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

FORM 10-Q

(Mark One)

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

For the quarterly period ended April 30, 2018

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 **(State or other jurisdiction of incorporation or organization)**	**41-1590959** **(I.R.S. Employer Identification No.)**
512 Seventh Avenue, New York, New York **(Address of principal executive offices)**	**10018** **(Zip Code)**

(212) 403-0500
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

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

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

As of June 1, 2018, there were 49,169,042 shares of issuer's common stock, par value $0.01 per share, outstanding.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	April 30, 2018 (Unaudited)	April 30, 2017 (Unaudited)	January 31, 2018
	(In thousands, except per share amounts)		
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 71,048	$ 67,134	$ 45,776
Accounts receivable, net of allowance for doubtful accounts	429,146	256,212(1)	294,430(1)
Inventories	463,463	445,969	553,323
Prepaid income taxes	2,132	16,845	15,058
Prepaid expenses and other current assets	102,072	55,474	51,014
Total current assets	1,067,861	841,634	959,601
INVESTMENTS IN UNCONSOLIDATED AFFILIATES	63,161	60,002	62,422
PROPERTY AND EQUIPMENT, NET	95,269	100,102	97,857
OTHER ASSETS, NET	33,709	35,304	32,478
OTHER INTANGIBLES, NET	45,406	47,797	46,405
DEFERRED INCOME TAX ASSETS, NET	27,982	15,901	11,439
TRADEMARKS	443,900	436,147	442,265
GOODWILL	263,275	266,901	262,710
TOTAL ASSETS	$ 2,040,563	$ 1,803,788	$ 1,915,177
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Income tax payable	$ —	$ —	$ 19,748
Accounts payable	152,854	164,521	232,364
Accrued expenses	86,058	75,197	95,055
Customer refund liabilities	214,693	—	—
Total current liabilities	453,605	239,718	347,167
NOTES PAYABLE, net of note discount and unamortized issuance costs	448,263	492,796	391,044
DEFERRED INCOME TAX LIABILITIES, NET	16,388	14,536	15,888
OTHER NON-CURRENT LIABILITIES	39,383	40,678	40,389
TOTAL LIABILITIES	957,639	787,728	794,488
STOCKHOLDERS' EQUITY			
Preferred stock; 1,000 shares authorized; No shares issued and outstanding			
Common stock - $0.01 par value; 120,000 shares authorized; 49,225, 49,031 and 49,219 shares issued, respectively	262	253	245
Additional paid-in capital	454,398	442,897	451,844
Accumulated other comprehensive loss	(2,086)	(27,654)	(5,522)
Retained earnings	630,633	602,027	674,542
Common stock held in treasury, at cost – 72, 369 and 106 shares, respectively	(283)	(1,463)	(420)
TOTAL STOCKHOLDERS' EQUITY	1,082,924	1,016,060	1,120,689
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 2,040,563	$ 1,803,788	$ 1,915,177

(1) Also, net of accrued returns and sales discounts

The accompanying notes are an integral part of these statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

	Three Months Ended April 30,	
	2018	2017 (As Adjusted)
	(Unaudited) (In thousands, except per share amounts)	
Net sales	$ 611,743	$ 529,042
Cost of goods sold	377,216	327,326
Gross profit	234,527	201,716
Selling, general and administrative expenses	202,071	197,411
Depreciation and amortization	9,380	9,838
Operating profit (loss)	23,076	(5,533)
Other loss	(451)	(1,232)
Interest and financing charges, net	(9,620)	(9,729)
Income (loss) before income taxes	13,005	(16,494)
Income tax expense (benefit)	3,120	(6,103)
Net income (loss)	$ 9,885	$ (10,391)
NET INCOME (LOSS) PER COMMON SHARE:		
Basic:		
Net income (loss) per common share	$ 0.20	$ (0.21)
Weighted average number of shares outstanding	49,127	48,648
Diluted:		
Net income (loss) per common share	$ 0.20	$ (0.21)
Weighted average number of shares outstanding	50,137	48,648
Net income (loss)	$ 9,885	$ (10,391)
Other comprehensive income:		
Foreign currency translation adjustments	3,436	68
Other comprehensive income	3,436	68
Comprehensive income (loss)	$ 13,321	$ (10,323)

The accompanying notes are an integral part of these statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended April 30, 2018	Three Months Ended April 30, 2017
	(Unaudited) (In thousands)	
Cash flows from operating activities		
Net income (loss)	$ 9,885	$ (10,391)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	9,380	9,838
Loss on disposal of fixed assets	53	184
Equity loss in unconsolidated affiliates	1,339	1,152
Share-based compensation	3,774	4,955
Deferred financing charges and debt discount amortization	2,468	3,779
Changes in operating assets and liabilities:		
Accounts receivable, net	(134,589)	7,739
Inventories	90,182	37,445
Income taxes, net	(6,838)	(10,206)
Prepaid expenses and other current assets	(62,334)	(8,503)
Other assets, net	(4,161)	349
Customer refund liabilities	148,101	—
Accounts payable, accrued expenses and other liabilities	(81,575)	(69,561)
Net cash used in operating activities	(24,315)	(33,220)
Cash flows from investing activities		
Capital expenditures	(5,330)	(5,729)
Net cash used in investing activities	(5,330)	(5,729)
Cash flows from financing activities		
Repayment of borrowings – revolving facility	(464,453)	(355,680)
Proceeds from borrowings – revolving facility	519,827	384,557
Proceeds from exercise of equity awards	56	169
Taxes paid for net share settlement	(1,085)	—
Net cash provided by financing activities	54,345	29,046
Foreign currency translation adjustments	572	(2,920)
Net increase (decrease) in cash and cash equivalents	25,272	(12,823)
Cash and cash equivalents at beginning of period	45,776	79,957
Cash and cash equivalents at end of period	$ 71,048	$ 67,134
Supplemental disclosures of cash flow information:		
Cash payments:		
Interest, net	$ 6,578	$ 7,205
Income tax payments, net	9,930	1,980

The accompanying notes are an integral part of these statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Basis of Presentation

As used in these financial statements, the term "Company" or "G-III" refers to G-III Apparel Group, Ltd. and its subsidiaries. The Company designs, manufactures and markets an extensive range of apparel, including outerwear, dresses, sportswear, swimwear, women's suits and women's performance wear, as well as women's handbags, footwear, small leather goods, cold weather accessories and luggage. The Company also operates retail stores and licenses its proprietary brands under several product categories.

The Company consolidates the accounts of all its wholly-owned and majority-owned subsidiaries. KL North America BV ("KLNA") and Fabco Holding B.V. ("Fabco") are Dutch limited liability companies that are joint ventures that are 49% owned by the Company. Karl Lagerfeld Holding B.V. ("KLH") is a Dutch limited liability company that is 19% owned by the Company. These investments are accounted for using the equity method of accounting. All material intercompany balances and transactions have been eliminated. Vilebrequin International SA ("Vilebrequin"), a Swiss corporation that is wholly-owned by the Company, KLH and KLNA report results on a calendar year basis rather than on the January 31 fiscal year basis used by the Company. The Company's retail stores use a 52/53-week fiscal year. The Company's three months ended April 30, 2017 and 2018 were both a 13-week fiscal quarter for the retail operations segment. For fiscal 2018 and 2019, the retail operations segment three month periods ended on April 29, 2017 and May 5, 2018, respectively.

The results for the three-month period ended April 30, 2018 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. All adjustments (consisting of only normal recurring adjustments) necessary for a fair presentation of the financial position, results of operations and cash flows for the interim period presented have been reflected.

The 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 for the fiscal year ended January 31, 2018 filed with the Securities and Exchange Commission (the "SEC").

Each of the Company's international subsidiaries uses its local currency as its functional currency. In accordance with the authoritative guidance, assets and liabilities of the Company's foreign operations are translated from foreign currency into U.S. dollars at period-end rates, while income and expenses are translated at the weighted-average exchange rates for the period. The related translation adjustments are reflected as a foreign currency translation adjustment in accumulated other comprehensive income (loss) within stockholders' equity.

Certain reclassifications have been made to the Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) as a result of the Company's reclassifying the impact of certain components of foreign currency gain (loss) from cost of goods sold and interest expense to other income. This change resulted in an increase in cost of goods sold, a decrease in interest and financing charges, net and a decrease in other loss for the three months ended April 30, 2017, compared to the amounts previously reported.

Note 2 – Revenue Recognition

On February 1, 2018, the Company adopted Accounting Standard Codification Topic 606 ("ASC 606") using the modified retrospective method as of January 31, 2018. The Company recognized a cumulative effect adjustment to the opening balance of stockholders' equity at February 1, 2018 that reduced stockholders' equity by $53.7 million, net of tax, as a result of the adoption of ASC 606.

Prospectively, the adoption of ASC 606 primarily affects the timing of recognition of certain adjustments that are recorded in net sales for the wholesale operations segment. Under ASC 606, revenue is recognized upon the transfer of goods to customers in an amount that reflects the expected consideration to be received in exchange for these goods. The difference between the amount initially billed and the amount collected represents variable consideration. Variable consideration includes trade discounts, end of season markdowns, sales allowances, cooperative advertising, return liabilities and other customer allowances. Under ASC 606, the Company estimates the anticipated variable consideration and records this estimate as a reduction of revenue in the period the related product revenue is recognized. Prior to adopting ASC 606, certain components of variable consideration were recorded at a later date when the liability was known or incurred.

The adoption of ASC 606 also resulted in changing the presentation of certain items on the Condensed Consolidated Balance Sheets and the Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) on a go forward basis. Under the prior guidance, the liability recorded in connection with variable consideration was recorded as a reduction to accounts receivable. With the adoption of ASC 606, these amounts have been classified in the Condensed Consolidated Balance Sheet under "Customer refund liabilities" which is a current liability. Additionally, on a go forward basis, with respect to the Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss), the Company classified cooperative advertising as a reduction of net sales. Previously, cooperative advertising was recorded in selling, general and administrative expenses. ASC 606 requires that costs expected to be incurred when products are returned should be accrued for upon the sale of the product as a component of cost of goods sold. These restocking costs were previously recognized when incurred and recorded in selling, general and administrative expenses.

The following tables summarize the impact of adopting ASC 606 on the Company's Condensed Consolidated Balance Sheet as of April 30, 2018 and the Company's Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) for the three months ended April 30, 2018:

	April 30, 2018 (In thousands)		
	As Reported	Without Adoption of ASC 606	Impact of Adoption of ASC 606
Assets			
Accounts receivable, net	$ 429,146	282,902	146,244
Inventories	463,463	502,819	(39,356)
Prepaid expenses and other current assets	102,072	62,859	39,213
Deferred income tax assets, net	27,982	11,438	16,544
Liabilities			
Accrued expenses	$ 86,058	82,648	3,410
Customer refund liabilities	214,693	-	214,693
Equity			
Retained earnings	630,633	686,091	(55,458)

	For the three months ended April 30, 2018 (In thousands)		
	As Reported	Without Adoption of ASC 606	Impact of Adoption of ASC 606
Net sales	$ 611,743	619,341	(7,598)
Cost of goods sold	377,216	376,163	1,053
Selling general and administrative expenses	202,071	208,723	(6,652)
Income tax expense	3,120	3,389	(269)
Net income	9,885	11,615	(1,730)
Earnings per share			
Basic	0.20	0.24	(0.04)
Diluted	0.20	0.23	(0.03)

The adoption of ASC 606 had no impact on the Company’s cash flows from operations, with the exception of offsetting changes in working capital balances.

Disaggregation of revenue

In accordance with ASC 606, the Company elected to disclose its revenue by segment. Each segment presents its own characteristics with respect to the timing of revenue recognition and the type of customer. In addition, disaggregating the revenue using a segment basis is consistent with how the Company’s Chief Operating Decision Maker manages the Company. The Company identified wholesale and direct to consumer, which includes retail store sales and e-commerce sales, as distinct sources of revenue.

Wholesale. Wholesale revenue includes sales of products to retailers under brands licensed by the Company from third parties, as well as sales of products under owned and private label brands. Wholesale revenue is recognized when control transfers to the customer. The Company considers control to have been transferred when the Company has transferred physical possession of the product and has a right to payment, the customer has legal title to the product, and the customer has the significant risks and rewards of the product. Wholesale revenue is adjusted by variable considerations arising from implicit or explicit obligations. Wholesale revenue also includes licensing revenue, which consists of royalties earned through licensing the Company’s proprietary brands to licensees. As of April 30, 2018, licensing revenue represented an insignificant portion of wholesale revenue.

Direct to consumer. Retail store revenue is generated by direct sales to consumers through company-operated stores. Retail stores primarily consist of Wilsons Leather, G.H. Bass and DKNY retail stores, substantially all of which are operated as outlet stores. Retail revenue is recognized at the point of sale when the customer takes possession of the goods and tenders payment. E-commerce revenue primarily consists of sales to consumers through the Company's e-commerce platforms. E-commerce revenue is recognized when the customers take possession of the goods.

The disaggregation of revenue is consistent with our segment reporting. Please refer to note 7 for further details.

Variable consideration

The Company provides customers with discounts, rebates, credit returns and price concessions. The Company may also contribute to customers' promotional activities or incur charges for compliance violations. These adjustments to the initial selling price often occur after the sales process is completed.

The Company identified the following elements of variable consideration:

Markdowns. Markdown allowances consist of accommodations in the form of price reductions to customers for purchased merchandise. In general, markdowns are granted to full price customers, such as department stores. Markdowns may vary year-over-year and are granted based on the performance of Company merchandise at customer retail stores.

Term discounts. Term discounts represent a discount from the initial wholesale sales price to certain customers consistent with customary industry practice.

Sales Allowances. Sales allowances are reductions of the selling price agreed upon with customers. Sales allowances may be contractual or may be granted on a case-by-case basis. Non-contractual sales allowances may be granted in connection with volume discounts, billing adjustments and, in some cases, for product related issues.

Advertising Allowances. Advertising allowances consist of the Company's financial participation in its customers' promotional efforts. Customers may charge back a portion of the advertising expense incurred against open invoices. Advertising programs are generally agreed upon at the beginning of a season.

Other Allowances. General allowances consist of price reductions granted to a customer and may relate to the Company's participation in costs incurred by the customer during the sales process as well as price differences, shortages and charges for operational non-compliance.

Right of Return. The Company may make accommodations for customers to return merchandise that is underperforming at their retail stores. Direct to consumer customers have 90 days to return merchandise from date of purchase.

Variable consideration is estimated based on historical experience, current contractual and statutory requirements, specific known events and industry trends. The reserves for variable consideration are recorded under customer refund liabilities. As of April 30, 2018, the customer refund liabilities amounted to $214.7 million. Historical return rates are calculated on a product line basis. The remainder of the variable consideration historical rates are calculated by customer by product lines.

Contract balances

Contract liabilities. An entity should recognize a contract liability if the customer's payment of consideration precedes the entity's performance. The Company had contract liability of $1.8 million as of April 30, 2018 and January 31, 2018 related to the issuance of gift cards. The Company runs a limited loyalty program where customers accumulate points redeemable for cash discount certificates that expire 90 days after issuance. The Company does not disclose the remaining performance obligation related to contracts with durations of one year or less as allowed by such contracts.

Note 3 – Inventories

Substantially all of the Company's inventories consist of finished goods. Wholesale inventories are stated at the lower of cost (determined by the first-in, first-out method) or net realizable value, which comprises a significant portion of the Company's inventory. Retail inventories are valued at the lower of cost or market as determined by the retail inventory method. Vilebrequin inventories are stated at the lower of cost (determined by the weighted average method) or net realizable value.

The inventory return asset, which consists of the amount of goods that are anticipated to be returned by customers, represented $39.4 million as of April 30, 2018 and January 31, 2018 and $25.3 million as of April 30, 2017. The inventory return asset is recorded under prepaid expenses and other current assets as of April 30, 2018 and under inventories as of January 31, 2018 and April 30, 2017.

