FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

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

For the Quarterly period ended October 31, 2005

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 X No ___

Indicate by checkmark if the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes ___ No X

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ___ No X

As of December 1, 2005, there were 8,190,746 common shares outstanding.

Part I FINANCIAL INFORMATION Page No.

ITEM 1. FINANCIAL STATEMENTS

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

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

	OCTOBER 31, 2005 (unaudited)	OCTOBER 31, 2004 (unaudited)	JANUARY 31, 2005
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 2,671	$ 3,043	$ 16,574
Accounts receivable, net of allowance for doubtful accounts and sales discounts of $10,509, $10,202 and $6,690, respectively	140,115	81,698	24,783
Inventories, net	52,123	37,010	24,108
Deferred income taxes	3,357	5,895	3,357
Prepaid expenses and other current assets	7,043	2,599	3,887
Total current assets	205,309	130,245	72,709
PROPERTY, PLANT AND EQUIPMENT, NET	4,330	2,347	2,350
DEFERRED INCOME TAXES	2,050	1,940	2,050
INTANGIBLES, NET	28,389	2,005	1,884
OTHER ASSETS	3,594	876	1,602
	$ 243,672	$ 137,413	$ 80,595
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Notes payable	$ 96,111	$ 36,211	$ 770
Current maturities of obligations under capital leases	191	71	202

Income taxes payable	6,710	4,101	104
Accounts payable	20,350	19,898	6,565
Accrued expenses	11,845	7,605	5,200
Total current liabilities	135,207	67,886	12,841
NOTES PAYABLE, NON-CURRENT	23,400	--	--
OTHER NON-CURRENT LIABILITIES	684	412	824
	159,291	68,298	13,665
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; 20,000,000 shares authorized; 8,425,563, 7,448,215 and 7,521,915 shares issued, respectively	84	74	75
Additional paid-in capital	35,924	27,753	28,275
Accumulated other comprehensive income	--	51	50
Retained earnings	49,343	42,207	39,500
	85,351	70,085	67,900
Common stock held in treasury - 244,817 shares at cost	(970)	(970)	(970)
	84,381	69,115	66,930
	$ 243,672	$ 137,413	$ 80,595

The accompanying notes are an integral part of these statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

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

	THREE MONTHS ENDED OCTOBER 31, (Unaudited)	
	2005	2004
Net sales	$ 186,621	$ 115,406
Cost of goods sold	131,503	81,358
Gross profit	55,118	34,048
Selling, general and administrative expenses	27,337	16,135
Operating income	27,781	17,913
Interest and financing charges, net	2,241	550
Income before income taxes	25,540	17,363
Income tax expense	10,727	7,466
Net income	$ 14,813	$ 9,897
INCOME PER COMMON SHARE:		
Basic:		
Net income per common share	$ 1.87	$ 1.38
Weighted average number of shares outstanding	7,927,000	7,190,000
Diluted:		
Net income per common share	$ 1.73	$ 1.33

Weighted average number of shares outstanding	8,553,000	7,429,000

The accompanying notes are an integral part of these statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

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

	NINE MONTHS ENDED OCTOBER 31, (Unaudited)	
	2005	2004
Net sales	$ 254,941	$ 175,878
Cost of goods sold	186,159	129,471
Gross profit	68,782	46,407
Selling, general and administrative expenses	49,040	38,058
Write-down of equity investment	--	882
Operating income	19,742	7,467
Interest and financing charges, net	2,771	820
Income before income taxes	16,971	6,647
Income tax expense	7,128	3,237
Net income	$ 9,843	$ 3,410
INCOME PER COMMON SHARE:		
Basic:		
Net income per common share	$ 1.31	$ 0.48
Weighted average number of shares outstanding	7,538,000	7,158,000
Diluted:		
Net income per common share	$ 1.23	$ 0.46
Weighted average number of shares outstanding	7,995,000	7,480,000

