FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

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

For the Quarterly period ended April 30, 2000

OR

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

For the transition period from ______ to ______

Commission File Number 0-18183

G-III APPAREL GROUP, LTD.
(Exact name of registrant as specified in its charter)

Delaware	41-1590959
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

512 Seventh Avenue, New York, New York	10018
(Address of Principal Executive Office)	(Zip Code)

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of June 1, 2000.

Common Stock, $.01 par value per share: 6,523,104 shares.

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1. Amendment No. 4 to the Fifth Amended and Restated Loan Agreement, dated May 24, 2000, by and among G-III, the Banks and Fleet Bank.

G-III Apparel Group, Ltd. and Subsidiaries

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)

ASSETS	APRIL 30, 2000 (unaudited)	JANUARY 31, 2000
CURRENT ASSETS		
Cash and cash equivalents	$ 620	$14,530
Accounts receivable	8,671	16,597
Allowance for doubtful accounts and sales discounts	(3,004)	(3,892)
Inventories--net	37,959	21,175
Prepaid and refundable income taxes	1,698	
Prepaid expenses and other current assets	1,889	894
Total current assets	47,833	49,304
PROPERTY, PLANT AND EQUIPMENT, NET	3,227	3,316
DEFERRED INCOME TAXES	4,676	4,676
OTHER ASSETS	1,351	2,305
	$57,087	$59,601
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes payable	$ 8,491	$ 3,311
Current maturities of obligations under capital leases	109	116
Income taxes payable		2,874
Accounts payable	4,716	5,875
Accrued expenses	4,290	4,714
Accrued nonrecurring charges	1,068	1,259
Total current liabilities	18,674	18,149
OTHER LONG-TERM LIABILITIES	439	419
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred stock, 1,000,000 shares authorized; no shares issued and outstanding in all periods		
Common stock--$.01 par value; authorized, 20,000,000 shares; 6,767,921 shares issued at April 30, 2000 and January 31, 2000	68	68
Additional paid-in capital	24,874	24,874
Retained earnings	14,002	16,521
	38,944	41,463
Less common stock held in treasury--244,817 shares at April 30, 2000 and 118,575 shares at January 31, 2000, at cost	(970)	(430)
	37,974	41,033
	$57,087	$59,601

The accompanying notes are an integral part of these statements.

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(in thousands, except share and per share amounts)

	THREE MONTHS ENDED APRIL 30, (Unaudited)	
	2000	1999
Net sales	$10,578	$ 8,470
Cost of goods sold	8,398	7,637
Gross profit	2,180	833
Selling, general and administrative expenses	6,302	6,887
Operating loss	(4,122)	(6,054)
Interest and financing charges, net	85	98
Loss before minority interest and income taxes	(4,207)	(6,152)
Minority interest in loss of joint venture	9	431
Loss before income taxes	(4,198)	(5,721)
Income tax benefit	(1,679)	(2,288)
Net loss	$(2,519)	$(3,433)
LOSS PER COMMON SHARE:		
Basic and Diluted;		
Net loss per common share	$ (0.38)	$ (0.51)
Weighted average number of shares outstanding	6,614,379	6,717,921

The accompanying notes are an integral part of these statements.

G-III Apparel Group, Ltd. and Subsidiaries

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	THREE MONTHS ENDED APRIL 30, (Unaudited) 2000	1999
Cash flows from operating activities:		
Net loss	$(2,519)	$(3,433)
Adjustments to reconcile net income (loss) to net cash used in operating activities		
Depreciation and amortization	193	345
Minority Interest	(9)	(431)
Changes in operating assets and liabilities:		
Accounts receivable	7,038	4,644
Inventories	(16,784)	(6,926)
Prepaid income taxes	(4,572)	(1,976)
Prepaid expenses and other current assets	(995)	(554)
Other assets	(49)	33
Accounts payable and accrued expenses	(1,583)	1,244
Accrued nonrecurring charge	(205)	(21)
Other long-term liabilities	50	
Net cash used in operating activities	(19,435)	(7,075)
Cash flows from investing activities:		
Capital expenditures	(120)	(148)
Capital dispositions	16	
Net cash used in investing activities	(104)	(148)
Cash flows from financing activities:		
Increase in notes payable, net	5,180	26
Payments for capital lease obligations	(23)	(89)
Investment in joint venture by Minority Partner	1,012	500
Purchase of common stock for Treasury	(540)	
Net cash from financing activities	5,629	437
NET DECREASE IN CASH AND CASH EQUIVALENTS	(13,910)	(6,786)
Cash and cash equivalents at beginning of period	14,530	7,241
Cash and cash equivalents at end of period	$ 620	$ 455
Supplemental disclosures of cash flow information:		
Cash paid (received) during the period for		
Interest	$ 150	$ 91
Income taxes	2,865	(286)

The accompanying notes are an integral part of these statements

G-III APPAREL GROUP, LTD. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1--General Discussion

The results for the three month period ended April 30, 2000 are not necessarily indicative of the results expected for the entire fiscal year. The accompanying financial statements included herein are unaudited. In the opinion of management, all adjustments (consisting of only normal recurring adjustments) necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods presented have been reflected.