Note 4 – Fair Value of Financial Instruments

GAAP establishes a three-level valuation hierarchy for disclosure of fair value measurements. The determination of the applicable level within the hierarchy for a particular asset or liability depends on the inputs used in its valuation as of the measurement date, notably the extent to which the inputs are market-based (observable) or internally-derived (unobservable). A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows:

- Level 1 — inputs to the valuation methodology based on quoted prices (unadjusted) for identical assets or liabilities in active markets.

- Level 2 — inputs to the valuation methodology based on quoted prices for similar assets or liabilities in active markets for substantially the full term of the financial instrument; quoted prices for identical or similar instruments in markets that are not active for substantially the full term of the financial instrument; and model-derived valuations whose inputs or significant value drivers are observable.

- Level 3 — inputs to the valuation methodology based on unobservable prices or valuation techniques that are significant to the fair value measurement.

The carrying amount of the Company's variable rate debt approximates the fair value, as interest rates change with the market rates. Furthermore, the carrying value of all other financial instruments potentially subject to valuation risk (principally consisting of cash, accounts receivable and accounts payable) also approximates fair value due to the short-term nature of these accounts.

The following table summarizes the carrying values and the estimated fair values of the Company's debt instruments:

Financial Instrument	Level	Carrying Value 4/30/2018	Carrying Value 1/31/2018	Fair Value 4/30/2018	Fair Value 1/31/2018
		(in thousands)			
Term Loan	3	$ 300,000	$ 300,000	$ 300,000	$ 300,000
Revolving credit facility	3	$ 67,377	$ 12,003	$ 67,377	$ 12,003
Note issued to LVMH	3	$ 92,860	$ 91,667	$ 85,000	$ 85,000

The Company's debt instruments are recorded at their carrying values in its condensed consolidated balance sheets, which may differ from their respective fair values. For purposes of this fair value disclosure, the Company based its fair value estimate for the Term Loan and revolving credit facility (each, as defined in Note 6) on its internal valuation whereby the Company applied the discounted cash flow method to its expected cash flow payments due under the loan agreements based on market interest rate quotes as of April 30, 2018 and January 31, 2018 for debt with similar risk characteristics and maturities.

Non-Financial Assets and Liabilities

The Company's non-financial assets, which primarily consist of goodwill, other intangible assets and property and equipment, are not required to be measured at fair value on a recurring basis and are reported at carrying value. However, whenever events or changes in circumstances indicate that their carrying value may not be fully recoverable (and at least annually for goodwill and indefinite-lived intangible assets), non-financial instruments are assessed for impairment and, if applicable, written down to and recorded at fair value, considering external market participant assumptions. No events or circumstances indicate an impairment has been identified subsequent to the Company's January 31, 2018 impairment testing.

Note 5 – Net Income (Loss) per Common Share

Basic net income (loss) per common share has been computed using the weighted average number of common shares outstanding during each period. Diluted net income per share, when applicable, is computed using the weighted average number of common shares and potential dilutive common shares, consisting of unvested restricted stock awards and stock options outstanding during the period. Approximately 341,700 shares of common stock have been excluded from the diluted net income per share calculation for the three months ended April 30, 2018. All share based payments outstanding that vest based on the achievement of performance and/or market price conditions, and for which the respective performance and/or market price conditions have not been achieved, have been excluded from the diluted per share calculation. For the three months ended April 30, 2018, the Company issued 6,000 shares of common stock and utilized 34,515 shares of treasury stock in connection with the exercise or vesting of equity awards. For the three months ended April 30, 2017, the Company issued 14,275 shares of common stock and utilized 6,800 shares of treasury stock in connection with the exercise or vesting of equity awards.

The following table reconciles the numerators and denominators used in the calculation of basic and diluted net income (loss) per share:

	Three Months Ended April 30, 2018	Three Months Ended April 30, 2017
Net income (loss)	$ 9,885	$ (10,391)
Basic net income (loss) per share:		
Basic common shares	49,127	48,648
Basic net income (loss) per share	$ 0.20	$ (0.21)
Diluted net income (loss) per share:		
Basic common shares	49,127	48,648
Diluted restricted stock awards and stock options	1,010	—
Diluted common shares	50,137	48,648
Diluted net income (loss) per share	$ 0.20	$ (0.21)

Note 6 – Notes Payable

Long-term debt consists of the following:

	April 30, 2018	April 30, 2017	January 31, 2018
Term loan	$ 300,000	$ 300,000	$ 300,000
Revolving credit facility	67,377	120,000	12,003
Note issued to LVMH	125,000	125,000	125,000
Subtotal	492,377	545,000	437,003
Less: Net debt issuance costs(1)	(11,974)	(14,585)	(12,626)
Debt discount	(32,140)	(37,619)	(33,333)
Total	$ 448,263	$ 492,796	$ 391,044

(1) Does not include the debt issuance costs, net of amortization, totaling $8.9 million, $11.3 million and $9.5 million as of April 30, 2018, April 30, 2017 and January 31, 2018, respectively, related to the revolving credit facility. The debt issuance costs have been deferred and are classified in prepaid expenses and other current assets in the accompanying Condensed Consolidated Balance Sheets as required under Accounting Standards Update ("ASU") 2015-15.

Term Loan

In connection with the acquisition of Donna Karan International Inc. ("DKI"), the Company borrowed $350.0 million under a senior secured term loan facility (the "Term Loan"). The Term Loan will mature in December 2022. The Term Loan was subject to amortization payments of 0.625% of the original aggregate principal amount of the Term Loan per quarter, with the balance due at maturity. On December 1, 2016, the Company prepaid $50.0 million in principal amount of the Term Loan. This prepayment relieved G-III of its obligation to make quarterly amortization payments for the remainder of the term.

Interest on the outstanding principal amount of the Term Loan accrues at a rate equal to LIBOR, subject to a 1% floor, plus an applicable margin of 5.25% or an alternate base rate (defined as the greatest of (i) the "prime rate" as published by the Wall Street Journal from time to time, (ii) the federal funds rate plus 0.5% or (iii) the LIBOR rate for a borrowing with an interest period of one month) plus 4.25%, per annum, payable in cash. As of April 30, 2018, interest under the Term Loan was being paid at an average rate of 7.01% per annum.

The Term Loan is secured by certain assets of the Company and certain of its subsidiaries. The Term Loan contains covenants that restrict the Company's ability to among other things, incur additional debt, sell or dispose certain assets, make certain investments, incur liens and enter into acquisitions. This loan also includes a mandatory prepayment provision on excess cash flow as defined within the agreement. A first lien leverage covenant requires the Company to maintain a level of debt to EBITDA at a ratio as defined over the term of the agreement. As of April 30, 2018, the Company was in compliance with this covenant.

Revolving Credit Facility

Upon closing of the acquisition of DKI, the Company's previous credit agreement was refinanced and replaced by a $650 million amended and restated credit agreement (the "revolving credit facility"). Amounts available under the revolving credit facility are subject to borrowing base formulas and over advances as specified in the revolving credit facility agreement. Borrowings bear interest, at the Company's option, at LIBOR plus a margin of 1.25% to 1.75% or an alternate base rate (defined as the greatest of (i) the "prime rate" of JPMorgan Chase Bank, N.A. from time to time, (ii) the federal funds rate plus 0.5% or (iii) the LIBOR rate for a borrowing with an interest period of one month) plus a margin of 0.25% to 0.75%, with the applicable margin determined based on the availability under the revolving credit facility agreement. As of April 30, 2018, interest under the revolving credit agreement was being paid at an average rate of 3.59% per annum. The revolving credit facility has a five-year term ending December 1, 2021. In addition to paying interest on any outstanding borrowings under the revolving credit facility, the Company is required to pay a commitment fee to the lenders under the credit agreement with respect to the unutilized commitments. The commitment fee accrues at a rate equal to 0.25% per annum on the average daily amount of the unutilized commitments.

As of April 30, 2018, the Company had $67.4 million of borrowings outstanding under the revolving credit facility all of which are classified as long-term liabilities. As of April 30, 2018, there were outstanding trade and standby letters of credit amounting to $13.9 million and $3.4 million, respectively.

LVMH Note

As part of the consideration for the acquisition of DKI, the Company issued to LVMH Moet Hennessy Louis Vuitton Inc. (“LVMH”) a junior lien secured promissory note in the principal amount of $125.0 million (the “LVMH Note”) that bears interest at the rate of 2% per year. $75.0 million of the principal amount of the LVMH Note is due and payable on June 1, 2023 and $50.0 million of such principal amount is due and payable on December 1, 2023. Accounting Standards Codification (“ASC”) 820 - Fair Value Measurements requires the note to be recorded at fair value. As a result, the Company recorded a debt discount in the amount of $40.0 million. This discount is being amortized as interest expense using the effective interest method over the term of the LVMH Note.

Note 7 – Segments

The Company’s reportable segments are business units that offer products through different channels of distribution. The Company has two reportable segments: wholesale operations and retail operations. The wholesale operations segment includes sales of products under brands licensed by the Company from third parties, as well as sales of products under the Company’s own brands and private label brands. Wholesale sales and revenues from license agreements related to the Donna Karan, DKNY, G.H. Bass, Andrew Marc and Vilebrequin businesses are included in the wholesale operations segment. The retail operations segment consists primarily of the Wilsons Leather, G.H. Bass and DKNY stores, as well as a limited number of Calvin Klein Performance and Karl Lagerfeld Paris stores. Sales through the Company’s owned websites are also included in the retail operations segment.

The following information, in thousands, is presented for the three month periods indicated below:

	Three Months Ended April 30, 2018			
	Wholesale	Retail	Elimination (1)	Total
Net sales	$ 527,673	$ 104,519	$ (20,449)	$ 611,743
Cost of goods sold	341,575	56,090	(20,449)	377,216
Gross profit	186,098	48,429	—	234,527
Selling, general and administrative	136,413	65,658	—	202,071
Depreciation and amortization	7,136	2,244	—	9,380
Operating profit (loss)	$ 42,549	$ (19,473)	$ —	$ 23,076

	Three Months Ended April 30, 2017			
	Wholesale	Retail	Elimination (1)	Total
Net sales (2)	$ 453,313	$ 99,185	$ (23,456)	$ 529,042
Cost of goods sold	298,300	52,482	(23,456)	327,326
Gross profit	155,013	46,703	—	201,716
Selling, general and administrative	130,160	67,251	—	197,411
Depreciation and amortization	6,385	3,453	—	9,838
Operating profit (loss)	$ 18,468	$ (24,001)	$ —	$ (5,533)

(1) *Represents intersegment sales to the Company’s retail operations.*
(2) *Certain reclassifications have been made between the wholesale operations segment and the elimination column as a result of sales eliminations within the wholesale operations segment being misclassified as inter-segment eliminations.*

The total assets for each of the Company’s reportable segments, as well as assets not allocated to a segment, are as follows:

	April 30, 2018	April 30, 2017 (In thousands)	January 31, 2018
Wholesale	$ 1,655,714	$ 1,459,142	$ 1,554,191
Retail	211,475	205,024	215,568
Corporate	173,374	139,622	145,418
Total Assets	$ 2,040,563	$ 1,803,788	$ 1,915,177

Note 8 – Final Tax Adjustment of Donna Karan International acquisition

On February 5, 2018, the Company paid $4.6 million to LVMH for the final tax adjustment related to the Company’s election under Internal Revenue Code Section 338(h)(10) in connection with the acquisition of DKI.

Note 9 – Canadian Customs Duty Examination

In October 2017, the Canada Border Service Agency ("CBSA") issued a final audit report to G-III Apparel Canada ULC ("G-III Canada"), our wholly-owned subsidiary. The report challenged the valuation used by G-III Canada for certain goods imported into Canada. The period covered by the examination is February 1, 2014 through the date of the final report, October 27, 2017. The CBSA has requested G-III Canada to reassess its customs entries for that period using the price paid or payable by the Canadian retail customers for certain imported goods rather than the price paid by G-III Canada to the vendor. The CBSA has also requested that G-III Canada change the valuation method used to pay duties with respect to goods imported in the future.

On March 14, 2018, G-III Canada provided a bond to the CBSA to secure payment of the additional duties payable as a result of the reassessment required by the final audit report. The Company issued a bond in the amount of CAD$26.9 million ($20.9 million) representing customs duty and interest through December 31, 2017 that is claimed to be owed to the CBSA. In March 2018, we amended the duties filed for the month of January 2018 under the new valuation method. The additional duty claimed to be owed for January 2018 was approximately CAD$1.4 million ($1.1 million) which is under review by the CBSA. Beginning February 1, 2018, we began paying duties based on the new valuation method. The additional duties paid beginning on February 1, 2018 on the higher dutiable value will not be charged as an expense in our statement of operations, but will be recorded as a deferred expense until the appeal process has concluded. Amounts deferred for the three months ended April 30, 2018, related to the higher dutiable values, were $1.9 million.

G-III Canada, based on the advice of counsel, believes it has positions that support its ability to receive a refund of amounts claimed to be owed to the CBSA on appeal and intends to vigorously contest the findings of the CBSA. G-III Canada filed its appeal with the CBSA in May 2018.

Note 10 – Recent Adopted and Issued Accounting Pronouncements

Recently Adopted Accounting Guidance

In May 2017, the Financial Accounting Standards Board ("FASB") issued ASU 2017-09, "Compensation — Stock Compensation (Topic 718): Scope of Modification Accounting." ASU 2017-09 provides clarification on when modification accounting should be used for changes to the terms or conditions of a share-based payment award. ASU 2017-09 does not change the accounting for modifications but clarifies that modification accounting guidance should only be applied if there is a change to the value, vesting conditions or award classification and would not be required if the changes are considered non-substantive. The amendments of ASU 2017-09 are effective for reporting periods beginning after December 15, 2017. The Company adopted the provisions of ASU 2017-09 during the first quarter of fiscal 2019. The adoption of ASU 2017-09 did not have any impact on the Company's condensed consolidated financial statements.

In December 2017, the SEC staff issued Staff Accounting Bulletin (SAB) 118 to provide guidance for companies that have not completed their accounting for the income tax effects of the Tax Cuts and Jobs Act ("TCJA"). Due to the complexities of the TCJA, our final tax liability may materially differ from provisional estimates due to additional guidance and regulations issued by the U.S. Treasury Department, the Internal Revenue Service ("IRS") and state and local tax authorities. G-III will finalize its accounting for the TCJA during the one-year measurement period, and any adjustments to the provisional amounts will be included in income tax expense or benefit in the appropriate periods, and disclosed if material, in accordance with guidance provided by SAB 118. As of April 30, 2018, we have not identified or recorded adjustments to the provisional amounts previously disclosed in our Annual Report on Form 10-K for the year ended January 31, 2018.

In January 2017, the FASB issued ASU 2017-01, "Business Combinations (Topic 805): Clarifying the Definition of a Business." The purpose of ASU 2017-01 is to clarify the definition of a business to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. ASU 2017-01 is effective for fiscal years beginning after December 15, 2017, including interim periods within that year. The amendments in ASU 2017-01 should be applied prospectively on or after the effective date. The Company adopted the provisions of ASU 2017-01 during the first quarter of fiscal 2019. The adoption of ASU 2017-01 did not have any impact on the Company's condensed consolidated financial statements.

In October 2016, the FASB issued ASU 2016-16, "Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory." The update requires an entity to recognize the income tax consequences of an intra-entity transfer of an asset upon transfer other than inventory, eliminating the current recognition exception. Prior to the update, GAAP prohibited the recognition of current and deferred income taxes for intra-entity asset transfers until the asset was sold to an outside party. The amendments in this update do not include new disclosure requirements; however, existing disclosure requirements might be applicable when accounting for the current and deferred income taxes for an intra-entity transfer of an asset other than inventory. For public business entities, the amendments in this update are effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within those fiscal years. The Company adopted the provisions of ASU 2016-16 during the first quarter of fiscal 2019. The adoption of ASU 2016-16 did not have a material impact on the Company's condensed consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments," which clarifies guidance with respect to the classification of eight specific cash flow issues. ASU 2016-15 was issued to reduce diversity in practice and prevent financial statement restatements. Cash flow issues include: debt prepayment or debt extinguishment costs, settlement of zero-coupon bonds, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, proceeds from the settlement of corporate-owned life insurance policies and bank-owned life insurance policies, distributions received from equity method investees, beneficial interests in securitization transactions and separately identifiable cash flows and application of the predominance principle. ASU 2016-15 is effective for public business entities for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Under the provision, entities must apply the guidance retrospectively to all periods presented but may apply it prospectively if retrospective application would be impracticable. The Company adopted the provisions of ASU 2016-15 during the first quarter of fiscal 2019. The adoption of ASU 2016-15 did not have a material impact on the Company's condensed consolidated financial statements.