The accompanying notes are an integral part of these statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	NINE MONTHS ENDED OCTOBER 31, (Unaudited) 2005	2004
Cash flows from operating activities		
Net income	$ 9,843	$ 3,410
Adjustments to reconcile net income to net cash used in operating activities, net of assets and liabilities acquired:		
Depreciation and amortization	2,050	994
Non-cash compensation	1,738	
Deferred financing charges	311	
Write-down of equity investment		882
Changes in operating assets and liabilities:		
Accounts receivable	(107,197)	(62,394)
Inventories, net	(9,502)	(8,649)
Income taxes, net	6,760	2,442
Prepaid expenses and other current assets	(2,877)	329
Other assets	(572)	100
Accounts payable and accrued expenses	10,159	14,892
Net cash used in operating activities	(89,287)	(47,994)
Cash flows from investing activities		
Capital expenditures	(860)	(834)
Acquisition of Marvin Richards, net of cash acquired	(19,961)	
Acquisition of Winlit	(699)	
Net cash used in investing activities	(21,520)	(834)
Cash flows from financing activities		
Increase in notes payable, net		35,441
Repayment of terminated credit facility	(12,457)	
Proceeds from new credit facility	78,660	
Proceeds from term loan	30,000	
Payments for capital lease obligations	(151)	(75)
Proceeds from sale of common stock	675	
Proceeds from exercise of stock options	227	429
Net cash provided by financing activities	96,954	35,795
Effect of exchange rate changes on cash and cash equivalents	(50)	4
Net decrease in cash and cash equivalents	(13,903)	(13,029)
Cash and cash equivalents at beginning of period	16,574	16,072
Cash and cash equivalents at end of period	$ 2,671	$ 3,043

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)
(in thousands)

	NINE MONTHS ENDED OCTOBER 31, (Unaudited) 2005	2004
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 1,835	$ 864
Income taxes	322	737
Supplemental schedule of non-cash investing and financing activities:		
Acquisition of fixed assets under capital lease		$ 174
Shares issued in connection with acquisitions of Marvin Richards and Winlit	$ 5,019	
Debt assumed in connection with the Winlit asset acquisition	6,697	
Detail of the Marvin Richards and Winlit acquisitions:		
Acquired intangibles	$ 27,792	
Fair value of other assets acquired	30,561	

Fair value of total assets acquired	58,353
Liabilities assumed	(32,655)
Common stock issued	(5,019)
Cash paid for acquisitions	20,679
Cash acquired	19
Net cash paid for acquisitions	$ 20,660

The accompanying notes are an integral part of these statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - General Discussion

As used in these financial statements, the term "Company" refers to G-III Apparel Group, Ltd. and its majority-owned subsidiaries. The results for the three and nine month periods ended October 31, 2005 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.

Certain amounts in the Condensed Consolidated Balance Sheets as of January 31, 2005 and October 31, 2004 and the Condensed Consolidated Statements of Operations for the three and nine months ended October 31, 2004 have been reclassified to conform to the current period presentation.

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 year ended January 31, 2005.

Note 2 - Effects of Recently Issued Accounting Pronouncements

In December 2004, the Financial Accounting Standards Board ("FASB") issued SFAS No. 123 (Revised 2004), "Share-based Payment" that will require the Company to expense costs related to share-based payment transactions with employees. With limited exceptions, SFAS No. 123(R) requires that the fair value of share-based payments to employees be expensed over the period service is received. The Company is currently evaluating the requirements and impact of SFAS No. 123 (R) on the Company's consolidated financial statements. The Company believes the pro forma disclosures in Note 5 - Stock-based compensation provide an appropriate short-term indicator as to the level of expense that will be recognized in accordance with SFAS No. 123(R). SFAS No. 123(R) becomes effective for the Company on February 1, 2006.

In November 2004, the FASB issued SFAS No. 151, "Inventory Costs, an amendment of ARB No. 43, Chapter 4." SFAS No. 151 requires certain abnormal expenditures to be recognized as expenses in the current period. It also requires that the amount of fixed production overhead allocated to inventory be based on the normal capacity of the production facility. The standard is effective for fiscal years beginning on or after January 1, 2006. The Company does not expect SFAS No. 151 to have a material effect on the Company's Consolidated Financial Statements.

Note 3 - Acquisitions of Marvin Richards and Winlit Group

MARVIN RICHARDS

On July 11, 2005, the Company acquired all of the outstanding capital stock of J. Percy for Marvin Richards, Ltd., all of the membership interests of CK Outerwear, LLC and 50% of the membership interests in Fabio Licensing, LLC, collectively referred to as Marvin Richards, for aggregate consideration consisting of (i) $19,185,000 in cash, (ii) 466,666 shares of the Company's common stock and (iii) 150,000 shares of the Company's common stock that may vest based on the future market price of the Common Stock through the fiscal year ending January 31, 2009. In August 2005, 25,000 of the unvested shares vested. All shares were valued at the market price on the date issued, except for the restricted stock which was based on the market value on the date the shares vested. The sellers are also entitled to receive additional purchase price based on the performance of the Company's new Marvin Richards business through the fiscal year ending January 31, 2009. The Company will account for its interest in the operations of Fabio Licensing, LLC, which is not material, using the equity method of accounting.

