

OXFORD INDUSTRIES INC  
Form 10-Q  
December 07, 2011  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM 10-Q**

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

**For the quarterly period ended OCTOBER 29, 2011**

**or**

**o** **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: 1-4365**

**OXFORD INDUSTRIES, INC.**

(Exact name of registrant as specified in its charter)

**Georgia**  
(State or other jurisdiction of incorporation or organization)

**58-0831862**  
(I.R.S. Employer Identification No.)

**222 Piedmont Avenue, N.E., Atlanta, Georgia 30308**

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(Address of principal executive offices) (Zip Code)

(404) 659-2424

(Registrant's telephone number, including area code)

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, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Title of each class	Number of shares outstanding as of December 2, 2011
Common Stock, \$1 par value	16,499,281

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OXFORD INDUSTRIES, INC.

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**CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS**

Our SEC filings and public announcements may include forward-looking statements about future events. Generally, the words believe, expect, intend, estimate, anticipate, project, will and similar expressions identify forward-looking statements, which generally are not historical in nature. We intend for all forward-looking statements contained herein, in our press releases or on our website, and all subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf, to be covered by the safe harbor provisions for forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and the provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (which Sections were adopted as part of the Private Securities Litigation Reform Act of 1995). Important assumptions relating to these forward-looking statements include, among others, assumptions regarding the impact of economic conditions on consumer demand and spending, particularly in light of general economic uncertainty that continues to prevail, demand for our products, timing of shipments requested by our wholesale customers, expected pricing levels, competitive conditions, the timing and cost of planned capital expenditures, costs of products and raw materials we purchase, costs of labor, access to capital and/or credit markets, acquisition and disposition activities, expected outcomes of pending or potential litigation and regulatory actions and disciplined execution by key management. Forward-looking statements reflect our current expectations, based on currently available information, and are not guarantees of performance. Although we believe that the expectations reflected in such forward-looking statements are reasonable, these expectations could prove inaccurate as such statements involve risks and uncertainties, many of which are beyond our ability to control or predict. Should one or more of these risks or uncertainties, or other risks or uncertainties not currently known to us or that we currently deem to be immaterial, materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. Important factors relating to these risks and uncertainties include, but are not limited to, those described in Part I, Item 1A. Risk Factors contained in our Annual Report on Form 10-K for fiscal 2010, as updated by Part II, Item 1A. Risk Factors in this report and those described from time to time in our future reports filed with the SEC. We caution that one should not place undue reliance on forward-looking statements, which speak only as of the date on which they are made. We disclaim any intention, obligation or duty to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

**DEFINITIONS**

Unless the context requires otherwise, the following terms, or words of similar import, have the following meanings:

Our, us or we: Oxford Industries, Inc. and its consolidated subsidiaries

SG&A: Selling, general and administrative expenses

Discontinued operations: The assets and operations of our former Oxford Apparel operating group which we sold in the fourth quarter of fiscal 2010, as discussed in our Annual Report on Form 10-K for fiscal 2010

113/8% Senior Secured Notes: Our 11.375% senior secured notes due 2015, as described in Part I, Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations in this report

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SEC: U.S. Securities and Exchange Commission

Securities Exchange Act: the Securities Exchange Act of 1934, as amended

FASB: Financial Accounting Standards Board

U.S. GAAP: Generally accepted accounting principles in the United States

Fiscal 2012	53 weeks ending February 2, 2013
Fiscal 2011	52 weeks ending January 28, 2012
First nine months fiscal 2011	39 weeks ended October 29, 2011
Fourth quarter fiscal 2011	13 weeks ending January 28, 2012
Third quarter fiscal 2011	13 weeks ended October 29, 2011
Second quarter fiscal 2011	13 weeks ended July 30, 2011
First quarter fiscal 2011	13 weeks ended April 30, 2011
Fiscal 2010	52 weeks ended January 29, 2011
First nine months fiscal 2010	39 weeks ended October 30, 2010
Fourth quarter fiscal 2010	13 weeks ended January 29, 2011
Third quarter fiscal 2010	13 weeks ended October 30, 2010
Second quarter fiscal 2010	13 weeks ended July 31, 2010
First quarter fiscal 2010	13 weeks ended May 1, 2010

Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****OXFORD INDUSTRIES, INC.****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS****(UNAUDITED)****(in thousands, except per share amounts)**

	<b>Third Quarter Fiscal 2011</b>	<b>Third Quarter Fiscal 2010</b>	<b>First Nine Months Fiscal 2011</b>	<b>First Nine Months Fiscal 2010</b>
Net sales	\$170,280	\$139,627	\$559,234	\$446,233
Cost of goods sold	81,540	65,942	249,897	203,823
Gross profit	88,740	73,685	309,337	242,410
SG&A	84,862	70,995	264,050	220,328
Amortization of intangible assets	299	241	897	719
Change in fair value of contingent consideration	600		1,800	
	85,761	71,236	266,747	221,047
Royalties and other operating income	3,837	3,982	12,650	11,218
Operating income	6,816	6,431	55,240	32,581
Interest expense, net	3,705	5,095	12,777	15,115
Loss on repurchase of senior secured notes	769		9,017	
Earnings from continuing operations before income taxes	2,342	1,336	33,446	17,466
Income taxes	731	17	11,255	2,944
Earnings from continuing operations	1,611	1,319	22,191	14,522
Earnings from discontinued operations, net of taxes	13	4,231	137	10,744
Net earnings	\$ 1,624	\$ 5,550	\$ 22,328	\$ 25,266
<b>Earnings from continuing operations, per common share:</b>				
Basic	\$ 0.10	\$ 0.08	\$ 1.34	\$ 0.88
Diluted	\$ 0.10	\$ 0.08	\$ 1.34	\$ 0.88
<b>Earnings from discontinued operations, net of taxes per common share:</b>				
Basic	\$ 0.00	\$ 0.26	\$ 0.01	\$ 0.65
Diluted	\$ 0.00	\$ 0.26	\$ 0.01	\$ 0.65
<b>Net earnings per common share:</b>				
Basic	\$ 0.10	\$ 0.34	\$ 1.35	\$ 1.53
Diluted	\$ 0.10	\$ 0.33	\$ 1.35	\$ 1.53
<b>Weighted average common shares outstanding:</b>				
Basic	16,502	16,564	16,510	16,532
Dilution	15	12	17	13
Diluted	16,517	16,576	16,527	16,545
Dividends declared per common share	\$ 0.13	\$ 0.11	\$ 0.39	\$ 0.33

See accompanying notes.

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## OXFORD INDUSTRIES, INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

(in thousands, except par amounts)

	October 29, 2011	January 29, 2011	October 30, 2010
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 4,962	\$ 44,094	\$ 4,376
Receivables, net	66,372	50,177	58,900
Inventories, net	91,003	85,338	63,484
Prepaid expenses, net	17,425	12,554	14,663
Deferred tax assets	17,596	19,005	15,624
Assets related to discontinued operations, net		57,745	84,936
<b>Total current assets</b>	<b>197,358</b>	<b>268,913</b>	<b>241,983</b>
Property and equipment, net	91,121	83,895	74,721
Intangible assets, net	166,082	166,680	136,584
Goodwill	16,555	16,866	
Other non-current assets, net	18,385	22,117	21,181
<b>Total Assets</b>	<b>\$489,501</b>	<b>\$558,471</b>	<b>\$474,469</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>			
<b>Current Liabilities:</b>			
Trade accounts payable and other accrued expenses	\$ 78,209	\$ 83,211	\$ 63,308
Accrued compensation	21,748	23,095	19,000
Short-term debt and current maturities of long-term debt	3,279		20,924
Liabilities related to discontinued operations		40,785	21,542
<b>Total current liabilities</b>	<b>103,236</b>	<b>147,091</b>	<b>124,774</b>
Long-term debt, less current maturities	103,290	147,065	146,900
Other non-current liabilities	53,873	55,441	47,351
Non-current deferred income taxes	30,738	28,846	27,753
Commitments and contingencies			
<b>Shareholders Equity:</b>			
Common stock, \$1.00 par value per common share	16,499	16,511	16,570
Additional paid-in capital	98,434	96,597	95,660
Retained earnings	106,645	90,739	39,165
Accumulated other comprehensive loss	(23,214)	(23,819)	(23,704)
<b>Total shareholders equity</b>	<b>198,364</b>	<b>180,028</b>	<b>127,691</b>
<b>Total Liabilities and Shareholders Equity</b>	<b>\$489,501</b>	<b>\$558,471</b>	<b>\$474,469</b>