The Company consolidates the accounts of all its majority-owned subsidiaries. All material intercompany balances and transactions have been eliminated.

The accompanying financial statements should be read in conjunction with the financial statements and notes included in the Company's Form 10K filed with the Securities and Exchange Commission for the year ended January 31, 2000.

Certain reclassifications have been made to conform to the fiscal 2001 presentation.

Note 2--Inventories

Inventories consist of:

	APRIL 30, 2000	January 31, 2000
	(in thousands)	
Finished products	$15,107	$10,990
Work-in-process	5,857	326
Raw materials	16,995	9,859
	$37,959	$21,175

Note 3--Net Loss Per Common Share

Basic earnings per share amounts have been computed using the weighted average number of common shares outstanding during each year. When applicable, diluted earnings per share amounts are computed using the weighted average number of common shares and the dilutive potential common shares outstanding during the year.

Note 4--Notes Payable

The Company's loan agreement, which expires on May 31, 2002, provides for a maximum line of credit in amounts that range from $45 million to $72 million during each year of the loan term. The amounts available include direct borrowings that range from $30 million to $52 million during each year of the loan term. The balance of the credit line may be used for letters of credit. All amounts available for borrowing are subject to borrowing base formulas and overadvances specified in the agreement. There was $7.0 million outstanding at April 30, 2000 and no loan balance outstanding at January 31, 2000 under this agreement.

Notes payable also includes foreign notes payable by PT Balihides, the Company's Indonesian subsidiary. The foreign notes payable represent maximum borrowings under a line of credit of approximately $1.5 million with an Indonesian bank as of April 30, 2000 and January 31, 1999.

In November 1999, the Company and Black Entertainment Television decided to discontinue their BET Design Studio joint venture. BET Design Studio had an asset-based credit facility with The CIT Group. Direct borrowings bore interest at the prevailing prime rate plus 50 basis points. To support the requirement for overadvances which occurred when the available collateral was not sufficient to support the level of direct bank debt and letters of credit opened to pay for product, both partners opened standby letters of credit in the amount of $750,000 under which The CIT Group was the beneficiary. The loan ($1.2 million at January 31, 2000) was paid off in its entirety on February 16, 2000 by drawing down both partners' standby letters of credit (See Note 5).

Note 5--Nonrecurring Charges

In November 1999, the Company formulated a plan to cease operations of the BET joint venture. The joint venture generated approximately $2.4 million and $884,000 in revenues for the years ended January 31, 2000 and 1999, respectively. The Company incurred losses from the joint venture of approximately $2 million, $1.4 million, and $450,000 for the years ended January 31, 2000, 1999, 1998, respectively. In connection with the plan, the Company charged $1.6 million to unusual and non-recurring charges, consisting of $1.1 million in asset writedowns and $500,000 relating to the provision for closing costs and various accrued expenses. The remaining nonrecurring balance ($303,000) relates to the reserve associated with the closure of the Company's domestic factory that was completed by January 31, 1995. Based on current estimates, management believes that existing accruals are adequate. Other long-term liabilities include $213,000 and $227,000 of nonrecurring charges at April 30, 2000 and January 31, 2000, respectively.

The status of the provision at the end of the period was:

	Balance January 31, 2000	2000 Activity	BALANCE APRIL 30, 2000
		(in thousands)	
Domestic operating lease obligation	$ 316	$ (13)	$ 303
Dissolution of BET Design Studio	1,170	(192)	978
	$1,486	$(205)	$1,281

Note 6--Comprehensive Income

As of February 1, 1998, the Company adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" (SFAS 130). The adoption of this Statement had no impact on the Company's net income or stockholders' equity. This pronouncement sets forth requirements for disclosure of the Company's comprehensive income and accumulated other comprehensive items. Comprehensive income is defined as the change in equity during a period from transactions in other events and circumstances unrelated to net income (e.g., foreign currency translation gains and losses). For the three month periods ended April 30, 2000 and 1999, other comprehensive income was not material.

