OXFORD INDUSTRIES INC
Form 10-K
March 31, 2010

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended January 30, 2010

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	**58-0831862**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

222 Piedmont Avenue, N.E., Atlanta, Georgia 30308
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:
(404) 659-2424

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $1 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
NONE

Indicate by check mark if the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act. Yes o No ý

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No ý

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 ý No o

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 o No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

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

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

As of August 1, 2009, which is the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the voting stock held by non-affiliates of the registrant (based upon the closing price for the common stock on the New York Stock Exchange on that date) was approximately $189,650,987. For purposes of this calculation only, shares of voting stock directly and indirectly attributable to executive officers, directors and holders of 10% or more of the registrant's voting stock (based on Schedule 13G filings made as of or prior to August 1, 2009) are excluded. This determination of affiliate status and the calculation of the shares held by any such person are not necessarily conclusive determinations for other purposes.

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

Title of Each Class	Number of Shares Outstanding as of March 26, 2010
Common Stock, $1 par value	16,535,365

Documents Incorporated by Reference

Portions of our proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A relating to the Annual Meeting of Shareholders of Oxford Industries, Inc. to be held on June 14, 2010 are incorporated by reference in Part III of this Form 10-K.

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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, 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, access to capital and/or credit markets, particularly in light of conditions in those markets, 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 and elsewhere 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

The following terms have the following meanings:

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

Private label: Products sold exclusively to one customer, typically a retailer, under a brand name that is owned by or licensed to such customer and not owned by us.

Package purchases: Purchases of products which include the raw materials and cut, sew and finish labor. For goods purchased on a package purchase basis, we typically do not take ownership of the goods until the goods are shipped by the manufacturer.

CMT purchase: Purchases of products in which we supply some or all of the raw materials and purchase cut, sew and finish labor (or "cut, make, trim") from our third-party producers. For CMT purchases, we procure and retain ownership of those raw materials which we purchased throughout the manufacturing and finishing process.

U.S. Revolving Credit Agreement: Our $175 million revolving credit facility, as described in Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations included in this report.

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U.K. Revolving Credit Agreement: Our £10 million revolving credit facility, as described in Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in this report.

$11^3/_8$% Senior Secured Notes: Our 11.375% senior secured notes due 2015, as described in Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in this report.

$8^7/_8$% Senior Unsecured Notes: Our 8.875% senior unsecured notes due 2011, as described in Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in this report.

SG&A: Selling, general and administrative expenses

SEC: U.S. Securities and Exchange Commission

FASB: Financial Accounting Standards Board

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

ASC: FASB Accounting Standards Codification

On October 8, 2007, our Board of Directors approved a change to our fiscal year end. Effective with our fiscal year which commenced on June 2, 2007, our fiscal year ends at the end of the Saturday closest to January 31 and will, in each case, begin at the beginning of the day next following the last day of the preceding fiscal year. Accordingly, there was a transition period from June 2, 2007 through February 2, 2008 for which we filed a transition report on Form 10-KT for that period. The terms listed below (or words of similar import) reflect the respective period noted:

Fiscal 2010	52 weeks ending January 29, 2011
Fiscal 2009	52 weeks ended January 30, 2010
Fiscal 2008	52 weeks ended January 31, 2009
Twelve months ended February 2, 2008	52 weeks and one day ended February 2, 2008
Eight-month transition period ended February 2, 2008	35 weeks and one day ended February 2, 2008
Fiscal 2007	52 weeks ended June 1, 2007
Eight months ended February 2, 2007	35 weeks ended February 2, 2007
Fiscal 2006	52 weeks ended June 2, 2006
Fiscal 2005	53 weeks ended June 3, 2005
Fiscal 2004	52 weeks ended May 28, 2004
Fourth quarter fiscal 2009	13 weeks ended January 30, 2010
Third quarter fiscal 2009	13 weeks ended October 31, 2009
Second quarter fiscal 2009	13 weeks ended August 1, 2009
First quarter fiscal 2009	13 weeks ended May 2, 2009
Fourth quarter fiscal 2008	13 weeks ended January 31, 2009
Third quarter fiscal 2008	13 weeks ended November 1, 2008
Second quarter fiscal 2008	13 weeks ended August 2, 2008
First quarter fiscal 2008	13 weeks ended May 3, 2008

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PART I

Item 1. ***Business***

BUSINESS AND PRODUCTS

Overview

We are an international apparel design, sourcing and marketing company featuring a diverse portfolio of owned and licensed lifestyle brands, company-owned retail operations, and a collection of private label apparel businesses. Originally founded in 1942, we have undergone a transformation as we migrated from our historical domestic manufacturing roots towards a focus on designing, sourcing and marketing apparel products bearing prominent trademarks owned by us. During fiscal 2009, approximately 68% of our net sales were from products bearing brands that we own, compared to approximately 48% in fiscal 2004.

The key component of our business strategy is to develop and market compelling lifestyle brands and products that are "fashion right" and evoke a strong emotional response from our target consumers. As part of this strategy, we strive to exploit the potential of our existing brands and products domestically and internationally and, as suitable opportunities arise, to acquire additional lifestyle brands that we believe fit within our business model. We consider "lifestyle" brands to be those brands that have a clearly defined and targeted point of view inspired by an appealing lifestyle or attitude, such as the Tommy Bahama® and Ben Sherman® brands. We believe that by generating an emotional connection with our target consumer, lifestyle brands can command higher price points at retail, resulting in higher profits. We also believe a successful lifestyle brand can provide opportunities for branded retail operations as well as licensing opportunities in product categories beyond our core business.

Our strategy of emphasizing branded apparel products rather than private label products is driven in part by the continued consolidation in the retail industry and the increasing concentration of apparel manufacturing in a relatively limited number of offshore markets, two trends we believe are making the private label business generally more competitively challenging. As we embarked on our brand-focused business strategy, the first major step was our acquisition of the Tommy Bahama brand and operations in June 2003. Then, in July 2004, we acquired the Ben Sherman brand and operations. In June 2006, another significant step in this transition occurred with the divestiture of our former Womenswear Group operations, which produced private label women's sportswear, primarily for mass merchants. In recent years, we have closed all but one of our manufacturing facilities. Since acquiring the Tommy Bahama and Ben Sherman brands, our investment in these brands has included expanding the number of Tommy Bahama and Ben Sherman retail stores.

We distribute our products through several wholesale distribution channels, including national chains, department stores, mass merchants, specialty stores, specialty catalog retailers and Internet retailers. Most of our net sales are to customers located in the United States. Our largest customer, Sears, Inc., including its Lands' End business, represented approximately 10% of our consolidated net sales in fiscal 2009. We also operate retail stores, restaurants and Internet websites for some of our brands. During fiscal 2009 direct to consumer sales from our retail stores, restaurants and Internet websites accounted for approximately 31% of our consolidated net sales.

Our business is operated through four operating groups consisting of:

- Tommy Bahama;
- Ben Sherman;
- Lanier Clothes; and
- Oxford Apparel.

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Generally, each operating group is differentiated by its own distinctive brands or products, product styling, pricing strategies, distribution channels and target consumers. Each operating group is managed to maximize the return on capital invested and to develop its brands and operations in coordination with our overall strategic plans.

We believe that maintaining and growing our owned and licensed brands are critical to our success. Our owned brands include the following:

Tommy Bahama®	Billy London®	Ely®
Ben Sherman®	Arnold Brant®	Cattleman®
Nickelson®	Oxford Golf®	Cumberland Outfitters®

We currently hold licenses to produce and sell certain categories of apparel products under the following brands:

Kenneth Cole®	Dockers®	Geoffrey Beene®
United States Polo Association®		

Sales of products using licensed brands accounted for approximately 8% of our net sales in fiscal 2009. In addition to their branded sales, Lanier Clothes and Oxford Apparel also sell private label products, which comprised approximately 21% of our consolidated net sales in fiscal 2009.

We operate in highly competitive domestic and international markets in which numerous U.S-based and foreign apparel firms compete. Additionally, the apparel industry is cyclical and dependent upon the overall level of discretionary consumer spending, which changes as regional, domestic and international economic conditions change. Often, the impact of negative economic conditions may have a longer and more severe impact on the apparel and retail industry than the conditions would on other industries. The weak global economic conditions that began in calendar year 2007 have continued to impact each of our operating groups, and we expect that the challenging economic conditions will continue to impact our operations in fiscal 2010. Thus, all operating groups have planned inventory purchases for fiscal 2010 conservatively, which should mitigate inventory markdown risk and promotional pressure; however, this strategy will also limit our growth opportunities in the near term. In the current economic environment, we also believe it is important that we continue to focus on maintaining a strong balance sheet and ample liquidity. We believe that the measures that we have taken to reduce working capital requirements, moderate our capital expenditures for retail stores, reduce our overhead and refinance our significant debt agreements in fiscal 2008 and fiscal 2009 have significantly enhanced our balance sheet and liquidity.

In addition to the impact of competition and economic factors, our operations are subject to certain other risks, many of which are beyond our ability to control or predict. Important factors relating to certain risks which could impact our business include, but are not limited to, those described in Part I, Item 1A. Risk Factors of this report.

Operating Groups

Our business is operated through four operating groups: Tommy Bahama, Ben Sherman, Lanier Clothes and Oxford Apparel. We identify our operating groups based on the way our management organizes the components of our business for purposes of allocating resources and assessing

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performance. The tables below present certain financial information about our operating groups (in thousands).

	Fiscal 2009	Fiscal 2008	Twelve Months Ended February 2, 2008 (Unaudited)
Net Sales			
Tommy Bahama	$ 363,084	$ 421,687	$ 462,895
Ben Sherman	102,309	133,522	158,927
Lanier Clothes	114,542	135,581	160,705
Oxford Apparel	221,114	257,125	300,747
Corporate and Other	(391)	(399)	1,987
Total	$ 800,658	$ 947,516	$ 1,085,261

	Fiscal 2009	Fiscal 2008	Twelve Months Ended February 2, 2008 (Unaudited)
Operating Income (Loss)			
Tommy Bahama(1)	$ 37,515	$ (173,448)	$ 75,834
Ben Sherman(2)	(8,616)	(84,988)	8,495
Lanier Clothes(3)	12,389	(8,283)	(130)
Oxford Apparel(4)	19,372	11,627	20,614
Corporate and Other(5)	(19,506)	(16,199)	(18,336)
Total	$ 41,154	$ (271,291)	$ 86,477

(1) Tommy Bahama's operating results included net charges of $0.5 million and $222.5 million for fiscal 2009 and fiscal 2008, respectively, related to certain restructuring and impairment charges. The charges for fiscal 2008 included $221.5 million of impairment charges related to goodwill and intangible assets.

(2) Ben Sherman's operating results included net charges of $2.0 million and $84.3 million for fiscal 2009 and fiscal 2008, respectively, related to certain restructuring and impairment charges. The charges for fiscal 2008 included $83.8 million of impairment charges related to goodwill and intangible assets.

(3) Lanier Clothes' operating results included net charges of $10.1 million for fiscal 2008 related to certain restructuring charges, other unusual items and impairment charges.

(4) Oxford Apparel's operating results included net charges of $7.7 million for fiscal 2008 related to certain restructuring charges, other unusual items and impairment charges. Oxford Apparel's operating results for the twelve months ended February 2, 2008 included a net gain of $0.8 million primarily related to the gain on sale of property partially offset by costs associated with the closure of Oxford Apparel's last manufacturing facility.

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(5) Corporate and Other is a reconciling category for reporting purposes and includes our corporate offices, substantially all financing activities, LIFO inventory accounting adjustments and other costs that are not allocated to our operating groups.

	January 30, 2010	January 31, 2009
Assets		
Tommy Bahama	$ 256,759	$ 283,427
Ben Sherman	69,349	74,114
Lanier Clothes	39,213	49,988
Oxford Apparel	73,647	72,731
Corporate and Other	(13,794)	(12,578)
Total	$ 425,174	$ 467,682

Total assets for Corporate and Other include a LIFO reserve of $44.4 million and $46.7 million as of January 30, 2010 and January 31, 2009, respectively. For more details on each of our operating groups, see Note 10 of our consolidated financial statements and Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, both included in this report. For financial information about geographic areas, see Note 10 of our consolidated financial statements, included in this report.

Tommy Bahama

Tommy Bahama designs, sources and markets men's and women's sportswear and related products that are intended to define casually elegant island living consistent with Tommy Bahama's aspirational lifestyle. Tommy Bahama's products can be found in our own retail stores, on our e-commerce site and in certain department stores and independent specialty stores throughout the United States. The target consumers of Tommy Bahama are affluent 35 and older men and women who embrace a relaxed and casual approach to daily living.

A key component of our Tommy Bahama strategy is to operate our own retail stores and e-commerce website, which we believe permits us to develop and build brand awareness by presenting our products in a setting specifically designed to evoke the lifestyle on which they are based. The marketing of our Tommy Bahama brand also uses print, promotional programs, email and Internet advertising and tradeshow initiatives. We also provide point-of-sale materials and signage to our wholesale customers to enhance the presentation of our Tommy Bahama products at their retail locations. We employ cooperative advertising programs with certain Tommy Bahama wholesale customers.

Design, Sourcing and Distribution

We believe the quality and design of Tommy Bahama products are critical to the continued success of the Tommy Bahama brand. Tommy Bahama products are designed by product specific teams who focus on the target consumer. The design process includes feedback from buyers, consumers and sales agents, along with market trend research. Our Tommy Bahama apparel products generally incorporate fabrics made of silk, cotton, linen, nylon, tencel or blends including one or more of these fiber types.

We operate a buying office located in Hong Kong to manage the production and sourcing of substantially all of our Tommy Bahama products. Tommy Bahama products are primarily acquired by us as package purchases, which enables us to reduce working capital related to work-in-process inventories. During fiscal 2009, we utilized approximately 150 suppliers, which are primarily located in China, to manufacture our Tommy Bahama products on an order-by-order basis. The largest ten

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suppliers of Tommy Bahama products provided approximately 85% of the products acquired during fiscal 2009.

Activities at our Tommy Bahama distribution center in Auburn, Washington include receiving finished goods from suppliers, inspecting the products and shipping the products to our wholesale customers, our Tommy Bahama retail stores and our e-commerce customers. We seek to maintain sufficient levels of Tommy Bahama inventory at the distribution center to support pre-booked orders and anticipated sales volume of our wholesale customers and our direct to consumer operations.

Wholesale Operations

We believe that the integrity and continued success of the Tommy Bahama brand is dependent in part upon careful selection of the retailers through whom Tommy Bahama products are sold. Part of our strategy is to control the distribution of our Tommy Bahama products in a manner intended to protect and grow the value of the brand. During fiscal 2009, approximately 37% of Tommy Bahama's sales were to wholesale customers with the remaining 63% direct to consumers through our retail stores, restaurants and e-commerce operations. During fiscal 2009, substantially all of Tommy Bahama's sales were to customers within the United States, and approximately 10% of Tommy Bahama's net sales were to each of its two largest customers, Macy's, Inc. and Nordstrom, Inc.

We maintain Tommy Bahama apparel sales offices and showrooms in several locations, including New York and Seattle. Our Tommy Bahama wholesale operations utilize a sales force primarily consisting of independent commissioned sales representatives.

Licensing Operations

We believe licensing is an attractive business opportunity for the Tommy Bahama brand. Once a brand is established, licensing typically requires modest additional investment for us but can yield high-margin income. It also affords the opportunity to enhance overall brand awareness and exposure. In evaluating a licensee for Tommy Bahama, we typically consider the candidate's experience, financial stability, sourcing expertise and marketing ability. We also evaluate the marketability and compatibility of the proposed licensed products with other Tommy Bahama products.

Our agreements with Tommy Bahama licensees are for specific geographic areas and expire at various dates in the future, and in limited cases include contingent renewal options. Generally, the agreements require minimum royalty payments as well as royalty payments and advertising payments and/or obligations based on specified percentages of the licensee's net sales of the licensed products. Our license agreements generally provide us the right to approve all products, advertising and proposed channels of distribution.

Third-party license arrangements for our Tommy Bahama products include the following product categories:

Men's and women's watches	Rum	Indoor furniture
Men's and women's eyewear	Ceiling fans	Outdoor furniture
Men's and women's belts and socks	Rugs	Bedding and bath linens
Men's and women's fragrances	Wallcoverings	Table top accessories
Shampoo, soap and bath amenities	Luggage	

In addition to our licenses for the specific product categories listed above, we have also entered into certain international license agreements which allow those licensees to distribute certain Tommy Bahama branded products in Canada, the United Arab Emirates, Australia, New Zealand and other countries. In addition to selling Tommy Bahama goods to wholesale accounts, certain of the licensees have opened retail stores in their respective geographic regions. As of January 30, 2010, our licensees operated 12 retail stores in Canada, Australia and the United Arab Emirates.