In January 2016, the FASB issued ASU 2016-01, “Financial Instruments — Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities.” This standard (i) modifies how entities measure equity investments and present changes in the fair value of financial liabilities, (ii) simplifies the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment, (iii) changes presentation and disclosure requirements and (iv) clarifies that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with the entity’s other deferred tax assets. ASU 2016-01 is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early application is permitted. The Company adopted the provisions of ASU 2016-15 during the first quarter of fiscal 2019. The adoption of ASU 2016-15 did not have a material impact on the Company’s condensed consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09, “Revenue from Contracts with Customers (Topic 606).” This update replaces the previous revenue recognition guidance in GAAP and requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The FASB clarified this guidance by issuing ASU 2017-13, “Amendments to SEC Paragraphs Pursuant to the Staff Announcement at the July 20, 2017 EITF Meeting and Rescission of Prior SEC Staff Announcements and Observer Comments”; ASU 2016-08, “Principal versus Agent Considerations (Reporting Revenue Gross versus Net)”; ASU 2016-10, “Identifying Performance Obligations and Licensing”; ASU 2016-12, “Narrow-Scope Improvements and Practical Expedients”; and ASU 2016-20, “Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers.” The amendments to ASU 2014-09 were intended to render more detailed implementation guidance with the expectation of reducing the degree of judgment necessary to comply with Topic 606. These new standards have the same effective date as ASU 2014-09 and were effective for public entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. The Company adopted the provisions of ASU 2014-09, as subsequently amended, during the first quarter of fiscal 2019. The guidance permits two methods of adoption: retrospectively to each prior reporting period presented (full retrospective method), or retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial application (modified retrospective method). The Company has adopted the pronouncement using a modified retrospective approach. The Company performed an analysis of its current revenue streams worldwide and identified potential changes that will result from the adoption of the new guidance. The Company has implemented changes to its accounting processes and controls to support the new revenue recognition and disclosure requirements. The adoption of Topic 606 primarily affects the wholesale operations segment in the timing of recognition of certain adjustments that were recorded in net sales. For example, the Company previously recorded markdowns and certain customer allowances when the liability was known or incurred. Please refer to footnote 2 for further details with respect to the adoption of this guidance by the Company.

Issued Accounting Guidance Being Evaluated for Adoption

In February 2018, the FASB issued ASU 2018-03, “Technical Corrections and Improvements to Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities”, which makes technical corrections to certain aspects of ASU 2016-01 (on recognition of financial assets and financial liabilities), including the following: (i) equity securities without a readily determinable fair value — discontinuation, (ii) equity securities without a readily determinable fair value — adjustments, (iii) forward contracts and purchased options, (iv) presentation requirements for certain fair value option liabilities, (v) fair value option liabilities denominated in a foreign currency and (vi) transition guidance for equity securities without a readily determinable fair value. The amendments in ASU 2018-03 are effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years beginning after June 15, 2018. Public business entities with fiscal years beginning between December 15, 2017, and June 15, 2018, are not required to adopt the amendments until the interim period beginning after June 15, 2018. Early adoption of ASU 2018-03 is permitted for all entities for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years, if they have adopted ASU 2016-01. The Company does not expect ASU 2018-03 to have an impact on its condensed consolidated financial statements.

In February 2018, the FASB issued ASU 2018-02, “Income Statement — Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income”, which provides financial statement preparers with an option to reclassify stranded tax effects within accumulated other comprehensive income to retained earnings in each period in which the effect of the change in the U.S. federal corporate income tax rate (or portion thereof) in the TCJA is recorded. The amendments to ASU 2018-02 are effective for all entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption of ASU 2018-02 is permitted, including adoption in any interim period for the public business entities for reporting periods for which financial statements have not yet been issued. The amendments of ASU 2018-02 should be applied either in the period of adoption or retrospectively to each period (or periods) in which the effect of the change in the U.S. federal corporate income tax rate in the TCJA is recognized. The Company is currently assessing the impact that adopting ASU 2018-02 will have on its financial statements and footnote disclosures.

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842).” The primary difference between the current requirement under GAAP and ASU 2016-02 is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases. The FASB has continued to clarify this guidance and most recently issued ASU 2017-13, “Amendments to SEC Paragraphs Pursuant to the Staff Announcement at the July 20, 2017 EITF Meeting and Rescission of Prior SEC Staff Announcements and Observer Comments.” ASU 2016-02 requires that a lessee recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term (other than leases that meet the definition of a short-term lease). The liability will be equal to the present value of lease payments. The asset will be based on the liability, subject to adjustment, such as for initial direct costs. For income statement purposes, the FASB retained a dual model, requiring leases to be classified as either operating or finance. Operating leases will result in straight-line expense (similar to current operating leases) while finance leases will result in a front-loaded expense pattern (similar to current capital leases). Classification will be based on criteria that are for the most part similar to those applied in current lease accounting. ASU 2016-02 may be adopted using a modified retrospective transition, and provides for certain practical expedients. Transactions will require application of the new guidance at the beginning of the earliest comparative period presented. The guidance is effective for public entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted. The Company is currently assessing the potential impact of ASU 2016-02 on its consolidated financial statements. Given the Company’s significant number of leases, the Company expects this standard will result in a significant increase to its long-term assets and liabilities but does not expect it to have a material impact on its statements of operations. The Company is required to adopt the new standard in the first quarter of fiscal 2020 and does not expect to early adopt this new standard.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Unless the context otherwise requires, "G-III", "us", "we" and "our" refer to G-III Apparel Group, Ltd. and its subsidiaries. References to fiscal years refer to the year ended or ending on January 31 of that year. For example, our fiscal year ending January 31, 2019 is referred to as "fiscal 2019". Vilebrequin, KLH and KLNA report results on a calendar year basis rather than on the January 31 fiscal year basis used by G-III. Accordingly, the results of Vilebrequin, KLH and KLNA are, and will be, included in our financial statements for the quarter ended or ending closest to G-III's fiscal quarter. For example, with respect to our results for the three-month period ended April 30, 2018, the results of Vilebrequin, KLH and KLNA are included for the three-month period ended March 31, 2018. We account for our investment in KLNA and KH1 using the equity method of accounting. The Company's retail operations segment reports results on a 52/53-week fiscal year. The Company's three months ended April 30, 2017 and 2018 were both a 13-week fiscal quarter for the retail operations segment. For fiscal 2018 and 2019, the retail operations segment three-month periods ended on April 29, 2017 and May 5, 2018, respectively.

Various statements contained in this Form 10-Q, in future filings by us with the SEC, in our press releases and in oral statements made from time to time by us or on our behalf constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on current expectations and are indicated by words or phrases such as "anticipate," "estimate," "expect," "will," "project," "we believe," "is or remains optimistic," "currently envisions," "forecasts," "goal" and similar words or phrases and involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from the future results, performance or achievements expressed in or implied by such forward-looking statements. Forward-looking statements also include representations of our expectations or beliefs concerning future events that involve risks and uncertainties, including, but not limited to the following:

- our dependence on licensed products;
- our dependence on the strategies and reputation of our licensors;
- costs and uncertainties with respect to expansion of our product offerings;
- the performance of our products at retail and customer acceptance of new products;
- retail customer concentration;
- risks of doing business abroad;
- price, availability and quality of materials used in our products;
- the need to protect our trademarks and other intellectual property;
- risks relating to our retail business;
- dependence on existing management;
- our ability to make strategic acquisitions and possible disruptions from acquisitions;
- need for additional financing;
- seasonal nature of our business;
- our reliance on foreign manufacturers;
- the need to successfully upgrade, maintain and secure our information systems;
- data security or privacy breaches;
- the impact of the current economic and credit environment on us, our customers, suppliers and vendors;
- the effects of competition in the markets in which we operate, including from e-commerce retailers;
- the redefinition of the retail store landscape in light of widespread retail store closings and the bankruptcy of a number of prominent retailers;
- consolidation of our retail customers;
- additional legislation and/or regulation in the United States or around the world;
- our ability to import products in a timely and cost effective manner;
- our ability to continue to maintain our reputation;
- fluctuations in the price of our common stock;
- potential effect on the price of our common stock if actual results are worse than financial forecasts;
- the effect of regulations applicable to us as a U.S. public company; and

- matters relating to the business of DKI, including:

  - our ability to realize the anticipated benefits of the acquisition of DKI;
  - the increase in our indebtedness as a result of the acquisition; and
  - the significant increase in the amount of our goodwill and other intangibles

Any forward-looking statements are based largely on our expectations and judgments and are subject to a number of risks and uncertainties, many of which are unforeseeable and beyond our control. A detailed discussion of significant risk factors that have the potential to cause our actual results to differ materially from our expectations is described under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended January 31, 2018. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Overview

G-III designs, manufactures and markets an extensive range of apparel, including outerwear, dresses, sportswear, swimwear, women’s suits and women’s performance wear, as well as women’s handbags, footwear, small leather goods, cold weather accessories and luggage. G-III has a substantial portfolio of over 40 licensed and proprietary brands, anchored by five global power brands: DKNY, Donna Karan, Calvin Klein, Tommy Hilfiger and Karl Lagerfeld. We are not only licensees, but also brand owners, and we distribute our products through multiple brick and mortar and online channels

Our own proprietary brands include DKNY, Donna Karan, Vilebrequin, G.H. Bass, Andrew Marc, Marc New York, Eliza J and Jessica Howard. We sell products under an extensive portfolio of well-known licensed brands, including Calvin Klein, Tommy Hilfiger, Karl Lagerfeld Paris, Levi’s, Docker’s, Kenneth Cole, Cole Haan and Guess?. In our team sports business, we have licenses with the National Football League, National Basketball Association, Major League Baseball, National Hockey League and over 150 U.S. colleges and universities. We also sell products under private retail labels for retailers such as Costco, Christopher & Banks, Express, Harley-Davidson, JC Penney and Ross Stores.

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

Segments

We report based on two reportable segments: wholesale operations and retail operations.

Our wholesale operations segment includes sales of products under brands licensed by us from third parties, as well as sales of products under our own brands and private label brands. Wholesale sales, revenues from license agreements and internet sales related to the DKI, G.H. Bass, Andrew Marc and Vilebrequin businesses are included in the wholesale operations segment.

Our retail operations segment consists primarily of our Wilsons Leather, G.H. Bass and DKNY retail stores, substantially all of which are operated as outlet stores, as well as a limited number of Calvin Klein Performance and Karl Lagerfeld Paris stores. As of April 30, 2018, we operated 155 Wilsons Leather stores, 133 G.H. Bass stores, 49 DKNY stores, 9 Karl Lagerfeld Paris stores and 4 Calvin Klein Performance stores. Wilsons Leather, G.H. Bass and DKNY each operates its own online store. Product sales through our Wilsons and G.H. Bass websites are also included in the retail operations segment.

Licensed Products

The sale of licensed products is a key element of our strategy and we have continually expanded our offerings of licensed products for more than 20 years.

Our most significant licensor is Calvin Klein with whom we have license agreements for 10 different product categories. We have also entered into distribution agreements with respect to Calvin Klein luggage in a limited number of countries in Asia, Europe and North America.

We also have a significant relationship with Tommy Hilfiger that has grown in recent years. In February 2016, we expanded our relationship with Tommy Hilfiger through a new license agreement for Tommy Hilfiger womenswear in the United States and Canada. This license for women’s sportswear, dresses, suit separates, performance and denim is in addition to our other Tommy Hilfiger licenses for men’s and women’s outerwear and luggage. Macy’s is the principal retailer of Tommy Hilfiger in the United States and women’s sportswear continues to be a Macy’s exclusive offering.

We believe that consumers prefer to buy brands they know, and we have continually sought licenses that would increase the portfolio of name brands we can offer through different tiers of retail distribution, for a wide array of products at a variety of price points. We believe that brand owners will look to consolidate the number of licensees they engage to develop product and they will seek licensees with a successful track record of expanding brands into new categories. It is our objective to continue to expand our product offerings and we are continually discussing new licensing opportunities with brand owners.

Licensing of Proprietary Brands

As our portfolio of proprietary brands has grown, we have licensed these brands in new categories. We began licensing Andrew Marc, Vilebrequin and G.H. Bass in selected categories after acquiring these brands in 2008, 2012 and 2013, respectively. Our licensing program has significantly increased as a result of owning the Donna Karan and DKNY brands, which were acquired in December 2016.

We currently license the DKNY and Donna Karan brands internationally for a broad array of products including fragrance, watches, hosiery, intimates, eyewear, children’s apparel and accessories, home furnishings, sleepwear and men’s tailored clothing. We also license the DKNY brand in North America in the following product categories: men’s sportswear, men’s dress shirts, men’s neckwear, small leather goods, fashion jewelry and the DKNY and Donna Karan brands for women’s belts. In summer 2017, we licensed DKNY and Donna Karan men’s and women’s apparel and accessories in China pursuant to a long-term license agreement with a joint venture of which we are a 49% owner. More recently, we entered into a license agreement for DKNY men’s underwear and loungewear and DKNY and Donna Karan men’s and women’s socks, both in North America. We intend to continue to focus on expanding licensing opportunities for the DKNY and Donna Karan brands. We believe that we can capitalize on significant, untapped global licensing potential for these brands in a number of categories.

We currently license the G.H. Bass brand for a broad array of products including: men’s, women’s and children’s footwear, men’s sportswear, men’s and boy’s tailored clothing, men’s socks and women’s hosiery, and men’s accessories and small leather goods.

We recently licensed the Vilebrequin brand internationally for a denim line. The Vilebrequin brand is also licensed for sunglasses.

We currently license the Andrew Marc brand for men’s tailored clothing and men’s footwear.

Retail Operations

Given the current retail environment, we are focusing on turning around our retail business by not renewing long-term leases as they come up for renewal if we are unable to satisfactorily renegotiate the terms of those leases. In addition, we are implementing cost-cutting initiatives, revising our merchandising strategy and repurposing certain Wilsons Leather and G.H. Bass stores for the Karl Lagerfeld Paris or DKNY brands. We intend to continue our program of door count reduction and to increase the efficiency and productivity of our retail operations. We expect to reduce our losses from the retail operations segment in fiscal 2019 with our ultimate goal to return to profitability.

Trends

Significant trends that affect the apparel industry include retail chains closing unprofitable stores, an increased focus by retail chains and others on expanding e-commerce sales, the continued consolidation of retail chains and the desire on the part of retailers to consolidate vendors supplying them.

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

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

Sales of apparel over the Internet continue to increase. We are addressing the increase in online shopping by developing additional marketing initiatives over the Internet, on our web sites and through social media. Our e-commerce business consists of our own web platforms at www.dkny.com, www.donnakaran.com, www.wilsonsleather.com, www.ghbass.com, www.vilebrequin.com and www.andrewmarc.com. We are building an e-commerce team to help us expand our online opportunities going forward. We also sell our Karl Lagerfeld Paris products on its website, www.karllagerfeldparis.com. We sell our licensed products over the web through retail partners such as Macys.com and Nordstrom.com, each of which has a significant online business. We have also increased sales to pure play online retail partners such as Amazon and Fanatics. We continue to develop additional marketing initiatives over the Internet, on our web sites and through social media to increase our e-commerce presence.

