

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

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

For the Quarterly period ended October 31, 2002

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 (I.R.S. Employer  
incorporation or organization) 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  No   
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Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes  No   
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The number of outstanding shares of the registrant's Common Stock as of December 2, 2002 was 6,849,752.

Condensed Consolidated Balance Sheets - October 31, 2002 and January 31, 2002.....	3
Condensed Consolidated Statements of Operations - For the Three Months Ended October 31, 2002 and 2001.....	4
Condensed Consolidated Statements of Operations - For the Nine Months Ended October 31, 2002 and 2001.....	5
Condensed Consolidated Statements of Cash Flows - For the Nine Months Ended October 31, 2002 and 2001.....	6
Notes to Condensed Consolidated Financial Statements.....	7

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.....	10
Item 3. Quantitative and Qualitative Disclosures About Market Risk.....	13
Item 4. Controls and Procedures.....	13

\* The Balance Sheet at January 31, 2002 has been taken from the audited financial statements at that date. All other financial statements are unaudited.

Part II OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.....	13
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Exhibits

99.1 Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

-2-

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS  
(in thousands, except share and per share amounts)

	OCTOBER 31, 2002 ----- (unaudited)	JANUARY 31, 2002 ----- -----
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 977	\$ 2,481
Accounts receivable, net of allowance for doubtful accounts and sales discounts totaling \$8,607 and \$6,169, respectively	69,953	9,922
Inventories	47,233	37,172
Deferred income taxes	5,286	5,286
Prepaid expenses and other current assets	3,842	3,749
Total current assets	127,291	58,610
PROPERTY, PLANT AND EQUIPMENT, NET	2,536	3,021
DEFERRED INCOME TAXES	1,932	1,954
OTHER ASSETS	4,007	4,116
	-----	-----
	\$135,766	\$ 67,701
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Notes payable	\$ 49,729	\$ 800
Current maturities of obligations under capital leases	113	106
Income taxes payable	3,193	1,118
Accounts payable	16,172	5,079
Accrued expenses	6,102	5,262
Accrued nonrecurring charges	55	105
	-----	-----
Total current liabilities	75,364	12,470
OTHER LONG-TERM LIABILITIES		
	354	418
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, shares; 7,094,569 and 6,944,071 shares issued at October 31, 2002 and January 31, 2002, respectively	71	69
Additional paid-in capital	25,912	25,581
Foreign currency translation adjustments	94	94
Retained earnings	34,941	30,039
	-----	-----
Less common stock held in treasury - 244,817 shares, at cost, at October 31, 2002 and January 31, 2002	(970)	(970)
	-----	-----
	60,048	54,813
	-----	-----
	\$ 135,766	\$ 67,701
	=====	=====

The accompanying notes are an integral part of these statements.

-3-

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

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

	THREE MONTHS ENDED OCTOBER 31,	
	----- (Unaudited)	
	2002	2001
	----	----
Net sales	\$ 102,284	\$ 90,623
Cost of goods sold	74,324	69,905
	-----	-----
Gross profit	27,960	20,718
Selling, general and administrative expenses	13,181	10,930
	-----	-----
Operating income	14,779	9,788
Interest and financing charges, net	853	1,399
	-----	-----
Income before income taxes	13,926	8,389
Income tax expense	5,431	3,356
	-----	-----

Net income	\$ 8,495	\$ 5,033
	=====	=====

INCOME PER COMMON SHARE:

Basic:

-----

Net income per common share	\$ 1.25	\$ 0.75
	=====	=====

Weighted average number of shares outstanding	6,778,757	6,689,787
	=====	=====

Diluted:

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Net income per common share	\$ 1.16	\$ 0.68
	=====	=====

Weighted average number of shares outstanding	7,292,321	7,380,068
	=====	=====

The accompanying notes are an integral part of these statements.

