

G-III Apparel Group, Ltd. Announces Fourth Quarter and Full-Year Fiscal 2003 Results

NEW YORK, March 20, 2003--G-III Apparel Group, Ltd. (NASDAQ: GIII) today announced operating results for the three and twelve-month periods ended January 31, 2003.

For the three-month period ended January 31, 2003, G-III reported net sales increased 55.1% to \$47.7 million from \$30.7 million during the comparable period last year. The Company reported a net loss of \$4.5 million, or (\$0.66) per share, for the three-month period, compared to a net loss of \$3.7 million, or (\$0.55) per share, during the comparable period last year. For the twelve-month period ended January 31, 2003, net sales were \$202.7 million compared to \$201.4 million last year. The Company reported net income of \$382,000, or \$0.05 per diluted share, for the twelve months ended January 31, 2003 compared to net income of \$2.4 million, or \$0.32 per diluted share, last year.

The results for the three and twelve-month periods ended January 31, 2003 include charges aggregating \$4.1 million (\$3.4 million on an after-tax basis) in connection with the Company's previously announced decision to close its manufacturing facility in Indonesia. Excluding these charges, the Company would have had a net loss for the three-month period of \$1.1 million, or (\$0.16) per share, and net income for the twelve-month period of \$3.8 million, or \$0.52 per diluted share. In addition, included in the results for the year are after-tax operating losses at our Indonesian facility, prior to its closedown, of approximately \$1.8 million.

Morris Goldfarb, Chairman and Chief Executive Officer said, "We believe we are positioned to both resume sales growth and report improved levels of operating profitability. The transition of our production formerly done in the Indonesian facility to third-party manufacturing is on schedule. This should improve gross margin and operating profit and allow management to focus more of its time and attention on our core business."

Gross margin during the fourth quarter increased to 20.2% from 9.7% in the fourth quarter of last year due to better inventory management and higher sales of regular priced merchandise. For the full year, gross margin improved to 24.3% from 21.5% in the prior year. Cost of sales for the fourth quarter and full year included \$554,000 of charges in connection with the closing of the Indonesian facility.

The Company reported that inventory at January 31, 2003 decreased by 16.7% to \$30.9 million compared to inventory of \$37.2 million at January 31, 2002. The Company noted that raw material inventory had been significantly reduced as a result of the expected increase in third party manufacturing related to the closing of the Indonesian facility.

Mr. Goldfarb continued, "Our Sports Apparel business is expected to be the most significant driver of revenue growth, particularly in our higher-margin Hardwood Classics and Cooperstown segments. We believe that we will continue to see good results from several of our newer businesses, such as Cole Haan, and Sean John. Additionally, we have received a favorable response for our new men's line under the licensed James Dean name, as well as our own new women's brand, Black Rivet."

For the first quarter ending April 30, 2003, the Company is comfortable with an estimated loss per share of between (\$0.40) and (\$0.44). The Company's loss in the quarter ended April 30, 2002 was (\$0.62) per share.

Mr. Goldfarb concluded, "We are beginning fiscal 2004 with clear focus, good opportunities for sales growth, a solid operating structure, and renewed optimism. We look forward to demonstrating our ability to leverage our capability to generate excellent returns for our shareholders."

About G-III Apparel Group, Ltd.

G-III Apparel Group, Ltd. is a leading manufacturer and distributor of leather and non-leather outerwear apparel under our own labels, licensed labels and private labels. 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, seasonally, 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		Twelve Months Ended	
	1/31/03	1/31/02	1/31/03	1/31/02
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Net sales	\$ 47,654	\$ 30,723	\$ 202,651	\$ 201,426
Cost of sales	38,046	27,740	153,367	158,160
Gross profit	9,608	2,983	49,284	43,266
Selling, general and administrative Expenses	11,403	8,392	41,551	35,814
Costs associated with the close down of Indonesian Facility	3,556		3,556	
Operating profit (loss)	(5,351)	(5,409)	4,177	7,452
Interest and financing charges, net	533	760	1,907	3,577
Income (loss) before income taxes	(5,884)	(6,169)	2,270	3,875
Income tax expense (benefit)	(1,364)	(2,507)	1,888	1,511
Net income (loss)	\$ (4,520)	\$ (3,662)	\$ 382	\$ 2,364
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Income (loss) per common share:				
Basic	\$ (0.66)	\$ (0.55)	\$ 0.06	\$ 0.35
	=====	=====	=====	=====
Diluted	\$ (0.66)	\$ (0.55)	\$ 0.05	\$ 0.32
	=====	=====	=====	=====
Weighted average shares outstanding:				
Basic	6,860,195	6,690,490	6,764,398	6,676,270
Diluted	6,860,195	6,690,490	7,346,925	7,373,723

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