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

Results of Operations

Three months ended April 30, 2018 compared to three months ended April 30, 2017

Net sales for the three months ended April 30, 2018 increased to $611.7 million from $529.0 million in the same period last year. Net sales of our segments are reported before intercompany eliminations. Net sales of our wholesale operations segment increased to $527.7 million from $453.3 million in the comparable period last year. This increase is primarily the result of a $41.2 million increase in net sales of our DKNY and Donna Karan product, driven by our recently launched DKNY women's performance wear and footwear product lines, as well as new product lines such as women's suits, men's and women's outerwear and luggage. The increase in net sales of our wholesale operations was also the result of a $21.2 million increase in net sales of Calvin Klein licensed products, primarily from the sale of dresses and women's suits. Net sales of Karl Lagerfeld Paris products increased by $11.3 million as a result of our sportswear and new outerwear product lines. Net sales of our retail operations segment increased to $104.5 million for the three months ended April 30, 2018 from $99.2 million in the same period last year. The increase in net sales of our retail operations was the result of increases of $5.3 million in net sales from our Wilsons retail stores and $3.4 million in net sales from our DKNY retail stores, offset, in part, by a decrease of $4.6 million in net sales from our G.H. Bass store chain. Comparable same store sales increased by 18.6% at Wilsons, which benefited from favorable weather and increased promotional activities. Comparable same store sales increased by 23.1% at DKNY retail stores as a result of the sale of products designed and developed by us. G.H. Bass same store sales decreased by 1.6% compared to the same period in the prior year.

Gross profit increased to $234.5 million, or 38.3% of net sales, for the three months ended April 30, 2018, from $201.7 million, or 38.1% of net sales, in the same period last year. The gross profit percentage in our wholesale operations segment was 35.3% in the three months ended April 30, 2018 compared to 34.2% in the same period last year. The increase in gross profit percentage was primarily the result of a favorable product mix in our Calvin Klein dress line, as well as an increase in gross profit percentage for our Calvin Klein sportswear and women suits. Tommy Hilfiger licensed products also contributed to the segment's increase in gross profit percentage due to a favorable product mix in the denim and men's outerwear products. In addition, gross profit percentage increased due to an increase in licensing revenue for which there is no associated costs of goods sold. The increase in gross profit percentage in our wholesale operations segment was reduced, in part, by the classification of cooperative advertising as a reduction to net sales beginning in fiscal 2019 as a result of changes to accounting rules. The gross profit percentage in our retail operations segment was 46.3% for the three months ended April 30, 2018 compared to 47.1% for the same period last year. This decrease is primarily the result of a decrease in our DKNY retail store's gross profit percentage compared to the same period last year. This decrease in gross profit percentage was offset by an increase in the gross profit percentage of Wilsons and G.H. Bass compared to the same period in the prior year.

Selling, general and administrative expenses increased to $202.1 million in the three months ended April 30, 2018 from $197.4 million in the same period last year. This increase is primarily due to increased personnel costs ($8.9 million) related to increased headcount and the increased bonus expense accrual compared to the prior year as a result of our increased profitability. Advertising costs increased because of an increase in advertising purchased to promote the brands we own, increased advertising fees paid under many of our license agreements that are based on a percentage of net sales of licensed products, and an increase in expenses related to additional marketing initiatives over the Internet. These increases in advertising expense amounted to $2.6 million compared to the prior year. Prior to the adoption of the guidance in ASC 606, cooperative advertising, relating to our participation in the advertising initiatives of our customers, was recorded under selling, general and administrative expenses. Under the new guidance, cooperative advertising is recorded as a reduction to net sales. This change in presentation of cooperative advertising resulted in a reduction of $6.3 million in selling, general and administrative expenses in the quarter.

Depreciation and amortization was $9.4 million in the three months ended April 30, 2018 as a result of depreciation and amortization related to capital expenditures in previous years, primarily related to fixturing costs at department stores, as well as remodeling and relocation costs with respect to our Wilsons, G.H. Bass and Vilebrequin stores.

Other loss decreased to $451,000 in the three months ended April 30, 2018 from $1.2 million in the same period last year. The decrease in other loss is primarily the result of foreign currency gains recorded in the three months ended April 30, 2018 compared to the three months ended April 30, 2017.

Interest and financing charges, net, for the three months ended April 30, 2018 were $9.6 million compared to $9.7 million for the same period last year.

Income tax expense was $3.1 million for the three months ended April 30, 2018, as a result of net income recorded in the quarter, compared to a tax benefit of $6.1 million for the same period last year when we recognized a net loss. Our effective tax rate decreased to 24.0% in the current year's quarter from 37.0% in the prior period last year as a result of the reduction in the corporate tax rate by the TCJA. Our effective tax rate includes the effect of an income tax benefit of $391,000 in the three months ended April 30, 2018 and $78,000 in the three months ended April 30, 2017 in connection with the vesting of equity awards as provided for in ASU 2016-09.

Liquidity and Capital Resources

Term Loan

In connection with the acquisition of DKI, on December 1, 2016, we entered into a credit agreement with the lenders party thereto and Barclays Bank PLC, as administrative and collateral agent (the “Term Loan Credit Agreement”). The Term Loan Credit Agreement provided for term loans in the aggregate amount of $350.0 million (the “Term Loans”) that we used to fund a portion of the purchase price with respect to the acquisition of DKI. The Term Loans were subject to amortization payments of 0.625% of the original aggregate principal amount of the Term Loans per quarter, with the balance due at maturity. On December 1, 2016, we prepaid $50.0 million in principal amount of the Term Loans, reducing the principal balance of the Term Loans to $300.0 million. This prepayment relieved us of our obligation to make quarterly amortization payments for the remainder of the term.

The Term Loans will mature in December 2022. Interest on the outstanding principal amount of the Term Loans accrues at a rate equal to LIBOR, subject to a 1% floor, plus an applicable margin of 5.25% or an alternate base rate (defined as the greatest of (i) the “prime rate” as published by the Wall Street Journal from time to time, (ii) the federal funds rate plus 0.5% and (iii) the LIBOR rate for a borrowing with an interest period of one month) plus 4.25%, per annum, payable in cash. As of April 30, 2018, interest under the Term Loans was being paid at an average rate of 7.01% per annum.

The Term Loans are secured (i) on a first-priority basis by a lien on our real estate assets, equipment and fixtures, equity interests and intellectual property and certain related rights owned by us and by certain of our subsidiaries and (ii) by a second-priority security interest in other of our assets and certain of our subsidiaries, which secure on a first-priority basis our asset-based loan facility described below under the caption “Amended and Restated Credit Agreement”.

The Term Loans are required to be prepaid with the proceeds of certain asset sales if such proceeds are not applied as required by the Term Loan Credit Agreement within certain specified deadlines. The Term Loans are also required to be prepaid in an amount equal to 75% of our Excess Cash Flow (as defined in the Term Loan Credit Agreement) with respect to each fiscal year ending on or after January 31, 2018. The percentage of Excess Cash Flow that must be so applied is reduced to 50% if our senior secured leverage ratio is less than 3.00 to 1.00, to 25% if our senior secured leverage ratio is less than 2.75 to 1.00 and to 0% if our senior secured leverage ratio is less than 2.25 to 1.00.

The Term Loan Credit Agreement contains covenants that restrict our ability to, among other things, incur additional debt, sell or dispose certain assets, make certain investments, incur liens and enter into acquisitions. This Agreement also includes a mandatory prepayment provision from Excess Cash Flow as defined in the Term Loan Credit Agreement. A first lien leverage covenant requires us to maintain a level of debt to EBITDA at a ratio as defined over the term of the Term Loan Credit Agreement. As of April 30, 2018, we were in compliance with these covenants.

Amended and Restated Credit Agreement

In connection with the acquisition of DKI, on December 1, 2016, we entered into an amended and restated credit agreement (the “ABL Credit Agreement”) with JPMorgan Chase Bank, N.A., as Administrative Agent. The ABL Credit Agreement is a five-year senior secured revolving credit facility providing for borrowings in the aggregate principal amount of up to $650 million.

Amounts available under the ABL Credit Agreement are subject to borrowing base formulas and over advances as specified in the ABL Credit Agreement. Borrowings bear interest, at the Borrowers’ option, at LIBOR plus a margin of 1.25% to 1.75% or an alternate base rate (defined as the greatest of (i) the “prime rate” of JPMorgan Chase Bank, N.A. from time to time, (ii) the federal funds rate plus 0.5% and (iii) the LIBOR rate for a borrowing with an interest period of one month) plus a margin of 0.25% to 0.75%, with the applicable margin determined based on the Borrowers’ availability under the ABL Credit Agreement. As of April 30, 2018, interest under the ABL Credit Agreement was being paid at the average rate of 3.59% per annum. The ABL Credit Agreement is secured by specified assets of us and certain of our subsidiaries.

In addition to paying interest on any outstanding borrowings under the ABL Credit Agreement, we are required to pay a commitment fee to the lenders under the ABL Credit Agreement with respect to the unutilized commitments. The commitment fee accrues at a rate equal to 0.25% per annum on the average daily amount of the available commitment.

The ABL Credit Agreement contains a number of covenants that, among other things, restrict our ability, subject to specified exceptions, to incur additional debt; incur liens; sell or dispose of assets; merge with other companies; liquidate or dissolve G-III; acquire other companies; make loans, advances, or guarantees; and make certain investments. In certain circumstances, the credit agreement also requires us to maintain a minimum fixed charge coverage ratio, as defined, that may not exceed 1.00 to 1.00 for each period of twelve consecutive fiscal months of holdings. As of April 30, 2018, we were in compliance with these covenants.

LVMH Note

On December 1, 2016, we issued to LVMH, as a portion of the consideration for the acquisition of DKI, a junior lien secured promissory note in favor of LVMH in the principal amount of $125.0 million (the “LVMH Note”) that bears interest at the rate of 2% per year. $75.0 million of the principal amount of the LVMH Note is due and payable on June 1, 2023 and $50.0 million of such principal amount is due and payable on December 1, 2023.

Based on an independent valuation, it was determined that the LVMH Note should be treated as having been issued at a discount of $40.0 million in accordance with ASC 820 — Fair Value Measurements. This discount is being amortized as interest expense using the effective interest method over the term of the LVMH Note.

In connection with the issuance of the LVMH Note, LVMH entered into (i) a subordination agreement with Barclays Bank PLC, as administrative agent for the lenders party to the Term Loan Credit Agreement and collateral agent for the Senior Secured Parties thereunder and JPMorgan Chase Bank, N.A., as administrative agent for the lenders and other Senior Secured Parties under the ABL Credit Agreement, providing that our obligations under the LVMH Note are subordinate and junior to our obligations under the ABL Credit Agreement and Term Loan Credit Agreement, and (ii) a pledge and security agreement with us and G-III Leather Fashions, Inc. ("G-III Leather"), pursuant to which we and G-III Leather granted to LVMH a security interest in specified collateral to secure our payment and performance of our obligations under the LVMH Note that is subordinate and junior to the security interest granted by us with respect to our obligations under the ABL Credit Agreement and Term Loan Credit Agreement.

Outstanding Borrowings

Our primary operating cash requirements are to fund our seasonal buildup 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 peak borrowings under our asset-based credit facility during our third fiscal quarter. The primary sources to meet our operating cash requirements have been borrowings under this credit facility, cash generated from operations and the sale of our common stock.

We incurred significant additional debt in connection with our acquisition of DKI. We had $67.4 million and $120.0 million in borrowings outstanding under the ABL Credit Agreement at April 30, 2018 and 2017, respectively, and $300.0 million in borrowings outstanding under the Term Loan Credit Agreement at both April 30, 2018 and 2017. Our contingent liability under open letters of credit was approximately $17.3 million and $13.1 million at April 30, 2018 and 2017, respectively. In addition to the amounts outstanding under these two loan agreements, at April 30, 2018 and 2017, we had $125 million of face value principal outstanding under the LVMH Note.

We had cash and cash equivalents of $71.0 million on April 30, 2018 and $67.1 million on April 30, 2017.

Share Repurchase Program

Our Board of Directors has authorized a share repurchase program of 5,000,000 shares. The timing and actual number of shares repurchased, if any, will depend on a number of factors, including market conditions and prevailing stock prices, and are subject to compliance with certain covenants contained in our loan agreement. Share repurchases may take place on the open market, in privately negotiated transactions or by other means, and would be made in accordance with applicable securities laws. No shares were repurchased during the three months ended April 30, 2018. As of June 1, 2018, we had 49,169,042 shares of common stock outstanding.

Cash from Operating Activities

We used $24.3 million of cash in operating activities during the three months ended April 30, 2018, primarily because of a $134.6 million increase in accounts receivable, an $81.6 million decrease in accounts payable, accrued expenses and other liabilities and a $62.3 increase in prepaid expenses and other current assets. These increases were offset by a $148.1 million increase in customer refund liabilities, and a $90.2 million decrease in inventories.

The changes in accounts receivable, customer refund liabilities and retained earnings are mainly the result of the adoption of ASC 606. The adoption of ASC 606 resulted in recognizing the cumulative effect adjustment to the opening balance of retained earnings and classifying, on a prospective basis, the reserves for variable consideration from accounts receivable to customer refund liabilities. The adoption of ASC 606 also resulted in the classification, on a prospective basis, of the carrying value of the inventory return asset from inventories to prepaid expenses and other current assets.

Excluding the effect of the adoption of ASC 606, the changes in these operating cash flow items are generally consistent with our seasonal pattern. The decrease in accounts payable and accrued expenses is primarily attributable to vendor payments related to inventory purchases and the payment of accrued year-end bonuses in our first fiscal quarter. Our inventory decreased because we experience lower sales levels in our first and second fiscal quarters than in our third and fourth fiscal quarters.

Cash from Investing Activities

We used $5.3 million of cash in investing activities in the three months ended April 30, 2018. The cash used in investing activities consisted of capital expenditures related to additional fixturing costs at department stores, as well as to improving, remodeling and relocating retail stores.

Cash from Financing Activities

Net cash provided by financing activities was $54.3 million in the three months ended April 30, 2018, primarily as a result of the net proceeds of $55.4 million in borrowings under our revolving credit facility.

Financing Needs

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

Critical Accounting Policies

Our discussion of results of operations and financial condition relies on our consolidated financial statements that are prepared based on certain critical accounting policies that require management to make judgments and estimates that are subject to varying degrees of uncertainty. We believe that investors need to be aware of these policies and how they impact our financial statements as a whole, as well as our related discussion and analysis presented herein. While we believe that these accounting policies are based on sound measurement criteria, actual future events can, and often do, result in outcomes that can be materially different from these estimates or forecasts.

The accounting policies and related estimates described in our Annual Report on Form 10-K for the year ended January 31, 2018 are those that depend most heavily on these judgments and estimates. As of April 30, 2018, there have been no material changes to our critical accounting policies, other than the adoption of recent accounting standards as discussed in Note 2.

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, 2018.

Item 4. Controls and Procedures.

As of the end of the period covered by this report, our management, including our Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms and (ii) accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure, and thus, are effective in making known to them material information relating to G-III required to be included in this report.

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

PART II – OTHER INFORMATION

Item 1A. Risk Factors.

In addition to the other information set forth in this report, you should carefully consider the factors discussed in "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended January 31, 2018, which could materially affect our business, financial condition or future results. There have been no material changes to these risk factors as of April 30, 2018. The risks described in our Annual Report on Form 10-K are not the only risks facing our company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Item 6. Exhibits.

