loan or advance or grant of credit heretofore or hereafter made to or for the account of the Companies by Agent and Lenders, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions. All capitalized terms not otherwise defined herein shall have the meanings given to them in the Financing Agreement.

2. Amendments to Financing Agreement. Subject to satisfaction of the conditions precedent set forth in Section 3 below, the Financing Agreement is hereby amended as follows:

(a) Section 1.1 of the Financing Agreement is hereby amended by inserting a definition for the new term "Net Equity Raised and Retained", in its appropriate alphabetical order, to provide as follows:

**Net Equity Raised and Retained** shall mean an amount equal to (a) 100% of the net cash proceeds from the sale of equity securities by Parent at any time during the period from November 1, 2009 through the Termination Date minus (b) any Permitted Distributions during the period from the date such equity securities are issued through the date of the applicable acquisition and minus (c) any "net cash losses" sustained by Parent and its Subsidiaries during the period from the date such equity securities are issued through the date of the applicable acquisition. For purposes of this definition, "net cash losses" shall mean (x) all earnings of Parent and its Subsidiaries on a consolidated basis for such period before depreciation and amortization expenses minus (y) Capital Expenditures during such period.

(b) Section 1.1 of the Financing Agreement is hereby further amended by restating the definitions of the terms "Applicable Margin", "Commitment", "Line of Credit", "Line of Credit Fee", "Revolving Line of Credit", "Supplemental Amount" and "Termination Date" to provide as follows:

**Applicable Margin** shall mean, with respect to (a) the Revolving Loans, plus 0.50% for Chase Bank Rate Loans and 2.75% for LIBOR Loans, (b) standby Letters of Credit, 1.50%, (c) documentary Letters of Credit, 0.125%, or (d) Bankers Acceptances, the discount rate of JPMorgan Chase Bank, N.A. plus 2.50%.

**Commitment** shall mean, as to each Lender, the amount of the Commitment for such Lender set forth (a) on the signature page to this Financing Agreement, (b) in the Assignment and Transfer Agreement to which such Lender is a party, or (c) on the signature page to any amendment to this Agreement executed by all Lenders, as such amount may be reduced or increased in accordance with the provisions of Section 13.4(b) or any other applicable provision of this Financing Agreement.

**Line of Credit** shall mean, with the aggregate commitment of the Lenders in an amount equal to $300,000,000 to (a) make Revolving Loans pursuant to Section 3 of this Financing Agreement, and (b) assist any Company in opening Letters of Credit and/or Bankers Acceptances pursuant to Section 5 of this Financing Agreement.

**Line of Credit Fee** shall mean, for any month, the product obtained by multiplying (a) (i) the amount of the Revolving Line of Credit minus (ii) the average daily principal balance of Revolving Loans and the average daily undrawn amount of Letters of Credit, Bankers Acceptances, Steamship Guarantees and Airway Releases outstanding during such month, times (b) one-quarter of one percent (0.25%) per annum for the number of days in said month; provided, however, that the Line of Credit Fee during any one year period commencing on each April 1 and ending on the day before each anniversary thereof shall not exceed $375,000.

**Revolving Line of Credit** shall mean the Commitments of the Lenders to make Revolving Loans pursuant to Section 3 of this Financing Agreement and assist the Companies in opening Letters of Credit, Bankers Acceptances, Steamship Guarantees and Airway Releases pursuant to Section 5 of this Financing Agreement, in an aggregate amount equal to $300,000,000.

**Supplemental Amount** shall mean the following amounts during the following periods during each calendar year, in each case minus all Supplemental Amount Reductions:

| Period | | Supplemental Amount |
|---|---|---|
| May 1 through and including May 31 | $ | 20,000,000 |
| June 1 through and including June 30 | $ | 30,000,000 |
| July 1 through and including July 31 | $ | 35,000,000 |
| August 1 through and including September 29 | $ | 40,000,000 |
| September 30 through and including October 15 | $ | 0 |

**Termination Date** shall mean July 31, 2013.

(c) Clause (d) of the definition of "Permitted Distributions" appearing in Section 1.1 of the Financing Agreement is hereby amended by inserting the following immediately prior to the words "to fund a Special Capital Expenditure" appearing therein:

either (A) in connection with a Permitted Acquisition or (B)