Note 7--Segments

The Company's reportable segments are business units that offer different products and are managed separately. The Company operates in two segments, licensed and non-licensed apparel. The following information is presented for the fiscal years indicated below:

	THREE MONTHS ENDED APRIL 30,			
	2000		1999	
	LICENSED	NON-LICENSED	Licensed	Non-Licensed
Net sales	$ 6,680	$ 3,898	$ 4,907	$ 3,563
Cost of goods sold	5,051	3,347	4,200	3,437
Gross profit	1,629	551	707	126
Selling, general and administrative	3,036	3,266	2,177	4,710
Operating loss	(1,407)	(2,715)	(1,470)	(4,584)
Interest expense (income)	(27)	112	(25)	123
Loss before minority interest and income taxes	(1,380)	(2,827)	(1,445)	(4,707)
Minority interest		9		431
Loss before income taxes	$(1,380)	$(2,818)	$(1,445)	$(4,276)

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

Statements in this Quarterly Report on Form 10-Q concerning the Company's business outlook or future economic performance; anticipated revenues, expenses or other financial items; product introductions and plans and objectives related thereto; and statements concerning assumptions made or expectations as to any future events, conditions, performance or other matter, are "forward-looking statements" as that term is defined under the Federal securities laws. Forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from those stated in such statements. Such risks, uncertainties and factors include, but are not limited to, reliance on foreign manufacturers, risks of doing business abroad, the nature of the apparel industry, including changing consumer demand and tastes, seasonality, customer acceptance of new products, the impact of competitive products and pricing, dependence on existing management, general economic conditions, as well as other risks detailed in the Company's filings with the Securities and Exchange Commission, including this Quarterly Report on Form 10-Q.

RESULTS OF OPERATIONS

Traditionally, the three month period ending April 30 has been the quarter with the lowest sales volume during the Company's fiscal year. Net sales for the three months ended April 30, 2000 were $10.6 million compared to $8.5 million for the same period last year. The increase in net sales during the quarter was primarily attributable to a $1.8 million increase in sales of licensed merchandise.

Gross profit was $2.2 million, or 20.6% of net sales, for the three month period ended April 30, 2000 compared to $833,000, or 9.8% of net sales, for the same period last year. Gross profit as a percentage of net sales increased due to increased sales of higher margin licensed merchandise and improved margins on shipments of both licensed and non-licensed merchandise.

Selling, general and administrative expenses were $6.3 million for the three month period ended April 30, 2000 compared to $6.9 million for the same period last year. Last year's period included $1.1 million of expenses relating to the BET Design Studio joint venture that was discontinued in November 1999. Excluding the BET Design Studio expenses, the Company's selling, general and administrative expenses increased approximately $500,000 over the prior year, primarily as a result of higher personnel expenses.

Interest expense and finance charges for the three month period ended April 30, 2000 were $85,000 compared to $98,000 for the comparable period last year.

Income tax benefit of $1.7 million reflects an effective tax rate of 40% for the three months ended April 30, 2000 compared to an income tax benefit of $2.3 million which reflected the same effective tax rate in the comparable period last year.

As a result of the foregoing for the three months ended April 30, 2000, the Company had a net loss of $2.5 million, or $0.38 per share, compared to a net loss of $3.4 million, or $0.51 share, for the comparable period last year.

LIQUIDITY AND CAPITAL RESOURCES

The Company's loan agreement, which expires on May 31, 2002, provides for a maximum line of credit in amounts that range from $45 million to $72 million during each year of the loan term. The amounts available include direct borrowings that range from $30 million to $52 million during each year of the loan term. The balance of the credit line may be used for letters of credit. All amounts available for borrowing are subject to borrowing base formulas and overadvances specified in the agreement.

Direct borrowings bear interest at the agent's prime rate (9.5% as of June 1, 2000) or LIBOR plus 250 basis points (9.11% at June 1, 2000) at the election of the Company. All borrowings are collateralized by the assets of the Company. The loan agreement requires the Company, among other covenants, to maintain certain earnings and tangible net worth levels, and prohibits the payment of cash dividends. As of April 30, 2000, direct borrowings were $7.0 million and contingent liability under open letters of credit approximated $21.8 million. The amount borrowed under the line of credit varies based upon the Company's seasonal requirements.

In November 1999, the Company and Black Entertainment Television ("BET") decided to discontinue their BET Design Studio joint venture. The joint venture was started in February 1997 to provide a BET-branded clothing and accessory line. As of April 30, 2000, BET and the Company had each contributed $3.8 million to this joint venture.