10.1	Ninth Amendment of Lease, dated May 14, 2018, by and between G-III Leather Fashions, Inc. as Tenant and 500-512 Seventh Avenue Limited Partnership as Landlord, (2nd Floor (including Mezzanine), 3rd, 4th, 5th, 21st, 22nd, 23rd, 24th, 26th 27th, 28th, 29th, 30th, 31st, 36th, 39th and 40th Floors at 512 Seventh Avenue and 2nd and Part of 3rd at 500 Seventh Avenue).
31.1	Certification by Morris Goldfarb, Chief Executive Officer of G-III Apparel Group, Ltd., pursuant to Rule 13a - 14(a) or Rule 15d - 14(a) of the Securities Exchange Act of 1934, as amended, in connection with G-III Apparel Group, Ltd.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2018.
31.2	Certification by Neal S. Nackman, Chief Financial Officer of G-III Apparel Group, Ltd., pursuant to Rule 13a - 14(a) or Rule 15d - 14(a) of the Securities Exchange Act of 1934, as amended, in connection with G-III Apparel Group, Ltd.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2018.
32.1	Certification by Morris Goldfarb, Chief Executive Officer of G-III Apparel Group, Ltd., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in connection with G-III Apparel Group, Ltd.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2018.
32.2	Certification by Neal S. Nackman, Chief Financial Officer of G-III Apparel Group, Ltd., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in connection with G-III Apparel Group, Ltd.'s Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2018.
101.INS	XBRL Instance Document.
101.SCH	XBRL Schema Document.
101.CAL	XBRL Calculation Linkbase Document.
101.DEF	XBRL Extension Definition.
101.LAB	XBRL Label Linkbase Document.
101.PRE	XBRL Presentation Linkbase Document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

G-III APPAREL GROUP, LTD.
(Registrant)

Date: June 11, 2018	By:	/s/ Morris Goldfarb Morris Goldfarb Chief Executive Officer
Date: June 11, 2018	By:	/s/ Neal S. Nackman Neal S. Nackman Chief Financial Officer

NINTH AMENDMENT OF LEASE

(2nd Floor (including Mezzanine), 3rd, 4th, 5th, 21st, 22nd, 23rd, 24th, 26th 27th, 28th, 29th, 30th, 31st, 36th, 39th and 40th Floors at 512 Seventh Avenue and 2nd and Part of 3rd at 500 Seventh Avenue)

THIS NINTH AMENDMENT OF LEASE (this "Agreement" or "Ninth Amendment") is made as of May 14, 2018 (the "Effective Date"), by and between **500-512 SEVENTH AVENUE LIMITED PARTNERSHIP,** a New York limited partnership ("Landlord") having an address c/o The Chetrit Group LLC, 512 Seventh Avenue, 16th Floor, New York, New York 10018, and **G-III LEATHER FASHIONS, INC.,** a New York corporation, having an address at 512 Seventh Avenue, New York, New York, 10018 ("Tenant").

RECITALS:

WHEREAS, 500/512 Seventh Avenue Associates, Landlord's predecessor-in-interest, and BET Studio LLC, Tenant's predecessor-in-interest, entered into a certain agreement of Lease dated as of April 23, 1997 ("Original Lease"), as amended by (i) the First Amendment to Lease dated as of July 1, 2000 ("First Amendment"), (ii) the Second Amendment to Lease dated as of May 1, 2001 ("Second Amendment"), (iii) the Third Amendment of Lease dated as of March 26, 2010 ("Third Amendment"), (iv) the Fourth Amendment of Lease dated as of September 1, 2010 ("Fourth Amendment"), (v) the Fifth Amendment of Lease dated as of November 2, 2010 ("Fifth Amendment"), (vi) the Sixth Amendment of Lease dated as of May 23, 2013 ("Sixth Amendment"), (vii) the Seventh Amendment of Lease dated as of April 25, 2014 and (viii) the Eighth Amendment of Lease dated as of June 16, 2016 (collectively, and as amended hereby, the "Lease") currently for the 2nd Floor Space (including Mezzanine), the 3rd, 4th, 5th, 21st, 22nd, 23rd, 24th, 27th, 28th, 29th, 30th, 31st, 36th, 39th and 40th Floors (collectively, the "Premises") as more particularly described in the Lease, in the office building located at and known as 512 Seventh Avenue, New York, New York (the "Building"); and

WHEREAS, Landlord and Tenant desire to add to the Premises (i) the entire rentable area (north and south) of the 2nd Floor and the north portion of the 3rd Floor of the building known as 500 Seventh Avenue, New York, New York (collectively the "2, 3 at 500 Space"), and (ii) the entire rentable portion of the 26th Floor of the Building ("26th Floor Space"), each as more fully described in Exhibit A annexed hereto and made a part hereof, for a term expiring March 31, 2028. The 2, 3 at 500 Space and the 26th Floor Space are hereafter collectively referred to as the "Additional Space"; and

WHEREAS, Landlord and Tenant have agreed, for the purposes of this Amendment, that the rentable square footage of the 2, 3 at 500 Space is 56,000 and that the rentable square footage of the 26th Floor Space is 11,500 irrespective of the actual rentable square footages of said spaces; and

WHEREAS, Tenant is desirous of exercising its option to renew its lease of the 2nd Floor Space (including Mezzanine) in the Building in accordance with and at the rates set forth in the Sixth Amendment of Lease; and

WHEREAS, Landlord and Tenant desire to set forth the terms of Tenant's option to renew the Lease (for a renewal term of five (5) years) with respect to (i) the 2, 3 at 500 Space, (ii) 26th Floor Space and (iii) the 2nd Floor Space (including Mezzanine); and

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto by these presents do covenant and agree as follows:

1. **Recitals; Definitions**. The Recitals set forth above are true and correct and are incorporated herein and form a part of this Agreement. Unless otherwise defined in this Agreement, all terms used in this Agreement that are defined in the Lease shall have the meanings ascribed to them in the Lease.

2. **Additional Space Term.** Landlord and Tenant agree that the term of the Lease is hereby extended with regard to the Additional Space only, to March 31, 2028. In addition, pursuant to paragraph 11 below, Tenant exercised its Renewal Option with respect to the 2nd Floor Space (including Mezzanine). The extension of the term of the Lease to March 31, 2028 (subject to renewals as set forth below) for the Additional Space and the 2nd Floor Space (including Mezzanine) does not extend Tenant's right to occupy the balance of the Premises (i.e., the 3rd, 4th, 5th, 21st, 22nd, 23rd, 24th, 27th, 29th, 31st, 36th, 39th and 40th Floors). Tenant acknowledges and agrees that the Tenant's right to occupy the 21st, 22nd, 23rd, 24th, 29th, 31st, 36th, 39th and 40th Floors) expires on March 31, 2023 (with an option to renew through March 31, 2028) and that Tenant's right to occupy the 28th and 30th Floors expires on December 31, 2023 (with an option to renew through December 31, 2028) and that Tenant's right to occupy the 3rd, 4th and 5th Floors expires May 31, 2026 (with an option to renew through Mary 31, 2031), pursuant to the terms of the several Lease Amendments identified above, subject, however, to the options to renew set forth in such Lease Amendments.

3. **Use**. Subject to the provisions of this paragraph 3, the 2nd Floor Space (including Mezzanine) and the 2, 3 at 500 Space and floors 4 and 5 of the Building may be used for showrooms, designer space, sales offices and general office use for Tenant's business, and for no other purpose. Tenant shall not use or allow the Additional Space to or any part to be used or occupied for any unlawful purpose or in violation of the certificate of occupancy for the buildings. Tenant may, at its sole cost and expense, using professionals reasonably approved by Landlord, seek to change the use of the 2nd Floor Space (including Mezzanine) and the 2,3 at 500 Space and floors 4 and 5 of the Premises to allow a retail use for the sale of garments and accessories, provided that such uses are permitted "as of right" under applicable zoning resolutions and ordinances, and are permitted under the Ground Lease, or if not permitted under the Ground Lease, with the consent of the Ground Lessor under the Ground Lease, which consent shall be obtained by Tenant at its sole cost and expense. Tenant shall not permit any use of the Premises that is not permitted under the Ground Lease or by applicable law. In the event Tenant is able to change the use to retail for any of the spaces identified in this Paragraph, and sublets said spaces (in accordance with the terms of the Lease) for a retail use, Landlord agrees that, notwithstanding anything set forth to the contrary in the Lease, Tenant shall not be required to share with Landlord any profit or sublet fees or sublet rents that Tenant achieves from a sublet of such spaces for retail purposes.

4. **<u>Additional Space Inclusion</u>.** The Premises are expanded to include each of (i) the 2nd (north and south portion) and 3rd (north portion) Floors of the 500 Seventh Avenue building for the period commencing on the Delivery Date and ending March 31, 2028 and (ii) the 26th Floor Space of the Building commencing on the date of this Amendment and ending on March 31, 2028 (the "<u>Additional Space Term</u>"). Landlord and Tenant agree that the rentable square footages of the Additional Space set forth above have been agreed upon by Landlord and Tenant, do not reflect the actual rentable square footage of either of the Additional Spaces, and are not subject to re-measurement. Tenant acknowledges that (i) Tenant is in possession of the 26th Floor Space, and accepts the 26th Floor Space as of the date hereof in its "as is' condition, and (ii) Landlord may complete Landlord's Work on each of the 2nd and 3rd floors at 500 Seventh at different times, and agrees to deliver possession of each such floor, in the condition required hereunder, when Landlord's Work on such floor has been completed. For the purposes of this Agreement, the "<u>Delivery Date</u>" shall be the date upon which Landlord gives or has given Tenant possession of both floors of the 2, 3 at 500 Space pursuant to the terms of the Lease, in their "as is", "where is" condition, with all faults; provided however, that (A) Landlord shall, prior to the Delivery Date, complete Landlord's Work to each floor as set forth on Exhibit B attached hereto and made a part hereof in a good and workmanlike manner and (B) the 2, 3 at 500 Space shall, on the Delivery Date, be free of (i) all tenancies and occupants other than Tenant and its employees, agents and subsidiaries, (ii) violations (other than violations caused by Tenant or Tenant's agents, contractors or employees) that would prevent Tenant from obtaining a work permit for the performance of Tenant's Initial Work (as hereafter defined), and (iii) asbestos in friable condition. Tenant agrees that if at any time, it uncovers asbestos while making improvements to the 2, 3 at 500 Space and the asbestos is not in friable condition, or is or can be encapsulated, then Landlord will have no obligation to remove the asbestos. By way of example, if there is VAT tile, which is covered, or shall be covered by Tenant with other floor covering, Landlord shall have no obligation to remove the VAT tile. If Tenant elects to perform demolition work within the 2, 3 at 500 Space, Landlord agrees to obtain for Tenant an ACP-5 for any such work within twenty (20) days after receipt from Tenant of demolition plans for the 2, 3 at 500 Space. **LANDLORD AND LANDLORD'S AGENTS HAVE MADE NO REPRESENTATION OR WARRANTY TO TENANT, EXPRESS OR IMPLIED, RESPECTING THE CONDITION OF THE ADDITIONAL SPACE LEASED HEREUNDER OR THE BUILDING, INCLUDING WITHOUT LIMITATION (A) ANY IMPLIED OR EXPRESS WARRANTY OF QUALITY, CONDITION OR TENANTABILITY, OR (B) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.** Except for the removal of asbestos in friable condition, if any from the 2, 3 at 500 Space (as expressly required pursuant to this Article 4 of this Agreement), Landlord shall not be obligated or required to do any work or make any alterations or decorations or install any fixtures, equipment or improvements or make any repairs or replacements to the Additional Space to prepare or fit the same for Tenant's use or for any other reason whatsoever except for the work described on Exhibit B hereto. Except as expressly set forth herein, Landlord shall not be obligated or required to pay any work contribution or construction allowance in connection with Tenant's lease of the Additional Space. Landlord agrees to provide Tenant exclusive use of Passenger Elevators #1, #2, #7, #8 and #9 in the Building (as shown on Exhibit D hereof), and space in the lobby of the Building to install a desk, each no later than June 30, 2019, with the size, material and design of such desk to be approved by Landlord in its sole discretion, to be manned by Tenant personnel. Tenant shall be permitted to cause Passenger Elevators #1, #2, #7, #8 and #9 to be programmed to stop at floors of the Premise in the Building, at Tenant's choice.

5. **__Fixed Rent for 2, 3 at 500 Space During Additional Space Term__**. During the Additional Space Term, Tenant shall pay to Landlord, in accordance with the terms and conditions set forth in the Lease, Fixed Rent for the 2, 3 at 500 Space in the amounts set forth below:

Time Period	**Fixed Rent per Annum and per Month (2, 3 at 500 Space)**
Delivery Date – March 31, 2019	$2,380,000.00 per annum ($198,333.33 per month)
April 1, 2019 – March 31, 2020	$2,439,500.00 per annum ($203,291.67 per month)
April 1, 2020 – March 31, 2021	$2,500,487.50 per annum ($208,373.96 per month)
April 1, 2021 – March 31, 2022	$2,674,999.69 per annum ($222,916.64 per month)
April 1, 2022 – March 31, 2023	$2,741,874.68 per annum ($228,489.56 per month)
April 1, 2023 – March 31, 2024	$2,922,421.52 per annum ($243,535.13 per month)
April 1, 2024 – March 31, 2025	$2,995,482.09 per annum ($249,623.51 per month)
April 1, 2025 – March 31, 2026	$3,070,369.14 per annum ($255,864.09 per month)
April 1, 2026 – March 31, 2027	$3,147,128.37 per annum ($262,260.70 per month)
April 1, 2027 – March 31, 2028	$3,225,806.58 per annum ($268,817.21 per month)

Provided and on the condition that Tenant is not then in default under the terms of the Lease beyond any applicable notice and cure periods as of the date of the application of the credit, Tenant shall be entitled to a credit against the obligation to pay Fixed Rent for the 2, 3 at 500 Space only, in the aggregate amount of $3,507,512.56 ("__2, 3 at 500 Space Credit__") to be applied only against the Fixed Rent for the 2, 3 at 500 Space as of the Delivery Date until exhausted. Except for the 2, 3 at 500 Space Credit and as otherwise may be expressly set forth herein or elsewhere in the Lease, Tenant shall not be entitled to any free rent, rent abatement, or rent credit of any kind against Tenant's obligation to pay Fixed Rent for the 2, 3 at 500 Space.

6. **<u>Fixed Rent for 26th Floor Space During Additional Space Term</u>**. During the Additional Space Term, Tenant shall pay to Landlord, in accordance with the terms and conditions set forth in the Lease, Fixed Rent for the 26th Floor Space in the amounts set forth below:

Time Period	Fixed Rent per Annum and per Month (26th Floor Space)
May 14, 2018 – March 31, 2019	$517,500.00 per annum ($43,125.00 per month)
April 1, 2019 – March 31, 2020	$530,437.50 per annum ($44,203.13 per month)
April 1, 2020 – March 31, 2021	$543,698.44 per annum ($45,308.20 per month)
April 1, 2021 – March 31, 2022	$557,290.90 per annum ($46,440.91 per month)
April 1, 2022 – March 31, 2023	$571,223.17 per annum ($47,601.93 per month)
April 1, 2023 – March 31, 2024	$608,503.75 per annum ($50,708.65 per month)
April 1, 2024 – March 31, 2025	$623,716.35 per annum ($51,976.36 per month)
April 1, 2025 – March 31, 2026	$639,309.26 per annum ($53,275.77 per month)
April 1, 2026 – March 31, 2027	$655,291.99 per annum ($54,607.67 per month)
April 1, 2027 – March 31, 2028	$671,674.29 per annum ($55,972.86 per month)

Tenant shall not be entitled to any free rent or rent credit of any kind against Tenant's obligation to pay Fixed Rent for the 26th Floor Space.

7. **Electricity, Water, Sewer and Sprinkler for the Additional Space During Additional Space Term**. During the Additional Space Term, Tenant shall pay for all of the following with respect to each of the 2, 3 at 500 Space and the 26th Floor Space: (i) electrical use on a 'submetering' basis in accordance with Article Twenty-Second of the First Amendment, (ii) water and sewer charges of $204 per month for the 2, 3 at 500 Space and $102 per month for the 26th Floor Space in accordance with Article Twenty-Third of the Original Lease, and (iii) a sprinkler supervisory service charge of $204 per month for each floor in the 2, 3 at 500 Space and $102 per month for the 26th Floor Space in accordance with Article Twenty-Fourth of the Original Lease.