(d) Paragraph 7.3(a) of the Financing Agreement is hereby amended by restating the required Senior Leverage Ratio levels to be maintained as at the end of each fiscal quarter ending after the date hereof, on a trailing twelve months basis, to be not greater than the following for the applicable test period:

| **Twelve Months Ending** | **Senior Leverage Ratio** |
|---|---|
| April 30, 2010 | 2.50 to 1.00 |
| July 31, 2010 | 5.00 to 1.00 |
| October 31, 2010 | 5.60 to 1.00 |
| January 31, 2011 | 2.40 to 1.00 |
| April 30, 2011 | 2.50 to 1.00 |
| July 31, 2011 | 5.00 to 1.00 |
| October 31, 2011 | 5.60 to 1.00 |
| January 31, 2012 | 2.40 to 1.00 |
| April 30, 2012 | 2.50 to 1.00 |
| July 31, 2012 | 5.00 to 1.00 |
| October 31, 2012 | 5.60 to 1.00 |
| January 31, 2013 | 2.40 to 1.00 |
| April 30, 2013 | 2.50 to 1.00 |

(e) Paragraph 7.3(b) of the Financing Agreement is hereby amended by restating the required Fixed Charge Coverage Ratio levels to be maintained as at the end of each fiscal quarter ending after the date hereof, on a trailing twelve months basis, to be not less than the following for the applicable test period:

| **Twelve Months Ending** | **Fixed Charge Coverage Ratio** |
|---|---|
| April 30, 2010 | 1.00 to 1.00 |
| July 31, 2010 | 1.00 to 1.00 |
| October 31, 2010 | 1.10 to 1.00 |
| January 31, 2011 | 1.10 to 1.00 |
| April 30, 2011 | 1.00 to 1.00 |
| July 31, 2011 | 1.00 to 1.00 |
| October 31, 2011 | 1.10 to 1.00 |
| January 31, 2012 | 1.10 to 1.00 |
| April 30, 2012 | 1.00 to 1.00 |
| July 31, 2012 | 1.00 to 1.00 |
| October 31, 2012 | 1.10 to 1.00 |
| January 31, 2013 | 1.10 to 1.00 |
| April 30, 2013 | 1.00 to 1.00 |

(f) Paragraph 7.4(g)(I) of the Financing Agreement is hereby amended and restated in its entirety to provide as follows:

> (I) the aggregate consideration in respect of all acquisitions contemplated by this clause (g) shall not exceed, during the period commencing May 1, 2010 and continuing through the Termination Date, the sum of (x) $35,000,000 in cash (whether payable on or prior to the closing thereof or at any time thereafter through and including the Termination Date, but excluding any contingent "earn out" payments relating to such Permitted Acquisition; provided, however, that no more than $5,000,000 of such amount shall be available for acquisitions that are not in the same line of business as the Companies on the Closing Date or a complementary line of business), plus (y) an amount equal to any consideration payable in the form of additional capital stock of Parent issued to the applicable seller in connection with such acquisition ("Seller Issued Equity"), plus (z) without duplication of any Seller Issued Equity, an amount equal to any Net Equity Raised and Retained; provided, further, that the aggregate consideration (whether cash or non-cash) in respect of all acquisitions contemplated by this clause (g) shall not exceed, during the term of this Agreement, the sum of $70,000,000;

(g) Paragraph 7.4(l) of the Financing Agreement is hereby deleted in its entirety.

(h) Paragraph 10.1(k) of the Financing Agreement is hereby deleted in its entirety.

3. Conditions of Effectiveness. This Amendment No. 4 shall become effective as of the date hereof upon satisfaction of the following conditions: Agent shall have received:

(a) Fifteen (15) copies of this Amendment No. 4 duly executed by the Companies, Agent and all Lenders, and consented to by each Guarantor;

(b) Payment of an amendment fee in an amount equal to 15 basis points on the aggregate amount of the Commitments in effect immediately prior to the date hereof, for an aggregate amendment fee of $375,000, for the ratable benefit of all Lenders, which fee shall be fully earned and non-refundable on the effective date of this Amendment No. 4;

(c) Payment of an upfront fee in an amount equal to 25 basis points on the aggregate $50,000,000 increase in the Commitments as of the effective date of this Amendment No. 4, for an aggregate upfront fee of $125,000, for the ratable benefit of all Lenders increasing their Commitment as of the effective date of this Amendment No. 4, pro rata based upon each Lender's respective increase, which fee shall be fully earned and non-refundable on the effective date of this Amendment No. 4; and

(d) such other certificates, instruments, documents and agreements as may reasonably be required by Agent or its counsel, each of which shall be in form and substance satisfactory to Agent and its counsel.