BET Design Studio had an asset-based credit facility with The CIT Group. Direct borrowings bore interest at the prevailing prime rate plus 50 basis points (10.0% at April 1, 2000). To support the requirement for overadvances which occurred when the available collateral was not sufficient to support the level of direct bank debt and letters of credit opened to pay for product, both partners opened standby letters of credit in the amount of $750,000 under which The CIT Group was the beneficiary. The loan was paid off in its entirety on February 16, 2000 by drawing down both partners' standby letters of credit.

BET advanced $600,000 to BET Design Studio under a lending agreement. Borrowings under this agreement bore interest at 12.0% during the first twelve months of the agreement and 14% thereafter. The loan was paid off in its entirety on March 9, 2000.

PT Balihides, the Company's Indonesian subsidiary, has a separate credit facility with an Indonesian bank. The foreign notes payable represent maximum borrowings under a line of credit of approximately $1.5 million as of April 30, 2000 and January 31, 2000.

On December 20, 1999, the Board of Directors authorized the Company to repurchase up to $1,000,000 worth of shares of the Company's common stock, from time to time, until September 30, 2000, in open market purchases at market prices or in privately negotiated transactions, at the discretion of the Chief Executive Officer of the Company. As of April 30, 2000, the Company had purchased 244,817 of its shares at a total cost of $970,000 and concluded its buyback program.

EFFECT OF RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Derivatives

In June 1998, the FASB issued Statement of Financial Accounting Standards No.

133 ("SFAS NO. 133"), "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS NO. 137, is effective with the first quarter of fiscal years beginning after June 15, 2000. SFAS No. 133 will require the Company to recognize all derivatives on the balance sheet at fair value. Adoption of SFAS No. 133 is not expected to have a material effect on the Company's financial statements.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

1. Amendment No. 4 to the Fifth Amended and Restated Loan Agreement, dated May 24, 2000, by and among G-III, the Banks and Fleet Bank.

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 12, 2000

By: /s/ Morris Goldfarb

Morris Goldfarb
Chief Executive Officer

Date: June 12, 2000

By: /s/ Wayne S. Miller

Wayne S. Miller
Chief Financial Officer

AMENDMENT NO. 4 TO THE FIFTH

AMENDED AND RESTATED LOAN AGREEMENT

THIS AMENDMENT NO. 4 TO THE FIFTH AMENDED AND RESTATED LOAN AGREEMENT, dated as of May 24, 2000 (this "Amendment"), by and among G-III LEATHER FASHIONS, INC., a New York corporation (the "Borrower"), the Lenders that have executed the signature pages hereto (individually, a "Lender" and collectively, the "Lenders"), and FLEET BANK, N.A., a national banking association as agent for the Lenders (in such capacity, together with its successors in such capacity, the "Agent"),

W I T N E S S E T H:

WHEREAS:

A. The Borrower, the Lenders and the Agent are parties to the Fifth Amended and Restated Loan Agreement, dated as of May 31, 1999, as further amended hereby (as it may be further amended, modified and supplemented from time to time, the "Loan Agreement"); and

B. The Lenders hereto wish to revise certain dates in the definition of the "Overadvance" under the Loan Agreement; and

C. The parties hereto wish to amend the Loan Agreement as hereinafter provided;

D. Each capitalized term used but not otherwise defined herein shall have the meaning ascribed thereto in the Loan Agreement;

NOW, THEREFORE, the parties hereto hereby agree as follows:

SECTION 1. AMENDMENT TO LOAN AGREEMENT.

1.1 This Amendment shall be deemed to be a fourth amendment to the Fifth Amended and Restated Loan Agreement and shall not be construed in any way as a replacement or substitution therefor. All of the terms and conditions of, and terms defined in, this Amendment are hereby incorporated by reference into the Loan Agreement as if such terms and provisions were set forth in full therein.

1.2 The definition of "Overadvance" set forth in Article 1 of the Loan Agreement shall be amended by replacing certain periods and amounts with the following:

"OVERADVANCE'--the amount set forth below for the period indicated:

Period	Amount
5/1/00 to 5/17/00	$26,000,000
5/18/00 to 5/23/00	$31,000,000
5/24/00 to 6/05/00	$37,500,000
6/06/00 to 7/21/00	$40,000,000

7/22/00 to 7/28/00	$37,500,000
7/29/00 to 8/30/00	$32,500,000
8/31/00	$28,000,000
9/1/00 to 9/29/00	$30,000,000
9/30/00	$14,500,000
10/26/00 to 10/30/00	$5,000,000
10/31/00 through 1/31/01	0

After 10/30/00 the amounts and periods for Overadvance stated herein, shall all revert to periods of duration and amounts as set forth in Amendment No. 2 dated as of March 1, 2000.