8. **Real Estate Taxes for the Additional Space During Additional Space Term**. During the Additional Space Term, Tenant shall pay real estate tax escalation with respect to each of the 2, 3 at 500 Space and the 26th Floor Space in accordance with Article Fifty-Eighth of the Original Lease except that (i) the base tax year for New York City Real Estate taxes shall be the calendar year commencing January 1, 2019 and ending December 31, 2019, (ii) the base tax year and each of the comparative years' taxes shall be calculated without giving effect to any tax abatement or exemption, (iii) the Percentage for the 2, 3 at 500 Space shall be 9.25%, and (iv) the Percentage for the 26th Floor Space shall be 2.25%.

9. **Additional Rent for the Additional Space During the Additional Space Term**. In addition to the Fixed Rent and specific items of additional rent set forth above, during the Additional Space Term, Tenant shall be responsible for all additional rent with respect to the Additional Space as set forth in the Lease. Except as otherwise may be expressly set forth herein or elsewhere in the Lease, Tenant shall not be entitled to any free rent, rent abatement, or rent credit of any kind against Tenant's obligation to pay additional rent for the Additional Space.

10. **Work Contribution.** Provided Tenant shall not be in default under this Lease beyond the expiration of any applicable notice and cure periods, Landlord shall contribute as hereinafter provided an amount ("Work Contribution") not to exceed a maximum of $840,000.00 for the 2, 3 at 500 Space and $172,500.00 for the 26th Floor Space to be used for (a) Tenant's actual "hard costs" of performing and completing Tenant's build out of the Additional Space ("Tenant's Initial Work"), which Tenant's Initial Work shall be subject to the Tenant alteration provisions of the Lease (including, without limitation, the requirement that Tenant obtain Landlord's prior written consent thereto), (b) "Soft Costs" incurred in connection with Tenant's Initial Work, including architectural and engineering fees and other soft costs incurred in connection with Tenant's Initial Work ("Soft Costs" shall mean the cost of space planning, engineering and design costs, third party construction management fees, permitting, furniture, moving and other soft costs and data and voice equipment, cabling, wiring and related expenses), and (c) the actual Hard Costs and/or Soft Costs of any other alterations being performed by Tenant to the Premises on any floor of the Premises (which alterations shall be subject to Tenant alteration provisions of the Lease (including, without limitation, the requirement that Tenant obtain Landlord's prior written consent thereto).

Provided that the Lease is in full force and effect and no event of default shall have occurred and is continuing hereunder beyond the expiration of any applicable notice and cure periods, and provided further that there are no outstanding mechanic's liens, financing statements or other liens, charges or orders in existence filed against Landlord, or against all or any portion of the Premises, or the building due to any act or omission of Tenant or any of Tenant's contractors or affiliates that has not been actually released and discharged of record or bonded or insured over to the reasonable satisfaction of Landlord, Landlord shall make progress payments to Tenant on account of the Work Contribution on a periodic basis as set forth below in reimbursement of the cost of the work performed by or on behalf of Tenant and paid for by Tenant for Tenant's Initial Work and/or other alterations to the Premises (and not previously reimbursed out of disbursements from the Work Contribution). Concurrently with a request by Tenant for reimbursement out of the Work Contribution, Tenant shall provide documentation to Landlord evidencing that Tenant has retained a portion of the total amounts then due to Tenant's general contractor which portion shall not be less than (a) ten percent (10%) until at least fifty percent (50%) of the Tenant's Initial Work and/or other alterations to the Premises have been substantially completed and (b) five percent (5%) until all of Tenant's Initial Work have been substantially completed. Each of Landlord's progress payments will be limited to an amount equal to (a) the aggregate amounts theretofore paid by Tenant (as certified by an authorized officer of Tenant) to Tenant's contractors, subcontractors and material suppliers (excluding any payments for which Tenant has previously been reimbursed out of previous disbursements from Work Contribution), ***multiplied by*** (b) a fraction (which shall not exceed 1.0), the numerator of which is the amount of Work Contribution, and the denominator of which is the total contract price (or, if there is no specified or fixed contract price for Tenant's Initial Work, and/or other alterations to the Premises, then Landlord's reasonable estimate thereof) for the performance of all of Tenant's Initial Work and/or other alterations to the Premises shown on all plans and specifications approved by Landlord. Provided that Tenant delivers requisitions to Landlord no more than once every sixty (60) days, such progress payments shall be made within sixty (60) days after the delivery to Landlord of requisitions therefor (the date that each requisition is delivered to Landlord being referred to herein as the "Requisition Delivery Date"), signed by an officer of Tenant, which requisitions shall set forth the names of each contractor and subcontractor to whom payment is due, and the amount thereof, and shall be accompanied by (i) copies of partial waivers of lien from all contractors, subcontractors and material suppliers covering all work and materials which were the subject of previous progress payments by Landlord and Tenant, (ii) a written certification from Tenant that the work for which the requisition is being made has been completed substantially in accordance with the plans and specifications approved by Landlord, (iii) copies of canceled checks or other documentation reasonably satisfactory to Landlord from Tenant's general contractor evidencing the payment in full of the work for which such requisition is being made, and (iv) such other documents and information as Landlord may reasonably request. Provided true, correct and complete requisitions are made no more often than every sixty (60) days, and provided further that the required accompanying documentation as set forth in this Article 10 is delivered to Landlord with such requisition, such requisition shall be paid by Landlord within sixty (60) days after Landlord's receipt of the applicable requisition. If only a portion of the requisition is rejected by Landlord as provided in this Article, Landlord shall cause the non-rejected portion of such requisition to be paid within the original sixty (60) day timeframe set forth above. Notwithstanding anything set forth above, Landlord shall review each requisition submitted by Tenant and, within ten (10) business days after the applicable Requisition Delivery Date, either (i) provide written notice to Tenant of Landlord's approval of such requisition or (ii) provide written notice to Tenant setting forth in reasonable detail any items that in Landlord's reasonable judgment would prevent payment of such requisition by Landlord in accordance with the provisions set forth herein. If Landlord fails to respond to Tenant's requisition as set forth above within ten (10) business days after the Requisition Delivery Date, Tenant shall have the right to provide Landlord with a second written notice requesting such approval. Said second written notice shall include in bold uppercase writing that "**PURSUANT TO THE NINTH AMENDMENT OF LEASE, LANDLORD'S FAILURE TO RESPOND TO THE ENCLOSED REQUISITION WITHIN FIVE (5) BUSINESS DAYS AFTER LANDLORD'S RECEIPT OF THIS REQUEST, SHALL BE DEEMED TO MEAN THAT THE ENCLOSED REQUISITION IS APPROVED BY LANDLORD."** If Tenant provides the second notice in accordance herewith and Landlord fails to respond to the second notice within five (5) business days after Landlord's receipt thereof, as Tenant's sole and exclusive remedy, such requisition shall be deemed approved, subject only to any written comments from Landlord's lender or said lender's servicer. All requisitions shall be submitted on AIA Form G702 and G703. All requisitions must be submitted on or before August 31, 2020 (the "Final Submission Date"), ***time being of the essence*** as to such date; provided, however, if the Delivery Date is after April 1, 2018, the Final Submission Date shall be extended by the number of days after April 1, 2018 that the Delivery Date occurs. The amounts requested under Tenant's final requisition of the Work Contribution (which shall include, without limitation, the 5% Retainage (as hereafter defined)) shall not be disbursed until all documentation required under this Article 10, together with (A) proof of the satisfactory completion of all required inspections and issuance of any required approvals, permits and sign-offs for Tenant's Initial Work and other alterations to the Premises by all Governmental Authorities having jurisdiction thereover (it being acknowledged that a copy of the back of the building permit with "sign-offs" from the applicable inspectors shall satisfy the requirements of this subsection (A)). Notwithstanding anything set forth above to the contrary, the requirements set forth in this subsection (A) shall not be a prerequisite to payment by Landlord of the final requisition of the Work Contribution; provided, however, should Tenant fail to submit the items required by this subsection (A), Landlord shall have the absolute right to retain an amount equal to five percent (5%) of the Work Contribution ("5% Retainage") until such time as Tenant submits the items required by this subsection (A), (B) final "as-built" plans and specifications for Tenant's Initial Work, (C) the issuance of final lien waivers by all contractors, subcontractors and material suppliers (in each case having contracts with a value over $10,000) covering all of Tenant's Initial Work, and (D) copies of canceled checks from Tenant's general contractor evidencing the payment in full of Tenant's Initial Work. Notwithstanding anything to the contrary set forth in this Lease, the Work Contribution shall be paid by Landlord in no less than five (5) installments with each installment other than the final installment constituting no more than twenty percent (20%) of the Work Contribution. Notwithstanding anything to the contrary set forth in this Article 10, if Tenant fails to pay when due any sums due and payable to any of Tenant's contractors or material suppliers, and Tenant shall fail to remove or bond any lien within ten (10) days after notice from Landlord of such failure, such failure shall constitute an event of default under the Lease without the requirement of any other notice of any kind, and, without limitation of Landlord's other rights and remedies hereunder, Landlord shall have the right, but not the obligation, to promptly pay to such contractor or supplier all sums so due from Tenant, and sums so paid by Landlord shall be deemed additional rent and shall be paid by Tenant within ten (10) days after Landlord delivers to Tenant an invoice therefor. Under no circumstance shall Landlord be required pursuant to this Agreement to contribute in excess of the Work Contribution. Any costs in excess of the Work Contribution shall be the sole responsibility of Tenant. Tenant shall be entitled to receive a portion of the Work Contribution (which portion shall in no event exceed $202,500.00 (the "Maximum Portion")) not actually expended by Tenant in the performance of Tenant's Initial Work or Tenant's other alterations and/or Soft Costs and/or not paid by Landlord as required herein, as a credit against Fixed Rent for the Additional Space, but not additional rent, for the period beginning September 1, 2020 and continuing thereafter until exhausted but only provided on the condition that at the time of application of such credit, (i) Tenant is not then in default under this Lease beyond the expiration of any applicable notice and cure periods, and (ii) Tenant has completed Tenant's Initial Work and has provided to Landlord reasonable proof that Tenant has paid in full the cost of Tenant's Initial 500 Work and Soft Costs. For the sake of certainty, in the event that as of September 1, 2020 with ***time being of the essence***, Tenant shall have failed to requisition (in accordance with the Lease) a portion of the Work Contribution which exceeds the Maximum Portion, Tenant shall forever waive Tenant's right to receive (in every respect, including, without limitation as a credit and/or as a work contribution) such excess portion of the Work Contribution over and above the Maximum Portion. No portion of the Work Contribution may be assigned by Tenant prior to the actual payment thereof by Landlord. Landlord has made no representations as to the projected cost of Tenant's Initial Work or Soft Costs.

11. **Fixed Rent and Additional Rent for 2nd Floor Space (including Mezzanine) for Period April 1, 2023 through March 31, 2028.** Tenant hereby irrevocably exercises the Renewal Option for the 2nd Floor Space (including Mezzanine) set forth in the Sixth Amendment. Accordingly, with respect to the 2nd Floor Space (including Mezzanine), and supplementing the rent schedule for the 2nd Floor Space (including Mezzanine) for the period April 1, 2013 through March 31, 2023 set forth in the Sixth and Seventh Amendments, Tenant shall pay to Landlord, in accordance with the terms and conditions set forth in the Lease, Fixed Rent for the 2nd Floor Space (including Mezzanine) for the period April 1, 2023 through March 31, 2028, at the rates set forth below.

Tenant and Landlord hereby confirm that the Fixed Rent for the 2nd Floor Space (including Mezzanine) for the period prior to April 1, 2023 is set forth in the Sixth and Seventh Amendments and Tenant's obligation to pay same is in full force and effect. For purposes of additional rent for the 2nd Floor Space (including Mezzanine), Tenant shall continue through March 31, 2028 to pay electricity charges, water, sewer and sprinkler charges and real estate tax escalations as set forth in the Lease, and the base tax year for the 2nd Floor Space (including Mezzanine) through March 31, 2028 shall continue to be the New York City real estate tax year commencing July 1, 2011 and ending June 30, 2012.

Fixed Rent for the 2nd Floor Space (including Mezzanine) for the Period April 1, 2023 through March 31, 2028

Time Period	Fixed Rent Per Annum	Fixed Rent Per Month
April 1, 2023 – March 31, 2024	$ 728,044.33	$ 60,670.36
April 1, 2024 – March 31, 2025	$ 746,245.44	$ 62,187.12
April 1, 2025 – March 31, 2026	$ 764,901.57	$ 63,741.80
April 1, 2026 – March 31, 2027	$ 784,024.11	$ 65,335.34
April 1, 2027 – March 31, 2028	$ 803,624.72	$ 66,968.73

12. **Renewal Option with Respect to 2, 3 at 500 Space and 2nd Floor Space (including Mezzanine) at 512 Seventh**. Landlord and Tenant hereby agree that the provisions of Paragraph 14 of the Third Amendment of Lease do not apply to the 2, 3 at 500 Space or the 2nd Floor Space (including Mezzanine) and that in lieu thereof, the provisions of this Paragraph 12 shall apply. Tenant shall have one option to renew the term of this Lease, as to both (but not individually) the 2, 3 at 500 Space and the 2nd Floor Space (including Mezzanine) on all of the terms and conditions set forth in the Lease, except as set forth below. The renewal option must be exercised as to both the 2, 3 at 500 Space and the 2nd Floor Space (including Mezzanine), and shall be for a term of five (5) years (the "Renewal Option"), commencing April 1, 2028 and ending March 31, 2033 (the "Renewal Term").

(a) The Tenant's right to renew the term of this Lease as to the 2, 3 at 500 Space and the 2nd Floor Space (including Mezzanine) shall be conditioned on this Lease being in full force and effect and no default existing hereunder beyond the expiration of any applicable notice and cure period at the time of the delivery of the Renewal Notice (as defined below) or on the effective date of the Renewal Term. Tenant may exercise the Renewal Option by delivering written notice to Landlord, not later than April 1, 2027 (a "Renewal Notice").

(b) The Renewal Option is personal to the Tenant herein named and any assignees permitted under the Lease and may not be severed from this Lease nor separately sold or assigned.

(c) If Tenant timely exercises the Renewal Option, the term of this Lease with respect to both the 2, 3 at 500 Space and the 2nd Floor Space (including Mezzanine) shall be renewed for the Renewal Term. The renewal of this Lease with regards to the 2, 3 at 500 Space and the 2nd Floor Space (including Mezzanine) for the Renewal Term shall be on all of the same terms, covenants and conditions of the Lease, except that during the Renewal Term:

(i) Landlord shall have no obligation to perform any work in the Premises;

(ii) Tenant shall not be entitled to any Landlord work contribution or Landlord construction allowance; and

(iii) Tenant shall not be entitled to any rent credit, concession or abatement.

(d) Fixed Rent during the Renewal Term shall be as follows:

Fixed Rent for Renewal Term for 2, 3 at 500 Space

Time Period	Fixed Rent Per Annum	Fixed Rent Per Month
April 1, 2028 – March 31, 2029	$ 3,474,451.74	$ 289,537.65
April 1, 2029 – March 31, 2030	$ 3,561,313.04	$ 296,776.09
April 1, 2030 – March 31, 2031	$ 3,650,345.86	$ 304,195.49
April 1, 2031– March 31, 2032	$ 3,741,604.51	$ 311,800.38
April 1, 2032 – March 31, 2033	$ 3,835,144.62	$ 319,595.39

Fixed Rent in Renewal Term for 2nd Floor Space (including Mezzanine)

Time Period	Fixed Rent Per Annum	Fixed Rent Per Month
April 1, 2028 – March 31, 2029	$ 883,987.19	$ 73,665.60
April 1, 2029 – March 31, 2030	$ 906,086.87	$ 75,507.24
April 1, 2030 – March 31, 2031	$ 928,739.04	$ 77,394.92
April 1, 2031– March 31, 2032	$ 951,957.52	$ 79,329.79
April 1, 2032 – March 31, 2033	$ 975,756.46	$ 81,313.04

With respect to each of the 2nd Floor Space (including Mezzanine), and the 2, 3 Space at 500, during the Renewal Term, Tenant shall be responsible for all additional rent including, without limitation, water, sewer and sprinkler charges, electricity charges, and real estate tax escalation as set forth in the Lease. During the Renewal Term, Tenant shall pay real estate tax escalation with respect to the 2nd Floor Space (including Mezzanine) and the 2, 3 at 500 Space in accordance with Article Fifty-Eighth of the Original Lease except that (i) the base tax year shall be the New York City real estate tax year commencing July 1, 2028 and ending June 30, 2029, (ii) the base tax year and each of the comparative years' taxes shall be calculated without giving effect to any tax abatement or exemption.