Direct to Consumer Operations

Our direct to consumer strategy for Tommy Bahama includes locating retail stores in upscale malls, lifestyle shopping centers and resort destinations. Generally, we seek malls and shopping areas with high-profile or luxury consumer brands. Our retail stores carry a wide range of merchandise, including apparel, home products and accessories, all presented in an island-inspired atmosphere designed to be comfortable and distinct from the typical retail layout.

Our Tommy Bahama full-price retail stores allow us the opportunity to present Tommy Bahama's full line of current season products, including many licensed products. We believe these retail stores provide high visibility for the Tommy Bahama brand and products and also enable us to stay close to the needs and preferences of our consumers. We believe our presentation of products and our strategy to limit promotional sales in our own retail stores are good for the Tommy Bahama brand and, in turn, enhance business with our wholesale customers. Our Tommy Bahama outlet stores serve an important role in overall inventory management by allowing us to sell discontinued and out-of-season products at better prices than are otherwise available from outside parties, while helping us to protect the integrity of the Tommy Bahama brand through controlled distribution.

The table below details the number and average square feet of Tommy Bahama retail stores operated by us as of January 30, 2010.

	Restaurant-retail locations	Full-Price Stores	Outlet Stores	Total
California	2	14	4	20
Florida	4	13	2	19
Hawaii	2	3	1	6
Texas	1	4	1	6
Nevada	1	3	1	5
Arizona	1	2		3
Virginia		2	1	3
Other	1	16	5	22
Total	12	57	15	84
Average square feet(1)	11,000	3,600	5,500	

(1) Average square feet for restaurant-retail locations include average retail space and restaurant space of 4,100 and 6,900 square feet, respectively.

For Tommy Bahama's full-price retail stores and restaurant-retail locations operating as of the beginning of fiscal 2009, sales per square foot, excluding restaurant sales and restaurant space, were approximately $500 during fiscal 2009. After opening two restaurant-retail locations, four full-price stores and four outlet stores in fiscal 2008 and four outlet stores in fiscal 2009, we currently anticipate opening two full price stores and one restaurant-retail location in fiscal 2010. We continue to actively search for appropriate Tommy Bahama retail locations and if any locations meet our investment criteria, we may increase the number of retail stores planned for fiscal 2010. The operation of retail stores and restaurant-retail locations requires a greater amount of capital investment than wholesale operations. Based on our build-out costs for Tommy Bahama retail stores and restaurant-retail locations recently completed, we estimate that we spend approximately $1.2 million, $0.5 million and $5.9 million on average in connection with the build-out of a full-price retail store, outlet store and restaurant-retail location, respectively. Often, the landlord provides certain incentives to fund a portion of these capital expenditures.

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In addition to our retail stores, our direct-to-consumer approach includes the tommybahama.com website. The website allows consumers to buy Tommy Bahama products directly from us via the Internet. This website has also enabled us to significantly increase our database of customer contacts which allows us to communicate directly and frequently with consenting consumers.

Ben Sherman

Ben Sherman is a London-based designer, marketer and distributor of men's branded sportswear. Ben Sherman was established in 1963 as an edgy, young men's, "Mod"-inspired shirt brand and has evolved into a British lifestyle brand of apparel targeted at youthful-thinking men ages 19 to 35 in multiple markets throughout the world. Today, we, and our licensees, offer a Ben Sherman sportswear collection as well as tailored clothing, footwear and accessories. During fiscal 2009, approximately 60% and 25% of Ben Sherman's net sales occurred in the United Kingdom and United States, respectively, with the remaining 15% occurring primarily in Europe, Asia and Australia. Our Ben Sherman products can be found in certain department stores and a variety of independent specialty stores, as well as in our own Ben Sherman retail stores and certain Ben Sherman websites.

We believe that the integrity and success of the Ben Sherman brand is dependent in part upon careful selection of the retailers through whom our Ben Sherman products are sold. In recent years we engaged in an effort to refocus the Ben Sherman brand and restrict distribution to attain higher price points for our Ben Sherman products in the United Kingdom. In fiscal 2009, we exited our Ben Sherman women's kids and footwear operations, and subsequently licensed the kids and footwear businesses, in order to focus on our core product capabilities men's apparel, while partnering with licensees for product categories outside of our core product capabilities. We believe our emphasis on a controlled distribution at higher price points and our focus on core product capabilities will enhance future opportunities for the Ben Sherman brand.

We market the Ben Sherman brand through print, moving media, promotional programs, Internet marketing and tradeshow initiatives. We provide point-of-sale materials and signage to wholesale customers to enhance the presentation of our Ben Sherman products at third-party retail locations. We also employ cooperative advertising programs with certain Ben Sherman wholesale customers.

In addition to the Ben Sherman trademark, we also own the Nickelson trademark and sell Nickelson products in the United Kingdom. Nickelson is a British urban brand aimed at a target market of 18 to 30 year-olds with a specific slant on the streetwear-influenced youth market. The Nickelson brand gives us a lower-priced alternative to our Ben Sherman brand in the United Kingdom. During fiscal 2009, approximately 5% of the net sales of Ben Sherman were sales of Nickelson products.

Design, Sourcing and Distribution

We believe product quality and design are critical to the continued success of the Ben Sherman brand. Ben Sherman men's apparel products are developed by our dedicated design teams located at the Ben Sherman headquarters in London, England. Our Ben Sherman design teams focus on the target consumer, and the design process combines feedback from buyers, consumers and our sales force, along with market trend research. We design our Ben Sherman apparel products to incorporate various fiber types, including cotton, wool or other natural fibers, synthetics, or blends of two or more of these materials.

We primarily utilize a large third-party buying agent based in Hong Kong to manage the production and sourcing of the majority of our Ben Sherman apparel products in Asia, Europe and other locations. Through this buying agent and a sourcing office we operate in India, during fiscal 2009 we used approximately 100 suppliers located throughout the world, but primarily in Asia, to manufacture our Ben Sherman products on an order-by-order basis. The largest ten suppliers provided

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approximately 44% of the Ben Sherman products acquired during fiscal 2009. Substantially all of our Ben Sherman products were package purchases of finished goods, which enables us to reduce working capital related to work-in-process inventories.

We use a third-party distribution center in the United Kingdom for our Ben Sherman products sold in the United Kingdom and Europe. In the United States, distribution services are performed for Ben Sherman by Oxford Apparel at our distribution center in Lyons, Georgia. Distribution center activities include receiving finished goods from suppliers, inspecting the products and shipping the products to wholesale customers and our Ben Sherman retail stores. We seek to maintain sufficient levels of inventory to support pre-booked orders and anticipated sales volume.

Wholesale Operations

Part of our strategy is to maintain controlled distribution to protect and grow the Ben Sherman brand. During fiscal 2009, approximately 77% of Ben Sherman's net sales were sales to wholesale customers and international distributors. During fiscal 2009, approximately 15% of Ben Sherman's net sales were to its largest customer, Debenhams, which operates retail stores in the United Kingdom.

We maintain Ben Sherman apparel sales offices and showrooms in several locations, including London, New York and Dusseldorf, among others. Our wholesale operations for Ben Sherman utilize a sales force consisting of salaried sales employees and independent commissioned sales representatives.

Licensing/Distributor Operations

We license the Ben Sherman trademark to a variety of licensees in categories beyond Ben Sherman's core product categories, including footwear and kids apparel. We believe licensing is an attractive business opportunity for the Ben Sherman brand. Once a brand is established, licensing requires modest additional investment for us but can yield high-margin income. It also affords the opportunity to enhance overall brand awareness and exposure. In evaluating a potential Ben Sherman licensee, we typically consider the candidate's experience, financial stability, manufacturing performance and marketing ability. We also evaluate the marketability and compatibility of the proposed products with other Ben Sherman brand products.

Our agreements with Ben Sherman licensees are for specific geographic areas and expire at various dates in the future. Generally, the agreements require minimum royalty payments as well as royalty and advertising payments based on specified percentages of the licensee's net sales of the licensed products. Our license agreements generally provide us the right to approve all products, advertising and proposed channels of distribution.

Third-party license arrangements for Ben Sherman products include the following product categories:

Footwear	Kid's apparel
Men's backpacks and travel bags	Men's suits and dress shirts
Men's and boys' watches and jewelry	Men's and boys' underwear, socks and sleepwear
Men's and women's eyewear	Men's gift products
Men's fragrances and toiletries	Men's and women's accessories, wallets and small leather goods
Men's neckwear and pocket squares	Men's hats, caps, scarves and gloves
Men's and boys' belts	

In addition to the license agreements for the specific product categories listed above, we have also entered into certain international license/distribution agreements which allow our partners the opportunity to distribute Ben Sherman products in certain geographic areas around the world, including Australia, Asia, South Africa and Europe. The majority of the products distributed by these partners

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are acquired from us or other product licensees and are typically identical to the products sold in the United Kingdom and United States. We believe there is potential for further penetration into these and other markets for the Ben Sherman brand. In most markets, our license/distribution partners are required to open retail stores in their respective geographic regions. As of January 30, 2010, our license/distribution partners operated 22 retail stores located in Australia, Asia, South Africa and Europe, identified as licensed stores in the table below.

Direct to Consumer Operations

Our direct to consumer strategy for the Ben Sherman brand includes locating retail stores in higher-end malls and brand-appropriate street locations. Each retail store carries a wide range of merchandise, including apparel, footwear and accessories, all presented in a manner intended to enhance the Ben Sherman image. Our full-price Ben Sherman retail stores allow the opportunity to present Ben Sherman's full line of current season products, including licensees' products. We believe our Ben Sherman retail stores provide high visibility of the brand and products and also enable us to stay close to the needs and preferences of consumers. We believe the presentation of these products in our Ben Sherman retail stores helps build brand awareness and acceptance and thus enhances business with our wholesale customers. Our outlet stores in the United Kingdom serve an important role in the overall inventory management by allowing us to sell discontinued and out-of-season products at better prices than are generally otherwise available from outside parties, while helping us protect the Ben Sherman brand by controlling the distribution of such products.

The table below provides additional information regarding Ben Sherman retail stores as of January 30, 2010.

	Number of Stores	Average Square Feet
United States Full-Price Stores	5	3,800
United Kingdom Full-Price Stores	6	2,500
Germany Full-Price Stores	2	2,100
United Kingdom Outlet Stores	7	1,600
Licensed Stores	22	1,400
Total	42	

During fiscal 2009, approximately 23% of Ben Sherman's net sales were from owned retail store operations. Retail sales per square foot were approximately $600 for our full-price Ben Sherman stores open as of the beginning of fiscal 2009. The operation of our retail stores requires a greater amount of capital investment than wholesale operations. Based on recent store openings, we have spent approximately $0.9 million of capital expenditures on average to build-out a Ben Sherman full-price retail store. Often, the landlord provides certain incentives to fund a portion of these capital expenditures.

Our Ben Sherman products are also sold via the Internet at www.bensherman.com, www.bensherman.co.uk and www.benshermanusa.com.

Lanier Clothes

Lanier Clothes designs and markets branded and private label men's suits, sportcoats, suit separates and dress slacks across a wide range of price points. Our Lanier Clothes branded products are sold under certain licensed trademarks including Kenneth Cole, Dockers and Geoffrey Beene. Additionally, we design and market products for our owned Billy London and Arnold Brant brands. Billy London is a modern, British-inspired fashion brand geared towards the value-oriented consumer. Arnold Brant is an upscale tailored brand that is intended to blend modern elements of style with

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affordable luxury. In addition to the branded businesses, we design and source certain private label tailored clothing products. We believe that this private label business complements our branded tailored clothing businesses. Significant private label brands for which we produce tailored clothing include Stafford, Lands' End and Alfani. Sales of private label products represented approximately 50% of Lanier Clothes' net sales during fiscal 2009.

Our Lanier Clothes products are sold to national chains, department stores, mass merchants, specialty stores, specialty catalog retailers and discount retailers throughout the United States. We believe that superior customer service and supply chain management, as well as the design of quality products, are all integral components of our strategy in the branded and private label tailored clothing market.

In Lanier Clothes, we have long-standing relationships with some of the United States' largest retailers, including JCPenney, Sears, Men's Wearhouse and Macy's representing approximately 28%, 16%, 13% and 11%, respectively, of Lanier Clothes' net sales during fiscal 2009.

We market our branded tailored clothing products on a brand-by-brand basis, targeting distinct consumer demographics and lifestyles. Our advertising programs are an integral part of the branded product offerings. For certain tailored clothing products, we employ cooperative advertising programs.

Design, Manufacturing, Sourcing and Distribution

Our Lanier Clothes' design teams are located in New York. Our design teams focus on the target consumer for each brand. The design process combines feedback from buyers and sales agents along with market trend research.

During fiscal 2009, Lanier Clothes acquired the majority of its products on a package purchase basis from third-party producers outside of the United States. As the ability and willingness of third party manufacturers to finance raw materials continues to increase, we anticipate that Lanier Clothes will continue to increase the percentage of goods acquired as package purchases rather than CMT purchases. Lanier Clothes manages production in Asia and Latin America through a combination of efforts from our Lanier Clothes offices in Atlanta, Georgia and third-party buying agents. Lanier Clothes purchased goods from approximately 125 suppliers in fiscal 2009. The ten largest suppliers of Lanier Clothes provided approximately 81% of the products it acquired from third parties during fiscal 2009. Lanier Clothes also operates a manufacturing facility, located in Merida, Mexico, which produced approximately 22% of our Lanier Clothes products acquired during fiscal 2009.

Our various Lanier Clothes products are manufactured from a variety of fibers, including wool, silk, linen, cotton and other natural fibers, as well as synthetics and blends of these materials. The majority of the materials used in Lanier Clothes' manufacturing operations are purchased in the form of woven finished fabrics directly from various offshore fabric mills.

For Lanier Clothes, we utilize a distribution center located in Toccoa, Georgia, where we receive goods from our suppliers, inspect those products and ship the goods to our customers. We seek to maintain sufficient levels of inventory to support programs for pre-booked orders and to meet increased customer demand for at-once ordering. For certain standard tailored clothing product styles, we maintain in-stock replenishment programs, providing shipment to customers within just a few days of receiving the order. These types of programs generally require higher inventory levels. Disposal of excess prior-season inventory is an ongoing part of our business.

We maintain apparel sales offices and showrooms for our Lanier Clothes products in several locations, including New York, Dallas and Atlanta. We employ a sales force for Lanier Clothes primarily consisting of salaried employees.

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Oxford Apparel

Oxford Apparel produces branded and private label dress shirts, suited separates, sport shirts, casual slacks, outerwear, sweaters, jeans, swimwear, westernwear and golf apparel. Our Oxford Apparel products are sold to a variety of department stores, mass merchants, specialty catalog retailers, discount retailers, specialty retailers, "green grass" golf merchants and Internet retailers throughout the United States.

In Oxford Apparel, we have relationships with some of the largest retailers in the United States. Sales to Costco, Sears and Target represented approximately 30%, 27% and 11% respectively, of Oxford Apparel's net sales during fiscal 2009, the majority of which were pursuant to private label programs. Private label product sales represented approximately 50% of Oxford Apparel's net sales during fiscal 2009.

Oxford Apparel also sells products under the Oxford Golf and various Ely & Walker trademarks, which we own, and the Hathaway® trademark. The Oxford Golf brand is designed to appeal to a sophisticated golf apparel consumer with a preference for high quality and classic styling. The Ely & Walker brands, consisting of Ely, Cattleman, Ely Casuals and Cumberland Outfitters, focus on western-style shirts and sportswear. We own a two-thirds interest in an unconsolidated entity that owns the Hathaway trademark in the United States and several other countries. Hathaway is a brand that traces its roots back to the 1800s and enjoyed substantial brand awareness throughout the 1900s.

In addition to our private label and owned brand businesses, Oxford Apparel holds licenses from third parties to use the Dockers and United States Polo Association trademarks for certain product categories.

