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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 29, 2011

or

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

For the transition period from to
Commission File Number: 1-4365

OXFORD INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Georgia	**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 July 30, 2010, 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 $310,525,883. 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 July 31, 2010) 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 25, 2011
Common Stock, $1 par value	16,525,566

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 15, 2011 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, costs of labor, access to capital and/or credit markets, acquisition and disposition activities, expected outcomes of pending or potential litigation and regulatory actions and disciplined execution by key management. Forward-looking statements reflect our current expectations, based on currently available information, and are not guarantees of performance. Although we believe that the expectations reflected in such forward-looking statements are reasonable, these expectations could prove inaccurate as such statements involve risks and uncertainties, many of which are beyond our ability to control or predict. Should one or more of these risks or uncertainties, or other risks or uncertainties not currently known to us or that we currently deem to be immaterial, materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. Important factors relating to these risks and uncertainties include, but are not limited to, those described in Part I, Item 1A. Risk Factors 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

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

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

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 in this report

U.K. Revolving Credit Agreement: Our £7 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

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$8^7/_8$% Senior Unsecured Notes: Our 8.875% senior unsecured notes due 2011, which were satisfied and discharged in June 2009, 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

The terms listed below reflect the respective period noted:

Fiscal 2011	52 weeks ending January 28, 2012
Fiscal 2010	52 weeks ended January 29, 2011
Fiscal 2009	52 weeks ended January 30, 2010
Fiscal 2008	52 weeks ended January 31, 2009
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
Fiscal 2006	52 weeks ended June 2, 2006
Fourth quarter fiscal 2010	13 weeks ended January 29, 2011
Third quarter fiscal 2010	13 weeks ended October 30, 2010
Second quarter fiscal 2010	13 weeks ended July 31, 2010
First quarter fiscal 2010	13 weeks ended May 1, 2010
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

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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 lifestyle brands, featuring Tommy Bahama®, Lilly Pulitzer® and Ben Sherman®, as well as owned and licensed brands of tailored clothing and golf apparel. We distribute our owned lifestyle branded products through a variety of upscale department stores and specialty stores as well as company owned retail stores and e-commerce websites. Additionally, we operate Tommy Bahama restaurants, which are generally adjacent to certain of our Tommy Bahama retail stores. Our branded and private label tailored clothing products are distributed through department stores, specialty stores, national chains, specialty catalogs, mass merchants and Internet retailers. 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 2010, approximately 85% of our net sales, excluding sales of our discontinued operations, were from products bearing brands that we own. We anticipate that this percentage will increase in the future with our acquisition of Sugartown Worldwide, Inc., or Sugartown, which owns the Lilly Pulitzer brand and operations, in December 2010 and as we continue to develop our owned brands.

A 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, Lilly Pulitzer 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 earnings. 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 owned lifestyle branded apparel 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. We believe that these two trends will continue to make the branded apparel business model more appealing than a business focused on private label apparel, which we define as products sold exclusively to one customer under a brand name that is owned by or licensed to such customer and not owned by the seller.

Significant steps we have undertaken to accomplish this transition towards our brand-focused strategy have included the June 2003 acquisition of the Tommy Bahama brand and operations; the July 2004 acquisition of the Ben Sherman brand and operations; the June 2006 divestiture of our former Womenswear Group operations, which produced private label women's sportswear, primarily for mass merchants; and the closing of all but one of our manufacturing facilities. In fiscal 2010, we took two very important additional steps in continuing our transition with our December 21, 2010 acquisition of the Lilly Pulitzer brand and operations and the January 3, 2011 divestiture of substantially all of the operations and assets of our former Oxford Apparel Group, which produced a mix of private label and branded sportswear, primarily for department stores, mass merchants, national chains and discount retailers. In the future, we may add additional lifestyle brands to our portfolio, if we identify appropriate lifestyle brands which meet our investment criteria.

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Since acquiring the Tommy Bahama brand and operations and the Ben Sherman brand and operations, we have invested significant resources in those brands through various methods including increasing their full-price retail store footprints, developing and enhancing their e-commerce websites and funding marketing initiatives which increase the visibility of the brands. We anticipate further investments in Tommy Bahama, Lilly Pulitzer and Ben Sherman to increase the retail store footprint of the brands, further enhance the brands' e-commerce operations, and expand Tommy Bahama to markets outside of North America. We believe our strong balance sheet and liquidity coupled with positive cash flow from operations will provide us ample liquidity to fund these investments, while at the same time allowing us to maintain the financial flexibility to opportunistically enhance our capital structure and pursue desirable acquisitions, if any.

We distribute our products through several wholesale distribution channels, including department stores, specialty stores, national chains, specialty catalogs, mass merchants and Internet retailers. Approximately 90% of our consolidated net sales in fiscal 2010 were to customers located in the United States, with the remaining net sales primarily being sales of our Ben Sherman products in the United Kingdom and Europe. Our ten largest customers represented approximately 32% of our consolidated net sales for fiscal 2010, with no individual customer representing more than 10% of our consolidated net sales. We also operate retail stores, restaurants and Internet websites for some of our brands. During fiscal 2010, direct to consumer sales from our retail stores, restaurants and Internet websites accounted for approximately 48% of our consolidated net sales.

Our business is primarily operated through four operating groups consisting of:

- Tommy Bahama;
- Lilly Pulitzer;
- Ben Sherman; and
- Lanier Clothes.