13. **Renewal Option with Respect to 26th Floor Space**. Landlord and Tenant hereby agree that the provisions of Paragraph 14 of the Third Amendment of Lease, do not apply to the 26th Floor Space and that in lieu thereof, the provisions of this Paragraph 13 shall apply. Tenant shall have one option to renew the term of this Lease, as to the 26th Floor Space on all of the terms and conditions set forth in the Lease, except as set forth below. The renewal term shall be five (5) years (the "26 Renewal Option"), commencing April 1, 2028 and ending March 31, 2033 (the "26 Renewal Term").

(a) The Tenant's right to renew the term of this Lease as to the 26th Floor Space shall be conditioned on this Lease being in full force and effect and no default existing hereunder beyond the expiration of any applicable notice and cure period at the time of the delivery of the 26 Renewal Notice (as defined below) or on the effective date of the 26 Renewal Term. Tenant may exercise the 26 Renewal Option by delivering written notice to Landlord, not later than April 1, 2027 (a "26 Renewal Notice").

(b) The 26 Renewal Option is personal to the Tenant herein named and any assignees permitted under the Lease and may not be severed from this Lease nor separately sold or assigned.

(c) If Tenant timely exercises the 26 Renewal Option, the term of this Lease with respect to the 26th Floor Space shall be renewed for the 26 Renewal Term. The renewal of this Lease with regards to the 26th Floor Space for the 26 Renewal Term shall be on all of the same terms, covenants and conditions of the Lease, except that during the Renewal Term:

(i) Landlord shall have no obligation to perform any work in the Premises;

(ii) Tenant shall not be entitled to any Landlord work contribution or Landlord construction allowance; and

(iii) Tenant shall not be entitled to any rent credit, concession or abatement.

(d) Fixed Rent during the 26 Renewal Term shall be as follows:

Fixed Rent for Renewal Term for 26th Floor

Time Period	Fixed Rent Per Annum	Fixed Rent Per Month
April 1, 2028 – March 31, 2029	$ 738,841.72	$ 61,570.14
April 1, 2029 – March 31, 2030	$ 757,312.76	$ 63,109.40
April 1, 2030 – March 31, 2031	$ 776,245.58	$ 64,687.13
April 1, 2031– March 31, 2032	$ 795,651.72	$ 66,304.31
April 1, 2032 – March 31, 2033	$ 815,543.01	$ 67,961.92

With respect to the 26th Floor Space, during the 26 Renewal Term, Tenant shall be responsible for all additional rent including, without limitation, water, sewer and sprinkler charges, electricity charges, and real estate tax escalation as set forth in the Lease. During the 26 Renewal Term, Tenant shall pay real estate tax escalation with respect to the 26th Floor Space in accordance with Article Fifty-Eighth of the Original Lease except that (i) the base tax year shall be the New York City real estate tax year commencing July 1, 2028 and ending June 30, 2029, (ii) the base tax year and each of the comparative years' taxes shall be calculated without giving effect to any tax abatement or exemption.

14. **Scaffolding Penalty**. Paragraph 9 of the Eighth Amendment is hereby deleted and of no force and effect.

15. **Elevator**. Landlord agrees that in connection with the elevator modernization being performed in the Building, Landlord shall cause Elevator #11 to be programmed to stop at the 2nd Floor Mezzanine level of 512 Seventh Avenue. Tenant, at its sole cost and expense, shall create the opening for the elevator and shall pay the cost of the elevator door installation.

16. **Signage at Second Entrance of 512 Seventh Avenue**

16.1 Subject to the limitations and conditions set forth in this Article, Tenant may install and shall maintain, at Tenant's sole cost and expense, a sign for “DKNY” or any other G-III brand above the secondary entrance on Seventh Avenue, in the location depicted on Exhibit C hereto. Tenant covenants and agrees that said location shall be the sole and only place where Tenant may install the sign for “DKNY” or any other G-III brand on the exterior of the Building. Tenant shall comply with all applicable laws with respect to the installation and maintenance of the sign for “DKNY” or any other G-III brand, and shall pay all permit and other fees and/or fines and penalties imposed against the Building and/or Landlord as a result of said sign.

16.2 Tenant shall submit to Landlord, for Landlord's prior approval (which approval shall be exercised in a reasonable manner) a sketch in scale of the proposed sign, designating colors and showing the size, manner of illumination and general appearance thereof, together with a statement specifying the manner in which the sign and gates are to be affixed to the premises. Tenant shall not commence the work of installing said sign and protective gates unless and until Landlord shall have approved the same in writing, such approval not to be unreasonably withheld, conditioned or delayed.

16.3 Tenant shall, at its own cost and expense, obtain and exhibit to Landlord such permits or certificates of approval as Tenant may be required to obtain from any and all City and State authorities having jurisdiction covering the erection, installation, maintenance or use of said sign, and Tenant shall maintain the said sign together with any appurtenances thereto in good order and condition and to the satisfaction of the Landlord and in accordance with any and all orders, regulations, requirements and rules of any public authorities having jurisdiction thereover.

16.4 Tenant shall remove said sign at the expiration of the term hereof and shall repair any damage to the exterior of the Building caused by the removal of such sign.

16.5 Landlord makes no representation whatsoever with respect to use of the secondary entrance to the Building on Seventh Avenue. Tenant may, at its sole cost and expense, utilize such entrance, and if so used, Tenant shall be responsible for all work to prepare such entrance for use, maintenance of the entrance and stairs and compliance with applicable laws.

17. **Insurance**. Tenant hereby agrees to (at Tenant's sole cost and expense) procure and maintain in full force and effect throughout the remainder of term of the Lease (and any extension thereof) any and all additional insurance in the forms and with the minimum limits reasonably required by Landlord. All such insurance shall (i) name Landlord, Landlord's managing agent, and such other parties as Landlord shall require as certificate holder and additional insured and (ii) extend to all floors (and partial floors) comprising the Premises. Concurrently with its execution and delivery of this Agreement, Tenant shall furnish to Landlord documentation (including, without limitation certificates and endorsements) evidencing Tenant's having obtained such insurance and paid the premiums for such insurance.

18. **Right of First Offer**. Provided that (i) this Lease is in full force and effect, (ii) no uncured default then exists hereunder, and (iii) Tenant is then in actual physical occupancy of at least eighty percent (80%) of the Premises as they are comprised as of the date of this Ninth Amendment, which occupancy includes the entire 2,3 at 500 Space, if Landlord determines to offer for lease the balance of the third (3^{rd}) floor of 500 Seventh Avenue (i.e., third (3^{rd}) floor south) which is contiguous with the Premises (the "ROFO Space"), Landlord shall, before entering into a new written lease of the ROFO Space with a third party tenant, first send a notice to Tenant (the "Offer Notice") stating that Landlord intends to offer for lease the ROFO Space. Tenant shall then have the right, exercisable within thirty (30) days after Tenant's receipt of the Offer Notice, ***time being of the essence***, to notify Landlord in writing of Tenant's desire to lease the ROFO Space on the Offer Terms (as defined below), without modification. If Tenant timely exercises such right, on the date upon which Landlord delivers vacant possession of the ROFO Space to Tenant in its then "as is" condition (the "ROFO Space Inclusion Date"), the ROFO Space shall be added to and included within the Premises upon all of the Offer Terms and, to the extent not in conflict with the Offer Terms, on the terms and conditions set forth in the Lease (it being understood that if and to the extent of any inconsistency between the Offer Terms and the terms set forth in the Lease, the Offer Terms shall prevail as to the lease of the ROFO Space). If Tenant exercises its right of first offer in accordance with this Paragraph, such exercise shall be irrevocable by Tenant. In the event Tenant fails to exercise its right of first offer within such thirty (30) day period, ***time being of the essence***, then Landlord shall thereafter be free for the remainder of the term (and beyond) to lease the ROFO Space to any third party at such rent and upon such conditions as Landlord may determine in Landlord's sole and absolute discretion; provided, however, that such failure by Tenant shall have no bearing on Tenant's other obligations under this Lease, and Tenant's lease of the Premises (excluding the ROFO Space) shall continue in full force and effect on all of its terms except that Tenant shall have no further option to lease the ROFO Space and this paragraph shall be of no force or effect. Notwithstanding the foregoing, Tenant's right to lease the ROFO Space hereunder shall be contingent upon no uncured default existing at the time Landlord tenders possession of the ROFO Space to Tenant.

For the sake of certainty, Landlord shall have the absolute right to deliver the Offer Notice irrespective of whether the ROFO Space is or is not occupied by another tenant or occupant (provided, however, that Landlord shall (i) include the anticipated delivery date (ie. the date upon which Landlord anticipates delivering to Tenant vacant possession of the ROFO Space) in the Offer Notice, and (ii) shall use commercially reasonable efforts to deliver the Offer Notice no more than twelve (12) months prior to such anticipated delivery date. However, any failure by Landlord to deliver the Offer Notice no earlier than twelve (12) months prior to the anticipated delivery date shall have no bearing whatsoever on Tenant's deadline for exercising its right of first offer within the thirty (30) day period set forth in the preceding paragraph. Also any occupancy of the ROFO Space by another tenant or occupant at the time of delivery of the Offer Notice shall have no bearing whatsoever on Tenant's deadline for exercising its right of first offer within the thirty (30) day period set forth in the preceding paragraph. If the ROFO Space is occupied at the time of Landlord's providing the Offer Notice (and Tenant timely exercises the right of first offer in accordance with the preceding paragraph), Landlord's delivery of the ROFO Space to Tenant shall be subject to Landlord's regaining possession thereof from the tenant or occupant then occupying same and Landlord shall not be liable to Tenant if Landlord is unable to obtain possession of the ROFO Space in a timely fashion for any reason. If possession is not obtained by Landlord by the anticipated delivery date provided in the Offer Notice, Landlord shall provide Tenant with written notice as to an updated anticipated delivery date ("Update Notice"). Tenant shall have the right, exercisable within forty-five (45) days of receipt of the Update Notice, to revoke its right of first offer, and upon doing so, Tenant shall have no further rights or options under this paragraph. Landlord shall have no obligation whatsoever to commence litigation or take any other action whatsoever to regain possession of the ROFO Space.

The rights conferred upon Tenant pursuant to this Article are personal to Tenant and are not assignable or transferable to any third party, other than assignees permitted under the Lease.

Tenant's rights under this Article shall be subject and subordinate to any and all options, rights of first offer and/or rights of first refusal and/or expansion rights and other like rights heretofore granted by Landlord to tenants of the Building under leases of space in the Building in existence on the date hereof, as well as to Landlord's absolute right, in Landlord's absolute discretion, (i) to renew or extend any existing lease(s) covering all or any portion of the ROFO Space to the then tenant(s) of all or a portion thereof, or (ii) to expand the rentable area of the demised premises leased under now-existing leases (as the same may theretofore have been renewed or extended) to the then tenant(s) of all or a portion of the ROFO Space, in the case of both (i) and (ii) above, even in the absence of a renewal, extension, expansion or other option contained therein.

Promptly after Tenant’s timely exercise of the right of first offer set forth herein, Landlord and Tenant shall enter an amendment to the Lease prepared by Landlord confirming the terms upon which Landlord shall lease to Tenant the ROFO Space (which shall be all of the Offer Terms and, to the extent not in conflict with the Offer Terms, all of the terms and conditions set forth in this Lease), but the failure to do so shall not impair, affect or reduce the parties’ obligations with respect to the lease of such ROFO Space.

“Offer Terms” shall have the following meaning: (i) the term of Tenant’s lease of the ROFO Space shall be co-terminous with the term of Tenant’s lease of the 2, 3 Space at 500, (ii) Tenant shall pay to Landlord a per rentable square foot Fixed Rent as set forth in the Offer Notice, multiplied by the rentable square footage of the ROFO Space, with Two Dollars ($2.00) per rentable square foot increase in years 4 and 6 of the option term, and two and a half percent (2.5%) annual escalation, and other terms consistent with the parties’ prior dealings, (iii) Tenant shall not be entitled to any credit against Tenant’s obligation to pay Fixed Rent or additional rent for the ROFO Space (except as set forth in the Offer Notice), and (iv) Tenant shall not receive any work contribution or allowance (except as set forth in the Offer Notice).

19. **Brokerage**. Landlord and Tenant each warrant to the other that it has not dealt with any broker or agent in connection with the negotiation or execution of this Agreement. Tenant and Landlord shall each indemnify the other against all costs, expenses, reasonable attorneys' fees, and other liability for commissions or other compensation claimed by any other broker or agent claiming the same by, through, or under the indemnifying party. The provisions of this Article shall survive the expiration or sooner termination of the Lease.

20. **Ratification**. This Agreement amends and forms a part of the Lease. Landlord and Tenant hereby ratify and confirm their obligations under the Lease and represent and warrant to each other that each has no defenses thereto. Additionally, Landlord and Tenant further confirm and ratify that, as of the date hereof, (i) the Lease is and remains in good standing and in full force and effect, (ii) each has no claims, counterclaims, set-offs or defenses against the other arising out of the Lease, and other leases for space occupied by Tenant in the buildings, or in any way relating thereto or arising out of any other transaction between Landlord and Tenant, and (iii) except as may be otherwise be expressly set forth in the Lease, Tenant is not entitled to any free rent, rent abatement, Landlord's work contribution or allowance, or Landlord's work. Tenant acknowledges that to Tenant's knowledge, Landlord has performed all obligations imposed on Landlord by the Lease, and other leases for space occupied by Tenant in the Building, prior to the date hereof.

21. **Entire Agreement; No Waiver**. This Agreement, together with the Lease, constitutes the entire agreement of the parties hereto with respect to the matters stated herein, and may not be amended or modified unless such amendment or modification shall be in writing and shall have been signed by the party against whom enforcement is sought. No waiver by either party or any failure or refusal by the other party to comply with its obligations hereunder shall be deemed a waiver of any other or subsequent failure or refusal to so comply. If any provision of this Agreement shall be invalid or unenforceable, the remainder of this Agreement or the application of such provision other than to the extent that it is invalid or unenforceable shall not be affected, and each provision of this Agreement shall remain in full force and effect notwithstanding the invalidity or unenforceability of such provision, but only to the extent that application and/or enforcement, as the case may be, would be equitable and consistent with the intent of the parties in entering into this Agreement.

22. **Submission of Amendment**. The submission by Landlord to Tenant of this Agreement shall have no binding force or effect, shall not constitute an option for the leasing of the Premises, nor confer any rights or impose any obligations upon either party until the execution thereof by Landlord and the delivery of an executed original copy thereof to Tenant or its representative.

23. **Binding Effect; Governing Law**. This Agreement shall be binding upon and inure to the benefit of Landlord and Tenant and their respective successors and assigns. In the event of any conflict or inconsistency between the terms of this Agreement and the remaining terms of this Lease, the terms of this Agreement shall govern and control. This Agreement shall be governed by the laws of the State of New York.

24. **Counterparts**. This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which shall constitute one and the same document.

25. **No Recordation**. Landlord and Tenant agree that this Agreement shall not be recorded.