Design, Sourcing and Distribution

Our Oxford Apparel products are designed primarily by teams located at the Oxford Apparel offices in New York. The design teams focus on the target consumer of the owned or private label brand, and the process combines feedback from buyers and sales agents along with market trend research. Our Oxford Apparel products are manufactured from several types of fibers, including cotton, linen, wool, silk and other natural fibers, synthetics and blends of these materials.

During fiscal 2009, Oxford Apparel acquired substantially all of its products on a package purchase basis from third-party producers outside of the United States. We operate buying offices in Hong Kong, Bangladesh and Singapore that manage the production and sourcing for Oxford Apparel. During fiscal 2009, Oxford Apparel used approximately 50 suppliers primarily based in Asia. Oxford Apparel's 10 largest suppliers provided approximately 83% of the products it purchased in fiscal 2009.

For Oxford Apparel, we utilize a distribution center owned by us in Lyons, Georgia, as well as third-party distribution centers. These distribution centers receive Oxford Apparel finished goods from suppliers, inspect those products and ship the products to our customers. Some products of Oxford Apparel are shipped to customers directly on an FOB Foreign Port basis without passing through our distribution center. In FOB Foreign Port shipments, title transfers from us to our customers upon delivery to the customer or customer's freight forwarder at the foreign port. The customer or the customer's freight forwarder handles the in-bound logistics and customs clearance. FOB Foreign Port transactions represented approximately 20% of the net sales of Oxford Apparel in fiscal 2009.

We seek to maintain sufficient levels of inventory to support programs for pre-booked orders and to meet customer demand for at-once ordering. For selected standard product styles, we maintain in-stock replenishment programs providing shipment to customers typically within a few days. These in-stock replenishment programs generally require higher inventory levels in order to meet customer requests in a timely manner. Disposal of excess prior-season inventory is an ongoing part of our business.

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We maintain apparel sales offices and showrooms for Oxford Apparel products in several locations, including New York. We employ a sales force consisting primarily of salaried and commissioned sales employees.

Corporate and Other

Corporate and Other is a reconciling category for reporting purposes and includes our corporate offices, substantially all financing activities, LIFO inventory accounting adjustments and other costs that are not allocated to our operating groups.

TRADEMARKS

As discussed above, we own trademarks, several of which are very important to our business. Generally, our significant trademarks are subject to registrations and pending applications throughout the world for use on a variety of items of apparel and, in some cases, apparel-related products, accessories, home furnishings and beauty products, as well as in connection with retail services. We continue to expand our worldwide usage and registration of certain of our trademarks. In general, trademarks remain valid and enforceable as long as the trademarks are used in connection with our products and services and the required registration renewals are filed. Our significant trademarks are discussed within each operating group description. Important factors relating to risks associated with our trademarks include, but are not limited to, those described in Part I, Item 1A. Risk Factors.

COMPETITION

We sell our products in highly competitive domestic and international markets in which numerous United States-based and foreign apparel firms compete. No single apparel firm or small group of apparel firms dominates the apparel industry. We believe that the principal competitive factors in the apparel industry are design, brand image, consumer preference, price, quality, marketing and customer service. We believe our ability to compete successfully in styling and marketing is related to our ability to foresee changes and trends in fashion and consumer preference, and to present appealing products for consumers. In some instances, particularly with respect to our private label businesses, a retailer that is our customer may compete directly with us by sourcing its products directly or by marketing its own private label brands. Important factors relating to risks associated with competitive factors in our industry include, but are not limited to, those described in Part I, Item 1A. Risk Factors.

SEASONAL ASPECTS OF BUSINESS AND ORDER BACKLOG

Although our various product lines are sold on a year-round basis, the demand for specific products or styles may be seasonal. For example, the demand for Tommy Bahama is higher in the spring season. Generally, our wholesale products are sold prior to each of the retail selling seasons, including spring, summer, fall and holiday. As the timing of product shipments and other events affecting the retail business may vary, we do not believe that results for any particular quarter are necessarily indicative of results for the full fiscal year. The following table presents the percentage of net sales and operating income by quarter (unaudited) for fiscal 2009.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net sales	27%	24%	25%	24%
Operating income	33%	15%	27%	25%

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Order Backlog

As of January 30, 2010 and January 31, 2009, we had booked orders totaling $175.4 million and $185.7 million, respectively, substantially all of which we expect will be or were shipped within six months after each such date. Once we receive a specific purchase order, the dollar value of such order is included in our booked orders. A portion of our business consists of at-once EDI "Quick Response" programs with large retailers. Replenishment shipments under these programs generally have such an abbreviated order life that they are excluded from the order backlog completely. We do not believe that this backlog information is necessarily indicative of sales to be expected for future periods.

TRADE REGULATION

Virtually all of the merchandise we import is subject to duties which are assessed on the value of an imported product. Duty rates vary depending on the fiber content of the garment. Silk products represent a significant portion of our Tommy Bahama products, but are generally subject to duty rates of less than 3% compared to an average duty rate of approximately 17% for our other non-silk products. From time to time and in the ordinary course of business, we become subject to claims by the United States Customs Service for duties and similar charges.

During fiscal 2009, we sourced approximately 60% of our products from China. Prior to January 1, 2009, our apparel merchandise produced in China was subject to quotas that limited the total quantity of garments that could be imported into the United States in a given year on a by-product category basis. Though all quotas on Chinese-made textile and apparel products have been eliminated, the United States is still allowed in certain circumstances to unilaterally impose "anti-dumping" duties in response to a particular product being imported from another country in such increased quantities as to cause, or threaten to cause, serious damage to the comparable domestic U.S. industry. In addition, "countervailing" duties are other duties which can be imposed by the United States in cases where it finds that subsidies are being provided by a foreign government to its manufacturers and where this subsidized merchandise causes or threatens to cause damage to the comparable domestic U.S. industry. The imposition of anti-dumping or countervailing duty on products that we import would increase the cost of those products to us and we may not be able to pass on any such cost increases to our customers.

There have been some recent legislative proposals which, if adopted, would treat a manipulation by China of the value of its currency as actionable under the antidumping or countervailing duty laws. In January 2010, the United States Customs Service began enforcement of a new import regulation of importer security filings. The new regulations require us to submit or provide for evidence of additional cargo information before cargo is loaded onto an ocean vessel bound for the United States. We could become subject to penalties and/or delays in obtaining our products from the United States Customs Service if we fail to comply with the new regulations.

The elimination of quotas on apparel and textiles among the World Trade Organization's member nations resulted in the shift of our sourcing and manufacturing activities from the Western hemisphere to Asia. The trend away from Western hemisphere sourcing and manufacturing is mitigated to some extent by various free trade agreements, such as the North American Free Trade Agreement and the U.S.-Peru Free Trade Agreement. We believe that by taking trade preference agreements and trade legislation into account in our sourcing decisions, we are and will continue to be effective in using trade regulation to our competitive advantage. However, the elimination of, or certain changes to, these trade agreements or our inability to qualify for such free-trade benefits would adversely impact our business by increasing our cost of goods sold and we may not be able to pass on any such cost increases to our customers.

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We believe that with respect to the majority of our sourcing, we will continue to be able to procure our products from the most competitive countries because of the flexibility of our sourcing base. While we have long-term relationships with most of our major contract manufacturers, we do not have long-term contractual commitments to them and retain the flexibility to move our production to alternative locations if market forces compel this. The relative ease with which we can divert our sourcing, if necessary, from manufacturing facilities we have traditionally used allows us to shift our production relatively quickly to other countries which might become more competitive due to changes in the trade regulation environment or other unanticipated changes. However, if we cannot shift our production in a timely manner or cannot find alternative sourcing at comparable prices, our cost of goods sold may increase and we may not be able to pass on any such cost increases to our customers.

Apparel and other products sold by us are also subject to regulation in the United States and other countries by governmental agencies, including the Federal Trade Commission, U.S. Fish and Wildlife Service and the Consumer Products Safety Commission. These regulations relate principally to product labeling, licensing requirements and certification of product safety. We believe that we are in substantial compliance with those regulations. Our licensed products and licensing partners are also subject to regulation. Our agreements require our licensing partners to operate in compliance with all laws and regulations, and we are not aware of any violations which could reasonably be expected to have a material effect on our business or results of operations.

Important factors relating to risks associated with trade regulation include, but are not limited to, those described in Part I, Item 1A. Risk Factors.

EMPLOYEES

As of January 30, 2010, we employed approximately 3,800 persons, of whom approximately 71% were employed in the United States. Approximately 53% of our employees were retail store and restaurant employees. We believe our employee relations are good.

AVAILABLE INFORMATION

Our Internet address is www.oxfordinc.com. Under "Investor Info" on the home page of our website, we have provided a link to the SEC's website where, among other things, our annual report on Form 10-K, proxy statement, quarterly reports on Form 10-Q and current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, are generally available free of charge, once we electronically file such material with, or furnish it to, the SEC. Additionally, our Corporate Governance Guidelines, as well as the charters of our Audit Committee and Nominating, Compensation & Governance Committee of our Board of Directors, are available under "Corporate Governance" on the home page of our website.

In addition, we will provide, at no cost, copies of this report, excluding exhibits, and other filings made with the SEC. Requests should be directed to our principal executive offices at:

Investor Relations Department
Oxford Industries, Inc.
222 Piedmont Avenue, N.E.
Atlanta, GA 30308
info@oxfordinc.com
(404) 659-2424

The information on the website listed above is not and should not be considered part of this Annual Report on Form 10-K and is not incorporated by reference in this document.

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Item 1A. *Risk Factors*

Our business faces many risks, many of which are outside of our control. The following factors, as well as factors described elsewhere in this report or in our other filings with the SEC that could materially affect our business, financial condition or operating results, should be carefully considered. The risks and uncertainties described below are not the only risks we face. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also impact our business operations. If any of the following risks actually occur, our business, financial condition or operating results may be adversely affected.

Our business is and will continue to be heavily influenced by economic trends and general economic conditions. Economic conditions may continue to adversely affect our sales, increase our cost of goods sold or require us to significantly modify our business practices.

The apparel industry is cyclical and dependent upon the overall level of discretionary consumer spending, which changes as regional, domestic and international economic conditions change. Often, the apparel industry tends to experience longer periods of recession and generally experiences greater declines than the general economy. Overall economic conditions that affect discretionary consumer spending include, but are not limited to, employment levels, recessions, energy costs, interest rates, tax rates, personal debt levels, housing prices and stock market volatility. Uncertainty about the future may also impact the level of discretionary consumer spending or result in shifts in consumer spending to products other than apparel. Any deterioration in general economic or political conditions, acts of war or terrorism or other factors that create uncertainty or alter the discretionary consumer habits in our key markets, particularly the United States and the United Kingdom, could reduce our sales, increase our costs of goods sold or require us to significantly modify our current business practices and, consequently, harm our results of operations. These and other events that impact our operating results could also result in adverse consequences to our business, such as our inability to comply with financial covenants under our debt instruments or to meet minimum sales thresholds to certain of our licensors.

The recent deterioration of the general economic environment, distress in the financial markets and general uncertainty about the economy have had, and are continuing to have, a significant negative impact on businesses and consumers around the world, including our own business. These recessionary conditions have impacted retail sales of apparel and other consumer products. Reduced sales by our wholesale customers may lead to lower retail inventory levels, reduced orders and/or order cancellations. Reduced sales by these customers, along with the possibility of their reduced access to, or inability to access, the credit markets, may result in our customers experiencing significant financial difficulties. Financial difficulties of customers could result in reduced sales to those customers or could result in store closures, bankruptcies or liquidations by those customers. Higher credit risk relating to receivables from customers experiencing financial difficulty may result. If these developments occur, our inability to shift sales to other customers or to collect on our accounts receivable could negatively impact our financial condition and results of operations.

These or any other significant changes in the operations or liquidity for any of the parties with which we conduct our business, including suppliers, customers, trademark licensees and lenders, among others, now or in the future, or in the access to capital markets for us or any such parties, could result in lower demand for our products, lower sales, higher costs or other disruptions in our business.

A significant portion of our revenues are direct-to-consumer through retail stores, restaurants and Internet websites. Reduced consumer confidence, along with a reduction in the availability of consumer credit and increasing unemployment, has led, and may continue to lead, to reduced purchases of our products at our retail stores, restaurants and/or Internet websites, which could have a negative impact on the demand for our products and reduce our operating leverage.

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Additionally, during economic periods such as the recent conditions, certain long term commitments, such as leases and license agreements, may not be as beneficial in the short-term as was desired when we initially entered into the agreements. Lease agreements and license agreements often require certain minimum payments which do not fluctuate with sales. Our ability to reduce these costs may be minimal, even if we determine to no longer utilize the retail space or trademark over a portion of the term of the agreement, as the other party may not be willing to renegotiate the agreement. These long-term agreements may result in higher costs as a percentage of sales than we originally anticipated or we realized in prior years and thus negatively impact our operating results in future periods.

We may be unable to successfully execute a key component of our business strategy, which is to grow our business through organic growth and/or acquisitions of lifestyle brands that fit within our business model, and any failure to successfully execute this aspect of our business strategy may have a material adverse effect on our business, financial condition, liquidity and results of operations.

One key component of our business strategy is to grow our business through organic growth and/or acquisitions of lifestyle brands that fit within our business model. Organic growth may be achieved by, among other things, increasing our market share in existing markets, selling our products in new markets, increasing sales in our direct-to-consumer channels and increasing the product offerings within our various operating groups. Successful growth of our business through organic growth and/or acquisitions is subject to, among other things, our ability to find suitable acquisition candidates at reasonable prices in the future and the ability of our management to implement plans for expanding our existing businesses. We may not be successful in this regard, and our inability to grow our business may have a material adverse effect on our business, financial condition, liquidity and results of operations.

The apparel industry is highly competitive, and we face significant competitive threats to our business from various third parties that could reduce our sales, increase our costs, reduce price points for our products, and/or decrease margins.

The highly competitive apparel industry includes numerous domestic and foreign apparel designers, manufacturers, distributors, importers, licensors, and retailers, some of which may also be our customers and some of whom are significantly larger and have significantly greater financial resources than we do. The level and nature of our competition varies, and the number of our direct competitors and the intensity of competition may increase as we expand into other markets or product lines or as other companies expand into our markets or product lines. Some of our competitors may be able to adapt to changes in consumer demand more quickly, to devote greater resources to establishing brand recognition or to adopt more aggressive pricing policies than we can. Additionally, certain of our competitors offer apparel for sale at significant discounts, particularly in response to weak economic conditions, which results in more pressure to reduce prices or the risk that our products may not be as desirable as lower priced products. In addition, with respect to certain of our businesses, retailers that are our customers may pose a significant competitive threat by sourcing their products directly or by marketing their own private label brands. These private label lines may also receive prominent positioning on the retail floor. These competitive factors within the apparel industry may result in reduced sales, increased costs, lower prices for our products and/or decreased margins.

Our business could be harmed if we fail to maintain proper inventory levels.

Maintaining appropriate inventory levels in light of uncertain economic conditions presents a challenge to our business. In light of the recent economic conditions, we believe we have planned inventory purchases for fiscal 2010 conservatively. However, we may be unable to sell the products we have ordered in advance from manufacturers or that we have in our inventory, which may result in

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inventory markdowns or the sale of excess inventory at discounted prices. These events could significantly harm our operating results and impair the image of our brands. Conversely, we may not be in a position to order quality products from our manufacturers in a timely manner and/or we may experience inventory shortages as demand for our products increases, which might result in unfilled orders, negatively impact customer relationships, diminish brand loyalty and result in lost revenues, any of which could harm our business.

Our success depends on the reputation and value of our owned and licensed brand names, including, in particular, Tommy Bahama and Ben Sherman, and actions by us, our wholesale customers, licensees or others who have interests in our brands could diminish the reputation or value of our brands and adversely affect our business operations.

The success of our business depends on the reputation and value of our owned and licensed brand names. The value of our brands could be diminished by actions taken by us, for instance by becoming overly promotional, or by our wholesale customers or others, including marketing partners, who have interests in the brands. We cannot always control the marketing and promotion of our products by our wholesale customers or other third parties and actions by such parties that are inconsistent with our own marketing efforts or that otherwise adversely affect the appeal of our products could diminish the value or reputation of one or more of our brands and have an adverse effect on our sales and business operations.

In addition, we license certain of our brands, such as Tommy Bahama and Ben Sherman to third party licensees. While we take significant steps to ensure the reputation of our brands is maintained through our license agreements, there can be no guarantee our brands will not be negatively impacted through our association with products outside of our core apparel products or due to the actions of a licensee. The improper or detrimental actions of a licensee could significantly impact the perception of our brands.