-4-

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

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(in thousands, except share and per share amounts)

	NINE MONTHS ENDED OCTOBER 31,	
	-----	
	(Unaudited)	
	2002	2001
	-----	----
Net sales	\$ 154,997	\$ 170,703
Cost of goods sold	115,321	130,420
	-----	-----
Gross profit	39,676	40,283
Selling, general and administrative expenses	30,148	27,422
	-----	-----
Operating income	9,528	12,861
Interest and financing charges, net	1,374	2,817
	-----	-----
Income before income taxes	8,154	10,044
Income tax expense	3,252	4,018
	-----	-----
Net income	\$ 4,902	\$ 6,026
	=====	=====

INCOME PER COMMON SHARE:

Basic:

-----

Net income per common share	\$ 0.73	\$ 0.90
	=====	=====
Weighted average number of shares outstanding	6,732,107	6,671,444
	=====	=====

Diluted:

-----

Net income per common share	\$ 0.67	\$ 0.82
	=====	=====
Weighted average number of shares outstanding	7,350,505	7,393,126
	=====	=====

The accompanying notes are an integral part of these statements.

-5-

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(in thousands)

	NINE MONTHS ENDED OCTOBER 31,	
	(Unaudited)	
	2002	2001
	----	----
Cash flows from operating activities		
Net income	\$ 4,902	\$ 6,026
Adjustments to reconcile net income to net cash used in operating activities		
Depreciation and amortization	1,109	897
Deferred income tax	22	-
Changes in operating assets and liabilities:		
Accounts receivable	(60,031)	(43,913)
Inventories	(10,061)	(10,522)
Income taxes, net	2,075	690
Prepaid expenses and other current assets	(93)	(1,410)
Other assets	(178)	(142)
Accounts payable and accrued expenses	11,933	1,776
Accrued nonrecurring charge	(77)	(71)
Other long term liabilities	49	50
	-----	-----
Net cash used in operating activities	(50,350)	(46,619)
	-----	-----
Cash flows from investing activities		
Capital expenditures	(356)	(1,021)
Capital dispositions	-	24
Purchase of certain assets of Gloria Gay Coats, LLC	19	(205)
	-----	-----
Net cash used in investing activities	(337)	(1,202)
	-----	-----
Cash flows from financing activities		
Increase in notes payable, net	48,929	39,900
Proceeds from capital lease obligations	-	381

Payments for capital lease obligations	(79)	(127)
Proceeds from exercise of stock options	333	128
	-----	-----
Net cash provided by financing activities	49,183	40,282
	-----	-----
Effect of exchange rate changes on cash and cash equivalents	-	2
	-----	-----
Net decrease in cash and cash equivalents	(1,504)	(7,537)
Cash and cash equivalents at beginning of period	2,481	9,231
	-----	-----
Cash and cash equivalents at end of period	\$ 977	\$ 1,694
	=====	=====
Supplemental disclosures of cash flow information:		
Cash paid during the period for		
Interest	\$ 1,069	\$ 2,428
Income taxes	\$ 1,160	\$ 3,269

The accompanying notes are an integral part of these statements.

-6-

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - General Discussion

The results for the nine month period ended October 31, 2002 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, 2002.

Certain reclassifications have been made to conform to the fiscal 2002 presentation.

Note 2 - Inventories

Inventories consist of:

	OCTOBER 31, 2002 ----	January 31, 2002 ----
	(in thousands)	
Finished products	\$ 37,353	\$ 18,240
Work-in-process	2,471	576
Raw materials	7,409	18,356
	-----	-----
	\$ 47,233	\$ 37,172
	=====	=====

Note 3 - Net Income per Common Share

Basic net income per share amounts have been computed using the weighted average number of common shares outstanding during each period. Diluted income per share amounts have been computed using the weighted average number of common shares and the dilutive potential common shares outstanding during the period.

-7-

Note 4 - Notes Payable

The Company's domestic loan agreement, which expires on May 31, 2005, 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. The loan agreement contains financial covenants relating to earnings before interest, taxes, depreciation and amortization ("EBITDA") and tangible net worth. The Company was in compliance with these covenants for the nine months ended October 31, 2002. There was \$48.9 million outstanding at October 31, 2002 and no loan balance outstanding at January 31, 2002 under this agreement.