26. **Attorneys' Fees**. Should any party hereto employ an attorney for the purpose of enforcing or construing this Agreement, or any judgment based on this Agreement, in any legal proceeding whatsoever between or including the parties, including, but not limited to, insolvency, bankruptcy, arbitration, declaratory relief or other litigation, the prevailing party shall be entitled to receive from the other party hereto reimbursement for all actual reasonable out-of-pocket attorneys' fees and costs, including, but not limited to, service of process, filing fees, court and court reporter costs, investigative costs, expert witness fees and the cost of any bonds, whether taxable or not, and such reimbursement shall be included in any judgment, decree or final order issued in that proceeding. The "prevailing party" means the party in whose favor a final unappealable judgment, decree or order is rendered.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, intending to be legally bound hereby, the parties hereto have duly executed this Agreement as of the date first written above.

LANDLORD:

500-512 SEVENTH AVENUE LIMITED PARTNERSHIP
By: 500-512 Seventh Avenue GP, LLC

By: /s/ Joseph Chetrit
Joseph Chetrit, Vice President

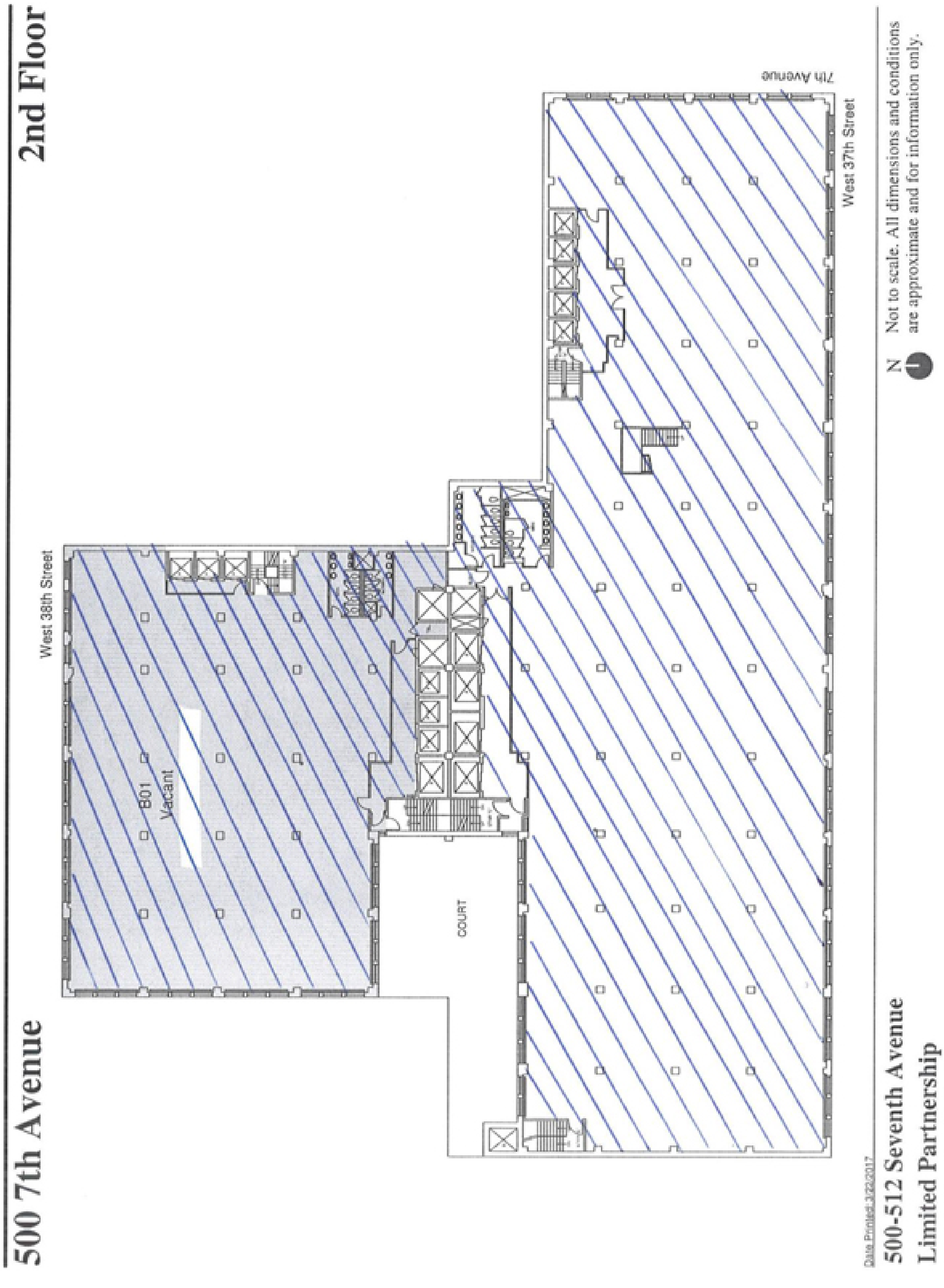
TENANT:

G-III LEATHER FASHIONS, INC.

By: /s/ Jeff Goldfarb
Jeff Goldfarb, Vice President

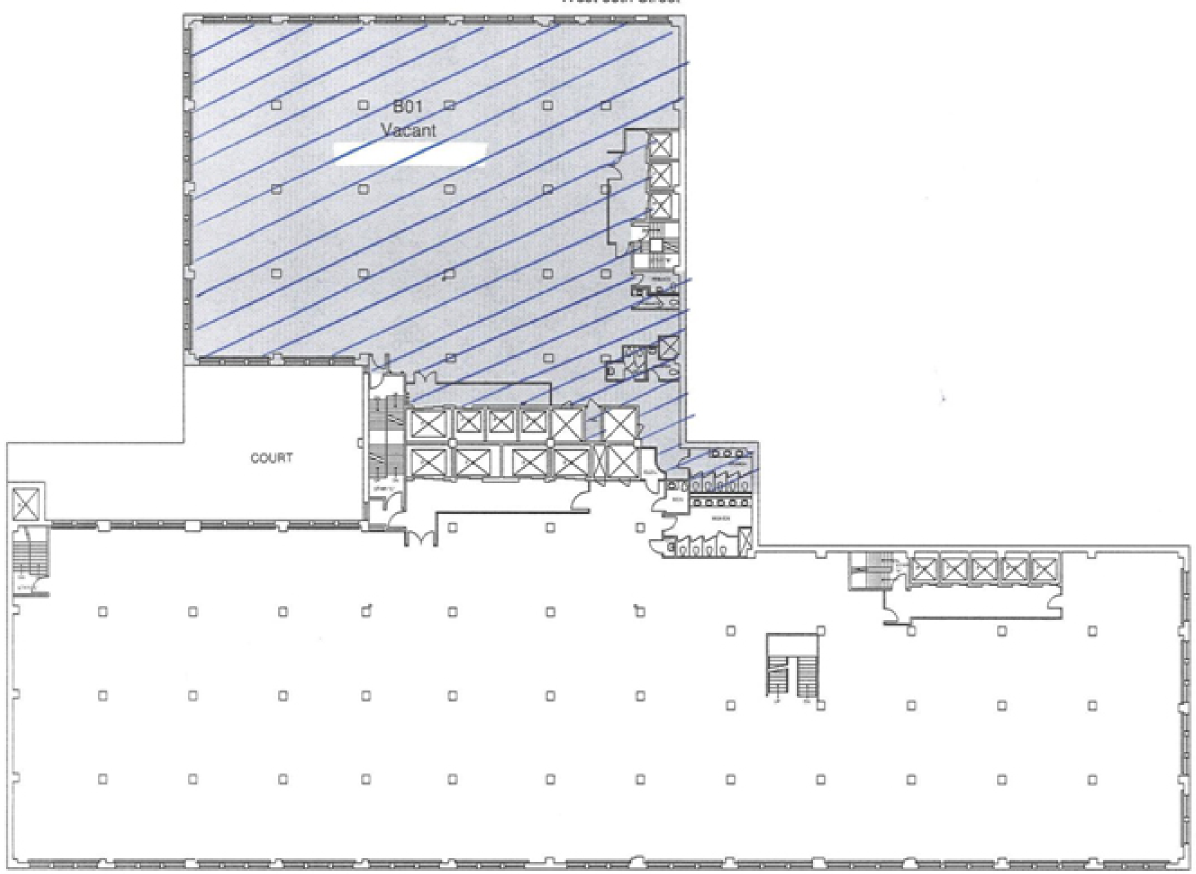
EXHIBIT A

2, 3 at 500 Space and 26th Floor Space



500 7th Avenue

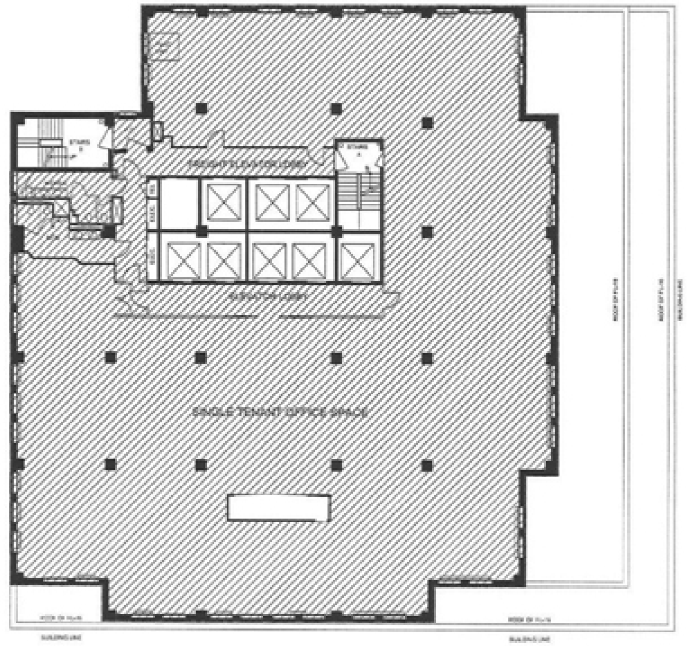
3rd Floor



Date Printed: 3/22/2017

500-512 Seventh Avenue
Limited Partnership

Not to scale. All dimensions and conditions are approximate and for information only.



GIII - 512 7TH AVE 26th FLOOR
01/18/17

NELSON

EXHIBIT B

Landlord's Work

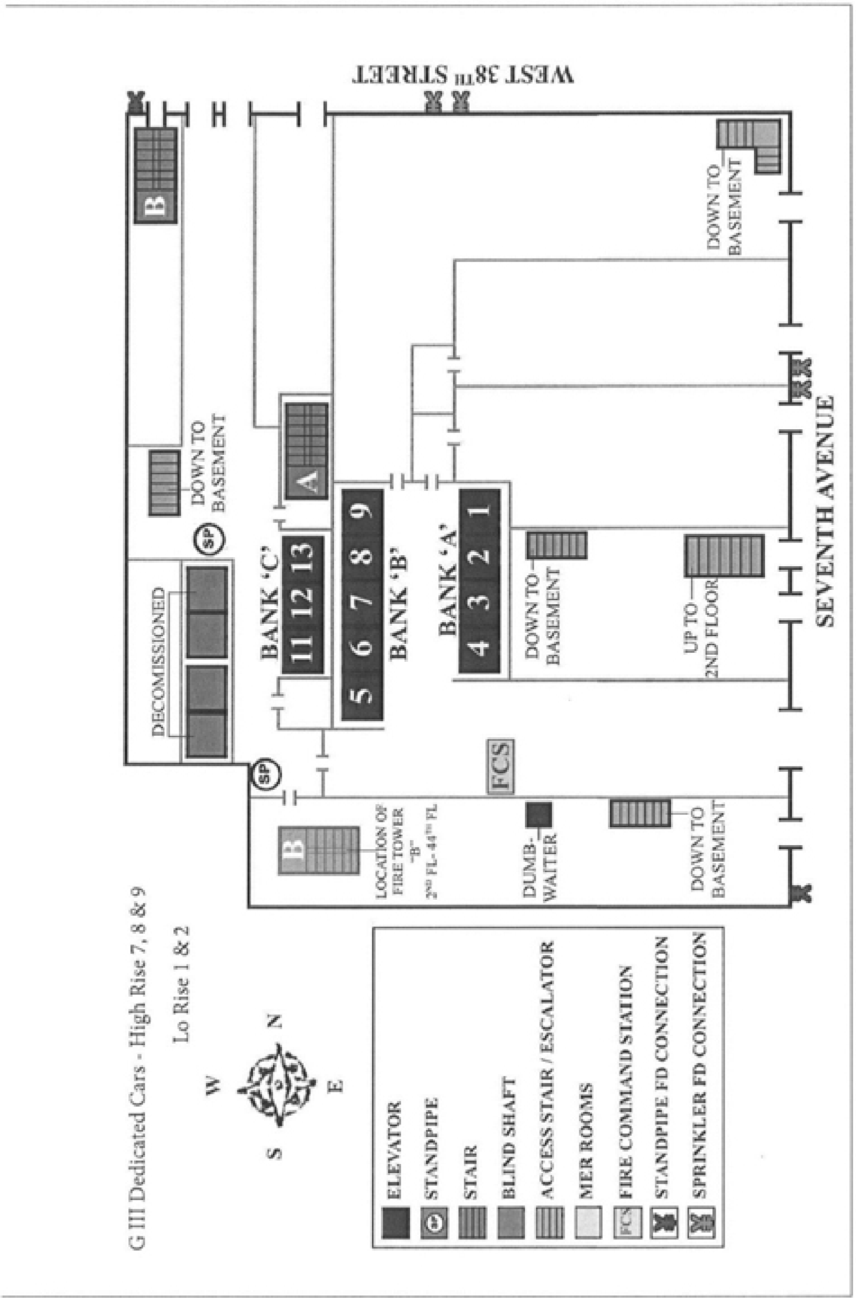
1. Demolish existing conditions within the 2, 3 at 500 Space.

2. Deliver the 2, 3 at 500 Space in broom clean.

3. Install a sign for Tenant at the 512 entrance on Seventh Avenue which is one-and-one-half (1.5) times larger than the existing sign (this work shall not be required to be performed prior to the Landlord's delivery of the 2, 3 at 500 Space in a manner and a time frame mutually agreed to by Landlord and Tenant).

EXHIBIT C
Location of Sign for "DKNY" or Any Other G-III Brand

EXHIBIT D
Dedicated Elevators



RATIFICATION AND CONFIRMATION OF GUARANTY

The undersigned, as guarantors ("Guarantors") of the Lease, hereby ratify and confirm their Guaranty dated June 16, 2016 and hereby consent to the execution and delivery of this Ninth Amendment by Tenant. The undersigned Guarantors further agree that from and after the date hereof such Guaranty shall be fully applicable to the Lease as amended by this Ninth Amendment and shall be for the benefit of Landlord and its successors and assigns.

G-III APPAREL GROUP, LTD.

By: /s/ Wayne Miller
Name: Wayne Miller
Title: Chief Operating Officer

By: /s/ Jeff Goldfarb
Name: Jeff Goldfarb
Title: Executive Vice President

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULE 13a - 14(a) OR RULE 15d - 14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Morris Goldfarb, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: June 11, 2018

/s/ Morris Goldfarb
Morris Goldfarb
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULE 13a - 14(a) OR RULE 15d - 14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Neal S. Nackman, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: June 11, 2018

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

Exhibit 32.1

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

In connection with the Quarterly Report of G-III Apparel Group, Ltd. (the "Company") on Form 10-Q for the quarterly period ended April 30, 2018, as filed with the Securities and Exchange Commission (the "Report"), I, Morris Goldfarb, Chief Executive Officer of the Company, hereby certify that, to my knowledge, (a) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Morris Goldfarb
Morris Goldfarb
Chief Executive Officer

Date: June 11, 2018

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

Exhibit 32.2

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

In connection with the Quarterly Report of G-III Apparel Group, Ltd. (the “Company”) on Form 10-Q for the quarterly period ended April 30, 2018, as filed with the Securities and Exchange Commission (the “Report”), I, Neal S. Nackman, Chief Financial Officer of the Company, hereby certify that, to my knowledge, (a) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

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

Date: June 11, 2018

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.