See accompanying notes.



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## OXFORD INDUSTRIES, INC.

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

(in thousands)

	First Nine Months Fiscal 2011	First Nine Months Fiscal 2010
<b>Cash Flows From Operating Activities:</b>		
Earnings from continuing operations	\$ 22,191	\$ 14,522
Adjustments to reconcile earnings from continuing operations to net cash provided by operating activities:		
Depreciation	15,264	13,005
Amortization of intangible assets	897	719
Change in fair value of contingent consideration	1,800	
Amortization of deferred financing costs and bond discount	1,286	1,464
Loss on repurchase of senior secured notes	9,017	
Stock compensation expense	1,635	3,563
Loss on sale of property and equipment	24	10
Deferred income taxes	3,223	(2,337)
Changes in working capital:		
Receivables	(16,080)	(14,258)
Inventories	(5,511)	(5,549)
Prepaid expenses	(4,717)	(4,154)
Current liabilities	(8,690)	4,535
Other non-current assets	2,536	(644)
Other non-current liabilities	(3,441)	(2,119)
<b>Net cash provided by operating activities</b>	<b>19,434</b>	<b>8,757</b>
<b>Cash Flows From Investing Activities:</b>		
Purchases of property and equipment	(22,448)	(9,435)
Other	(398)	78
<b>Net cash used in investing activities</b>	<b>(22,846)</b>	<b>(9,357)</b>
<b>Cash Flows From Financing Activities:</b>		
Repayment of revolving credit arrangements	(60,579)	(64,514)
Proceeds from revolving credit arrangements	63,865	85,415
Repurchase of senior secured notes	(52,175)	
Repayment of company-owned life insurance policy loans		(4,125)
Proceeds from issuance of common stock	2,017	362
Dividends on common stock	(6,425)	(5,460)
<b>Net cash (used in) provided by financing activities</b>	<b>(53,297)</b>	<b>11,678</b>
<b>Cash Flows from Discontinued Operations:</b>		
Net operating cash flows provided by (used in) discontinued operations	13,735	(14,939)
Net investing cash flows provided by (used in) discontinued operations	3,744	(33)
<b>Net cash provided by (used in) discontinued operations</b>	<b>17,479</b>	<b>(14,972)</b>
Net change in cash and cash equivalents	(39,230)	(3,894)
Effect of foreign currency translation on cash and cash equivalents	98	(18)
Cash and cash equivalents at the beginning of year	44,094	8,288
Cash and cash equivalents at the end of period	\$ 4,962	\$ 4,376

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**Supplemental disclosure of cash flow information:**

Cash paid for interest, net, including interest paid for discontinued operations	\$ 8,890	\$ 9,658
Cash paid for income taxes, including income taxes paid for discontinued operations	\$ 40,065	\$ 19,071

See accompanying notes.