The apparel industry is subject to rapidly evolving fashion trends, and we must continuously offer innovative and market appropriate products to maintain and grow our existing businesses. Failure to offer innovative and market appropriate products may adversely affect our sales and lead to excess inventory, markdowns and/or dilution of our brands.

We believe that the principal competitive factors in the apparel industry are design, brand image, consumer preference, price, quality, marketing and customer service. Although certain of our products carry over from season to season, the apparel industry in general is subject to rapidly changing fashion trends and shifting consumer demands. Accordingly, we must anticipate, identify and capitalize upon emerging fashion trends. We believe that our success depends on our ability to continuously develop, source, market and deliver a wide variety of innovative, fashionable and desirable brands and products. These products must be offered at appropriate price points in their respective distribution channels. Sales growth from our brands will depend largely upon our ability to continue to maintain and enhance the distinctive brand identities.

Due to the competitive nature of the apparel industry, there can be no assurance that the demand for our products will not decline or that we will be able to successfully evaluate and adapt our products to align with consumers' preferences, fashion trends and changes in consumer demographics. As is typical with new products, market acceptance of new price points and designs is subject to uncertainty. The introduction or repositioning of new lines and products often requires substantial costs in design, marketing and advertising, which may not be recovered if the products are not successful. Any failure on our part to develop appealing products and update core products could result in lower sales and/or harm the reputation and desirability of our brands. Additionally, since we generally make decisions regarding product designs several months in advance of the time when consumer acceptance can be measured, such a failure could leave us with a substantial amount of unsold excess inventory, which we may be forced to sell at lower price points. Any of these factors could result in a deterioration of the appeal of our brands and products, adversely affecting our business, financial condition and operating results.

Our business depends on our senior management and other key personnel, and the unexpected loss of individuals integral to our business, our inability to attract and retain qualified personnel in the future or our failure to successfully plan for and implement succession of our senior management and key personnel may have an adverse effect on our operations, business relationships and ability to execute our strategies.

Our senior management has substantial experience and expertise in the apparel and related industries. Our success depends upon disciplined execution at all levels of our organization, including the members of our senior management. Competition for qualified personnel in the apparel industry is intense, and we compete to attract and retain these individuals with other companies which may have greater financial resources. In addition, we will need to plan for the succession of our senior management and successfully integrate new members of management within our organization. Consistent with our management succession plan, we have recently introduced new leaders for each of our Ben Sherman, Oxford Apparel and Lanier Clothes groups. The unexpected loss of any of our senior management, or the unsuccessful integration of new leadership, could negatively affect our operations, business relationships and ability to execute our strategies.

We depend on a group of key customers for a significant portion of our wholesale sales. A significant adverse change in a customer relationship or in a customer's financial position could negatively impact our net sales and profitability.

We generate a significant percentage of our sales from a few major customers. During fiscal 2009, sales to our five largest customers accounted for approximately 52% of our total wholesale sales and sales to our largest wholesale customer represented approximately 14% of our wholesale sales. Any further consolidation in the retail industry could result in a decrease in the number of stores that carry our products, restructuring of our customers' operations, more centralized purchasing decisions, direct sourcing and greater leverage by customers, potentially resulting in lower prices, realignment of customer affiliations or other factors which could negatively impact our net sales and profitability.

We generally do not have long-term contracts with any of our customers. Instead, we rely on long-standing relationships with these customers and our position within the marketplace. As a result, purchases generally occur on an order-by-order basis, and each relationship can generally be terminated by either party at any time. A decision by one or more major customers to terminate its relationship with us or to reduce its purchases from us, whether motivated by competitive considerations, quality or style issues, financial difficulties, economic conditions or otherwise, could adversely affect our net sales and profitability, as it would be difficult to immediately, if at all, replace this business with new customers or increase sales volumes with other existing customers.

In addition, due to long product lead times, several of our product lines are designed and manufactured in anticipation of orders for sale. We make commitments for fabric and production in connection with these lines. These commitments can be made up to several months prior to the receipt of firm orders from customers, and if orders do not materialize or are canceled, we may incur expenses to terminate our fabric and production commitments or to dispose of excess inventories.

We also extend credit to several of our key customers without requiring collateral, which results in a large amount of receivables from just a few customers. During the past several years, particularly in light of the recent economic crisis, companies in the apparel industry, including some of our customers, have had financial difficulties and have experienced tightened credit markets and declining sales and profitability on a comparable store basis. If one or more of our key customers experiences significant problems in the future, including as a result of general weakness in the apparel industry, our sales may

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be reduced, and the risk associated with extending credit to these customers may increase. A significant adverse change in a customer's financial position could cause us to limit or discontinue business with that customer, require us to assume greater credit risk relating to that customer's receivables or limit our ability to collect amounts related to previous shipments to that customer. These or other events related to our significant customers could adversely affect our net sales and profitability.

Our concentration of retail stores and wholesale customers for certain of our products exposes us to certain regional risks.

Our retail locations are heavily concentrated in certain geographic areas in the United States, including Florida and California for our Tommy Bahama retail stores and the United Kingdom for our Ben Sherman retail stores. As of January 30, 2010, 39 out of our 84 Tommy Bahama retail stores were located in these two U.S. states and almost half of our 13 Ben Sherman full price retail stores were located in the United Kingdom. Additionally, a significant portion of our wholesale sales for Tommy Bahama and Ben Sherman products are concentrated in the same geographic areas as our own retail store locations for these brands. Due to this concentration, we have heightened exposure to factors that impact these regions, including general economic conditions, weather patterns, natural disasters, changing demographics and other factors.

Our foreign sourcing operations as well as the sale of products in foreign markets result in an exposure to fluctuations in foreign currency exchange rates.

As a result of our international operations, we are exposed to certain risks in conducting business outside of the United States. Substantially all of our orders for the production of apparel in foreign countries are denominated in U.S. dollars. Purchase prices for our products may be impacted by fluctuations in the exchange rate between the U.S. dollar and the local currencies of the contract manufacturers, either of which may have the effect of increasing our cost of goods sold in the future. If the value of the U.S. dollar decreases relative to certain foreign currencies in the future, then the prices that we negotiate for products could increase, and it is possible that we would not be able to pass this increase on to customers, which would negatively impact our margins. If the value of the U.S. dollar increases between the time a price is set and payment for a product, the price we pay may be higher than that paid for comparable goods by competitors that pay for goods in local currencies, and these competitors may be able to sell their products at more competitive prices. Additionally, currency fluctuations could also disrupt the business of our independent manufacturers that produce our products by making their purchases of raw materials more expensive and difficult to finance.

We received U.S. dollars for approximately 90% of our product sales during fiscal 2009. The sales denominated in foreign currencies primarily relate to Ben Sherman sales in the United Kingdom and Europe. An increase in the value of the U.S. dollar compared to these other currencies in which we have sales could result in lower levels of sales and earnings in our consolidated statements of operations, although the sales in foreign currencies could be equal to or greater than amounts in prior periods. In addition, to the extent that the stronger U.S. dollar increases costs, and the products are sold in another currency, but the additional cost cannot be passed on to our customers, our gross margins will be negatively impacted. We generally do not engage in hedging activities with respect to our exposure to foreign currency risk except that, on occasion, we do purchase foreign currency forward exchange contracts for our goods purchased on U.S. dollar terms that are expected to be sold in the United Kingdom and Europe.

Divestitures of certain businesses or discontinuations of certain product lines may require us to find alternative uses for our resources.

We may determine that it is appropriate to divest or discontinue certain operations. Divestitures of certain businesses that do not align with our strategy or the discontinuation of certain product lines which may not provide the returns that we expect or desire may result in underutilization of our resources in the event that the operations are not replaced with new lines of business either internally or through acquisition. There can be no guarantee that if we divest certain businesses or discontinue certain product lines that we will be able to replace the sales and profits related to these businesses or appropriately utilize our remaining resources, which may result in a decline in our operating results and/or result in an inappropriate capitalization of our organization.

We make use of debt to finance our operations, which exposes us to risks that could adversely affect our business, financial position and operating results.

Our levels of debt vary as a result of the seasonality of our business, investments in acquisitions and working capital and divestitures. As of January 30 2010, we had approximately $150 million of outstanding $11^3/_8$% Senior Secured Notes and no borrowings outstanding under our U.S. Revolving Credit Agreement, which subject to the applicable conditions contained therein, has a loan commitment of up to $175 million, or our U.K. Revolving Credit Agreement, which has a loan commitment of up to £10 million. Our debt levels may increase in the future under our existing facilities or potentially under new facilities, or the terms or forms of our financing arrangements in the future may change, which may increase our exposure to the items discussed below.

In August 2008, we entered into our U.S. Revolving Credit Agreement, which amended and restated the Prior Credit Agreement, which was scheduled to mature in July 2009. Our U.S. Revolving Credit Agreement matures in August 2013. Our U.S. Revolving Credit Agreement provides for an asset-based facility, with borrowing availability determined primarily by the level of our eligible accounts receivable and inventory balances. We currently anticipate that cash flows from operations and the projected borrowing availability under our U.S. Revolving Credit Agreement will be sufficient to fund our liquidity requirements. However, if we do not have a sufficient borrowing base at any given time, borrowing availability under our U.S. Revolving Credit Agreement may not be sufficient to support our liquidity needs. Additionally, if any of the financial institutions that are parties to our U.S. Revolving Credit Agreement were to declare bankruptcy or become insolvent, they may be unable to perform under their agreements with us. This could leave us with reduced borrowing capacity.

In addition, in June 2009, we issued $150 million aggregate principal amount of $11^3/_8$% Senior Secured Notes with a scheduled maturity of July 2015. The net proceeds from the sale of the $11^3/_8$% Senior Secured Notes, together with borrowings under our U.S. Revolving Credit Agreement, were used to satisfy and discharge then outstanding $8^7/_8$% Senior Unsecured Notes, which were scheduled to mature in June 2011. The $11^3/_8$% Senior Secured Notes have a higher interest rate than the $8^7/_8$% Senior Unsecured Notes had, which will increase our interest expense. The increased interest expense may make it more difficult for us to satisfy our obligations with respect to our debt obligations, require us to dedicate a more significant portion of our cash flow from operations to payments on our debt, thereby reducing funds available for operations, future business opportunities or other purposes, such as funding our working capital and capital expenditures, and/or limit our ability to borrow additional funds in the future.

Our indebtedness includes, and any future indebtedness may include, certain obligations and limitations, including the periodic payment of principal and interest, maintenance of certain covenants and certain other limitations related to additional debt, dividend payments, investments and dispositions of assets. Our ability to satisfy these obligations will be dependent upon our business, financial condition and operating results. These obligations and limitations may increase our vulnerability to adverse economic and industry conditions, place us at a competitive disadvantage compared to our competitors that are less leveraged and limit our flexibility in carrying out our business plan and planning for, or reacting to, changes in the industry in which we operate.

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We have interest rate risk on a portion of our indebtedness, as certain of our indebtedness is based on variable interest rates. We generally do not engage in hedging activities with respect to our interest rate risk. An increase in interest rates may require us to pay a greater amount of our funds from operations towards interest, even if the amount of borrowings outstanding remains the same. As a result, we may have to revise or delay our business plans, reduce or delay capital expenditures or otherwise adjust our plans for operations.

We are dependent upon the availability of raw materials and the ability of our third-party producers, substantially all of whom are located in foreign countries, to meet our requirements; any failures by these producers to meet our requirements, or the unavailability of suitable producers or raw materials at reasonable prices may negatively impact our ability to deliver quality products to our customers on a timely basis or result in higher costs or reduced net sales.

We source substantially all of our products from non-exclusive, third-party producers located in foreign countries. Although we place a high value on long-term relationships with our suppliers, generally we do not have long-term contracts but, instead, conduct business on an order-by-order basis. Therefore, we compete with other companies for the production capacity of independent manufacturers. We regularly depend upon the ability of third-party producers to secure a sufficient supply of raw materials, adequately finance the production of goods ordered and maintain sufficient manufacturing and shipping capacity. Although we monitor production in third-party manufacturing locations, we cannot be certain that we will not experience operational difficulties with our manufacturers, such as the reduction of availability of production capacity, errors in complying with product specifications, insufficient quality control, failures to meet production deadlines or increases in manufacturing costs. Such difficulties may negatively impact our ability to deliver quality products to our customers on a timely basis, which may, in turn, have a negative impact on our customer relationships and result in lower net sales.

Most of the products we purchase from third-party producers are package purchases, and we and our third-party suppliers rely on the availability of raw materials at reasonable prices. The principal fabrics used in our business are cotton, linens, wools, silk, other natural fibers, synthetics and blends of these materials. The prices paid for these fabrics depend on the market price for raw materials used to produce them. The price and availability of certain raw materials have fluctuated in the past, and may fluctuate in the future, depending on a variety of factors, including crop yields, weather, supply conditions, government regulation, war, terrorism, labor unrest, global health concerns, economic climate, the cost of petroleum and other unpredictable factors. Additionally, costs incurred by our third-party providers or our transportation costs may increase due to these same factors. We historically have not entered into any futures contracts to hedge commodity prices. Any significant increase in the price of raw materials or decrease in the availability of raw materials could cause delays in product deliveries to our customers, which could have an adverse impact on our customer relationships and/or increase our costs, some or all of which we may be unable to pass on to our customers.

We also require third-party producers to meet certain standards in terms of working conditions, environmental protection and other matters before placing business with them. As a result of costs relating to compliance with these standards, we may pay higher prices than some of our competitors for products. In addition, the labor and business practices of independent apparel manufacturers have received increased attention from the media, non-governmental organizations, consumers and governmental agencies in recent years. Failure by us or our independent manufacturers to adhere to labor or other laws or business practices accepted as ethical, and the potential litigation, negative publicity and political pressure relating to any of these events, could disrupt our operations or harm our reputation.

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Since we source substantially all of our products from third-party producers located in foreign countries, our business is subject to legal, regulatory, political and economic risks, including risks relating to the importation of our products, and our products may become less competitive as a result of adverse changes affecting our international operations.

As we source substantially all of our products from foreign countries, including approximately 60% of our product purchases from China during fiscal 2009, we are exposed to risks associated with changes in the laws and regulations governing the importing and exporting of apparel products into and from the countries in which we operate.

Some of the risks associated with importing our products from foreign countries include quotas imposed by countries in which our products are manufactured or countries into which our products are imported, which limit the amount and type of goods that may be imported annually from or into these countries; changes in social, political, labor and economic conditions or terrorist acts that could result in the disruption of trade from the countries in which our manufacturers are located; the imposition of additional or new duties, tariffs, taxes or other charges and shifts in sourcing patterns as a result of such charges; significant fluctuations in the cost of raw materials; significant delays in the delivery of our products, due to security considerations; rapid fluctuations in sourcing costs, including costs for raw materials and labor; the imposition of antidumping or countervailing duties; fluctuations in the value of the dollar against foreign currencies; and restrictions on the transfer of funds to or from foreign countries.

We currently benefit from duty-free treatment under international trade agreements and regulations such as the North American Free Trade Agreement. In addition, China's safeguard quota on certain classes of apparel products expired on December 31, 2008. Though all quotas on Chinese-made textile and apparel products are currently eliminated, the imposition of a new quota arrangement between the United States and China or the elimination of duty-free treatment or our inability to qualify for such benefits would adversely impact our business by increasing our cost of goods sold.

Our products are subject to increasingly stringent and complex product performance and safety standards, laws and other regulations, such as the Consumer Product Safety Improvement Act of 2008. Complying with new regulations could result in greater expense, and failure to comply with such regulations could result in a delay, non-delivery or mandated destruction of inventory shipments during key seasons or other financial penalties. While we intend to abide by applicable laws or regulations, significant or continuing noncompliance with such standards and laws could harm our reputation, our business relationships or our ability to execute our strategies.

Our, or any of our suppliers', failure to comply with customs or similar laws or any other applicable regulations could restrict our ability to import products or lead to fines, penalties or adverse publicity, and future regulatory actions or trade agreements may provide our competitors with a material advantage over us or materially increase our costs.

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Our operations are reliant on information technology, and any interruption or other failure in our information technology systems may impair our ability to compete effectively in the apparel industry, including our ability to provide services to our customers and meet the needs of management.