The total consideration paid by the Company in connection with the acquisition of Marvin Richards was $24.9 million, including associated fees and expenses. The cost to acquire Marvin Richards has been preliminarily allocated to the assets and liabilities assumed according to estimated fair values and is subject to adjustment when additional information concerning asset and liability valuations is finalized. The preliminary allocation has resulted in acquired intangibles of $22.5 million related to the acquisition of Marvin Richards.

Marvin Richards has been an outerwear manufacturer and supplier for over 20 years under the Marvin Richards brand name. In addition, it has licenses for men's and women's outerwear under the Calvin Klein and ck Calvin Klein brand name and women's outerwear under the St. John brand name. Marvin Richards also conducts a variety of private label programs.

WINLIT

On July 11, 2005, the Company acquired certain operating assets of Winlit Group, Ltd. for aggregate consideration consisting of (i) $580,000 in cash (ii) 30,000 shares of the Company's common stock valued at the market price on July 11, 2005, less consideration paid ($7.50 per share) and (iii) the assumption of $6.7 million of Winlit's bank debt that became part of the revolving credit debt under the Company's new financing agreement (see Note 7). Winlit is entitled to receive additional purchase price based on the performance of the Company's new Winlit business through January 31, 2009.

The total consideration paid by the Company in connection with the acquisition of Winlit was $7.5 million, including associated fees and expenses. The cost to acquire Winlit has been preliminarily allocated to the assets and liabilities assumed according to estimated fair values and is subject to adjustment when additional information concerning asset and liability valuations is finalized. The preliminary allocation has resulted in acquired intangibles of $5.3 million related to the acquisition of Winlit assets.

Winlit has been a supplier of outerwear for over 35 years. As a result of acquiring Winlit's assets, the Company has licenses for men's and women's outerwear under the Guess? brand and leather outerwear under the Tommy Hilfiger brand, as well as licenses for Ellen Tracy, London Fog, Pacific Trail and BCBG by Max Azria. Winlit also sells apparel under the Winlit, LNR, and NY 10018 owned names and through private label programs.

The following unaudited pro forma information presents the results of operations of the Company as if the Marvin Richards and Winlit acquisitions had taken place on February 1, 2004:

	Three Months ended October 31,		Nine Months ended October 31,	
	2005	2004	2005	2004
	(in thousands, except per share amounts)			
Net sales	$ 186,621	$ 177,114	$ 263,164	$ 249,212
Net income	14,813	15,015	1,822	1,273
Income per share:				
Basic	$ 1.83	$ 1.92	$ 0.23	$ 0.16
Diluted	$ 1.73	$ 1.87	$ 0.22	$ 0.16

The unaudited pro forma results shown above reflect the assumption that the Company would have financed the acquisitions under identical terms and conditions as the actual financing and do not reflect any anticipated cost savings that may result from combining the entities. The unaudited pro forma results of operations have been prepared for comparative purposes only and do not purport to be indicative of the results of operations which actually would have resulted had the Marvin Richards and Winlit acquisitions occurred as of February 1, 2004.

The operating results of Marvin Richards and Winlit have been included in the Company's financial statements since July 11, 2005.

Note 4 - Inventories

Inventories, which are stated at lower of cost (determined by the first-in, first out method) or market, consist of:

	OCTOBER 31, 2005	October 31, 2004	January 31, 2005
		(in thousands)	
Finished goods	$ 47,351	$ 32,926	$ 20,761
Work-in-process	682	363	83
Raw materials	4,090	3,721	3,264
	$ 52,123	$ 37,010	$ 24,108

Note 5 - Net Income per Common Share

Basic net income per share has been computed using the weighted average number of common shares outstanding during each period. Diluted income per share amounts are computed using the weighted average number of common shares and potential dilutive common shares, consisting of stock options and restricted stock, outstanding during the period.

Note 6 - Stock-Based Compensation

The Company has granted stock options for a fixed number of shares to employees and directors with an exercise price equal to or greater than the market price of the shares at the date of grant. The Company has adopted the disclosure-only provision of Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," which permits the Company to account for stock option grants in accordance with Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees." Accordingly, the Company recognizes no compensation expense for the stock option grants.