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 long-term sustainable 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®	Lilly Pulitzer®	Ben Sherman®
Billy London®	Oxford Golf®	Nickelson®
Arnold Brant®		

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

Kenneth Cole®	Dockers®	Geoffrey Beene®

Sales of products using licensed brands accounted for approximately 8% of our net sales in fiscal 2010. In addition to their branded sales, Lanier Clothes also sells private label products, which comprised approximately 7% of our consolidated net sales in fiscal 2010.

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, negative economic conditions have a longer and more severe impact on the apparel and retail industry than the conditions have on other

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industries. The weak global economic conditions that began in fiscal 2008 continued to impact each of our operating groups through fiscal 2010, although we did observe some signs of recovery. We continue to focus on minimizing inventory markdown risk and promotional pressure, but at the same time we anticipate purchasing inventory more aggressively in 2011 if economic conditions continue to show improvement. We believe that fiscal 2011 will be impacted by pricing pressures on raw materials, fuel, transportation and other costs necessary for the production and sourcing of apparel products.

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 primarily operated through four operating groups: Tommy Bahama, Lilly Pulitzer, Ben Sherman and Lanier Clothes. We identify our operating groups based on the way our management organizes the components of our business for purposes of allocating resources and assessing performance. All amounts included in this report and in our consolidated financial statements reflect our changes in operating groups during fiscal 2010 including (1) the acquisition of the Lilly Pulitzer brand and operations, resulting in the creation of our Lilly Pulitzer operating group, (2) the sale of substantially all of the operations and assets of our former Oxford Apparel operating group, which are now classified as discontinued operations, (3) the reclassification of our Oxford Golf business and our Lyons, Georgia distribution center operations into Corporate and Other, as these activities were previously included in Oxford Apparel, but will continue to be operated by us, and (4) the reclassification of certain corporate service costs from Oxford Apparel, where they were previously allocated, to Corporate and Other, as there is uncertainty in whether there will be a reduction in those costs as a result of the Oxford Apparel sale. The tables below present certain financial information about our operating groups (in thousands).

	Fiscal 2010	Fiscal 2009
Net Sales		
Tommy Bahama	$ 398,510	$ 363,084
Lilly Pulitzer(1)	5,959	
Ben Sherman	86,920	102,309
Lanier Clothes	103,733	114,542
Corporate and Other(2)	8,825	5,371
Total	$ 603,947	$ 585,306
Operating Income (Loss)		
Tommy Bahama(3)	$ 51,081	$ 37,515
Lilly Pulitzer(1)	(372)	
Ben Sherman(4)	(2,664)	(8,616)
Lanier Clothes	14,316	12,389
Corporate and Other(2)	(21,699)	(22,378)
Total	$ 40,662	$ 18,910

(1) Lilly Pulitzer's operating results are included in our consolidated operating results from the date of acquisition, December 21, 2010, through January 29, 2011. Lilly Pulitzer's operating results were negatively impacted by $0.8 million of charges included in cost of goods sold associated with the write-up of inventory from cost to fair value and $0.2 million of changes in fair value of contingent consideration arrangements associated

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with the Lilly Pulitzer acquisition pursuant to the purchase method of accounting for acquisitions.

(2)

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. Corporate and Other also includes the operations of our Oxford Golf business and our Lyons, Georgia distribution center, which were previously included in Oxford Apparel, but were not sold, and certain corporate service costs which were previously allocated to Oxford Apparel. Therefore, the Corporate and Other net sales and operating income (loss) do not equal amounts previously reported. Fiscal 2010 included $3.8 million of LIFO accounting charges and $0.8 million of transaction costs associated with the acquisition of the Lilly Pulitzer brand and operations, which were partially offset by the impact of a $2.2 million reduction in an existing environmental reserves liability, while fiscal 2009 included LIFO accounting charges of $4.9 million.

(3)

Tommy Bahama's operating results included charges of $0.5 million in fiscal 2009 related to certain fixed asset impairment charges.

(4)

Ben Sherman's operating results included restructuring and other charges of $3.2 million and $2.0 million in fiscal 2010 and fiscal 2009, respectively. The fiscal 2010 charges primarily related to charges associated with the termination of certain retail store leases in the United Kingdom and fixed asset impairment charges, while the fiscal 2009 charges primarily related to Ben Sherman's exit from its footwear, kids' and women's operations and other streamlining initiatives.

	January 29, 2011	January 30, 2010
Assets		
Tommy Bahama	$ 274,140	$ 256,759
Lilly Pulitzer	79,476	
Ben Sherman	67,478	69,775
Lanier Clothes	35,530	39,213
Corporate and Other	44,102	3,062
Assets related to Discontinued Operations	57,745	56,365
Total	$ 558,471	$ 425,174

Total assets for Corporate and Other include a LIFO reserve of $46.0 million and $44.4 million as of January 29, 2011 and January 30, 2010, respectively. The increase in Corporate and Other from January 30, 2010 to January 29, 2011 is primarily due to the accumulation of cash on hand during fiscal 2010. Assets related to discontinued operations primarily consist of receivables and inventories associated with our former Oxford Apparel Group, which, net of any outstanding liabilities associated with the discontinued operations, we expect to be converted to cash during the first half of fiscal 2011. 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,

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www.tommybahama.com, 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, catalogs, correspondence with loyal customers, 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 cotton, silk, linen, nylon, leather, 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 generally acquired by us as package purchases of finished goods, which are manufactured to our specifications. We typically do not take title to the goods until they are shipped by the manufacturer to us. During fiscal 2010, 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 suppliers of Tommy Bahama products provided approximately 60% of the products acquired during fiscal 2010.