4. Representations and Warranties. Each of the Companies hereby represents, warrants and covenants as follows:

(a) This Amendment No. 4, the Financing Agreement and the other Loan Documents are and shall continue to be legal, valid and binding obligations of each of Companies and Guarantors, respectively, and are enforceable against each Company and each Guarantor in accordance with their respective terms.

(b) Upon the effectiveness of this Amendment No. 4, each Company and each Guarantor hereby reaffirms all covenants, representations and warranties made in the Financing Agreement and the other Loan Documents and agrees that all such covenants, representations and warranties shall be deemed to have been remade and are true and correct in all material respects as of the effective date of this Amendment No. 4, after giving effect to this Amendment No. 4, provided, however, that the information contained in the Schedules attached to the Financing Agreement continues to be true, correct and complete as of the Closing Date, and there have been no changes to such matters as of the date hereof except to the extent any such change would not have a Material Adverse Effect, constitute a Default or Event or Default, or otherwise require notice to the Agent in accordance with the terms of the Financing Agreement.

(c) Each Company and each Guarantor has the corporate or limited liability company power, and has been duly authorized by all requisite corporate or limited liability company action, to execute and deliver this Amendment No. 4 and to perform its obligations hereunder. This Amendment No. 4 has been duly executed and delivered by each Company and consented to by each Guarantor.

(d) Each Company has no defense, counterclaim or offset with respect to any of the Loan Documents.

(e) The Loan Documents are in full force and effect, and are hereby ratified and confirmed.

(f) The recitals set forth in the Background section above are truthful and accurate and are an operative part of this Amendment No. 4.

(g) Agent and Lenders have and will continue to have a valid first priority lien and security interest in all Collateral except for liens permitted by the Financing Agreement, and each Company and each Guarantor expressly reaffirms all guarantees, security interests and liens granted to Agent and Lenders pursuant to the Loan Documents.

(h) No Defaults or Events of Default are in existence.

5. Effect of Agreement.

(a) Except as specifically modified herein, the Financing Agreement, and all other documents, instruments and agreements executed and/or delivered in connection therewith, shall remain in full force and effect, and are hereby ratified and confirmed.

(b) The execution, delivery and effectiveness of Amendment No. 4 shall not operate as a waiver of any right, power or remedy of Agent or any Lender, nor constitute a waiver of any provision of the Financing Agreement, or any other documents, instruments or agreements executed and/or delivered under or in connection therewith.

6. Governing Law. This Amendment No. 4 shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and shall be governed by and construed in accordance with the laws of the State of New York.

7. Headings. Section headings in this Amendment No. 4 are included herein for convenience of reference only and shall not constitute a part of this Amendment No. 4 for any other purpose.

8. Counterparts; Facsimile. This Amendment No. 4 may be executed by the parties hereto in one or more counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same agreement. Any signature delivered by a party by facsimile or other electronic transmission (including in "pdf" format) shall be deemed to be an original signature hereto.

[signature pages follow]

IN WITNESS WHEREOF, this Amendment No. 4 has been duly executed as of the day and year first written above.

G-III LEATHER FASHIONS, INC., as
a Company and the Funds Administrator

By: /s/ Neal S. Nackman
Name: Neal S. Nackman
Title: Vice President — Finance

J. PERCY FOR MARVIN RICHARDS, LTD., as a Company

By: /s/ Neal S. Nackman
Name: Neal S. Nackman
Title: Secretary

CK OUTERWEAR, LLC, as a Company

By: /s/ Neal S. Nackman
Name: Neal S. Nackman
Title: Secretary

A. MARC & CO., INC., as a Company

By: /s/ Neal S. Nackman
Name: Neal S. Nackman
Title: Vice President — Finance and Secretary

ANDREW & SUZANNE COMPANY INC., as a Company

By: /s/ Neal S. Nackman
Name: Neal S. Nackman
Title: Vice President — Finance and Secretary