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**OXFORD INDUSTRIES, INC.**

**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**THIRD QUARTER OF FISCAL 2011**

**1. Basis of Presentation:** The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. GAAP for interim financial reporting and the instructions of Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP. We believe the accompanying unaudited condensed consolidated financial statements reflect all normal, recurring adjustments that are necessary for a fair presentation of our financial position and results of operations as of the dates and for the periods presented. Results of operations for the interim periods presented are not necessarily indicative of results to be expected for our full fiscal year. The accounting policies applied during the interim periods presented are consistent with the significant accounting policies described in our Annual Report on Form 10-K for fiscal 2010.

Unless indicated otherwise, all references to assets, liabilities, revenues and expenses in this report reflect continuing operations and exclude any amounts related to the discontinued operations of our former Oxford Apparel operating group, as discussed in Note 7 to our unaudited condensed consolidated financial statements included in this report and Note 15 of our consolidated financial statements in our Annual Report on Form 10-K for fiscal 2010.

In May 2011, the FASB issued an update to their authoritative guidance regarding fair value measurements and related disclosures. Additional disclosure requirements in the update include: (1) for Level 3 fair value measurements, quantitative information about unobservable inputs used, a description of the valuation processes used, and a qualitative discussion about the sensitivity of the measurements to changes in the unobservable inputs; (2) for the use of a nonfinancial asset that is different from the asset's highest and best use, the reason for the difference; (3) for financial instruments not measured at fair value but for which disclosure of fair value is required, the fair value hierarchy level in which the fair value measurements were determined; and (4) the disclosure of all transfers between Level 1 and Level 2 of the fair value hierarchy. This guidance will be effective in our first quarter of fiscal 2012 and will be applied on a prospective basis with any changes in measurements recognized in earnings in the period of adoption. We are currently assessing the impact of adopting the amendments to authoritative guidance regarding fair value measurements and related disclosures, but we do not anticipate a material impact on our financial statements upon adoption.

In June 2011, the FASB issued an update to their accounting guidance regarding other comprehensive income which requires that all non-owner changes in shareholders' equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements of income and comprehensive income. The guidance provided by this update becomes effective in our first quarter of fiscal 2012, with early adoption permitted. The adoption of the new guidance will not affect our financial position, results of operations or cash flows, but does change certain disclosure requirements.

In September 2011, the FASB issued an update to their accounting guidance regarding goodwill impairment testing. The amendment is intended to reduce the complexity of testing by allowing companies to assess qualitative factors to determine the likelihood of goodwill impairment and whether it is necessary to perform the two-step impairment test, as currently required. The guidance provided by this update becomes effective in our first quarter of fiscal 2012, with early adoption permitted. We are currently assessing the impact of adopting the amendments to goodwill impairment testing, but we do not anticipate a material impact on our financial statements upon adoption.

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2. **Inventories:** The components of inventories related to continuing operations as of the dates specified are summarized as follows (in thousands):

	October 29, 2011	January 29, 2011	October 30, 2010
Finished goods	\$126,570	\$122,159	\$100,901
Work in process	4,096	5,744	4,010
Fabric, trim and supplies	6,291	3,389	3,011
LIFO reserve	(45,954)	(45,954)	(44,438)
Total	\$ 91,003	\$ 85,338	\$ 63,484

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**3. Comprehensive Income:** Other comprehensive income includes all changes in equity from non-owner sources, such as foreign currency translation adjustments and the net unrealized gain (loss) associated with forward foreign currency exchange contracts which qualify for hedge accounting. Comprehensive income, net of income taxes, is calculated as follows for the periods presented (in thousands):

	Third Quarter Fiscal 2011	Third Quarter Fiscal 2010	First Nine Months Fiscal 2011	First Nine Months Fiscal 2010
Net earnings	\$1,624	\$5,550	\$22,328	\$25,266
Gain (loss) on foreign currency translation	(642)	994	483	(247)
Net unrealized gain (loss) on forward foreign exchange contracts	151	(25)	122	(217)
Comprehensive income	\$1,133	\$6,519	\$22,933	\$24,802

**4. Operating Group Information:** Our business is primarily operated through our four operating groups: Tommy Bahama, Lilly Pulitzer, Ben Sherman and Lanier Clothes. We identify our operating groups based on the way our management organizes the components of our business for purposes of allocating resources and assessing performance. All amounts included in this report reflect our changes in operating groups during fiscal 2010, as disclosed in our Annual Report on Form 10-K for fiscal 2010. The table below presents certain information about the continuing operations of our operating groups (in thousands).