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.

Direct to Consumer Operations

The components of our Tommy Bahama direct to consumer strategy include retail store, restaurant and e-commerce operations and represented approximately 65% of Tommy Bahama's net sales in fiscal 2010. Retail store, restaurant and e-commerce net sales accounted for approximately 46%, 13% and 6%, respectively, of Tommy Bahama's net sales in fiscal 2010.

Continued growth and development of our retail store operations is a critical part of our overall strategy for the Tommy Bahama brand. This strategy 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.

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

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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 29, 2011.

	Restaurant-retail Locations	Full-Price Stores	Outlet Stores	Total
California	3	15	4	22
Florida	4	13	2	19
Hawaii	2	4	1	7
Texas	1	4	2	7
Nevada	1	3	1	5
Arizona	1	2		3
Virginia		2	1	3
Other	1	17	5	23
Total	13	60	16	89
Average square feet(1)	11,600	3,600	5,500	

(1) Average square feet for restaurant-retail locations include average retail space and restaurant space of 4,000 and 7,600 square feet, respectively.

For Tommy Bahama's full-price retail stores and restaurant-retail locations operating for the full fiscal 2010 year, sales per square foot, excluding restaurant sales and restaurant space, were approximately $580 during fiscal 2010, compared to $520 for stores operating for the full fiscal 2009 year. We expect to open seven to ten retail locations in fiscal 2011, although the specific locations and timing have not been finalized yet. We currently anticipate maintaining this level of new store openings in future years as well. The operation of retail stores and restaurant-retail locations requires a greater amount of capital investment than wholesale operations. Based on our anticipated build out costs for Tommy Bahama retail stores, outlet stores and restaurant-retail locations, we estimate that we will spend approximately $1.6 million, $0.6 million and $5.0 million on average in connection with the build-out of a full-price retail store, outlet store and restaurant-retail location, respectively, although individual locations will differ from this depending on a variety of factors. Often, the landlord provides certain incentives to fund a portion of these capital expenditures.

In addition to our retail stores, our direct-to-consumer approach includes the tommybahama.com website, which represented approximately 6% of Tommy Bahama's net sales during fiscal 2010. 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.

Wholesale Operations

To complement our direct-to-consumer operations and have access to a larger group of consumers, we continue to maintain our wholesale operations for Tommy Bahama. Wholesale sales for Tommy Bahama accounted for approximately 35% of Tommy Bahama's net sales in fiscal 2010. We believe that the integrity and continued success of the Tommy Bahama brand is dependent in part upon careful selection of the retailers through which Tommy Bahama products are sold. Part of our wholesale strategy is to control the distribution of our Tommy Bahama products in a manner intended to protect

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and grow the value of the brand. During fiscal 2010, 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 its largest customer, Nordstrom.

We maintain Tommy Bahama apparel sales offices and showrooms in several locations, including New York and Seattle, to facilitate sales to our wholesale customers. 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, in some cases, 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	Ceiling fans	Indoor furniture
Men's and women's eyewear	Rugs	Outdoor furniture
Men's belts and socks	Wallcoverings	Bedding and bath linens
Men's and women's fragrances	Luggage	Table top accessories
Shampoo, soap and bath amenities	Sleepwear	

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 South Africa. In addition to selling Tommy Bahama goods to wholesale accounts, the licensees have opened retail stores in their respective geographic regions. As of January 29, 2011, our licensees operated 13 retail stores in Canada, Australia and the United Arab Emirates.

Lilly Pulitzer

Lilly Pulitzer is a designer, marketer and distributor of upscale collections of women's and girl's dresses, sportswear and other products. Lilly Pulitzer was originally created in the late 1950's and is an affluent brand with a heritage and aesthetic based on the Palm Beach resort lifestyle. The brand is somewhat unique among women's brands in that it has demonstrated multi-generational appeal. The brand targets three distinct groups of women: young women recently graduated from college; young mothers and their daughters; and women who are not tied to the academic calendar. Lilly Pulitzer products can be found in our owned Lilly Pulitzer stores, in Lilly Pulitzer Signature Stores, as described below, and on our Lilly Pulitzer website, www.lillypulitzer.com, as well as in certain department stores and a variety of independent specialty stores. We also license the Lilly Pulitzer name for various product categories.

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We acquired the Lilly Pulitzer brand on December 21, 2010 and anticipate growth opportunities in the brand's retail, e-commerce, wholesale and licensing operations in the future. We believe that there is significant opportunity to expand the reach of the brand, while at the same time maintaining the exclusive distribution that Lilly Pulitzer has historically maintained. Net sales for Lilly Pulitzer for the 2010 calendar year, which is not directly comparable to our fiscal year, were approximately $72 million. Of the $72 million in net sales, approximately 55%, 35% and 10% of the net sales were through the wholesale, retail and e-commerce distribution channels, respectively. Only the portion of Lilly Pulitzer's net sales and operating results subsequent to the date of acquisition in fiscal 2010 are included in our consolidated financial statements.

The Lilly Pulitzer brand is marketed through print, moving media, Internet marketing and tradeshow initiatives. Lilly Pulitzer provides point-of-sale materials and signage to wholesale customers to enhance the presentation of Lilly Pulitzer products at third party retail locations. Lilly Pulitzer also employs cooperative advertising programs with certain wholesale customers.