Pro forma disclosures, as required by SFAS No. 148, "Accounting for Stock Based Compensation - Transition and Disclosure," are computed as if the Company recorded compensation expense based on the fair value for stock-based awards at grant date. The following pro forma information includes the effects of these options:

	Three Months ended October 31,		Nine Months ended October 31,	
	2005	2004	2005	2004
	(in thousands, except per share amounts)			
Net income - as reported	$ 14,813	$ 9,897	$ 9,843	$ 3,410
Deduct: Stock-based employee compensation expense determined under fair value method, net of related tax effects	65	83	218	257
Pro-forma net income	$ 14,748	$ 9,814	$ 9,625	$ 3,153
Basic income per share - as reported	$ 1.87	$ 1.38	$ 1.31	$ 0.48
Pro-forma basic income per share	$ 1.86	$ 1.36	$ 1.28	$ 0.44
Diluted income per share - as reported	$ 1.73	$ 1.33	$ 1.23	$ 0.46
Pro-forma diluted income per share	$ 1.72	$ 1.32	$ 1.20	$ 0.42

Note 7 - Notes Payable

On July 11, 2005, the Company entered into a financing agreement with The CIT Group/Commercial Services, Inc., as Agent, for a consortium of banks. The financing agreement is a three year senior secured credit facility providing for borrowings in the aggregate principal amount of up to $195 million. The facility consists of a revolving line of credit and a term loan.

The revolving line of credit provides for a maximum line ranging from $45 million to $165 million at specific times during the year, provided that there are no borrowings outstanding for at least 45 days during the period from December 1 through April 30 each year. Amounts available under the line are subject to borrowing base formulas and over advances as specified in the financing agreement. Borrowings under the line of credit bear interest at the Company's option at the prime rate or LIBOR plus 2.25%.

The term loan is in the principal amount of $30 million payable over three years with eleven quarterly installments of principal in the amount of $1,650,000, commencing on December 31, 2005, and the remaining balance of $11,850,000 due on maturity of the loan. Mandatory prepayments are required under the term loan commencing with the fiscal year ending January 31, 2007 to the extent of 50% of excess cash flow, as defined. The term loan bears interest, at the Company's option, at prime plus 1% or LIBOR plus 3.25%.

The financing agreement requires the Company, among other covenants, to maintain certain earnings, tangible net worth and minimum fixed charge coverage ratios as defined. It also limits payments for cash dividends and stock redemption to $1.5 million plus an additional amount for stock redemptions based on the proceeds of sales of equity securities. The financing agreement is secured by all of the assets of the Company.

On July 11, 2005, in connection with the financing agreement entered into on that date, the Company repaid in full all borrowings under its previously existing secured working capital line of credit. As a result, that line of credit was terminated.

Notes payable also includes a foreign note payable ($770,000) by PT Balihides, the Company's inactive Indonesian subsidiary.

Note 8 - Closing of Manufacturing Facility

The unpaid portion of the non-recurring charge associated with the closing of our Indonesian manufacturing facility in December 2002 is included in "Accrued expenses" in the accompanying Consolidated Balance Sheets. The balance in the reserve at October 31, 2005 and January 31, 2005 is $398,000 and $411,000, respectively, and represents accrued expenses, severance and other miscellaneous costs. Based on current estimates, management believes that existing accruals are adequate.

Note 9 - 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,			
	2005		2004	
	LICENSED	NON-LICENSED	Licensed	Non-Licensed
Net sales	$ 108,054	$ 78,567	$ 66,948	$ 48,458
Cost of goods sold	72,740	58,763	45,823	35,535
Gross profit	35,314	19,804	21,125	12,923
Selling, general and administrative	19,344	7,993	11,866	4,269
Operating profit	15,970	11,811	9,259	8,654
Interest expense, net	1,638	603	450	100
Income before income taxes	$ 14,332	$ 11,208	$ 8,809	$ 8,554

	NINE MONTHS ENDED OCTOBER 31,			
	2005		2004	
	LICENSED	NON-LICENSED	Licensed	Non-Licensed
Net sales	$ 146,197	$ 108,744	$ 107,884	$ 67,994
Cost of goods sold	103,073	83,086	78,592	50,879
Gross profit	43,124	25,658	29,292	17,115
Selling, general and administrative	33,999	15,041	27,638	10,420
Write-down of equity investment	-	-	-	882
Operating profit	9,125	10,617	1,654	5,813
Interest expense, net	2,150	621	715	105
Income before income taxes	$ 6,975	$ 9,996	$ 939	$ 5,708

Included in finished goods inventory at October 31, 2005 are $29.6 million and $17.8 million of inventories for licensed and non-licensed apparel, respectively. Included in finished goods at October 31, 2004 are $22.1 million and $10.8 million of inventories for licensed and non-licensed apparel, 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.