	Third Quarter Fiscal 2011	Third Quarter Fiscal 2010	First Nine Months Fiscal 2011	First Nine Months Fiscal 2010
<b>Net Sales</b>				
Tommy Bahama	\$ 92,500	\$ 81,131	\$ 324,546	\$ 289,585
Lilly Pulitzer	16,668		71,364	
Ben Sherman	25,191	25,528	65,505	66,028
Lanier Clothes	33,080	30,820	88,995	83,984
Corporate and Other	2,841	2,148	8,824	6,636
<b>Total Net Sales</b>	\$ 170,280	\$ 139,627	\$ 559,234	\$ 446,233
<b>Depreciation</b>				
Tommy Bahama	\$ 3,881	\$ 3,285	\$ 10,866	\$ 9,848
Lilly Pulitzer	438		1,137	
Ben Sherman	528	566	1,571	1,626
Lanier Clothes	106	113	322	350
Corporate and Other	473	408	1,368	1,181
<b>Total Depreciation</b>	\$ 5,426	\$ 4,372	\$ 15,264	\$ 13,005
<b>Amortization of Intangible Assets</b>				
Tommy Bahama	\$ 129	\$ 174	\$ 387	\$ 520
Lilly Pulitzer	115		345	
Ben Sherman	55	67	165	199
Lanier Clothes				
Corporate and Other				
<b>Total Amortization of Intangible Assets</b>	\$ 299	\$ 241	\$ 897	\$ 719
<b>Operating Income (Loss)</b>				
Tommy Bahama	\$ 4,624	\$ 3,440	\$ 45,381	\$ 35,473
Lilly Pulitzer	(363)		12,264	
Ben Sherman	301	1,684	(2,281)	1,608
Lanier Clothes	4,331	5,345	11,319	12,513

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Corporate and Other	(2,077)	(4,038)	(11,443)	(17,013)
<b>Total Operating Income</b>	6,816	6,431	55,240	32,581
Interest expense, net	3,705	5,095	12,777	15,115
Loss on repurchase of senior secured notes	769		9,017	
<b>Earnings from Continuing Operations Before Income Taxes</b>	\$ 2,342	\$ 1,336	\$ 33,446	\$ 17,466

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5. **Debt:** The following table details our debt (in thousands) as of the dates specified:

	October 29, 2011	January 29, 2011	October 30, 2010
\$175 million U.S. Secured Revolving Credit Facility ( U.S. Revolving Credit Agreement ), which is limited to a borrowing base consisting of specified percentages of eligible categories of assets, accrues interest, unused line fees and letter of credit fees based upon a pricing grid which is tied to average unused availability, requires interest payments monthly with principal due at maturity (August 2013) and is secured by a first priority security interest in the accounts receivable (other than royalty payments in respect of trademark licenses), inventory, investment property (including the equity interests of certain subsidiaries), general intangibles (other than trademarks, trade names and related rights), deposit accounts, intercompany obligations, equipment, goods, documents, contracts, books and records and other personal property of Oxford Industries, Inc. and substantially all of its domestic subsidiaries and a second priority interest in those assets in which the holders of the 113/8% Senior Secured Notes have a first priority interest	\$ 1,621	\$	\$ 20,273
£7 million Senior Secured Revolving Credit Facility ( U.K. Revolving Credit Agreement ), which accrues interest at the bank's base rate plus as much as 3.5%, requires interest payments monthly with principal payable on demand and is collateralized by substantially all of the United Kingdom assets of Ben Sherman	1,658		651
11.375% Senior Secured Notes ( 113/8% Senior Secured Notes ), which accrue interest at an annual rate of 11.375% (effective interest rate of 12%) and require interest payments semi-annually in January and July of each year, require payment of principal at maturity (July 2015), are subject to certain prepayment penalties, are secured by a first priority interest in all U.S. registered trademarks and certain related rights and certain future acquired real property owned in fee simple of Oxford Industries, Inc. and substantially all of its consolidated domestic subsidiaries and a second priority interest in those assets in which the lenders under the U.S. Revolving Credit Agreement have a first priority interest (1)	105,000	150,000	150,000
Unamortized discount	(1,710)	(2,935)	(3,100)
Total debt	106,569	147,065	167,824
Short-term debt and current maturities of long-term debt	(3,279)		(20,924)
Long-term debt, less current maturities	\$103,290	\$147,065	\$146,900