Notes payable include foreign notes payable by PT Balihides, the Company's Indonesian subsidiary. The foreign notes payable of approximately \$800,000 at October 31, 2002 and January 31, 2002 represent maximum borrowings under a line of credit with an Indonesian bank. The loan is secured by the property, plant, and equipment of the Indonesian subsidiary (See Note 7).

Note 5 - Accrued Nonrecurring Charges

The accrued nonrecurring charge refers to the reserve associated with the closure of the Company's domestic factory that was completed by January 31, 1995. The balances of \$55,000 at October 31, 2002 and \$132,000 at January 31, 2002 relate to the remaining obligation under an operating lease. At October 31, 2002, the entire nonrecurring charge is a current liability. Other long-term liabilities include \$27,000 of nonrecurring charges at January 31, 2002.

-8-

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 nine month periods indicated below:

THREE MONTHS ENDED OCTOBER 31,			
2002		2001	
-----		-----	
LICENSED	NON- LICENSED	Licensed	Non- Licensed

	-----	-----	-----	-----
Net sales	\$ 51,681	\$ 50,603	\$ 39,897	\$ 50,726
Cost of goods sold	37,041	37,283	29,782	40,123
Gross profit	14,640	13,320	10,115	10,603
Selling, general and administrative	7,992	5,189	5,838	5,092
Operating income	6,648	8,131	4,277	5,511
Interest expense, net	386	467	590	809
Income before income taxes	\$ 6,262	\$ 7,664	\$ 3,687	\$ 4,702

	NINE MONTHS ENDED OCTOBER 31,			
	2002		2001	
	LICENSED	NON-LICENSED	Licensed	Non-Licensed
Net sales	\$ 77,449	\$ 77,548	\$ 69,596	\$ 101,107
Cost of goods sold	56,468	58,853	51,800	78,620
Gross profit	20,981	18,695	17,796	22,487
Selling, general and administrative	17,851	12,297	14,753	12,669
Operating income	3,130	6,398	3,043	9,818
Interest expense, net	545	829	1,237	1,580
Income before income taxes	\$ 2,585	\$ 5,569	\$ 1,806	\$ 8,238

#### Note 7 - Subsequent Events

On December 10, 2002, the Company's management and Board of Directors approved a plan to close its manufacturing facility in Indonesia due to rapidly rising costs and losses associated with this facility, as well as the political and economic instability in Indonesia. The Company currently estimates that the results for the fourth quarter and fiscal year ending January 31, 2003 will include a pre-tax charge in the range of \$3.0 to \$5.0 million in connection with closing this facility.

-9-

#### 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 matters, 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

## CLOSING OF INDONESIAN FACILITY

In December, 2002, G-III decided to close our manufacturing facility in Indonesia due to rapidly rising costs and losses associated with this facility, as well as the political and economic instability in Indonesia. We currently estimate that our results for the fourth quarter and fiscal year ending January 31, 2003 will reflect a pre-tax charge in the range of \$3.0 to \$5.0 million in connection with closing this facility. We believe that closing this facility will not affect our ability to produce product and will enable us to become more efficient in meeting our sourcing needs.

## RESULTS OF OPERATIONS

Net sales for the three months ended October 31, 2002 were \$102.3 million compared to \$90.6 million for the same period last year. The increase in net sales during the quarter was attributable to an \$11.8 million increase in sales of licensed apparel. Sales of non-licensed apparel decreased by \$123,000. The continuing trend of customers requiring delivery of goods closer to selling floor needs had a favorable impact on our net sales for the three month period ended October 31, 2002. Net sales for the nine months ended October 31, 2002 were \$155.0 million compared to \$170.7 million for the same period in the prior year. The decrease in net sales in the nine month period was attributable to a \$23.6 million decrease in sales of non-licensed apparel, partially offset by a \$7.9 million increase in sales of licensed apparel. Net sales of non-licensed apparel decreased primarily due to selling a higher proportion of non-leather product in this segment. Non-leather apparel has a lower price per garment than leather apparel. In addition, our net sales last year were positively impacted by the higher allowances and discounts that we granted to customers as a result of the economic climate in the post-September 11 time period.