AM RETAIL GROUP, INC., as a Company

By: /s/ Michael Brady
Name: Michael Brady
Title: Controller and Vice President

JPMORGAN CHASE BANK, N.A., as Lender and as Agent

By: /s/ Donna M. DiForio
Name: Donna M. DiForio
Title: Vice President

Commitment: $42,500,000
Pro Rata Percentage: 14.168%

THE CIT GROUP/COMMERCIAL SERVICES, INC., as Lender

By: /s/ Edward J. Ahearn
Name: Edward J. Ahearn
Title: Senior Vice President

Commitment: $15,000,000
Pro Rata Percentage: 5.000%

HSBC BANK USA, NATIONAL ASSOCIATION, as Lender

By: /s/ Michael P. Behuniak
Name: Michael P. Behuniak
Title:____________________

Commitment: $38,500,000
Pro Rata Percentage: 12.833%

SOVEREIGN BANK, as Lender

By: /s/ Matilda Reyes
Name: Matilda Reyes
Title: Senior Vice President

Commitment: $30,000,000
Pro Rata Percentage: 10.000%

ISRAEL DISCOUNT BANK OF NEW YORK, as Lender

By: /s/ Irene B. Spector
Name: Irene B. Spector
Title: Vice President

By: /s/ George Commander
Name: George Commander
Title: Senior Vice President

Commitment: $30,000,000
Pro Rata Percentage: 10.000%

TD BANK, N.A., as Lender

By: /s/ Evan Kraus
Name: Evan Kraus
Title: Vice President

Commitment: $30,000,000
Pro Rata Percentage: 10.000%

SIGNATURE BANK, as Lender

By: /s/ Susan M. Duggan
Name: Susan M. Duggan
Title: Senior Lender & Vice President

Commitment: $15,000,000
Pro Rata Percentage: 5.000%

BANK LEUMI USA, as Lender

By: /s/ Iris Steinhardt
Name: Iris Steinhardt
Title: Vice President

By: /s/ Nancy Pulla
Name: Nancy Pulla
Title: Assistant Vice President

Commitment: $18,500,000
Pro Rata Percentage: 6.166%

WEBSTER BUSINESS CREDIT, as Lender

By: /s/ Daniel Stampfel
Name: Daniel Stampfel
Title: Vice President

Commitment: $18,500,000
Pro Rata Percentage: 6.166%

BANK OF AMERICA, N.A., as Lender

By: /s/ Naomi Hasegawa
Name: Naomi Hasegawa
Title: Vice President

Commitment: $28,500,000
Pro Rata Percentage: 9.500%

WELLS FARGO BANK, N.A., as Lender

By: /s/ Robert Maichin
Name: Robert Maichin
Title: Senior Vice President

Commitment: $33,500,000
Pro Rata Percentage: 11.167%

ACKNOWLEDGED AND AGREED TO
BY EACH OF THE GUARANTORS:

G-III APPAREL GROUP, LTD.

By: /s/ Neal S. Nackman
Name: Neal S. Nackman
Title: Chief Financial Officer and Treasurer

G-III RETAIL OUTLETS INC.

By: /s/ Neal S. Nackman
Name: Neal S. Nackman
Title: Vice President — Finance

G-III LICENSE COMPANY, LLC

By: G-III Apparel Group, Ltd.

By: /s/ Neal S. Nackman
Name: Neal S. Nackman
Title: Chief Financial Officer & Treasurer

G-III BRANDS, LTD.

By: /s/ Neal S. Nackman
Name: Neal S. Nackman
Title: Vice President — Finance

AM APPAREL HOLDINGS, INC.

By: /s/ Michael Brady
Name: Michael Brady
Title: Treasurer

ASH RETAIL CORP.

By: /s/ Michael Brady
Name: Michael Brady
Title: Treasurer

ASH RETAIL OF EASTHAMPTON, INC.

By: /s/ Michael Brady
Name: Michael Brady
Title: Treasurer

EXHIBIT 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Morris Goldfarb, certify that:

1. I have reviewed this quarterly report on Form 10-Q of G-III Apparel Group, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 7, 2010

/s/ Morris Goldfarb
Morris Goldfarb
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Neal S. Nackman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of G-III Apparel Group, Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared.

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting, and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 7, 2010

/s/ Neal S. Nackman
Neal S. Nackman
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of G-III Apparel Group, Ltd. (the “Company”) on Form 10-Q for the quarterly period ended April 30, 2010, as filed with the Securities and Exchange Commission (the “Report”), I, Morris Goldfarb, Chief Executive Officer of the Company, hereby certify that, to my knowledge, (a) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Morris Goldfarb
Morris Goldfarb
Chief Executive Officer

Date: June 7, 2010

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of G-III Apparel Group, Ltd. (the "Company") on Form 10-Q for the quarterly period ended April 30, 2010, as filed with the Securities and Exchange Commission (the "Report"), I, Neal S. Nackman, Chief Financial Officer of the Company, hereby certify that, to my knowledge, (a) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Neal S. Nackman
Neal S. Nackman
Chief Financial Officer

Date: June 7, 2010

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.