

G-III Apparel Group, Ltd. Announces Second Quarter Fiscal 2004 Results

- Net Sales Increase to \$45.3 Million from \$40.0 million
- Operating Profit Increases to \$4.8 Million from \$1.4 million
- Diluted Net Income Per Share Increases to \$0.37 from \$0.08

G-III Apparel Group, Ltd. (Nasdaq: GIII) today announced operating results for the second quarter of fiscal 2004.

For the three-month period ended July 31, 2003, G-III reported net sales of \$45.3 million and net income of \$2.7 million, or \$0.37 per diluted share, compared to net sales of \$40.0 million and net income of \$576,000, or \$0.08 per diluted share, during the comparable period last year.

For the six-month period ended July 31, 2003, G-III reported net sales of \$64.0 million and net income of \$91,000, or \$0.01 per diluted share, compared to net sales of \$52.7 million and a net loss of \$3.6 million, or \$0.54 per diluted share, during the comparable period last year.

Morris Goldfarb, G-III's Chief Executive Officer, said, "We are very pleased to report a strong second quarter, with strong operating margins. Our profit growth was driven by continued strength in our sports apparel business, which saw both significant new accounts as well as increased penetration. The sportswear component of our sports apparel business attained higher gross margins compared to our other businesses."

Mr. Goldfarb continued, "We believe, based on feedback from customers with regard to our product assortment and a good order book, we are well positioned for the fall season."

Also today, G-III Apparel Group issued guidance for the fiscal year ending January 31, 2004. For the fiscal year, the Company is forecasting net sales of approximately \$220 million and diluted net income per share between \$1.10 and \$1.15.

About G-III Apparel Group, Ltd.

G-III Apparel Group, Ltd. is a leading manufacturer and distributor of leather and non-leather outerwear and apparel under our own labels, licensed labels and private labels. Company-owned labels include, among others, Black Rivet, Colebrook, Siena Studio and G-III. The Company has fashion licenses with Kenneth Cole, Nine West, Timberland, Cole Haan, Jones Apparel, Sean John, Bill Blass and James Dean and sports licensing agreements with the National Football League, National Hockey League, National Basketball Association, Major League Baseball and more than 50 universities nationwide.

Statements concerning the Company's business outlook or future economic performance, anticipated revenues, expenses or other financial items; product introductions and plans and objectives related thereto; and statements concerning assumptions made or expectations as to any future events, conditions, performance or other matters are "forward-looking statements" as that term is defined under the Federal Securities laws. Forward-looking statements are subject to risks, uncertainties and factors include, but are not limited to, reliance on foreign manufacturers, the nature of the apparel industry, including changing customer demand and tastes, reliance on licensed product, 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. The Company assumes no obligation to update the information in this release

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES
(NASDAQ:GIII)
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended		Six Months Ended	
	7/31/03	7/31/02	7/31/03	7/31/02
Net sales	\$ 45,299	\$ 40,022	\$ 64,011	\$ 52,713
Cost of sales	29,618	29,209	43,976	40,997
Gross profit	15,681	10,813	20,035	11,716

Selling, general and administrative expenses	10,844	9,453	19,603	16,967
Operating profit (loss)	4,837	1,360	432	(5,251)
Interest and financing charges, net	230	396	278	521
Income (loss) before income taxes	4,607	964	154	(5,772)
Income tax expense (benefit)	1,889	388	63	(2,179)
Net income (loss)	\$ 2,718	\$ 576	\$ 91	\$ (3,593)
Basic net income (loss) per common Share	\$ 0.40	\$ 0.09	\$ 0.01	\$ (0.54)
Diluted net income (loss) per common share	\$ 0.37	\$ 0.08	\$ 0.01	\$ (0.54)
Weighted average shares outstanding:				
Basic	6,879,920	6,714,200	6,877,909	6,708,383
Diluted	7,385,396	7,379,809	7,325,347	6,708,383

Balance Sheet Data (in thousands):

	At July 31, 2003	At July 31, 2002
Working Capital	\$ 47,480	\$ 42,957
Cash	434	360
Inventory	59,393	60,645
Total Assets	115,017	115,135
Outstanding Borrowings	33,298	39,971
Total Shareholders' Equity	\$ 55,874	\$ 51,234

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