The efficient operation of our business is dependent on information technology. Information systems are used in all stages of our operations from design to distribution and as a method of communication with our customers and suppliers. Additionally, certain of our operating groups utilize e-commerce websites to sell goods directly to consumers. Our management also relies on information systems to provide relevant and accurate information in order to allocate resources and forecast and report our operating results. Service interruptions may occur as a result of a number of factors, including computer viruses, hacking or other unlawful activities by third parties, disasters, or failures to properly install, upgrade, integrate, protect, repair or maintain our systems and e-commerce websites.

During the third quarter of fiscal 2009, we converted certain of our financial systems in our United States operations to a new integrated financial system. As a result of these conversions, we modified certain internal controls over financial reporting. We anticipate converting other of our financial systems and certain other geographic regions to the new integrated financial system in future periods. Difficulties migrating existing financial systems to the new software could cause difficulties in operating our business and communicating with our customers or our ability to report our financial results, which could cause our sales and profits to decrease and could also require significant expenditures to remediate any such difficulties.

Additionally, future assessments of the appropriateness and relevance of our financial and operational systems could result in a change to or additional replacements of our systems in the future. There can be no assurances that we will be successful in developing or acquiring competitive systems which are responsive to our needs and the needs of our customers.

We may be unable to protect our trademarks and other intellectual property or may otherwise have our brand names harmed.

We believe that our registered and common law trademarks and other intellectual property, as well as other contractual arrangements, including licenses and other proprietary intellectual property rights, have significant value and are important to our continued success and our competitive position due to their recognition by retailers and consumers. Approximately 68% of our net sales in fiscal 2009 was attributable to branded products for which we own the trademark. Therefore, our success depends to a significant degree upon our ability to protect and preserve our intellectual property. We rely on laws in the United States and other countries to protect our proprietary rights. However, we may not be able to sufficiently prevent third parties from using our intellectual property without our authorization, particularly in those countries where the laws do not protect our proprietary rights as fully as in the United States. The use of our intellectual property or similar intellectual property by others could reduce or eliminate any competitive advantage we have developed, causing us to lose sales or otherwise harm the reputation of our brands.

Additionally, there can be no assurance that the actions that we have taken will be adequate to prevent others from seeking to block sales of our products as violations of proprietary rights. Although we have not been materially inhibited from selling products in connection with trademark disputes, as we extend our brands into new product categories and new product lines and expand the geographic scope of our marketing, we could become subject to litigation based on allegations of the infringement of intellectual property rights of third parties. In the event a claim of infringement against us is successful, we may be required to pay damages, royalties or license fees to continue to use intellectual property rights that we had been using, or we may be unable to obtain necessary licenses from third parties at a reasonable cost or within a reasonable time. Litigation and other legal action of this type,

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regardless of whether it is successful, could result in substantial costs to us and diversion of our management and other resources.

Our sales and operating results are influenced by weather patterns and natural disasters.

Like other companies in the apparel industry, our sales volume may be adversely affected by unseasonable weather conditions or natural disasters, which may cause consumers to alter their purchasing habits or result in a disruption to our operations. Because of the seasonality of our business and the concentration of a significant proportion of our customers in certain geographic regions, the occurrence of such events could disproportionately impact our business, financial condition and operating results.

We are dependent on a limited number of distribution centers, making our operations particularly susceptible to disruption.

Our ability to meet customer expectations, manage inventory and achieve objectives for operating efficiencies depends on the proper operation of our primary distribution facilities, some of which are owned and others of which are operated by third parties. Finished garments from our contractors are inspected and stored at these distribution facilities. If any of these distribution facilities were to shut down or otherwise become inoperable or inaccessible for any reason, or if the goods in the distribution center were otherwise unavailable for shipment, we could experience a reduction in sales, a substantial loss of inventory or higher costs and longer lead times associated with the distribution of our products during the time it takes to reopen or replace the facility. This could negatively affect our operating results and our customer relationships.

We may not be successful in identifying locations and negotiating appropriate lease terms for retail stores and restaurants.

An integral part of our strategy has been to develop and operate retail stores and restaurants for certain of our brands. Net sales from retail stores and restaurants were approximately 29% of our consolidated net sales during fiscal 2009. Successful operation of our retail stores and restaurants depends, in part, on the overall ability of the retail location to attract a consumer base sufficient to make store sales volume profitable. If we are unable to identify new locations with consumer traffic sufficient to support a profitable sales level, retail growth may consequently be limited. Further, if existing retail stores and restaurants do not maintain a sufficient customer base that provides a reasonable sales volume, it could have a negative impact on our sales, gross margin, and results of operations. In addition, there has been some recent consolidation among commercial real estate developers, mall operators and/or shopping center managers. Significant consolidation within the commercial real estate development, operation and/or management industries impacting locations where we might operate retail stores and/or restaurants or that we might otherwise consider desirable could reduce our leverage with such parties, thereby materially adversely affecting the terms of future leases for our retail stores and restaurants or making entering into long-term commitments with such parties cost prohibitive.

Our business, in particular our retail and restaurant operations, is subject to state and local laws and regulations for health, safety, labor and similar operational issues. The costs of compliance with, or the violation of, such laws and regulations could have an adverse effect on our costs or operations, and we may be adversely impacted by negative publicity surrounding any of these issues.

We operated retail stores and restaurants in numerous states as of January 30, 2010. Our retail and restaurant operations are subject to comprehensive state and local laws and regulations on a wide range of employment, safety and other matters. The complexity of these laws and regulations to which we are subject, which may vary widely by jurisdiction, makes it difficult for us to ensure that we are currently,

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or will be in the future, compliant with all laws and regulations. We may be required to make significant expenditures or modify our business practices to comply with existing or future laws or regulations, and unfavorable resolution to litigation or a violation of applicable laws and regulations may increase our costs and materially limit our ability to operate our business.

In addition, the restaurant industry is highly competitive and requires compliance with a variety of federal, state and local regulations. In particular, all of our Tommy Bahama restaurants serve alcohol and, therefore, maintain liquor licenses. Our ability to maintain our liquor licenses depends on our compliance with applicable laws and regulations. The loss of a liquor license would adversely affect the profitability of a restaurant. Additionally, as a participant in the restaurant industry, we face risks related to food quality, food-borne illness, injury, health inspection scores and labor relations. Regardless of whether allegations related to these matters are valid or whether we become liable, we may be materially affected by negative publicity associated with these issues. The negative impact of adverse publicity relating to one restaurant may extend beyond the restaurant involved to affect some or all of the other restaurants, as well as the image of the Tommy Bahama brand as a whole.

We hold licenses for the use of other parties' brand names, and we cannot guarantee our continued use of such brand names or the quality or salability of such brand names.

We have entered into license and design agreements to use certain trademarks and trade names, such as Kenneth Cole, Dockers, United States Polo Association and Geoffrey Beene, to market our products. Approximately 8% of our net sales during fiscal 2009 related to the products for which we license the use of the trademark for specific product categories. These license and design agreements will expire at various dates in the future. We cannot guarantee that we will be able to renew these licenses on acceptable terms upon expiration or that we will be able to acquire new licenses to use other popular trademarks. The termination or expiration of a license agreement will cause us to lose the sales and any associated profits generated pursuant to such license and in certain cases could result in an impairment charge for related intangible assets.

In addition to certain compliance obligations, all of our significant licenses provide minimum thresholds for royalty payments and advertising expenditures for each license year, which we must pay regardless of the level of our sales of the licensed products. If these thresholds are not met, our licensors may be permitted contractually to terminate these agreements or seek payment of minimum royalties even if the minimum sales are not achieved. In addition, our licensors produce their own products and license their trademarks to other third parties, and we are unable to control the quality of these goods that others produce. If licensors or others do not maintain the quality of these trademarks or if the brand image deteriorates, our sales and any associated profits generated by such brands may decline.

The acquisition of new businesses has certain inherent risks, including, for example, strains on our management team and unexpected acquisition costs.

One component of our business strategy is the acquisition of new businesses or product lines as and when appropriate investment opportunities are available. Evaluating and completing acquisitions in the future may strain our administrative, operational and financial resources and distract our management from our ongoing businesses.

In addition, integrating acquired businesses is a complex, time-consuming and expensive process. The integration process for newly acquired businesses could create for us a number of challenges and adverse consequences associated with the integration of product lines, employees, sales teams and outsourced manufacturers; employee turnover, including key management and creative personnel of the acquired and existing businesses; disruption in product cycles for newly acquired product lines; maintenance of acceptable standards, controls, procedures and policies; and the impairment of

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relationships with customers of the acquired and existing businesses. Further, we may not be able to manage the combined operations and assets effectively or realize the anticipated benefits of the acquisition.

As a result of acquisitions that have occurred or may occur in the future, we may become responsible for unexpected liabilities that we failed to discover in the course of performing due diligence in connection with the acquired businesses. We cannot be assured that any indemnification to which we may be entitled from the sellers will be enforceable, collectible or sufficient in amount, scope or duration to fully offset the possible liabilities associated with the business acquired.

We operate in various countries with differing laws and regulations, which may impair our ability to maintain compliance with regulations and laws.

Although we attempt to abide by the laws and regulations in each jurisdiction in which we operate, the complexity of the laws and regulations to which we are subject, including customs regulations, labor laws, competition laws, consumer protection laws and domestic and international tax legislation, makes it difficult for us to ensure that we are currently, or will be in the future, compliant with all laws and regulations. We may be required to make significant expenditures or modify our business practices to comply with existing or future laws or regulations, and unfavorable resolution to litigation or a violation of applicable laws and regulations may increase our costs and materially limit our ability to operate our business.

Compliance with privacy and information laws and requirements could be costly, and a breach of information security or privacy could adversely affect our business.

The regulatory environment governing our use of individually identifiable data of customers, employees and others is complex and a matter of growing public concern. Privacy and information security laws and requirements change frequently, and compliance with them may require us to incur costs to make necessary systems changes and implement new administrative processes. If a data security breach occurs, our reputation could be damaged and we could experience lost sales, fines or lawsuits.

Item 1B. *Unresolved Staff Comments*

None.

Item 2. *Properties*

We believe that our existing properties are well maintained, are in good operating condition and will be adequate for our present level of operations. We own or operate approximately 1.6 million square feet of facilities in the United States and Mexico in conducting our distribution and manufacturing functions. Our administrative and sales functions are conducted in approximately 0.5 million square feet of owned and leased space in various locations, including the United States, the United Kingdom, Germany, China and Hong Kong. We also utilize space at certain third party warehouses. Additionally, we operate retail stores and restaurants in approximately 0.5 million square feet of leased space located in the United States, the United Kingdom and Germany. Each retail store and restaurant is less than 15,000 square feet. We do not believe that we are dependent on any individual retail or restaurant location for our business operations. These retail stores and restaurants are operated by Tommy Bahama and Ben Sherman and are described in more detail in Item 1 of this report. We anticipate that we will be able to extend our leases to the extent that they expire in the near future on terms that are satisfactory to us or, if necessary, locate substitute properties on acceptable terms.

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Details of our principal administrative, sales, distribution and manufacturing facilities, including approximate square footage, are as follows:

Location	Primary Use	Operating Group	Square Footage	Lease Expiration
Atlanta, Georgia	Sales/administration	Corporate and Other & Lanier Clothes	70,000	Owned
Seattle, Washington	Sales/administration	Tommy Bahama	80,000	2015
Lyons, Georgia	Sales/administration	Oxford Apparel	90,000	Owned
London, England	Sales/administration	Ben Sherman	20,000	2013
Lurgan, Northern Ireland	Sales/administration	Ben Sherman	10,000	Owned
New York, New York	Sales/administration	Various	90,000	Various
Hong Kong	Sales/administration	Various	25,000	Various
Shenzen, China	Sales/administration	Various	10,000	Various
Auburn, Washington	Distribution center	Tommy Bahama	260,000	2015
Lyons, Georgia	Distribution center	Oxford Apparel	330,000	Owned
Toccoa, Georgia	Distribution center	Lanier Clothes	310,000	Owned
Merida, Mexico	Manufacturing plant	Lanier Clothes	80,000	Owned

Item 3. *Legal Proceedings*

From time to time, we are a party to litigation and regulatory actions arising in the ordinary course of business. We are not currently a party to litigation or regulatory actions that we believe could reasonably be expected to have a material impact on our financial position, results of operations or cash flows.

Item 4. *Reserved*

PART II

Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

Market and Dividend Information

Our common stock is listed and traded on the New York Stock Exchange under the symbol "OXM." As of March 19, 2010, there were 403 record holders of our common stock. The following table sets forth the high and low sale prices and quarter-end closing prices of our common stock as reported on the New York Stock Exchange for the quarters indicated. Additionally, the table indicates

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the dividends per share declared on shares of our common stock by our Board of Directors for each quarter.

	High	Low	Close	Dividends
Fiscal 2009				
Fourth Quarter	$ 25.62	$ 17.54	$ 17.84	$ 0.09
Third Quarter	$ 23.80	$ 12.66	$ 19.35	$ 0.09
Second Quarter	$ 14.01	$ 8.39	$ 13.71	$ 0.09
First Quarter	$ 10.70	$ 3.14	$ 9.84	$ 0.09
Fiscal 2008				
Fourth Quarter	$ 13.70	$ 4.48	$ 6.66	$ 0.18
Third Quarter	$ 29.02	$ 11.15	$ 13.47	$ 0.18
Second Quarter	$ 29.88	$ 17.40	$ 21.30	$ 0.18
First Quarter	$ 28.65	$ 20.10	$ 27.27	$ 0.18

On March 25, 2010, our Board of Directors approved a cash dividend of $0.11 per share payable on April 30, 2010 to shareholders of record as of the close of business on April 15, 2010. Although we have paid dividends in each quarter since we became a public company in July 1960, we may discontinue or modify dividend payments at any time if we determine that other uses of our capital, including but not limited to, payment of outstanding debt, repurchases of outstanding shares or funding of future acquisitions, may be in our best interest; if our expectations of future cash flows and future cash needs outweigh the ability to pay a dividend; or if the terms of our credit facilities, the indenture for the $11^3/_8$% Senior Secured Notes or other debt instruments limit our ability to pay dividends. We may borrow to fund dividends in the short-term based on our expectation of operating cash flows in future periods subject to the terms and conditions of our credit facilities, the indenture for the $11^3/_8$% Senior Secured Notes or other debt instruments. All cash flow from operations will not necessarily be paid out as dividends in all periods.

For details about limitations on our ability to pay dividends, see Note 5 of our consolidated financial statements and Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, both contained in this report.

Recent Sales of Unregistered Securities

We did not sell any unregistered equity securities during fiscal 2009.

Purchases of Equity Securities by the Issuer and Affiliated Purchases

We have certain stock incentive plans as described in Note 7 to our consolidated financial statements included in this report, all of which are publicly announced plans. Under the plans, we can repurchase shares from employees to cover employee tax liabilities related to the exercise of stock

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options or the vesting of previously restricted shares. The table below summarizes our stock repurchases during the fourth quarter of fiscal 2009.

Fiscal Month	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet be Purchased Under the Plans or Programs
November (11/1/09 - 11/28/09)				
December (11/29/09 - 1/3/10)				
January (1/4/10 - 1/30/10)	23,521	$ 17.84		
Total	23,521	$ 17.84		

On September 8, 2008, our Board of Directors authorized the repurchase by us of up to 0.5 million shares of our common stock. As of January 30, 2010, no shares had been repurchased pursuant to this authorization.

Stock Price Performance Graph

The graph below reflects cumulative total shareholder return (assuming an initial investment of $100 and the reinvestment of dividends) on our common stock compared to the cumulative total return for a period of five years and eight months, beginning May 28, 2004 and ending January 30, 2010 of:

The S&P SmallCap 600 Index; and

The S&P 500 Apparel, Accessories and Luxury Goods.

Comparison of Cumulative Total Return

Company / Index	Base Period 5/28/04	INDEXED RETURNS Years Ending 6/3/05	6/2/06	6/1/07	2/2/08	1/31/09	1/30/10
Oxford Industries, Inc.	**100**	114.88	116.35	129.93	66.35	20.19	55.63

S&P SmallCap 600 Index	**100**	116.74	138.96	160.91	140.54	86.74	120.54
S&P 500 Apparel, Accessories & Luxury Goods	**100**	124.33	125.64	180.43	122.32	62.79	118.65

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Item 6. ***Selected Financial Data***

Our selected financial data included in the table below reflects the following:

- the results of operations for Ben Sherman, which was acquired in fiscal 2005, and any other acquisitions subsequent to the respective date of the acquisition;
- the divestiture of substantially all of the assets of our Womenswear Group operations in fiscal 2006, resulting in those operations being classified as discontinued operations for all periods presented;
- the modification of all periods previously presented to reflect our fiscal 2009 change in accounting principle for our method of accounting for certain of our inventory, which is discussed in further detail in Note 1 of our consolidated financial statements included in this report;
- the modification of all periods previously presented to reflect our fiscal 2009 adoption of new guidance which adjusted the number of shares outstanding in our basic and diluted weighted average shares outstanding, which is discussed in further detail in Note 1 of our consolidated financial statements included in this report.