Design, Sourcing and Distribution

We believe product quality and design are critical to the continued success of the Lilly Pulitzer brand. Lilly Pulitzer's products are developed by our dedicated design teams located at the Lilly Pulitzer headquarters in King of Prussia, Pennsylvania. Our Lilly Pulitzer 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. Lilly Pulitzer apparel products are designed to incorporate various fiber types, including cotton, silk, linen and other natural and man-made fibers or blends of two or more of these materials.

Lilly Pulitzer utilizes a combination of in-house employees in our King of Prussia offices and a number of third party buying agents primarily based in Asia to manage the production and sourcing of the majority of the Lilly Pulitzer apparel products. Through its buying agents and direct sourcing, Lilly Pulitzer used approximately 30 suppliers located primarily in China, Hong Kong and Macau to manufacture the Lilly Pulitzer products on an order-by-order basis during the 2010 calendar year. The largest ten suppliers provided approximately 75% of the Lilly Pulitzer products acquired during the 2010 calendar year. Substantially all of the Lilly Pulitzer products are package purchases of finished goods, which are manufactured to our specifications. Lilly Pulitzer typically does not take title to the goods until the goods are shipped by the manufacturer.

Lilly Pulitzer operates a distribution center in King of Prussia, Pennsylvania for the Lilly Pulitzer operations. Distribution center activities include receiving finished goods from suppliers, inspecting the products and shipping the products to wholesale customers and the Lilly Pulitzer 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 Lilly Pulitzer brand. During the 2010 calendar year, which is not directly comparable to our fiscal year, approximately 55% of Lilly Pulitzer's net sales were sales to wholesale customers.

During calendar year 2010, which is not directly comparable to our fiscal year, approximately 47% of Lilly Pulitzer's wholesale sales were to certain wholesale customers, which we refer to as Lilly Pulitzer Signature Stores. For these stores, we enter into agreements whereby we grant the other party the right to operate a store as a Lilly Pulitzer Signature Store within a specified geographic area, subject to certain conditions, including designating a portion of the store specifically for Lilly Pulitzer products, the purchase of reasonable quantities of Lilly Pulitzer products, and adhering to certain brand appropriate specifications. These agreements are generally for one- or two-year period, renewable at the option of Lilly Pulitzer. As of January 29, 2011, there were approximately 70 Lilly Pulitzer

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Signature Stores. The remaining 53% of wholesale sales were to specialty stores and a limited number of select Belk, Dillard's, Bloomingdale's, Lord & Taylor and Saks Fifth Avenue stores. No single wholesale customer of Lilly Pulitzer accounted for more than 10% of Lilly Pulitzer's wholesale sales during calendar year 2010.

We maintain Lilly Pulitzer apparel sales offices and showrooms in several locations, including King of Prussia, Pennsylvania and New York. Our wholesale operations for Lilly Pulitzer utilize a sales force consisting primarily of salaried sales employees.

Direct to Consumer Operations

The components of Lilly Pulitzer's direct to consumer strategy include retail store and e-commerce operations and represented approximately 45% of Lilly Pulitzer's net sales for the 2010 calendar year.

A key element of our direct to consumer strategy is e-commerce. The ability to effectively communicate the Lilly Pulitzer brand message to targeted consumers through social media and other methods of digital marketing is a significant factor in the success of the Lilly Pulitzer brand. The Lilly Pulitzer e-commerce business is developing rapidly and we believe it is a key element of the Lilly Pulitzer business.

Our direct to consumer strategy for the Lilly Pulitzer brand also 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 Lilly Pulitzer image. Our full-price Lilly Pulitzer retail stores allow the opportunity to present Lilly Pulitzer's full line of current season products, including licensees' products. We believe our Lilly Pulitzer retail stores provide high visibility for 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 Lilly Pulitzer retail stores helps build brand awareness and acceptance and thus enhances Lilly Pulitzer's business with our wholesale customers.

The table below provides additional information regarding Lilly Pulitzer retail stores as of January 29, 2011.

	Number of Stores	**Average Square Feet**
Florida	5	3,300
New York	3	3,000
Pennsylvania	2	4,600
Texas	2	3,200
Other	4	3,600
Total	16	3,500

Retail store sales per square foot for the 2010 calendar year were approximately $345 for the continuing Lilly Pulitzer stores open for the full 2010 calendar year. At this time, we do not have any plans to open any new Lilly Pulitzer stores during fiscal 2011, but we are relocating one store to a smaller location within the same mall during the first quarter of fiscal 2011. The operation of retail stores requires a greater amount of capital investment than wholesale operations. We anticipate that future stores will occupy a smaller footprint than the average of our existing stores.

Licensing Operations

We license the Lilly Pulitzer trademark to a variety of licensees in categories beyond Lilly Pulitzer's core product categories. We believe licensing is an attractive business opportunity for the Lilly Pulitzer brand. Once a brand is established, licensing requires modest additional investment for us but

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can yield high-margin income. It also affords the opportunity to enhance overall brand awareness and exposure. In evaluating a potential Lilly Pulitzer 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 Lilly Pulitzer brand products.