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 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, possible business disruption from acquisitions, 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, imports and markets an extensive range of outerwear and sportswear including coats, jackets, pants, skirts, handbags and other sportswear items under licensed labels, our own proprietary labels and private retail labels. Our products are distributed through a broad mix of retail partners at a variety of price points. We sell to approximately 3,000 retail customers in the United States, including most major department stores, mass merchants and specialty retail stores.

We operate our business in two segments, licensed apparel and non-licensed apparel. The licensed apparel segment includes sales of apparel brands licensed by us from third parties. The non-licensed apparel segment includes sales of apparel under our own brands and private label brands, as well as commission fee income received on sales that are financed by and shipped directly to our customers.

The sale of licensed product has been a key element of our business strategy for many years. As part of this strategy, we are continually adding new fashion and sports apparel licenses and are continuously seeking new licensing opportunities. We believe that consumers prefer to buy brands they know and we have sought licenses that would increase the portfolio of name brands we can offer through different tiers of retail distribution and at a variety of price points.

On July 11, 2005, we acquired the business of Marvin Richards. Marvin Richards has been an outerwear manufacturer and supplier for over 20 years under the Marvin Richards brand name. In addition, it has licenses for men's and women's outerwear under the Calvin Klein and ck Calvin Klein brand name and women's outerwear under the St. John brand name. Marvin Richards also conducts a variety of private label programs.

On July 11, 2005, we also acquired specified operating assets of Winlit Group, Ltd. Winlit has been a supplier of outerwear for over 35 years. As a result of acquiring Winlit's assets, we have licenses for men's and women's outerwear under the Guess? brand and leather outerwear under the Tommy Hilfiger brand, as well as licenses for Ellen Tracy, London Fog, Pacific Trail and BCBG by Max Azria. Winlit also sells apparel under the Winlit, LNR, and NY 10018 owned names and through private label programs.

The operating results of Marvin Richards and Winlit have been included in our financial statements since July 11, 2005.

These acquisitions are consistent with our strategy to increase the portfolio of brands that we offer through different tiers of retail distribution and at a variety of price points. Both transactions are expected to complement our existing group of licensed brands, G-III owned labels and private label programs. These

acquisitions are expected to result in opportunities for expense leverage, economies of scale, and sales growth.

We entered into a new financing agreement on July 11, 2005 to fund the purchase price for these acquisitions and provide additional working capital. See "Liquidity and Capital Resources" for a description of this agreement.

In September 2005, we entered into a license agreement to manufacture and distribute women's better suits under the Calvin Klein label. We expect to begin shipping this line for the spring 2006 season.

RESULTS OF OPERATIONS

THREE MONTHS ENDED OCTOBER 31, 2005 COMPARED TO THREE MONTHS ENDED OCTOBER 31, 2004

Net sales for the three months ended October 31, 2005 increased by $71.2 million to $186.6 million from $115.4 million in the same period last year. Net sales from our new Marvin Richards and Winlit divisions accounted for $65.7 million of this increase. Net sales of licensed apparel increased $41.2 million to $108.1 million from $66.9 million. The increase is primarily a result of sales of $28.7 million of licensed apparel by our two new divisions. Sales under new licenses for Kenneth Cole Men's and IZOD ($7.0 million) and increases in our Sports Licensing ($4.3 million) and Jones Women's ($3.7 million) divisions also contributed to the increase in the licensed segment. Net sales of our non-licensed apparel increased $30.1 million to $78.6 million from $48.5 million in the same quarter last year. This increase is the result of sales of non-licensed apparel of $36.9 million by our new Marvin Richards and Winlit divisions offset, in part, by decreases in sales of non-licensed apparel under our pre-existing owned labels and private label programs.

Gross profit increased by $21.1 million to $55.1 million, or 29.5% of net sales, for the three month period ended October 31, 2005 from $34.0 million, or 29.5% of net sales, in the same period last year. Gross profit from our two new divisions accounted for $20.3 million of this increase. The gross profit percentage in our licensed apparel segment was 32.7% in the three month period ended October 31, 2005 compared to 31.6% in the same period last year. The gross profit percentage in our licensed apparel segment increased primarily due to commission fee income of $1.1 million. There was no commission fee income in this segment in last year's comparable period. There is no cost of goods sold component associated with these commission transactions. The gross profit percentage in our non-licensed apparel segment decreased to 25.2% in the three months ended October 31, 2005 from 26.7% in the same period last year primarily due to a decrease in gross profit margins in connection with sales of our non-licensed women's apparel partially offset by an increase in commission fee income. Commission fee income generated in the non-licensed apparel segment increased to $1.8 million during the three months ended October 31, 2005 from $1.1 million in the comparable period of the prior year.