Gross profit was \$28.0 million, or 27.3% of net sales, for the three months ended October 31, 2002, compared to \$20.7 million, or 22.9% of net sales, for the same period last year. Gross profit percentage for the three month period ended October 31, 2002 increased in both the

-10-

licensed and non-licensed apparel segments. Commission fee income, which is primarily generated in the non-licensed apparel segment, increased to \$2.4 million during the three months ended October 31, 2002 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 gross profit percentages in both the licensed and non-licensed apparel segments were also favorably impacted by better inventory management and shipments of a higher proportion of goods at regular prices, resulting in lower reserve requirements. The gross margin percentage last year had been negatively impacted by the higher allowances and discounts we granted.

Gross profit was \$39.7 million, or 25.6% of net sales, for the nine months ended October 31, 2002, compared to \$40.3 million, or 23.6% of net sales, for the same period last year. An increase of \$3.2 million in the gross profit of the licensed segment was more than offset by a decrease of \$3.8 million in the gross profit of the non-licensed segment. Gross profit percentage increased in both segments and was favorably impacted by better inventory management and shipments of a higher proportion of goods at regular prices, resulting in lower reserve requirements.

Selling, general and administrative expenses for the three months ended October 31, 2002 were \$13.2 million compared to \$10.9 million in the three months ended October 31, 2001. Selling, general and administrative expenses for the nine months ended October 31, 2002 were \$30.1 million compared to \$27.4 million for the same period last year. The increases in both the three and nine month periods are the result of increased expenses in the licensed apparel segment (\$2.2 million in the three month period and \$3.1 million in the nine month period) relating primarily to the expansion of our Sports Licensing business and our new Timberland and Sean John lines, offset by a reduction of \$125,000 in

expenses in connection with discontinued licenses. Advertising expenses for both segments increased by an aggregate of \$600,000 in both the three and nine month periods ended October 31, 2002 primarily due to increased cooperative advertising with our customers. Third party shipping costs for both segments increased by an aggregate of \$800,000 in the three month period and \$1.0 million in the nine month period ended October 31, 2002 due to selling more units compared to last year. Overall, sales in the current year were at a lower average price point primarily due to selling a larger proportion of woven than leather goods.

Interest expense and finance charges for the three months ended October 31, 2002 were \$853,000 compared to \$1.4 million in the same period last year. Interest expense and finance charges for the nine month period ended October 31, 2002 were \$1.4 million compared to \$2.8 million in the same period last year. The decrease in interest expense in both the three and nine month periods is primarily attributable to reduced financing needs resulting from lower average inventories maintained during the current year, coupled with lower interest rates.

Income tax expense was \$5.4 million for the three months ended October 31, 2002 compared to \$3.4 million in the same period in the prior year. Income tax expense was \$3.3 million for the nine months ended October 31, 2002 compared to \$4.0 million in the same period last year. Our effective tax rate was 39% in the three month period ended October 31, 2002 compared to a 40% effective tax rate in the same period of the prior year, and was 40% in each of the nine month periods.

As a result of the foregoing, for the three months ended October 31, 2002, we had net income of \$8.5 million, or \$1.16 per diluted share, compared to \$5.0 million, or \$0.68 per diluted share, for the same period in the prior year. For the nine months ended October 31, 2002, we had net income of \$4.9 million, or \$0.67 per diluted share, compared to net income of \$6.0 million, or \$0.82 per diluted share, for the same period in the prior year.

-11-

#### LIQUIDITY AND CAPITAL RESOURCES

Our loan agreement, which expires on May 31, 2005, 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. The loan agreement also includes a requirement that we have no loans and acceptances outstanding for 45 consecutive days during each year of the agreement.