Our agreements with Lilly Pulitzer 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 Lilly Pulitzer products include the following product categories:

Furniture	Stationery	Wedding gowns
Bedding and home fashions	Eyewear	

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, "Mod"-inspired shirt brand and has evolved into a British lifestyle brand of apparel targeted at style conscious men ages 25 to 40 in multiple markets throughout the world. During fiscal 2010, approximately 53% and 29% of Ben Sherman's net sales occurred in the United Kingdom and United States, respectively, with the remaining 18% of net sales occurring primarily in Europe. 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 on certain websites.

Ben Sherman products are sold to our wholesale customers, as well as in our owned and licensed retail stores located in numerous countries throughout the world. In recent years, we have implemented certain initiatives to elevate our wholesale distribution to attain higher price points for our Ben Sherman men's products, design one Ben Sherman apparel collection consistent throughout the world, reduce our infrastructure and license certain of our non-core businesses to third parties to allow us to focus our resources on our core business men's sportwear. We believe that these initiatives have been critical steps in improving the operating results of Ben Sherman. We anticipate that these initiatives will continue to offer continuing improvement in existing opportunities.

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 our customers a lower-priced alternative to our Ben Sherman brand in the United Kingdom. During fiscal 2010, 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

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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 China and other countries in Asia. Through this buying agent and a sourcing office we operate in India, during fiscal 2010 we used approximately 125 suppliers primarily located in China, Thailand and India to manufacture our Ben Sherman products on an order-by-order basis. The largest ten suppliers provided approximately 55% of the Ben Sherman products acquired during fiscal 2010. Substantially all of our Ben Sherman products were package purchases of finished goods, which are manufactured to our specifications. We typically do not take title to the goods until they are shipped by the manufacturer to us.

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 at our owned 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 2010, approximately 70% of Ben Sherman's net sales were sales to wholesale customers and international distributors. During fiscal 2010, approximately 11% of Ben Sherman's net sales were to its largest customer, Debenhams, which operates retail stores in the United Kingdom, and approximately 28% of Ben Sherman's net sales were to its five largest wholesale customers. In the United States, Ben Sherman's products can be located in specialty stores as well as Macy's, Nordstrom, Lord & Taylor and other department stores.

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.

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.

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The table below provides additional information regarding Ben Sherman retail stores as of January 29, 2011.

	Number of Stores	Average Square Feet
United States Full-Price Stores	5	3,800
United Kingdom Full-Price Stores	4	2,600
Germany Full-Price Stores	2	2,100
United Kingdom Outlet Stores	4	1,600
Total	15	2,700

During fiscal 2010, approximately 27% of Ben Sherman's net sales were from owned retail store operations. Retail sales per square foot were approximately $595 for our full-price Ben Sherman stores open throughout fiscal 2010 compared to $560 for the full-price Ben Sherman stores open throughout fiscal 2009. Although we have not agreed to any retail store openings for fiscal 2011 at this time, we continue to evaluate potential locations and may open retail stores in fiscal 2011 if we identify locations which meet our investment criteria. 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.

Another component of our direct to consumer strategy is operating certain concession arrangements, whereby we operate Ben Sherman shops within department or other stores. The inventory at these locations is owned by us until sold to the consumer, at which time we recognize the full retail sales price. In these arrangements, we are responsible for the cost of the Ben Sherman employee responsible for the area and also pay a commission to the department store to cover occupancy and certain other costs associated with using the space. As of January 29, 2011, we operated 10 concession locations in the United Kingdom.

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.

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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 tailored clothes 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, Europe and Canada. The majority of the products distributed by these partners 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 29, 2011, our license/distribution partners operated 20 retail stores located in Australia, Asia, South Africa and Europe.

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 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, Alfani, Structure, and Kenneth Roberts. Sales of branded products represented approximately 64% and 50% of Lanier Clothes' net sales during fiscal 2010 and fiscal 2009, respectively.

Our Lanier Clothes products are sold to national chains, department stores, specialty stores, specialty catalog retailers and discount retailers throughout the United States. In Lanier Clothes, we have long-standing relationships with some of the United States' largest retailers, including JCPenney, Macy's, Sears, Men's Wearhouse and Kohl's, representing approximately 22%, 14%, 11%, 10% and 10%, respectively, of Lanier Clothes' net sales during fiscal 2010. Sales to Lanier Clothes' 10 largest customers represented more than 85% of Lanier Clothes' net sales in fiscal 2010.

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

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. Our Lanier Clothes' design teams, which are located in New York, 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 2010, Lanier Clothes acquired the majority of its products on a package purchase of finished goods basis from third party producers outside of the United States, primarily in China. 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 of finished goods rather than CMT purchases. CMT purchases are purchases whereby we supply the fabric 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 the fabric which we purchased throughout the manufacturing and finishing process. 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 2010. The ten largest suppliers of Lanier Clothes provided more than 85% of the products Lanier Clothes acquired from third parties during fiscal 2010. In addition to purchasing products from third parties, Lanier Clothes also operates a manufacturing facility, located in Merida, Mexico, which produced approximately 17% of our Lanier Clothes products during fiscal 2010.

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.

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. Corporate and Other also includes the operating results of our Oxford Golf business and our Lyons, Georgia distribution center, both of which were previously reported as part of our former Oxford Apparel operating group, prior to the disposal of substantially all of the operations and assets of Oxford Apparel on January 3, 2011.

The Oxford Golf brand is designed to appeal to a sophisticated golf apparel consumer with a preference for high quality and classic styling. Our Oxford Golf products are designed by a team located in New York and are primarily acquired on a package purchase, finished goods basis from third party producers outside of the United States. Oxford Golf seeks to maintain sufficient levels of inventory to support programs for pre-booked orders and at-once ordering. Oxford Golf maintains an apparel sales office in New York, while employing a sales force consisting primarily of commissioned sales agents.