Selling, general and administrative expenses increased $11.2 million to $27.3 million in the three month period ended October 31, 2005 from $16.1 million in the same period last year. Selling, general and administrative expenses increased primarily as a result of increases in personnel costs ($5.6 million), advertising and promotion ($2.3 million), facility costs ($898,000) and depreciation and amortization ($920,000). Personnel costs increased due to additional personnel of the acquired businesses, as well as a non-cash compensation charge of $1.6 million incurred as a result of the vesting during the quarter of 141,000 shares of restricted stock previously granted to key management. Advertising and promotion increased due to contractual advertising under the licenses that we added as a result the acquisitions and contractual advertising under our existing license agreements. Facility costs increased as a result of the additional rent under leases assumed from the acquired businesses. Amortization expense increased as a result of the amortization of the identifiable intangibles acquired.

Interest and finance charges, net for the three month period ended October 31, 2005 were $2.2 million compared to $550,000 for the comparable period last year. Interest expense increased due to the additional debt incurred in connection with the financing of our two acquisitions, the write off of deferred costs associated with our prior credit agreement that was terminated, as well as an increase in interest rates from an average of approximately 4.25% in the comparable period last year to 6.5% in this year's period, which represented approximately $225,000 of the increase.

Income tax expense for the three months ended October 31, 2005 was $10.7 million compared to $7.5 million in the comparable period last year. The effective rate for the current three months is 42% compared to 43% for the comparable prior period. The effective rate in the current three month period reflects a change in our estimated annual effective tax rate from 43% in our first fiscal quarter to 42% in our second fiscal quarter due to the reduced effect of the permanent differences on our higher taxable income.

NINE MONTHS ENDED OCTOBER 31, 2005 COMPARED TO NINE MONTHS ENDED OCTOBER 31, 2004

Net sales for the nine months ended October 31, 2005 increased by $79.0 million to $254.9 million from $175.9 million for the same period in the prior year. Net sales from our new Marvin Richards and Winlit divisions accounted for $71.8 million of this increase. Net sales of licensed apparel increased $38.3 million to $146.2 million from $107.9 million in the same period last year. The increase is primarily a result of sales of $31.2 million of licensed apparel by our two new divisions. Sales under new licenses for Kenneth Cole Men's and IZOD ($7.0 million) and an increase in our Sports Licensing division ($7.9 million) were partially offset by a decrease in sales in our fashion sports apparel business ($7.8 million). Net sales of non-licensed apparel increased $40.7 million to $108.7 million from $68.0 million in the same period last year. This increase is the result of sales of non-licensed apparel of $40.5 million by our new Marvin Richards and Winlit divisions offset, in part, by decreases in sales of non-licensed apparel under our pre-existing owned labels and private label programs.

Gross profit increased $22.4 million to $68.8 million, or 27.0% of net sales, for the nine months ended October 31, 2005 from $46.4 million, or 26.4% of net sales, for the same period last year. Gross profit from our two new divisions accounted for $22.2 million of this increase. The gross profit percentage of our licensed apparel segment increased to 29.5% in the nine months ended October 31, 2005 from 27.2 % in the same period last year. The gross profit percentage in our licensed apparel increased primarily due to commission fee income of $1.1 million. There was no commission fee income in this segment in last year's comparable period. There is no cost of goods sold component associated with these commission transactions. In addition, the higher gross margin in connection with sales in our new Calvin Klein division also contributed to the increase in the gross profit percentage. The gross profit percentage in our non-licensed apparel segment decreased to 23.6% during the nine months ended October 31, 2005 compared to 25.2% in the nine months ended October 31, 2004 primarily due to a decrease in commission fee income. Commission fee income in the non-licensed apparel segment decreased to $1.8 million during the nine months ended October 31, 2005 from $2.1 million in the comparable period of the prior year.

