

G-III Apparel Group, Ltd. Announces Second Quarter Fiscal 2000 Results

NEW YORK -- Sept. 9, 1999 -- G-III Apparel Group, Ltd. (Nasdaq: GIII) today announced operating results for the three and six months ended July 31, 1999.

For the three-months ended July 31, 1999, net sales were \$33.2 million compared to \$35.7 million during the same period last year. The Company had net income of \$1.6 million, or \$0.24 per diluted share, for the three-month period this year compared to net income of \$1.4 million, or \$0.20 per diluted share, during the same period last year. During the three-month period this year, the Company incurred approximately \$382,000 of losses, net of minority interest, in connection with the Company's BET Design Studio joint venture with Black Entertainment Television, Inc. compared to \$342,000 of such net losses during the same period last year.

For the six-months ended July 31, 1999, net sales were \$41.7 million compared to \$40.7 million during the same period last year. The Company had a net loss for the six-month period this year of \$1.8 million, or \$0.27 per share, compared to a net loss of \$2.5 million, or \$0.39 per share, during the same period last year. During the six-month period this year, the Company incurred approximately \$813,000 of losses, net of minority interest, in connection with the Company's BET Design Studio joint venture with Black Entertainment Television, Inc. compared to \$593,000 of such net losses during the same period last year.

Morris Goldfarb, Chief Executive Officer of G-III commented, "We are pleased with the results for the second quarter as net income increased by 13.4% over last year's quarter. Of particular note, gross margin in the quarter improved from 26.3% last year to 28.5% this year, a direct result of the continued strength in our licensed business."

Mr. Goldfarb concluded, "Looking towards the balance of fiscal 2000, we are encouraged by favorable order trends that we are seeing in both our licensed and non-licensed businesses. Additionally, we continue to build upon our strategy of seeking opportunities with brands that offer higher gross margins, as evidenced by our recent agreement to distribute Caterpillar apparel."

G-III Apparel Group is a leading manufacturer and distributor of leather and non-leather outerwear apparel. The Company has fashion licenses with Kenneth Cole Productions, Nine West Group and Tommy Hilfiger, a distribution agreement for Caterpillar apparel, and licensing agreements with the National Football League, National Hockey League, National Basketball Association and more than 20 universities nationwide.

Statements concerning the Company's business outlook for future economic performance; anticipated revenues, expenses or other financial items; product introductions and plans and objectives related thereto; and statements concerning assumptions made or expectations as to any future events, conditions, performance or other matters, are "forward-looking statements" as that term is defined under the Federal Securities laws. Forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from those stated in such statements. Such risks, uncertainties and factors include, but are not limited to, reliance on foreign manufacturers, the nature of the apparel industry, including changing customer demand and tastes, seasonality, customer acceptance of new product, the impact of competitive products and pricing, dependence on existing management, general economic conditions, as well as other risks detailed in the Company's filings with the Securities and Exchange Commission.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

(NASDAQ:GIII - news)

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except share and per share amounts)

(Unaudited)

	Three Months Ended		Six Months Ended	
	7/31/99	7/31/98	7/31/99	7/31/98
Net sales	\$ 33,246	\$ 35,742	\$ 41,716	\$ 40,692
Cost of sales	23,761	26,343	31,398	31,591
Gross profit	9,485	9,399	10,318	9,101
Selling, general and administrative expenses	6,772	6,732	13,659	13,072

Operating profit (loss)	2,713	2,667	(3,341)	(3,971)
Interest and financing charges, net	430	659	528	822
Income (loss) before minority interest and income taxes	2,283	2,008	(3,869)	(4,793)
Minority interest	382	342	813	593
Income before income taxes	2,665	2,350	(3,056)	(4,200)
Income tax expense (benefit)	1,066	940	(1,222)	(1,680)
Net income (loss)	\$ 1,599	\$ 1,410	\$ (1,834)	\$ (2,520)
Basic net income (loss) per common share	\$ 0.24	\$ 0.22	\$ (0.27)	\$ (0.39)
Diluted net income (loss) per common share	\$ 0.24	\$ 0.20	\$ (0.27)	\$ (0.39)

Weighted average shares outstanding:

Basic	6,717,921	6,525,700	6,717,921	6,517,822
Diluted	6,786,911	7,074,267	6,717,921	6,517,822

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