	Fiscal 2009	Fiscal 2008	Twelve Months Ended February 2, 2008	Eight-month Transition Period Ended February 2, 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
			(Unaudited)				
			(In millions, except per share amounts)				
Net sales	$ 800.7	$ 947.5	$ 1,085.3	$ 695.8	$ 1,128.9	$ 1,109.1	$ 1,056.8
Cost of goods sold	467.0	560.3	646.6	418.5	682.1	678.7	652.0
Gross profit	333.7	387.2	438.7	277.3	446.8	430.4	404.8
SG&A	304.3	358.1	366.5	244.0	357.0	339.1	314.4
Amortization of intangible assets	1.3	2.9	5.4	3.2	6.4	7.6	8.6
Impairment of goodwill, intangible assets and an investment in unconsolidated entity	0.0	314.8	0.0	0.0	0.0	0.0	0.0
Royalties and other operating Income	13.1	17.3	19.8	12.5	16.5	13.1	12.1
Operating income (loss)	41.2	(271.3)	86.5	42.6	99.9	96.9	93.8
Gain on repurchase of Senior Unsecured Notes	0.0	7.8	0.0	0.0	0.0	0.0	0.0
Interest expense, net	21.4	23.7	22.4	15.3	22.2	24.0	26.1
Earnings (loss) before income taxes	19.8	(287.2)	64.1	27.3	77.7	72.9	67.6
Income taxes (benefit)	5.2	(15.8)	18.2	7.1	25.9	22.5	22.8
Net earnings (loss) from continuing operations	14.6	(271.5)	45.9	20.2	51.8	50.4	44.9
Earnings (loss) from discontinued operations, net of taxes	0.0	0.0	0.0	0.0	(0.2)	19.3	5.9
Net earnings (loss)	$ 14.6	(271.5)	45.9	20.2	$ 51.6	$ 69.7	$ 50.8

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	Fiscal 2009	Fiscal 2008	Twelve Months Ended February 2, 2008 (Unaudited)	Eight-month Transition Period Ended February 2, 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
	(In millions, except per share amounts)						
Diluted net earnings (loss) from continuing operations per common share	$ 0.90	$ (17.00)	$ 2.61	$ 1.16	$ 2.89	$ 2.84	$ 2.59
Diluted earnings (loss) from discontinued operations per common share	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ (0.01)	$ 1.08	$ 0.34
Diluted net earnings (loss) per common share	$ 0.90	$ (17.00)	$ 2.61	$ 1.16	$ 2.88	$ 3.92	$ 2.93
Diluted weighted average shares outstanding	16.3	16.0	17.6	17.4	17.9	17.8	17.4
Dividends declared	$ 5.9	$ 11.5	$ 12.6	$ 9.3	$ 11.7	$ 9.9	$ 8.5
Dividends declared per common share	$ 0.36	$ 0.72	$ 0.72	$ 0.54	$ 0.66	$ 0.57	$ 0.51
Total assets related to continuing operations, at year-end	$ 425.2	$ 467.7	$ 910.1	$ 910.1	$ 907.6	$ 825.8	$ 826.5
Total assets, at period-end	$ 425.2	$ 467.7	$ 910.1	$ 910.1	$ 907.6	$ 885.0	$ 906.1
Long-term debt, less current maturities, at period-end	$ 146.4	$ 194.2	$ 234.4	$ 234.4	$ 199.3	$ 200.0	$ 289.1
Shareholders' equity, at period-end	$ 104.4	$ 87.3	$ 407.5	$ 407.4	$ 452.9	$ 398.1	$ 303.7
Net cash provided by operating activities	$ 81.6	$ 90.4	$ 67.0	$ 44.1	$ 59.6	$ 81.0	$ 41.2
Net cash used in investing activities	$ 11.3	$ 21.2	$ 87.0	$ 74.8	$ 51.5	$ 34.6	$ 166.7
Net cash provided by (used in) financing activities	$ (65.0)	$ (79.7)	$ 4.3	$ 9.0	$ (10.8)	$ (98.0)	$ (74.0)
Capital expenditures	$ 11.3	$ 20.7	$ 33.7	$ 21.1	$ 31.3	$ 25.0	$ 23.4
Depreciation and amortization included in continuing operations	$ 20.7	$ 24.9	$ 24.4	$ 16.0	$ 23.1	$ 22.7	$ 21.9
Impairment of goodwill, intangible assets and investment in an unconsolidated entity included in continuing operations	$ 0.0	$ 314.8	$ 0.0	$ 0.0	$ 0.0	$ 0.0	$ 0.0
Amortization of deferred financing costs	$ 3.4	$ 2.9	$ 2.5	$ 1.7	$ 2.5	$ 2.5	$ 4.4
Book value per share at period-end	$ 6.34	$ 5.50	$ 25.38	$ 25.38	$ 25.38	$ 22.56	$ 17.99
Return (net earnings (loss) from continuing operations) on average shareholders' equity(1)	15.3%	(109.7)%	11.3%	4.7%	12.2%	14.4%	16.6%
Return (net earnings (loss) from continuing operations) on average total assets related to continuing operations(1)	3.3%	(39.4)%	5.0%	2.2%	6.0%	6.1%	6.3%

(1) Returns for eight-month transition period ended February 2, 2008 are annualized.

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Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following discussion and analysis of our operations, cash flows, liquidity and capital resources should be read in conjunction with our consolidated financial statements contained in this report.

OVERVIEW

We generate revenues and cash flow primarily through the design, production, sale and distribution of branded and private label consumer apparel for men and women and the licensing of company-owned trademarks. Our principal markets and customers are located in the United States and, to a lesser extent, the United Kingdom. We source substantially all of our products through third-party manufacturers located outside of the United States and United Kingdom. We distribute the majority of our products through our wholesale customers, which include chain stores, department stores, specialty stores, specialty catalog retailers, mass merchants and Internet retailers. We also sell products of certain owned brands through our owned and licensed retail stores and e-commerce websites.

As a result of the weak global economic conditions, fiscal 2009 and fiscal 2008 were particularly challenging years for each of our operating groups. We expect that these challenging economic conditions will continue to impact each of our operating groups in fiscal 2010. Thus, we have planned inventory purchases for fiscal 2010 conservatively in all operating groups, which should mitigate inventory markdown risk and promotional pressure; however, this strategy will also limit our growth opportunities in the near term. In the current economic environment, we also believe it is important to continue to focus on maintaining a strong balance sheet and ample liquidity. We believe that the measures we have taken to reduce working capital requirements, moderate capital expenditures for retail stores, reduce our overhead and refinance our significant debt agreements in fiscal 2008 and fiscal 2009 have significantly enhanced our balance sheet and liquidity.

The apparel and retail industry is cyclical and dependent upon the overall level of discretionary consumer spending, which changes as regional, domestic and international economic conditions change. The impact of negative economic conditions may have a longer and more severe impact on the apparel and retail industry than the same conditions would have on other industries. Therefore, even if conditions improve in the general economy, the negative impact on the apparel and retail industry may continue.

The following table sets forth our consolidated operating results (in thousands, except per share amounts) for fiscal 2009 compared to fiscal 2008:

	Fiscal 2009	Fiscal 2008	$ Change
Net sales	$ 800,658	$ 947,516	$ (146,858)
Net earnings (loss)	$ 14,624	$ (271,457)	$ 286,081
Diluted net earnings (loss) per common share	$ 0.90	$ (17.00)	$ 17.90
Weighted average common shares outstanding diluted	16,304	15,968	

The primary reasons for the improvement in diluted net earnings per common share were:

- Fiscal 2008 results were negatively impacted by $314.8 million of impairment charges related to goodwill, intangible assets and an investment in an unconsolidated entity.

- Each operating group was negatively impacted by restructuring charges, which totaled $11.0 million in fiscal 2008.

- In fiscal 2009, significant reductions were made in our SG&A across all operating groups as we streamlined our operations and focused on our core businesses during the challenging economic conditions.

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A charge of $0.9 million which was recognized in interest expense in fiscal 2008 as a result of our amendment and restatement of our U.S. Revolving Credit Agreement.

The net impact of various changes in our debt facilities which impacted interest expense, net including (1) the amendment and restatement of our U.S. Revolving Credit Agreement in August 2008 which provided more favorable borrowing terms than the U.S. Revolving Credit Agreement provided for prior to August 2008, (2) our repurchase of $33.2 million of our $8^{7}/_{8}$% Senior Unsecured Notes at a discount in fiscal 2008, (3) the issuance of $150.0 million aggregate principal amount of $11^{3}/_{8}$% Senior Secured Notes in fiscal 2009, (4) the repurchase of $166.8 million aggregate principal amount of our $8^{7}/_{8}$% Senior Unsecured Notes in fiscal 2009, which was funded by the proceeds from the issuance of the $11^{3}/_{8}$% Senior Secured Notes and borrowings under our U.S. Revolving Credit Agreement and (5) varying levels of debt outstanding under our U.S. Revolving Credit Agreement between the two periods as a result of positive cash flows in fiscal 2009.

These items were partially offset by:

The decline in net sales for each operating group, which was primarily due to the continued impact of the challenging economic conditions.

The negative impact on Ben Sherman operating results related to the change in the average exchange rate between the British pound sterling and the United States dollar and restructuring charges totaling approximately $2.0 million in fiscal 2009, which were primarily related to our exit from the Ben Sherman women's, kids and footwear operations, as well as other streamlining initiatives.

The impact on net sales for Lanier Clothes and Oxford Apparel resulting from our exit from certain businesses in fiscal 2008.

The decrease in royalty income primarily as a result of the termination of the Tommy Bahama footwear license agreement, a 13% decline in the average value of the British pound sterling versus the United States dollar, which impacted Ben Sherman royalty income and the impact of the challenging economic conditions.

A $7.8 million gain which was recognized upon the repurchase of $33.2 million of our $8^{7}/_{8}$% Senior Unsecured Notes for $25.0 million in fiscal 2008.

A charge of $1.8 million which was recognized in interest expense, net in fiscal 2009 related to the satisfaction and discharge of the remaining $166.8 million aggregate principal amount of $8^{7}/_{8}$% Senior Unsecured Notes.

$11^{3}/_{8}$% SENIOR SECURED NOTES

In June 2009, we issued $150 million aggregate principal amount of $11^{3}/_{8}$% Senior Secured Notes at 97.353% of the $150 million aggregate principal amount, resulting in gross proceeds of $146.0 million. Proceeds from the $11^{3}/_{8}$% Senior Secured Notes and borrowings under our U.S. Revolving Credit Agreement were used to fund the satisfaction and discharge of the $8^{7}/_{8}$% Senior Unsecured Notes outstanding at that time. The $11^{3}/_{8}$% Senior Secured Notes (1) accrue interest at an annual rate of 11.375% (effective interest rate of 12%), (2) require interest payments semi-annually in January and July of each year, (3) require payment of principal at maturity (July 2015), (4) are subject to certain prepayment penalties, (5) 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 and (6) are guaranteed by certain of our domestic subsidiaries.

CHANGE IN METHOD OF ACCOUNTING FOR CERTAIN INVENTORY

During fiscal 2009, we changed our method of accounting for certain of our domestic inventory from the first-in, first out (FIFO) method to the last-in, first-out (LIFO) method of accounting. Subsequent to this change in method of accounting for this portion of our inventory, all domestic wholesale and retail inventory is accounted for using the LIFO method and all of our international wholesale and retail inventory continues to be accounted for using the FIFO method. We believe this change is preferable as the LIFO method provides uniformity and consistency across all of our domestic operations with respect to the method of inventory accounting. The change in accounting principle had a material impact on certain periods compared to what was previously reported. In accordance with U.S. GAAP, all prior year and prior quarter amounts included in this annual report have been retrospectively modified to reflect the change in accounting principle. Other than the change in Corporate and Other, there is no impact on the operating results of our operating groups as the impact of LIFO accounting is not allocated to operating groups, but instead recorded in Corporate and Other as our LIFO pool is not consistent with our operating groups.

OPERATING GROUPS

Our business is operated through our four operating groups: Tommy Bahama, Ben Sherman, Lanier Clothes and Oxford Apparel. 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.

Tommy Bahama designs, sources and markets collections of men's and women's sportswear and related products. The target consumers of Tommy Bahama are affluent men and women age 35 and older who embrace a relaxed and casual approach to daily living. Tommy Bahama products can be found in our owned and licensed Tommy Bahama retail stores and on our e-commerce website as well as in certain department stores and independent specialty stores throughout the United States. We also license the Tommy Bahama name for various product categories and operate Tommy Bahama restaurants.

Ben Sherman is a London-based designer, marketer and distributor of branded sportswear and related products. Ben Sherman was established in 1963 as an edgy, young men's, "Mod"-inspired shirt brand and has evolved into a British lifestyle brand of apparel targeted at youthful-thinking men age 19 to 35 throughout the world. We offer a Ben Sherman men's sportswear collection as well as tailored clothing and accessories. Our Ben Sherman products can be found in certain department stores and a variety of independent specialty stores and in our owned and licensed Ben Sherman retail stores as well as on our e-commerce websites. We also license the Ben Sherman name for various product categories.

Lanier Clothes designs and markets branded and private label men's suits, sportcoats, suit separates and dress slacks across a wide range of price points. Certain Lanier Clothes products are sold using trademarks licensed to us by third parties, including Kenneth Cole, Dockers, and Geoffrey Beene. We also offer branded tailored clothing products under our Billy London and Arnold Brant trademarks. In addition to our branded businesses, we design and source certain private label tailored clothing products. Significant private label brands include Stafford, Lands' End and Alfani. Our Lanier Clothes products are sold to national chains, department stores, mass merchants, specialty stores, specialty catalog retailers and discount retailers throughout the United States.

Oxford Apparel produces branded and private label dress shirts, suit separates, sport shirts, casual slacks, outerwear, sweaters, jeans, swimwear, westernwear and golf apparel. We design and source certain private label programs for several customers, including programs for Costco, Lands' End, Target, Macy's and Sears. Significant owned brands of Oxford Apparel include Oxford Golf, Ely, Cattleman and Cumberland Outfitters. Oxford Apparel also owns a two-thirds interest in the entity that owns the Hathaway trademark in the United States and several other countries. Additionally, Oxford

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Apparel licenses from third parties the right to use certain trademarks including Dockers and United States Polo Association for certain apparel products. Our Oxford Apparel products are sold to a variety of department stores, mass merchants, specialty catalog retailers, discount retailers, specialty stores, "green grass" golf merchants and Internet retailers throughout the United States.

Corporate and Other is a reconciling category for reporting purposes and includes our corporate office, substantially all financing activities, elimination of inter-segment sales, LIFO inventory accounting adjustments and other costs that are not allocated to the operating groups. LIFO inventory calculations are made on a legal entity basis which does not correspond to our operating group definitions, therefore, LIFO inventory accounting adjustments are not allocated to operating groups.

For further information regarding our operating groups, see Note 10 to our consolidated financial statements and Part I, Item 1, Business both included in this report.

RESULTS OF OPERATIONS

FISCAL 2009 COMPARED TO FISCAL 2008

The following table sets forth the specified line items in our consolidated statements of operations both in dollars (in thousands) and as a percentage of net sales. The table also sets forth the dollar change and the percentage change of the data as compared to the same period of the prior year. We have calculated all percentages based on actual data, but percentage columns may not add due to rounding. Individual line items of our consolidated statements of operations may not be directly comparable to those of our competitors, as classification of certain expenses may vary by company.