Selling, general and administrative expenses for the nine months ended October 31, 2005 were $49.0 million compared to $38.1 million for the same period last year. Selling, general and administrative expenses increased primarily as a result of increases in personnel costs ($6.0 million), advertising and promotion ($1.6 million), facility costs ($1.1 million) and depreciation and amortization ($1.1 million). Personnel costs increased due to the additional personnel of the acquired businesses, as well as a non-cash compensation charge of $1.6 million incurred as a result of the vesting during the quarter of 141,000 shares of restricted stock previously granted to key management. Advertising and promotion increased due to contractual advertising under the licenses that we added as a result of the acquisitions and contractual advertising under our existing license agreements. Facility costs increased as a result of the additional rent under leases assumed from the acquired businesses. Amortization expense increased as a result of the amortization of the identifiable intangibles acquired.

Interest and finance charges, net were $2.8 million for the nine months ended October 31, 2005 compared to $820,000 in the same period last year. Interest expense increased due to the additional debt incurred in connection with the financing of our two acquisitions and the write off of deferred costs associated with our prior credit agreement that was terminated, as well as due to an increase in average interest rates from approximately 4.25% to 6.50%, representing approximately $225,000 of the increase.

We had an income tax expense of $7.1 million for the nine months ended October 31, 2005 compared to $3.2 million in the same period last year. Our effective tax rate was 42% in the nine month period ended October 31, 2005 compared to 48.7% in the same period last year. The effective rate the current nine

month period reflects a change in our estimated annual effective tax rate from 43% in our first fiscal quarter to 42% in our second fiscal quarter due to the reduced effect of the permanent differences on our higher taxable income. The higher effective tax rate in the period ended October 31, 2004 also reflects the charge of $882,000 associated with the sale of our joint venture interest in a factory in China for which we did not record a tax benefit.

LIQUIDITY AND CAPITAL RESOURCES

Our primary cash requirements are to fund our seasonal build up in inventories and accounts receivable, primarily during the 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. During our second fiscal quarter, we also used cash to fund the purchase of Marvin Richards and certain assets from Winlit.

On July 11, 2005, we entered into a financing agreement with The CIT Group/Commercial Services, Inc., as Agent, for a consortium of banks. The financing agreement is a three year, senior secured credit facility providing for borrowings in the aggregate principal amount of up to $195.0 million. The facility consists of a revolving line of credit and a term loan. This financing agreement replaced our prior financing agreement that was a revolving line of credit that provided a maximum line of credit in amounts that ranged from $35 million to $110 million at specific times during the year.

The revolving line of credit provides for a maximum line ranging from $45 million to $165 million at specific times during the year, provided that there are no borrowings outstanding for at least 45 days during the period from December 1 through April 30 each year. Amounts available under the line are subject to borrowing base formulas and over advances as specified in the financing agreement. Borrowings under the line of credit bear interest at our option at the prime rate or LIBOR plus 2.25%.

The amount borrowed under the line of credit varies based on our seasonal requirements. As of October 31, 2005, direct borrowings were $88.7 million and our contingent liability under open letters of credit was approximately $7.8 million compared to direct borrowings of $35.4 million and contingent liability under open letters of credit of approximately $9.5 million as of October 31, 2004.

The term loan is in the principal amount of $30 million payable over three years with eleven quarterly installments of principal in the amount of $1,650,000, commencing on December 31, 2005, and the remaining balance of $11,850,000 due on maturity of the loan. Mandatory prepayments are required under the term loan commencing with the fiscal year ending January 31, 2007 to the extent of 50% of excess cash flow, as defined. The term loan bears interest, at our option, at prime plus 1% or LIBOR plus 3.25%.

PT Balihides, our Indonesian subsidiary, had a separate credit facility with an Indonesian bank. In December 2002, we closed the manufacturing facility operated by this subsidiary. The notes payable under this facility represent borrowings as of October 31, 2005 of approximately $770,000. The loan is collateralized by the property, plant, and equipment of this subsidiary. No other G-III entity has guaranteed this loan. We continue to be in discussions with the bank regarding settlement of this debt.

We had cash and cash equivalents of $2.7 million as of October 31, 2005. We generally use significant cash in the operation of our business in the first half of our fiscal year as we prepare for our third quarter, which is generally our highest volume quarter. This year we also used significant cash to fund the purchase price of the two acquisitions we made in July 2005.