(1) In the first nine months of fiscal 2011, we repurchased, in privately negotiated transactions, \$45.0 million in aggregate principal amount of our 113/8% Senior Secured Notes for \$52.2 million, plus accrued interest. The repurchase of the 113/8% Senior Secured Notes and related write-off of approximately \$1.8 million of unamortized deferred financing costs and discount resulted in a loss of approximately \$9.0 million, which was reflected in our consolidated financial statements during the first nine months of fiscal 2011. After completion of the transactions, \$105.0 million aggregate principal amount of our 113/8% Senior Secured Notes remained outstanding as of October 29, 2011.

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**6. Business Combinations:** On December 21, 2010, we acquired the Lilly Pulitzer brand and operations, as described in Note 14 of our consolidated financial statements in our Annual Report on Form 10-K for fiscal 2010. As of October 29, 2011, we have not finalized our allocation of purchase price to the fair values of the acquired assets and liabilities, and we will revise our allocation through the one year period following the closing of the transaction, as appropriate, as we obtain new information about the fair values of these assets and liabilities as of the acquisition date, including the contingent consideration. During the first nine months of fiscal 2011, we did not record any significant adjustments to the initial purchase price allocation included in Note 14 of our consolidated financial statements in our Annual Report on Form 10-K for fiscal 2010. As of October 29, 2011, the estimated fair value of the contingent consideration was approximately \$12.5 million compared to \$10.5 million as of the date of acquisition, with the change in fair value representing the passage of time from the date of acquisition as we approach the dates of the anticipated payments in the future.

**7. Discontinued Operations:** On January 3, 2011, we sold substantially all of the assets and operations of our former Oxford Apparel operating group, as discussed in Note 15 of our consolidated financial statements in our Annual Report on Form 10-K for fiscal 2010. The results of operations and assets which were sold are reflected in discontinued operations in our consolidated financial statements.

Net sales, earnings from discontinued operations before income taxes and earnings from discontinued operations, net of income taxes are shown in the table below (in thousands):

	<b>Third Quarter Fiscal 2011</b>	<b>Third Quarter Fiscal 2010</b>	<b>First Nine Months Fiscal 2011</b>	<b>First Nine Months Fiscal 2010</b>
Net sales	\$17	\$64,889	\$2,414	\$162,564
Earnings from discontinued operations before income taxes (1)	\$20	\$ 6,825	\$ 97	\$ 17,330
Earnings from discontinued operations, net of income taxes (1)	\$13	\$ 4,231	\$ 137	\$ 10,744

(1) During the second quarter of fiscal 2011, we finalized the working capital adjustment associated with the sold operations, which resulted in a change in estimate to the gain on sale recognized. The impact of this change in estimate was a reduction to the gain on sale of approximately \$1.0 million, net of income taxes, which was recognized in the second quarter of fiscal 2011. This change in estimate resulted in a revised after-tax gain on the sale of the Oxford Apparel operations of approximately \$48.5 million compared to \$49.5 million as previously recognized in the fourth quarter of fiscal 2010.