Our Lyons, Georgia distribution center receives finished goods from suppliers, inspects those products and ships the products to customers for our U.S. Ben Sherman operations and our Oxford Golf business.

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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 and our direct competitors vary by operating group and distribution channel. 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. 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 and Lilly Pulitzer products in our principal markets is generally higher in the spring season and lower in the fall season. Typically, 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. In addition, we do not believe that the fiscal 2010 distribution of net sales and operating income is necessarily indicative of the expected distribution in future years as the information below does not reflect a full year's operations of Lilly Pulitzer and individual quarters may be impacted by certain unusual or non-recurring items, economic conditions or other factors. The following table presents the percentage of net sales and operating income by quarter (unaudited) for fiscal 2010:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net sales	27%	24%	23%	26%
Operating income	37%	27%	16%	20%

Order Backlog

As of January 29, 2011 and January 30, 2010, we had booked orders for our continuing operations totaling $165.1 million and $129.4 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

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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 as the timing of customer orders, and therefore the order backlog can be impacted by a variety of factors.

IMPORT RESTRICTIONS AND OTHER GOVERNMENT REGULATIONS

We are exposed to certain risks as a result of our international operations. Almost all of our merchandise is manufactured by foreign suppliers. During fiscal 2010, we sourced approximately 75% of our products acquired as part of our continuing operations from China. We do not currently expect this concentration of sourcing from China to be materially impacted in the future solely as a result of Lilly Pulitzer's operations. Our imported products are subject to customs, trade and other laws and regulations governing their entry into the United States and other countries where we sell our products. From time to time and in the ordinary course of business, we become subject to claims by the United States Customs Service and similar government authorities in other countries for duties and related fees.

Substantially all of the merchandise we acquire is subject to duties which are assessed on the value of the imported product. Duty rates vary depending on the type of garment and its fiber content. During fiscal 2010, cotton products represented approximately one-half of our total imported products and were subject to an average duty rate of approximately 17%, while silk and linen products represented approximately 20% of our total imported products and were subject to an average duty rate of approximately 2%. Duty rates are subject to change in future periods.

Quotas on apparel and textiles among the World Trade Organization's member nations were eliminated effective January 1, 2008 and resulted in the continued shift of sourcing and manufacturing from the Western hemisphere to Asia. Although China's accession agreement for membership in the WTO resulted in the elimination of quotas on Chinese-made textile and apparel products into WTO countries, the United States and European countries are still allowed in certain circumstances to unilaterally impose "anti-dumping" duties in response to a particular product being imported (from China or other countries) in such increased quantities as to cause, or threaten to cause, serious damage to the comparable domestic 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. Additionally, there have been some recent legislative proposals which, if adopted, would treat manipulation by China of the value of its currency as actionable under the anti-dumping or countervailing duty laws. 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.

In January 2010, the United States Customs Service began enforcement of a regulation requiring importer security filings. The regulation requires us to submit additional cargo details before the 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 these existing or future regulations. Similar customs import regulations went into effect on January 1, 2011 in the European Union, where a significant majority of Ben Sherman's net sales are generated.

In addition, apparel and other products sold by us are subject to increasingly stringent and complex product performance and safety standards, laws and other regulations, including the Consumer Product Safety Improvement Act of 2008, California Proposition 65 and those adopted by the Federal Trade Commission. These regulations relate principally to product labeling, licensing requirements and certification of product safety. We believe that we are in 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.

Although we have not been materially inhibited from doing business in desired markets in the past, we cannot assure that significant impediments will not arise in the future as we expand product offerings and brands and enter into new markets. Our management regularly monitors proposed regulatory changes and the existing regulatory environment, including any impact on our operations or on our ability to import products from China and other countries.

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

EMPLOYEES

As of January 29, 2011, we employed approximately 4,000 persons, of whom approximately 75% were employed in the United States. Approximately 55% 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.

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 or financial results. If any of the following risks actually occur, our business, financial condition or operating results may be adversely affected.

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Our business is and will continue to be heavily influenced by economic trends and general economic conditions, which may be exacerbated by global political or economic uncertainty resulting from recent events, and a deterioration or worsening of consumer confidence or consumer purchases of discretionary products may adversely affect our business, financial condition and results of operations.

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 experiences longer periods of recession and 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 consumer confidence or 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, adversely affect our business, financial condition and 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.

The economies of the United States, United Kingdom and other parts of the world weakened as a result of the global economic crisis which commenced in 2008 and continued through 2009. We saw intermittent signs of stabilization in economic conditions in the United States and globally during fiscal 2010, but there are no assurances that the global economy will continue to recover. Those recessionary conditions have adversely impacted retail sales of apparel and other consumer products, and have impacted our business. In addition, concerns regarding acts of terrorism, the wars in Iraq and Afghanistan, political unrest throughout the Middle East and the March 2011 earthquake in Japan, among other events, have created significant global economic and political uncertainties that may affect consumer demand for our products in the United States and other parts of the world, as well as result in disruptions to sourcing of our products from Asian markets. These or similar factors could consequently reduce our sales and/or increase our costs of goods sold.

Additionally, 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.