We used $89.3 million of cash from operating activities in the nine months ended October 31, 2005, primarily as a result of increases of $107.2 million in accounts receivable and $9.5 million in inventory, offset in part by our net income of $9.8 million, an increase in accounts payable and accrued expenses of $10.2 million and an increase of income taxes payable of $6.8 million. The increase in accounts receivable for the nine months is a result of the majority of our sales occurring during our significant fall shipping season, which is consistent with our seasonal pattern in prior years. The increase over the prior year in the amount is due to the increased sales volume attributable to the acquired businesses. The increase in

inventory is a result of anticipated fourth quarter orders to be shipped. The increase in inventory compared to last year is a result of inventory held by the acquired businesses offset by inventory decreases in our pre-existing divisions. The increase in accounts payable and accrued expenses is primarily a result of the purchasing activity for the fall season and newly acquired businesses.

We used $21.5 million of cash for investing activities in the nine months ended October 31, 2005, primarily in connection with the acquisitions of Marvin Richards and Winlit. We used the balance of $ 860,000 in investing activities for capital expenditures, primarily to renovate existing and additional warehouse space that we leased.

Cash from financing activities provided $97.0 million in the nine months ended October 31, 2005 primarily as a result of borrowings of $108.7 million under our new financing agreement, offset in part by the repayment of $12.5 million under our terminated credit facility. These borrowings were used to repay our prior revolving credit agreement and finance our working capital needs during our peak fall season. We also used the borrowings to pay the cash portion of the purchase price for the acquisitions of Marvin Richards and Winlit and expenses incurred in connection with the acquisitions and the new financing agreement.

At October 31, 2004, we had cash and cash equivalents of $3.0 million. We used $48.0 million of cash in operating activities in the nine months ended October 31, 2004, resulting primarily from an increase in accounts receivable of $62.4 million and inventory of $8.6 million, offset in part by an increase in accounts payable and accrued expenses of $14.9 million and our net income of $3.4 million. The increase in accounts receivable for the nine months is a result of significant fall shipping season, which is consistent with our seasonal pattern in prior years.

Cash flows generated by financing activities in the nine months ended October 31, 2004 were primarily from direct borrowings under our line of credit in the amount of $35.4 million. Capital expenditures were not significant during the nine months ended October 31, 2004.

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 risks described in our Annual Report on Form 10-K for the year ended January 31, 2005 and in our Quarterly Report on Form 10-Q for the quarter ended July 31, 2005 are those that depend most heavily on these judgments and estimates. As of October 31, 2005, there have been no material changes to our critical accounting policies.

EFFECTS OF RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In December 2004, the Financial Accounting Standards Board ("FASB") issued SFAS No. 123 (Revised 2004), "Share-based Payment" that will require us to expense costs related to share-based payment transactions with employees. With limited exceptions, SFAS No. 123(R) requires that the fair value of share-based payments to employees be expensed over the period service is received. SFAS No. 123(R) becomes effective for us on February 1, 2006.

We believe the pro forma disclosures in Note 6 - Stock-Based Compensation to the accompanying financial statements provide an appropriate short-term indicator as to the level of expense that will be recognized in accordance with SFAS No. 123(R).

In November 2004, the FASB issued SFAS No. 151, "Inventory Costs, an amendment of ARB No. 43, Chapter 4." SFAS No. 151 requires certain abnormal expenditures to be recognized as expenses in the current period. It also requires that the amount of fixed production overhead allocated to inventory be based on the normal capacity of the production facility. The standard is effective for fiscal years beginning on or after June 15, 2005. We do not expect SFAS No. 151 to have a material effect on our Consolidated Financial Statements.

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, 2005.

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 the Company's disclosure controls and procedures. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective in alerting them to material information, on a timely basis, required to be included in our periodic SEC filings. 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.

Acquisition of Marvin Richards and Winlit

On July 11, 2005, we completed the acquisition of Marvin Richards and specified assets and liabilities of Winlit. The operating results of Marvin Richards and Winlit are included in our results from July 11, 2005 to October 31, 2005. We have applied our disclosure controls and procedures to Marvin Richards and Winlit for that period. Pro forma information is based upon unaudited information of the acquired companies for periods prior to July 11, 2005. We have not evaluated the controls that were in place during these periods. We will continue to closely monitor and refine our internal controls over financial reporting for these new divisions during the transition and integration period. No deficiencies have been identified at this time.

ITEM 6. EXHIBITS

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 October 31, 2005.

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 October 31, 2005.

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 October 31, 2005.

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 October 31, 2005.

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 13, 2005

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

Date: December 13, 2005

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

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)) 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) 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

   c) 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 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:

   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: December 13, 2005

/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)) 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) 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

   c) 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 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:

   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: December 13, 2005

/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 October 31, 2005, 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: December 13, 2005

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 October 31, 2005, 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: December 13, 2005

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.