**8. Consolidating Financial Data of Subsidiary Guarantors:** Our 113/8% Senior Secured Notes are guaranteed by substantially all of our wholly owned domestic subsidiaries ( Subsidiary Guarantors ). All guarantees are full and unconditional. For consolidated financial reporting purposes, non-guarantors consist of our subsidiaries which are organized outside the United States and certain domestic subsidiaries. We use the equity method of accounting with respect to our investment in subsidiaries included in other non-current assets in our condensed consolidating financial statements. Set forth below are our condensed consolidating balance sheets as of October 29, 2011, January 29, 2011 and October 30, 2010 (in thousands) as well as our condensed consolidating statements of operations for the third quarter and first nine months of each of fiscal 2011 and fiscal 2010 (in thousands) and our condensed consolidating statements of cash flows for the first nine months of fiscal 2011 and fiscal 2010 (in thousands).





Table of Contents**OXFORD INDUSTRIES, INC.****UNAUDITED CONDENSED CONSOLIDATING BALANCE SHEETS****October 29, 2011**

	<b>Oxford Industries (Parent)</b>	<b>Subsidiary Guarantors</b>	<b>Subsidiary Non- Guarantors</b>	<b>Consolidating Adjustments</b>	<b>Consolidated Total</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,332	\$ 730	\$ 2,900	\$	\$ 4,962
Receivables, net	23,287	12,683	54,077	(23,675)	66,372
Inventories, net	(18,152)	98,434	12,058	(1,337)	91,003
Prepaid expenses and deferred tax assets	17,996	13,064	3,978	(17)	35,021
Total current assets	24,463	124,911	73,013	(25,029)	197,358
Property and equipment, net	6,291	79,318	5,512		91,121
Goodwill and intangible assets, net		158,500	24,137		182,637
Other non-current assets, net	611,917	143,229	4,646	(741,407)	18,385
Total Assets	\$642,671	\$ 505,958	\$107,308	\$(766,436)	\$489,501
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>					
Current liabilities related to continuing operations	\$ 1,667	\$ 79,766	\$ 37,953	\$ (16,150)	\$103,236
Long-term debt, less current maturities	103,290				103,290
Other non-current liabilities	342,978	(329,875)	153,002	(112,232)	53,873
Non-current deferred income taxes	(3,628)	28,472	5,894		30,738
Total shareholders /invested equity	198,364	727,595	(89,541)	(638,054)	198,364
Total Liabilities and Shareholders Equity	\$642,671	\$ 505,958	\$107,308	\$(766,436)	\$489,501

**January 29, 2011**

	<b>Oxford Industries (Parent)</b>	<b>Subsidiary Guarantors</b>	<b>Subsidiary Non- Guarantors</b>	<b>Consolidating Adjustments</b>	<b>Consolidated Total</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 41,130	\$ 809	\$ 2,155	\$	\$ 44,094
Receivables, net	10,969	3,431	44,897	(9,120)	50,177
Inventories, net	(13,234)	86,747	11,889	(64)	85,338
Prepaid expenses and deferred tax assets	19,756	12,671	3,018	(3,886)	31,559
Assets related to discontinued operations, net	46,418	324	11,003		57,745
Total current assets	105,039	103,982	72,962	(13,070)	268,913
Property and equipment, net	7,182	72,323	4,390		83,895
Goodwill and intangible assets, net		159,543	24,003		183,546
Other non-current assets, net	579,130	143,459	4,101	(704,573)	22,117
Total Assets	\$691,351	\$ 479,307	\$105,456	\$(717,643)	\$558,471