1.3 The Loan Agreement, the Loan Documents and all agreements, instruments and documents executed and delivered in connection with any of the foregoing, shall each be deemed to be amended hereby to the extent necessary, if any, to give effect to the provisions of this Amendment. Except as so amended hereby, the Loan Agreement and the Loan Documents shall remain in full force and effect in accordance with their respective terms.

SECTION 2. REPRESENTATIONS AND WARRANTIES.

The Borrower hereby represents and warrants to the Agent and the Lenders that:

2.1 After giving effect to the amendment of the Loan Agreement pursuant to this Amendment: (i) each of the representations and warranties set forth in Article 3 of the Loan Agreement is true and correct in all respects as if made on the date hereof and (ii) there exists no Default or Event of Default under the Loan Agreement after giving effect to this Amendment.

2.2 The Borrower has full corporate power and authority to execute and deliver this Amendment and to perform the obligations on its part to be performed thereunder and under the Loan Agreement as amended hereby.

SECTION 3. CONDITIONS PRECEDENT TO AMENDMENTS.

The effectiveness of the amendments contained in Section 1 of this Amendment, are each and all subject to the satisfaction, in form and substance satisfactory to the Agent, of each of the following conditions precedent:

3.1 The Borrower shall have duly executed and delivered this Amendment.

3.2 Each of the conditions precedent set forth in Section 4.1 and Section 4.2 of the Loan Agreement shall have been satisfied or waived in accordance with the terms of the Loan Agreement.

3.3 The representations and warranties set forth in Section 2 hereof shall be true, correct and complete on and as of the closing date of this Amendment as though made on such date.

3.4 The Agent shall have received such approvals, opinions or documents as any Lender through the Agent may reasonably request, the Borrower and the Guarantors shall have taken all such other actions as any Lender through the Agent may reasonably request, and all legal matters incident to the foregoing shall be satisfactory to the Agent.

3.5 The Borrower shall have paid to the Agent an amendment fee in the amount of $30,000 on the date hereof.

SECTION 4. REFERENCE TO AND EFFECT UPON THE LOAN AGREEMENT AND OTHER LOAN DOCUMENTS.

4.1 Except as specifically amended in Section 1 above, the Loan Agreement and each of the other Loan Documents shall remain in full force and effect and each is hereby ratified and confirmed.

4.2 The execution, delivery and effect of this Amendment shall be limited precisely as written and shall not be deemed to (i) be a consent to any waiver of any term or condition or to any amendment or modification of any term or condition of the Loan Agreement or any other Loan Document, except, upon the effectiveness, if any, of this Amendment, as specifically amended in Section 1 above, or (ii) prejudice any right, power or remedy which the Agent or any Lender now has or may have in the future under or in connection with the Loan Agreement or any other Loan Document. Upon the effectiveness of this Amendment, each reference in the Loan Agreement to "this Agreement", "hereunder", "hereof", "herein" or any other word or words of similar import shall mean and be a reference to the Loan Agreement as amended hereby, and each reference in any other Loan Document to the Loan Agreement or any word or words of similar import shall mean and be a reference to the Loan Agreement as amended hereby.

SECTION 5. MISCELLANEOUS

5.1 This Amendment may be executed in any number of counterparts, each of which when so executed shall be deemed an original, but all such counterparts shall constitute one and the same instrument.

5.2 The Borrower shall pay on demand all reasonable fees, costs and expenses incurred by Agent in connection with the preparation, execution and delivery of this Amendment (including, without limitation, all reasonable attorneys' fees).

5.3 5.3 GOVERNING LAW. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (AS OPPOSED TO CONFLICTS OF LAW PROVISIONS) OF THE STATE OF NEW YORK.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed on the date first above written.

G-III LEATHER FASHIONS, INC.

By: /s/ Wayne Miller

Name: Wayne Miller
Title: CFO

FLEET BANK, N.A., AS LENDER

By: /s/ Juan Zaino

Name: Juan Zaino
Title: Assistant Vice President

THE CHASE MANHATTAN BANK,

AS LENDER

By: /s/ John Mulvey

Name: John Mulvey
Title: Vice President

THE CIT GROUP/COMMERCIAL SERVICES, NC.,
AS LENDER

By: /s/ Lisa Murakami

Name: Lisa Murakami
Title: Vice President

FLEET BANK, N. A., AS AGENT

By: /s/ Juan Zaino

Name: Juan Zaino
Title: Assistant Vice President

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