Our success depends on the reputation and value of our owned and licensed brand names, including, in particular, Tommy Bahama, Lilly Pulitzer 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, Lilly Pulitzer and Ben Sherman, to third party licensees. While we take significant steps to ensure the reputation of our

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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. In particular, we believe that our lifestyle branded Tommy Bahama, Lilly Pulitzer and Ben Sherman products may be more susceptible to changing fashion trends and consumer preferences than apparel products generally. 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 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 operations.

As we source substantially all of our products from foreign countries, including approximately 75% of our product purchases from China during fiscal 2010, 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. The imposition of a quota arrangement between the United States and China on our products, 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.

In addition, 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 and California Proposition 65, particularly given the concentration of our retail stores in the State of California. Failure to comply with such regulations could result in a delay, non-delivery or mandated destruction of inventory shipments during key seasons, financial penalties and/or harm to our reputation and business relationships, and compliance with existing and future regulations could increase our cost of goods sold.

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.

Significant fluctuations and volatility in the price of raw materials and freight may materially increase our costs, some or all of which we may be unable to pass on to our customers.

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. We have seen a sustained increase in the costs of raw materials, particularly cotton, as a result of rising demand from the economic recovery, weather-related supply disruptions, significant declines in U.S. inventory and a sharp rise in the futures market for cotton, which has been compounded by increased costs of transportation of our products as a result of sustained increases in oil prices. In addition, the cost of the materials that are used in our manufacturing process, such as oil-related commodity prices and other raw materials, such as dyes and chemicals, and other costs, can fluctuate. We historically have not entered into any futures contracts to hedge commodity prices. Any significant increase in the price of raw materials or freight may materially increase our costs, some or all of which we may be unable to pass on to our customers.

We are dependent upon 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 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

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our customers on a timely basis, which may, in turn, have a negative impact on our customer relationships and result in lower net sales.

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, 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.

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. These competitive factors within the apparel industry may result in reduced sales, increased costs, lower prices for our products and/or decreased margins.

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, Florida for our Lilly Pulitzer retail stores and the United Kingdom for our Ben Sherman retail stores. As of January 29, 2011, 41 out of our 89 Tommy Bahama retail stores were located in these two U.S. states, five out of our 16 Lilly Pulitzer retail stores were located in Florida and more than half of our owned Ben Sherman retail stores, including outlets, 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.

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 wholesale sales from a few major customers. During fiscal 2010, sales to our five largest customers accounted for approximately 46% of our consolidated wholesale sales and sales to our largest wholesale customer represented approximately 16% of our consolidated wholesale sales. 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, as a result of further consolidation in the retail industry or otherwise could result in lower prices, realignment of customer affiliations or other factors which could negatively impact our net sales and profitability.

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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, 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 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.

The acquisition of new businesses, such as our recent acquisition of the Lilly Pulitzer brand and operations, has certain inherent risks, including, for example, strains on our management team, unexpected acquisition costs, and, in some instances, contingent payments.

One component of our business strategy is the acquisition of new businesses or product lines as and when appropriate investment opportunities are available. Consistent with this strategy, in December 2010, we acquired the Lilly Pulitzer brand and operations.

In connection with our acquisition of the Lilly Pulitzer brand and operations, or in any future acquisitions, we may become responsible for unexpected liabilities that we failed or were unable to discover in the course of performing due diligence. Although we have required the selling shareholders of Sugartown to indemnify us against undisclosed liabilities, we cannot assure you that the indemnification, even if obtained, will be enforceable, collectible or sufficient in amount, scope or duration to fully offset the possible liabilities associated with the business or assets acquired. Any of these liabilities, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations.

In addition, integrating acquired businesses is a complex, time-consuming and expensive process. The integration process for newly acquired businesses, including the Lilly Pulitzer brand and operations, 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 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.

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In connection with our acquisition of the Lilly Pulitzer brand and operations, we entered into a contingent consideration agreement with the selling shareholders that may require us to pay up to $20 million in performance-based contingent payments to those shareholders over the next four years. Although we will only be required to make these payments if the acquired business is successful, the contingent payments are payable based on that business achieving earnings targets. If the acquired Sugartown business is successful but the rest of our business is not successful, we may have difficulty making the contingent payments. The principal shareholders of Sugartown from whom we acquired the business are key members of management of our Lilly Pulitzer Group. It is possible that their interests with respect to the contingent payments will differ from our interests or those of our shareholders.

Our operations are reliant on information technology, and any interruption or other failure in our information technology systems, including disruptions at any of our principal distribution facilities, 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. Any material disruption in our information technology systems, or any failure to timely, efficiently and effectively integrate new systems, could have an adverse affect on our business or results of operations.

In addition, 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, as a result of a technology failure or otherwise, 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 or to restore the technological capabilities of the facility. This could negatively affect our operating results and our customer relationships.

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.

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

We schedule production from third party manufacturers based on our expectations for the demand for our products. However, various factors could result in variances from our forecasts. As a result, 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 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.

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.

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 lifestyle brands. Net sales from retail stores and restaurants were approximately 43% of our consolidated net sales during fiscal 2010.

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. From time to time, we seek to downsize or close some of our retail store or restaurant operations, which may require a modification or termination of an existing lease; such actions may require payment of exit fees and/or result in fixed asset impairment charges, the amounts of which could be material.

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 operate retail stores and restaurants in numerous jurisdictions. 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, 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 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 85% of our net sales in fiscal 2010 were 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, including internationally, 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, regardless of whether it is successful, could result in substantial costs to us and diversion of our management and other resources.