<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>					
Current liabilities related to continuing operations	\$ 13,978	\$ 59,255	\$ 41,170	\$ (8,097)	\$106,306
Current liabilities related to discontinued operations	32,379		8,406		40,785
Long-term debt, less current maturities	147,065				147,065
Other non-current liabilities	322,237	(301,271)	143,113	(108,638)	55,441
Non-current deferred income taxes	(4,336)	26,944	6,332	(94)	28,846
Total shareholders /invested equity	180,028	694,379	(93,565)	(600,814)	180,028
Total Liabilities and Shareholders Equity	\$691,351	\$ 479,307	\$105,456	\$(717,643)	\$558,471

Table of Contents**OXFORD INDUSTRIES, INC.****UNAUDITED CONDENSED CONSOLIDATING BALANCE SHEETS**

October 30, 2010

	<b>Oxford Industries (Parent)</b>	<b>Subsidiary Guarantors</b>	<b>Subsidiary Non- Guarantors</b>	<b>Consolidating Adjustments</b>	<b>Consolidated Total</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,273	\$ 563	\$ 2,540	\$	\$ 4,376
Receivables, net	18,396	9,399	39,823	(8,718)	58,900
Inventories, net	(15,529)	71,186	8,463	(636)	63,484
Prepaid expenses and deferred tax assets, net	17,589	10,291	3,559	(1,152)	30,287
Assets related to discontinued operations, net	69,200	6,859	8,877		84,936
<b>Total current assets</b>	<b>90,929</b>	<b>98,298</b>	<b>63,262</b>	<b>(10,506)</b>	<b>241,983</b>
Property and equipment, net	7,531	62,147	5,043		74,721
Goodwill and intangible assets, net		112,653	23,931		136,584
Other non-current assets, net	517,873	142,457	3,882	(643,031)	21,181
<b>Total Assets</b>	<b>\$616,333</b>	<b>\$ 415,555</b>	<b>\$ 96,118</b>	<b>\$(653,537)</b>	<b>\$474,469</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>					
Current liabilities related to continuing operations	\$ 32,905	\$ 50,229	\$ 25,815	\$ (5,717)	\$103,232
Current liabilities related to discontinued operations	11,570		9,972		21,542
Long-term debt, less current maturities	146,900				146,900
Other non-current liabilities	301,217	(289,059)	143,790	(108,597)	47,351
Non-current deferred income taxes	(3,950)	25,233	6,455	15	27,753
<b>Total shareholders /invested equity</b>	<b>127,691</b>	<b>629,152</b>	<b>(89,914)</b>	<b>(539,238)</b>	<b>127,691</b>
<b>Total Liabilities and Shareholders Equity</b>	<b>\$616,333</b>	<b>\$ 415,555</b>	<b>\$ 96,118</b>	<b>\$(653,537)</b>	<b>\$474,469</b>

Table of Contents**OXFORD INDUSTRIES, INC.****UNAUDITED CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS****Third Quarter Fiscal 2011**

	<b>Oxford Industries (Parent)</b>	<b>Subsidiary Guarantors</b>	<b>Subsidiary Non- Guarantors</b>	<b>Consolidating Adjustments</b>	<b>Consolidated Total</b>
Net sales	\$ 35,378	\$ 117,704	\$ 26,509	\$ (9,311)	\$ 170,280
Cost of goods sold	24,300	51,482	11,890	(6,132)	81,540
Gross profit	11,078	66,222	14,619	(3,179)	88,740
SG&A including amortization of intangible assets and change in fair value of contingent consideration	5,148	70,247	13,394	(3,028)	85,761
Royalties and other operating income	41	2,021	1,845	(70)	3,837
Operating income	5,971	(2,004)	3,070	(221)	6,816
Interest expense (income), net	4,120	(1,227)	813	(1)	3,705
Loss on repurchase of senior secured notes	769				769
Income from equity investment	1,037			(1,037)	
Earnings (loss) from continuing operations before income taxes	2,119	(777)	2,257	(1,257)	2,342
Income taxes (benefit)	379	(154)	597	(91)	731
Earnings (loss) from continuing operations	1,740	(623)	1,660	(1,166)	1,611
Earnings (loss) from discontinued operations, net of taxes					