	Fiscal 2009		Fiscal 2008		$ Change	% Change
Net sales	$ 800,658	100.0%	$ 947,516	100.0%	$ (146,858)	(15.5)%
Cost of goods sold	466,975	58.3%	560,314	59.1%	(93,339)	(16.7)%
Gross profit	333,683	41.7%	387,202	40.9%	(53,519)	(13.8)%
SG&A	304,330	38.0%	358,071	37.8%	(53,741)	(15.0)%
Amortization of intangible assets	1,256	0.2%	2,903	0.3%	(1,647)	(56.7)%
Impairment of goodwill, intangible assets and an unconsolidated entity			314,813	33.2%	(314,813)	NM
Royalties and other operating income	13,057	1.6%	17,294	1.8%	(4,237)	(24.5)%
Operating income (loss)	41,154	5.1%	(271,291)	(28.6)%	312,445	NM
Gain on repurchase of $8^7/_8$% Senior Unsecured Notes			7,767	0.8%	(7,767)	NM
Interest expense, net	21,361	2.7%	23,702	2.5%	(2,341)	(9.9)%
Earnings (loss) before income taxes	19,793	2.5%	(287,226)	(30.3)%	307,019	NM
Income taxes	5,169	0.6%	(15,769)	(1.7)%	20,938	NM
Net earnings (loss)	$ 14,624	1.8%	$ (271,457)	(28.6)%	$ 286,081	NM

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The discussion and tables below compare certain line items included in our consolidated statements of operations for fiscal 2009 to fiscal 2008. Each dollar and percentage change provided reflects the change between these periods unless indicated otherwise. Each dollar and share amount included in the tables is in thousands except for per share amounts.

Net sales

	Fiscal 2009	Fiscal 2008	$ Change	% Change
Tommy Bahama	$ 363,084	$ 421,687	$ (58,603)	(13.9)%
Ben Sherman	102,309	133,522	(31,213)	(23.4)%
Lanier Clothes	114,542	135,581	(21,039)	(15.5)%
Oxford Apparel	221,114	257,125	(36,011)	(14.0)%
Corporate and Other	(391)	(399)	8	2.0%
Total net sales	$ 800,658	$ 947,516	$ (146,858)	(15.5)%

Net sales, on a consolidated basis, decreased $146.9 million, or 15.5%, in fiscal 2009 compared to fiscal 2008 primarily as a result of the changes in each operating group discussed below. Approximately $77 million of the decline in net sales from fiscal 2008 to fiscal 2009 was due to the exit of certain businesses in Ben Sherman, Lanier Clothes and Oxford Apparel. Fiscal 2009 net sales included net sales of approximately $35 million related to the exited businesses in Ben Sherman, Lanier Clothes and Oxford Apparel.

Tommy Bahama:

The decrease in net sales for Tommy Bahama was primarily due to a reduction in net sales in our wholesale business and in our existing retail stores resulting from the challenging retail environment. This decrease in wholesale sales and existing store retail sales was partially offset by sales at our retail stores opened after the beginning of fiscal 2008 and increased e-commerce sales. Unit sales decreased 18.8% due primarily to the challenging economic environment. The average selling price per unit increased by 5.3%, as sales at our retail stores and our e-commerce sales, both of which have higher sales prices than wholesale sales, represented a greater proportion of total Tommy Bahama sales.

Ben Sherman:

The decrease in net sales for Ben Sherman was primarily due to (1) our exit from our Ben Sherman women's, footwear and kids' operations, (2) a 13% reduction in the average exchange rate of the British pound sterling versus the United States dollar during fiscal 2009 compared to the average exchange rate during fiscal 2008 and (3) the impact of the challenging economic environment. During fiscal 2009, unit sales for Ben Sherman declined by 19.5% due primarily to the challenging economic conditions as well as our exit from our women's, footwear and kids' operations. The average selling price per unit decreased 4.9%, resulting primarily from the impact of the weaker British pound sterling, which was partially offset by a larger percentage of total Ben Sherman sales being sales at our retail stores, which generally have a higher sales price than wholesale sales.

Lanier Clothes:

The decrease in net sales for Lanier Clothes was primarily due to (1) our exit from the Oscar de la Renta and Nautica licensed businesses, with fiscal 2009 sales primarily consisting of close out sales, (2) the restructuring of the Arnold Brant business in fiscal 2008 and (3) the challenging economic conditions. These factors resulted in a decrease in unit sales of 4.1% and a decrease in the average selling price per unit of 11.9%.

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Oxford Apparel:

The decrease in net sales for Oxford Apparel was generally anticipated in connection with our strategy to focus on key product categories and exit underperforming lines of business, but was also impacted by the difficult economic conditions. Unit sales decreased by 14.7% as a result of our exit from certain lines of business and the challenging economic conditions, and the average selling price per unit increased by 0.9% due to changes in product mix.

Gross Profit

	Fiscal 2009	Fiscal 2008	$ Change	% Change
Gross profit	$ 333,683	$ 387,202	$ (53,519)	(13.8)%
Gross profit % of net sales	41.7%	40.9%		
LIFO accounting charges included in cost of goods sold	$ 4,943	$ 473		
Restructuring and other charges included in cost of goods sold	$ 354	$ 5,267		

The decrease in gross profit was primarily due to lower sales in each operating group, as described above. Ben Sherman's gross margins were negatively impacted by increased cost of goods sold related to inventory purchases denominated in United States dollars but sold in other currencies. Fiscal 2009 included LIFO accounting charges of $4.9 million, while fiscal 2008 included LIFO accounting charges of $0.5 million. Fiscal 2009 gross profit was negatively impacted by restructuring charges of $0.4 million, while fiscal 2008 gross profit was negatively impacted by restructuring charges of $5.3 million primarily related to our exit from certain businesses in our Lanier Clothes and Oxford Apparel operating groups. Gross margins increased to 41.7% of net sales in fiscal 2009 from 40.9% in fiscal 2008. In addition to the LIFO accounting adjustments and restructuring charges, gross margins were also impacted by the sales mix between our retail operations and wholesale operations, with retail sales, which generally have higher gross margins, representing a higher proportion of our net sales during fiscal 2009 than in fiscal 2008. Our gross profit may not be directly comparable to those of our competitors, as statement of operations classification of certain expenses may vary by company.

SG&A

	Fiscal 2009	Fiscal 2008	$ Change	% Change
SG&A	$ 304,330	$ 358,071	$ (53,741)	(15.0)%
SG&A % of net sales	38.0%	37.8%		
Restructuring and other charges included in SG&A	$ 2,201	$ 6,000		

The decrease in SG&A was primarily due to (1) significant reductions in our headcount and other overhead costs across all operating groups, (2) cost reductions associated with our exit from certain businesses, (3) the impact on Ben Sherman of a 13% reduction in the average value of the British pound sterling versus the United States dollar in fiscal 2009 as compared to fiscal 2008, (4) reductions in store opening costs resulting from fewer retail store openings in fiscal 2009, (5) reductions in advertising expenses and (6) a decrease in restructuring charges as fiscal 2009 SG&A included restructuring charges of approximately $2.2 million while fiscal 2008 SG&A included restructuring charges and other unusual items totaling a net charge of approximately $6.0 million. The cost savings were partially offset by expenses associated with the operation of additional retail stores which opened subsequent to the beginning of fiscal 2008.

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Amortization of intangible assets

	Fiscal 2009	Fiscal 2008	$ Change	% Change
Amortization of intangible assets	$ 1,256	$ 2,903	$ (1,647)	(56.7)%

The decrease was the result of amortization typically being greater in the earlier periods following an acquisition. We anticipate amortization of intangible assets of approximately $0.8 million in fiscal 2010.

Impairment of goodwill, intangible assets and investment in an unconsolidated entity

	Fiscal 2009	Fiscal 2008	$ Change
Impairment of goodwill, intangible assets and investment in an unconsolidated entity	$	$ 314,813	$ (314,813)

The non-cash impairment charges in fiscal 2008 included (1) goodwill impairment charges in Tommy Bahama, Ben Sherman and Oxford Apparel of $204.5 million, $37.7 million and $1.8 million, respectively, (2) trademark and other intangible asset impairment charges in Tommy Bahama, Ben Sherman, Lanier Clothes and Oxford Apparel of $17.1 million, $46.1 million, $2.2 million and $1.1 million, respectively, and (3) an impairment charge related to an Oxford Apparel investment in an unconsolidated entity of $4.4 million.

Royalties and other operating income

	Fiscal 2009	Fiscal 2008	$ Change	% Change
Royalties and other operating income	$ 13,057	$ 17,294	$ (4,237)	(24.5)%
Unusual credits included in royalties and other operating income	$	$ 220		

The decrease in royalties and other operating income was primarily due to the termination of the license agreement for footwear in Tommy Bahama, the challenging economic conditions and the 13% decline in the average value of the British pound sterling versus the United States dollar, which impacted Ben Sherman royalty income. Fiscal 2008 also included a net gain on the sale of a trademark and other items of approximately $0.2 million.

Operating Income (Loss)

	Fiscal 2009	Fiscal 2008	$ Change
Tommy Bahama	$ 37,515	$ (173,448)	$ 210,963
Ben Sherman	(8,616)	(84,988)	76,372
Lanier Clothes	12,389	(8,283)	20,672
Oxford Apparel	19,372	11,627	7,745
Corporate and Other	(19,506)	(16,199)	(3,307)
Total operating income (loss)	$ 41,154	$ (271,291)	$ 312,445
Impairment of goodwill, intangible assets and investment in an unconsolidated entity included in total operating income (loss)	$	$ 314,813	
LIFO accounting charges included in total operating income (loss)	$ 4,943	$ 473	
Other restructuring and unusual charges included in total operating income (loss)	$ 2,556	$ 11,047	

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Operating results, on a consolidated basis, improved from an operating loss of $271.3 million in fiscal 2008 to operating income of $41.2 million in fiscal 2009. The increase was primarily due to (1) the impairment charges in fiscal 2008, (2) the larger amount of restructuring charges in fiscal 2008 and (3) the reduction in SG&A in fiscal 2009. These items were partially offset by (1) the sales decline, as discussed above, which resulted in lower gross profit, (2) the greater LIFO accounting charges in fiscal 2009 and (3) the decrease in royalties and other operating income. Changes in operating income by operating group are discussed below.

Tommy Bahama:

	Fiscal 2009	Fiscal 2008	$ Change	% Change
Net sales	$ 363,084	$ 421,687	$ (58,603)	(13.9)%
Operating income (loss)	37,515	(173,448)	210,963	NM
Operating income (loss) % of net sales	10.3%	(41.1)%		
Impairment of goodwill and intangible assets included in operating income (loss)	$	$ 221,559		
Restructuring charges included in operating income(loss)	$ 534	$ 952		

The improved operating results for Tommy Bahama were primarily due to the impairment charges in fiscal 2008. The fiscal 2009 operating results of Tommy Bahama were impacted by (1) decreased SG&A including decreased employment, advertising, store pre-opening and other variable operating costs and (2) higher gross margins as retail sales, which generate higher gross margins, represented a greater proportion of total Tommy Bahama sales. These positive factors were partially offset by (1) decreased gross profit, despite the higher gross margins, due to the decreased net sales and (2) decreased royalty income primarily due to the termination of the license agreement for footwear. Fiscal 2009 included approximately $0.5 million of restructuring charges related to a leasehold improvement charge with respect to a New York office lease while fiscal 2008 included restructuring charges of $1.0 million consisting of severance costs and fixed asset impairment charges.

Ben Sherman:

	Fiscal 2009	Fiscal 2008	$ Change	% Change
Net sales	$ 102,309	$ 133,522	$ (31,213)	(23.4)%
Operating income (loss)	(8,616)	(84,988)	76,372	NM
Operating income (loss) % of net sales	(8.4)%	(63.7)%		
Impairment of goodwill and intangible assets included in operating income (loss)	$	$ 83,766		
Restructuring charges included in operating income (loss)	$ 2,022	$ 535		

The improved operating results for Ben Sherman were primarily due to the impairment charges in fiscal 2008. The operating results for fiscal 2009 were negatively impacted by (1) lower net sales, (2) the unfavorable impact on gross margins related to inventory purchases denominated in United States dollars but sold in other currencies, (3) lower royalty income and (4) $2.0 million of restructuring charges, which were primarily related to the exit from the Ben Sherman women's, footwear and kids' operations as well as other streamlining initiatives. These items were partially offset by headcount and other overhead reductions, which resulted in lower SG&A in fiscal 2009. Fiscal 2008 included restructuring charges of $0.5 million consisting of severance payments.

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Lanier Clothes:

	Fiscal 2009	Fiscal 2008	$ Change	% Change
Net sales	$ 114,542	$ 135,581	$ (21,039)	(15.5)%
Operating income (loss)	12,389	(8,283)	20,672	NM
Operating income (loss) % of net sales	10.8%	(6.1)%		
Impairment of intangible assets included in operating income (loss)	$	$ 2,207		
Restructuring charges included in operating income (loss)	$	$ 7,908		

The improved operating results for Lanier Clothes was primarily due to (1) increased gross profit as improved gross margins more than offset the impact of the decreased net sales, (2) reductions in SG&A due to reductions in headcount and other overhead costs and (3) fiscal 2008 including impairment charges of $2.2 million and restructuring charges of $7.9 million, which were primarily related to our exit from the Nautica and Oscar de la Renta licensed businesses, the restructuring of our Arnold Brant business and certain other unusual items.

Oxford Apparel:

	Fiscal 2009	Fiscal 2008	$ Change	% Change
Net sales	$ 221,114	$ 257,125	$ (36,011)	(14.0)%
Operating income	19,372	11,627	7,745	66.6%
Operating income % of net sales	8.8%	4.5%		
Impairment of goodwill, intangible assets and an unconsolidated entity included in operating income	$	$ 7,281		
Restructuring charges and other unusual items included in operating income	$	$ 433		

The increase in operating income for Oxford Apparel was primarily due to the impairment charges in fiscal 2008 as well as a net charge of $0.4 million related to restructuring charges and other unusual items incurred in fiscal 2008. The $0.4 million of restructuring charges and other unusual items in fiscal 2008 reflect the net impact of fixed asset impairment charges and certain costs associated with exiting the Solitude business partially offset by the resolution of a contingent liability and other unusual items. Fiscal 2009 results were impacted by decreased SG&A, including reductions in headcount and other overhead costs, which were offset by decreased gross profit resulting from the decreased net sales.

Corporate and Other:

	Fiscal 2009	Fiscal 2008	$ Change
Operating income (loss)	$ (19,506)	$ (16,199)	$ (3,307)
LIFO accounting charges included in operating income (loss)	$ 4,943	$ 473	
Restructuring charges included in operating income (loss)	$	$ 1,219	

The decrease in operating results for Corporate and Other is primarily due to (1) the $4.9 million LIFO accounting charge in fiscal 2009 compared to a LIFO accounting charge of $0.5 million in fiscal 2008 and (2) $1.2 million of restructuring charges consisting of severance and charges associated with certain leased office space incurred in fiscal 2008.

Gain on repurchase of 8⁷/₈% Senior Unsecured Notes

	Fiscal 2009	Fiscal 2008	$ Change
Gain on repurchase of 8⁷/₈% Senior Unsecured Notes	$	$ 7,767	$ (7,767)

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Fiscal 2008 included a $7.8 million gain on our repurchase of $33.2 million of face amount of our Senior Unsecured Notes for $25.0 million.

Interest expense, net

	Fiscal 2009	Fiscal 2008	$ Change	% Change
Interest expense, net	$ 21,361	$ 23,702	$ (2,341)	(9.9)%
Write-off of deferred financing costs included in interest expense	$ 1,759	$ 900		

The decrease in interest expense, net was primarily due to lower debt levels and various changes in our debt facilities including (1) the amendment and restatement of our U.S. Revolving Credit Agreement in August 2008 which provided more favorable borrowing terms than our previous U.S. revolving credit agreement provided for prior to August 2008, (2) our repurchase of $33.2 million of our $8^7/_8$% Senior Unsecured Notes at a discount in fiscal 2008, (3) the issuance of $150.0 million aggregate principal amount of $11^3/_8$% Senior Secured Notes in fiscal 2009, (4) the satisfaction and discharge of $166.8 million aggregate principal amount of our $8^7/_8$% Senior Unsecured Notes in fiscal 2009, which was funded by the proceeds from the issuance of the $11^3/_8$% Senior Secured Notes and borrowings under our U.S. Revolving Credit Agreement and (5) varying levels of debt outstanding under our U.S. Revolving Credit Agreement between the two periods as a result of positive cash flows in fiscal 2009. The impact of these changes was partially offset by the net impact of the $1.8 million and $0.9 million of charges related to the write-off of unamortized deferred financing costs as a result of certain changes to our financing arrangements in each period in fiscal 2009 and fiscal 2008, respectively.