Direct borrowings under the line of credit bear interest at our option at either the prevailing prime rate (4.25% as of December 2, 2002) or LIBOR plus 225 basis points (3.63% at December 2, 2002). Our assets collateralize all borrowings. 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 charge we will take in the quarter ending January 31, 2003 relating to closing our Indonesian manufacturing facility could result in our not being in compliance with covenants contained in our loan agreement. We believe we will be able to secure a waiver from our lenders with respect to any covenant violations that may arise as a result of taking this charge.

The amount borrowed under the line of credit varies based on our seasonal requirements. As of October 31, 2002, direct borrowings were \$48.9 million and contingent liability under open letters of credit was approximately \$8.5 million compared to direct borrowings of \$40.6 million and contingent liability under open letters of credit of approximately \$4.5 million as of October 31, 2001. The increase in borrowings under our credit facility as of the end of the third quarter compared to last year resulted primarily from higher accounts receivable caused by customers requiring that goods be shipped later in the third fiscal quarter.

PT BaliHides, our Indonesian subsidiary, has a separate credit facility with an Indonesian bank. There were notes payable outstanding under this facility of

approximately \$800,000 as of October 31, 2002 and October 31, 2001. The loan is secured by the property, plant, and equipment of the Indonesian subsidiary.

#### EFFECT OF RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections

In April 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections." This statement rescinds SFAS No. 4, "Reporting Gains and Losses from Extinguishment of Debt", and an amendment of that statement, SFAS No. 64, "Extinguishment of Debt Made to Satisfy Sinking-Fund Requirements." SFAS No. 145 also rescinds SFAS No. 44, "Accounting for Intangible Assets of Motor Carriers." SFAS No. 145 also amends SFAS No. 13, "Accounting for Leases", to eliminate an inconsistency between the required accounting for sales-leaseback transactions and the required accounting for certain lease modifications that have economic effects that are similar to sale-leaseback transactions. SFAS No. 145 also amends other existing authoritative pronouncements to make various technical corrections, clarify meanings or describe their applicability under changed conditions. We adopted the provisions of SFAS No. 145 upon its effective date. This adoption did not have a material impact on our results of operations and financial position.

-12-

#### Accounting for Costs Associated with Exit or Disposal Activities

In October 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities," which changes the accounting for costs such as lease termination costs and certain employee severance costs that are associated with a restructuring, discontinued operation, plant closing, or other exit or disposal activity initiated after December 31, 2002. The standard requires companies to recognize the fair value of costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. We do not expect the adoption of this standard to have a material effect on our results of operations and financial position.

#### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company has no material changes to the disclosure made with respect to these matters in the Company's Annual Report on Form 10-K for the year ended January 31, 2002.

#### ITEM 4. CONTROLS AND PROCEDURES

Within 90 days prior to the date of this report, the Company's management, including the Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in alerting them to material information, on a timely basis, required to be included in the Company's periodic SEC filings. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect internal controls subsequent to the date the Company's management carried out its evaluation.

#### ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

##### EXHIBITS

- 99.1 Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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: December 16, 2002

By: /s/ Morris Goldfarb  
-----  
Morris Goldfarb  
Chief Executive Officer

Date: December 16, 2002

By: /s/ Wayne Miller  
-----  
Wayne S. Miller  
Chief Financial Officer

CERTIFICATIONS

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 quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
  - a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

- b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
  - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: December 16, 2002

/s/ Morris Goldfarb  
-----  
Morris Goldfarb  
Chief Executive Officer

I, Wayne S. Miller, 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 quarterly 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 quarterly report;
- 3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;
- 4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
  - a) designed such disclosure controls and procedures 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 quarterly report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

- c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: December 16, 2002

/s/ Wayne Miller  
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Wayne S. Miller  
Chief Financial Officer

EXHIBIT 99.1

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 October 31, 2002, as filed with the Securities and Exchange Commission on the date hereof (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  
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Morris Goldfarb  
Chief Executive Officer

Dated: December 16, 2002

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 October 31, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Wayne Miller, 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/ Wayne Miller

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Wayne S. Miller  
Chief Financial Officer

Dated: December 16, 2002