Income Taxes

	Fiscal 2009	Fiscal 2008	$ Change
Income taxes	$ 5,169	$ (15,769)	$ 20,938
Effective tax rate	26.1%	5.5%	

Income taxes for fiscal 2009 benefited from the impact of (1) changes in permanent book/tax differences related to our foreign operations, (2) the impact of certain tax credits which do not fluctuate with our earnings and (3) certain other discrete items. Income taxes for fiscal 2008 reflect the non-deductibility of a significant portion of the goodwill impairment charges recognized in fiscal 2008.

Net earnings (loss)

	Fiscal 2009	Fiscal 2008	$ Change
Net earnings (loss)	$ 14,624	$ (271,457)	$ 286,081
Diluted net earnings (loss) per common share	$ 0.90	$ (17.00)	$ 17.90
Weighted average common shares outstanding diluted	16,304	15,968	

The improvement in net earnings was primarily due to (1) the fiscal 2008 impairment charges and (2) lower SG&A in fiscal 2009. These improvements were partially offset by the impact of (1) lower net sales in fiscal 2009, (2) lower royalty income in fiscal 2009 and (3) the gain on repurchase of $8^7/_8$% Senior Unsecured Notes in fiscal 2008, each as discussed above.

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FISCAL 2008 COMPARED TO TWELVE MONTHS ENDED FEBRUARY 2, 2008

The following table sets forth the specified line items in our consolidated statements of operations both in dollars (in thousands) and as a percentage of net sales. The table also sets forth the dollar change and the percentage change of the data as compared to the same period of the prior year. We have calculated all percentages based on actual data, but percentage columns may not add due to rounding. Individual line items of our consolidated statements of operations may not be directly comparable to those of our competitors, as classification of certain expenses may vary by company.

	Fiscal 2008		Twelve months ended February 2, 2008 (Unaudited)		$ Change	% Change
Net sales	$ 947,516	100.0%	$ 1,085,261	100.0%	$ (137,745)	(12.7)%
Cost of goods sold	560,314	59.1%	646,598	59.6%	(86,284)	(13.3)%
Gross profit	387,202	40.9%	438,663	40.4%	(51,461)	(11.7)%
SG&A	358,071	37.8%	366,511	33.8%	(8,440)	(2.3)%
Amortization of intangible assets	2,903	0.3%	5,434	0.5%	(2,531)	(46.6)%
Impairment of goodwill, intangible assets and an investment in an unconsolidated entity	314,813	33.2%			314,813	NM
Royalties and other operating income	17,294	1.8%	19,759	1.8%	(2,465)	(12.5)%
Operating income (loss)	(271,291)	(28.6)%	86,477	8.0%	(357,768)	NM
Gain on repurchase of $8^7/_8$% Senior Unsecured Notes	7,767	0.8%			7,767	NM
Interest expense, net	23,702	2.5%	22,351	2.1%	1,351	6.0%
Earnings (loss) before income taxes	(287,226)	(30.3)%	64,126	5.9%	(351,352)	NM
Income taxes	(15,769)	(1.7)%	18,218	1.7%	(33,987)	NM
Net earnings (loss)	$ (271,457)	(28.6)%	$ 45,908	4.2%	$ (317,365)	NM

The discussion below compares our operating results for the twelve months of fiscal 2008 to the twelve months ended February 2, 2008. Each percentage change provided below reflects the change between these periods unless indicated otherwise.

Net sales

	Fiscal 2008	Twelve months ended February 2, 2008 (Unaudited)	$ Change	% Change
Tommy Bahama	$ 421,687	$ 462,895	$ (41,208)	(8.9)%
Ben Sherman	133,522	158,927	(25,405)	(16.0)%
Lanier Clothes	135,581	160,705	(25,124)	(15.6)%
Oxford Apparel	257,125	300,747	(43,622)	(14.5)%
Corporate and Other	(399)	1,987	(2,386)	NM
Total net sales	$ 947,516	$ 1,085,261	$ (137,745)	(12.7)%

Net sales decreased $137.7 million, or 12.7%, in fiscal 2008 compared to the twelve months ended February 2, 2008 primarily as a result of the changes discussed below.

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Tommy Bahama's net sales decreased $41.2 million, or 8.9%. The decrease was primarily due to a reduction in net sales at wholesale and in our existing owned retail stores resulting from the difficult retail environment. This decrease in wholesale sales and existing store retail sales was partially offset by increased retail sales at our retail stores opened after February 3, 2007, which was the first day of the twelve months ended February 2, 2008, and sales on Tommy Bahama's e-commerce website which commenced in October 2007. Unit sales decreased 13.6% due to the difficult retail environment. The average selling price per unit increased by 4.3%, as sales at our retail stores and our e-commerce sales, both of which have higher sales prices than wholesale sales, represented a greater proportion of total Tommy Bahama sales.

Ben Sherman's net sales decreased $25.4 million, or 16.0%. The decrease in net sales was primarily due to lower sales in our United Kingdom and United States wholesale businesses. The lower sales in the United Kingdom were primarily due to (1) the impact of the 10% reduction in the average exchange rate value of the British pound versus the United States dollar in fiscal 2008 compared to the twelve months ended February 2, 2008, (2) our exit from certain lower tier customer accounts in both apparel and footwear in late 2007 and early 2008 as part of our efforts to reposition the brand in the United Kingdom and (3) the impact of the challenging economic environment. The decrease in our United States wholesale business was partially due to reduced off-price sales in fiscal 2008 and our exit from the Evisu apparel business during calendar year 2007. These declines in our United Kingdom and United States wholesale businesses were partially offset by increased sales at our own retail stores and increased sales in markets outside of the United Kingdom and United States. During fiscal 2008, unit sales for Ben Sherman declined by 10.7% due primarily to the decline in the United Kingdom and United States wholesale businesses. The average selling price per unit decreased 5.9%, resulting primarily from the impact of the weaker British pound which was partially offset by a larger percentage of total Ben Sherman sales being sales at our owned retail stores.

Lanier Clothes' net sales decreased $25.1 million, or 15.6%. The decrease was primarily due to (1) the weak demand in the tailored clothing market, (2) the general economic conditions, (3) the winding down of the Oscar de la Renta and Nautica licensed businesses and (4) the restructuring of the Arnold Brant business in fiscal 2008. These factors resulted in a decrease in unit sales of 11.9% and a decrease in the average selling price per unit of 4.2% during fiscal 2008.

Oxford Apparel's net sales decreased $43.6 million, or 14.5%. The decrease in net sales was generally anticipated in connection with our strategy to focus on key product categories and exit underperforming lines of business, but was also impacted by the difficult economic conditions. Unit sales decreased by 13.6% as a result of our exit from certain lines of business and economic conditions, and the average selling price per unit decreased by 1.0% due to changes in product mix.

Gross profit decreased $51.5 million, or 11.7%, in fiscal 2008. The decrease was primarily due to lower sales in each operating group, as described above. Gross margins increased to 40.9% of net sales during fiscal 2008 from 40.4% in the twelve months ended February 2, 2008. The increase in gross margin percentage was primarily due to sales through our direct to consumer businesses being a larger portion of the total sales mix. Our gross profit may not be directly comparable to those of our competitors, as statement of operations classifications of certain expenses may vary by company.

SG&A decreased $8.4 million, or 2.3%, in fiscal 2008. SG&A was 37.8% of net sales in fiscal 2008 compared to 33.8% in the twelve months ended February 2, 2008. The decrease in SG&A was primarily due to reductions in overhead, including employment costs, in each operating group in fiscal 2008, the impact of the 10% reduction in the average value of the British pound versus the United States dollar and the resolution of a contingent liability during fiscal 2008. These reductions were partially offset by expenses associated with operating additional Tommy Bahama retail stores in fiscal 2008 and certain restructuring charges incurred in fiscal 2008. The increase in SG&A as a percentage

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of net sales was due to the reduction in net sales, as discussed above, which were not offset by equivalent reductions in SG&A.

Amortization of intangible assets decreased $2.5 million, to $2.9 million in fiscal 2008. The decrease was the result of amortization typically being greater in the earlier periods following an acquisition.

Impairment of goodwill, intangible assets and investments in an unconsolidated entity, was $314.8 million in fiscal 2008 with no such impairment charges in the twelve months ended February 2, 2008. The non-cash impairment charges in fiscal 2008 included (1) goodwill impairment charges in Tommy Bahama, Ben Sherman and Oxford Apparel of $204.5 million, $37.7 million and $1.8 million, respectively, (2) trademark and other intangible asset impairment charges in Tommy Bahama, Ben Sherman, Lanier Clothes and Oxford Apparel of $17.1 million, $46.1 million, $2.2 million and $1.1 million, respectively, and (3) an impairment charge related to an Oxford Apparel investment in an unconsolidated entity of $4.4 million.

Royalties and other operating income decreased $2.5 million, or 12.5%, in fiscal 2008. The decrease was primarily due to the twelve months ended February 2, 2008 including a $2.0 million gain related to the sale of our Monroe, Georgia facility by Oxford Apparel and the impact of foreign currency exchange rates related to Ben Sherman's royalty income. The decrease was partially offset by the sale of a trademark in fiscal 2008.

Operating Income (Loss)

	Fiscal 2008	Twelve months ended February 2, 2008	$ Change
		(Unaudited)	
Tommy Bahama	$ (173,448)	$ 75,834	$ (249,282)
Ben Sherman	(84,988)	8,495	(93,483)
Lanier Clothes	(8,283)	(130)	(8,153)
Oxford Apparel	11,627	20,614	(8,987)
Corporate and Other	(16,199)	(18,336)	2,137
Total operating income (loss)	$ (271,291)	$ 86,477	$ (357,768)

Operating income (loss) decreased from an operating income of $86.5 million in the twelve months ended February 2, 2008 to an operating loss of $271.3 million in fiscal 2008. The $357.8 million decrease in operating results in fiscal 2008 was primarily due to $314.8 million of goodwill, intangible asset and an unconsolidated entity impairment charges discussed above as well as the changes for each operating group discussed below.

Tommy Bahama's operating results decreased $249.3 million. The decrease was primarily due to the $221.6 million impairment charge related to goodwill and intangible assets, a $0.4 million charge for impairment of property, plant and equipment and $0.5 million of restructuring charges in fiscal 2008. Excluding the impact of these items, the decrease for Tommy Bahama was primarily due to reduced sales as a result of the difficult economic conditions, as discussed above, and higher SG&A due to the operation of additional retail stores.

Ben Sherman's operating results decreased $93.5 million. The decrease was primarily due to the $83.8 million of impairment charges related to goodwill and intangible assets and $0.5 million of restructuring charges recognized in fiscal 2008. Excluding the impact of these items the decrease for Ben Sherman was primarily due to lower sales in our United Kingdom and United States wholesale businesses, as discussed above, partially offset by reduced SG&A.

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Lanier Clothes' operating results declined $8.2 million. The increase in operating loss was primarily due to restructuring charges of approximately $7.4 million, non-cash impairment charges of $2.4 million, and other unusual items resulting in a charge of $0.3 million in fiscal 2008. The restructuring charges are primarily associated with our decision to exit from the Nautica and Oscar de la Renta licensed businesses and the restructuring of our Arnold Brant business. The restructuring charges include (1) costs associated with disposal of inventory, (2) license termination fees, (3) severance costs and (4) charges associated with vacating certain office space. The impairment charge relates to the $2.2 million write-off of the Arnold Brant trademark as a result of the restructuring of that business and certain impairment charges totaling $0.2 million associated with property, plant and equipment. Excluding these items, the improved operating results were primarily due to the reduced overhead costs subsequent to the restructuring of certain of the Lanier Clothes' businesses.

Oxford Apparel's operating income decreased $9.0 million. The decrease was primarily attributable to (1) the fiscal 2008 impairment charge of $7.3 million in aggregate related to the Solitude trademark, the goodwill related to our Ely & Walker business and an investment in an unconsolidated entity, (2) fixed asset impairment charges of $0.9 million, (3) certain costs associated with exiting the Solitude business, (4) certain other restructuring charges totaling $0.8 million and (5) a $2.0 million gain recognized in the twelve months ended February 2, 2008 related to the sale of our Monroe, Georgia facility in April 2007. These items were partially offset by (1) a significant reduction in overhead costs in fiscal 2008 subsequent to the restructuring of certain of the Oxford Apparel businesses, (2) the resolution of a contingent liability and other unusual items resulting in a gain of $1.2 million in the second quarter of fiscal 2008 and (3) charges totaling $1.2 million associated with the sale of Oxford Apparel's last owned manufacturing facility recognized in the twelve months ended February 2, 2008. Excluding these items, despite lower levels of sales as discussed above, fiscal 2008 operating income was comparable to operating income for the twelve months ended February 2, 2008 primarily as a result of efforts to reduce overhead costs.

The Corporate and Other operating results improved $2.1 million. The decrease in the operating loss was primarily due to reduced employment costs partially offset by $1.2 million of restructuring charges consisting of severance and charges associated with certain leased office space. The twelve months ended February 2, 2008 included severance related restructuring charges of $2.0 million.

Gain on repurchase of 8⁷/₈% Senior Unsecured Notes was $7.8 million in fiscal 2008. This gain resulted from our repurchase of $33.2 million of face amount of our $8^7/_8$% Senior Unsecured Notes for $25.0 million. There were no repurchases of our $8^7/_8$% Senior Unsecured Notes in the twelve months ended February 2, 2008.

Interest expense, net increased $1.4 million, or 6.0%, in fiscal 2008. The increase in interest expense was primarily due to (1) the write off of $0.9 million of unamortized financing costs as a result of entering into our U.S. Revolving Credit Agreement in August 2008, which amended and restated our U.S. revolving credit facility and (2) a higher average debt outstanding during fiscal 2008. The higher average debt outstanding from our revolving credit facilities was primarily a result of our borrowings to fund a $60 million accelerated share repurchase program entered into in November 2007 and our acquisition of Tommy Bahama's third-party buying agent on February 1, 2008. The additional borrowings to fund these transactions were partially offset by positive cash flow from operating activities, reductions in working capital subsequent to February 2, 2008 and the lower debt levels resulting from our repurchase of our $8^7/_8$% Senior Unsecured Notes in the fourth quarter of fiscal 2008. The impact on interest expense of the higher average debt outstanding and the write off of unamortized financing costs were partially offset by lower interest rates in fiscal 2008 resulting from the current economic environment and the more favorable pricing structure under our U.S. Revolving Credit Agreement.

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Income Taxes were an effective rate benefit of 6% for fiscal 2008 and effective rate expense of 28% for the twelve months ended February 2, 2008. The rates for both periods were impacted by certain items which may not be present in future periods. The rate for fiscal 2008 reflects the non-deductibility of a significant portion of the goodwill impairment charges recognized in fiscal 2008. The twelve months ended February 2, 2008 benefitted from the reversal of a deferred tax liability associated with a change in our assertion regarding our initial investment in a United Kingdom based subsidiary which is now considered permanently reinvested and a change in the enacted tax rate in the United Kingdom.

Diluted net earnings (loss) per common share decreased to a loss of $17.00 in fiscal 2008 from income of $2.61 in the twelve months ended February 2, 2008. This change was primarily due to (1) the goodwill, intangible asset and investment in an unconsolidated entity impairment charges in fiscal 2008, (2) the restructuring charges taken in fiscal 2008, (3) the sales declines resulting from economic conditions, each as discussed above, and (4) the reduction in the weighted average shares outstanding during the period as a result of our receipt of approximately 1.9 million and 0.6 million shares of our common stock in November 2007 and May 2008, respectively, in connection with our accelerated share repurchase program.

EIGHT-MONTH TRANSITION PERIOD ENDED FEBRUARY 2, 2008, COMPARED TO EIGHT MONTHS ENDED FEBRUARY 2, 2007

The following table sets forth the specified line items in our consolidated statements of operations both in dollars (in thousands) and as a percentage of net sales. The table also sets forth the dollar change and the percentage change of the data as compared to the same period of the prior year. We have calculated all percentages based on actual data, but percentage columns may not add due to rounding. Individual line items of our consolidated statements of operations may not be directly comparable to those of our competitors, as classification of certain expenses may vary by company.

	Eight months ended February 2, 2008		Eight months ended February 2, 2007		$ Change	% Change
			(Unaudited)			
Net sales	$ 695,798	100.0%	$ 739,489	100.0%	$ (43,691)	(5.9)%
Cost of goods sold	418,459	60.1%	453,965	61.4%	(35,506)	(7.8)%