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. This may include situations in which individuals join our company as a result of acquisitions that we make, such as the recent employment of the principals of the Lilly Pulitzer brand and operations to lead our Lilly Pulitzer Group, and may be more familiar with certain of the operational aspects of acquired businesses than other members of our management. 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.

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 2010. 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.

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 and Geoffrey Beene, to market our products. Approximately 8% of our net sales during fiscal 2010 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.

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 29, 2011, we had $150 million aggregate principal amount outstanding of our $11^{3}/_{8}$% Senior Secured Notes and no borrowings outstanding under our U.S. Revolving Credit Agreement or our U.K. Revolving Credit Agreement. 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. There are no assurances that in the future we will be able to refinance our debt obligations on terms that are satisfactory to us.

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.

In addition, we have interest rate risk on indebtedness under our U.S. Revolving Credit Agreement and U.K. Revolving Credit Agreement. We generally do not engage in hedging activities with respect to our interest rate risk, and 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 may be unable to successfully execute a key component of our business strategy, which is to grow our business through organic growth and/or, if and when appropriate, 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, if and when appropriate, acquisitions of lifestyle brands that fit within our business model, such as our acquisition of the Lilly Pulitzer brand and operations in December 2010. Organic growth may be achieved by, among other things, increasing our market share in existing markets, including to existing wholesale customers; selling our products in new markets, including international 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, the ability of our management to implement plans for expanding our existing businesses and our ability to find suitable acquisition candidates at reasonable prices in the future. 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.

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

As we did in fiscal 2010 with the sale of substantially all of the operations and assets of our former Oxford Apparel Group and as we did during fiscal 2008 and fiscal 2009 with the restructuring of our operations at Ben Sherman, Lanier Clothes and our former Oxford Apparel Group, 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.

Our operations are influenced by weather patterns and natural or man-made disasters.

Like other companies in the apparel industry, our sales volume and operations may be adversely affected by unseasonable weather conditions or natural or man-made 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, the concentration of a significant proportion of our customers in certain geographic regions, the concentration of our sourcing operations and the concentration of our distribution operations, the occurrence of such events could disproportionately impact our business, financial condition and operating results.

Item 1B. ***Unresolved Staff Comments***

None.

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Item 2. *Properties*

We lease and own space for our distribution centers, manufacturing facilities, retail stores and sales/administration office space in various domestic and international locations. We believe that our existing properties are well maintained, are in good operating condition and will be adequate for our present level of operations. Our operations utilize:

- approximately 1.2 million square feet of owned distribution and manufacturing facilities in the United States and Mexico;

- approximately 0.6 million square feet of leased retail and restaurant space in the United States, the United Kingdom and Germany; and

- approximately 0.5 million square feet of leased and owned administrative and sales space in various locations including the United States, the United Kingdom, Germany, China and Hong Kong.

In addition to our owned distribution facilities, we also utilize certain third party warehouse/distribution providers where we do not own or lease any space. Each of our retail stores and restaurants are less than 16,000 square feet, and 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, Ben Sherman and Lilly Pulitzer, as described in more detail in Item 1. Business 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.

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
Seattle, Washington	Sales/administration	Tommy Bahama	80,000	2015
Auburn, Washington	Distribution center	Tommy Bahama	260,000	2015
King of Prussia, Pennsylvania	Sales/administration	Lilly Pulitzer	40,000	Owned
King of Prussia, Pennsylvania	Distribution center	Lilly Pulitzer	65,000	Owned
London, England	Sales/administration	Ben Sherman	20,000	2013
Lurgan, Northern Ireland	Sales/administration	Ben Sherman	10,000	Owned
Toccoa, Georgia	Distribution center	Lanier Clothes	310,000	Owned
Merida, Mexico	Manufacturing plant	Lanier Clothes	80,000	Owned
Atlanta, Georgia	Sales/administration	Corporate and Other and Lanier Clothes	70,000	Owned
Lyons, Georgia	Sales/administration	Corporate and Other and Ben Sherman	90,000	Owned
Lyons, Georgia	Distribution center	Corporate and Other and Ben Sherman	330,000	Owned
New York, New York	Sales/administration	Various	35,000	Various
Hong Kong	Sales/administration	Various	30,000	Various

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, or aware of any proceedings contemplated by governmental authorities, that we believe could reasonably be expected to have a material impact on our financial position, results of operations or cash flows.

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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 18, 2011, there were 384 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 the dividends per share declared on shares of our common stock by our Board of Directors for each quarter.

	High	Low	Close	Dividends
Fiscal 2010				
Fourth Quarter	$ 29.50	$ 21.50	$ 23.86	$ 0.11
Third Quarter	$ 24.66	$ 19.23	$ 23.03	$ 0.11
Second Quarter	$ 24.50	$ 15.00	$ 22.40	$ 0.11
First Quarter	$ 23.71	$ 16.05	$ 21.59	$ 0.11
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

On March 28, 2011, our Board of Directors approved a cash dividend of $0.13 per share payable on April 29, 2011 to shareholders of record as of the close of business on April 15, 2011. 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, other debt instruments, contingent consideration arrangements or applicable law 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 and applicable law. 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 2010.

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

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repurchase shares from employees to cover employee tax liabilities related to the exercise of stock options or the vesting of previously restricted shares. No shares were purchased during the fourth quarter of fiscal 2010. On March 28, 2011, approximately 0.3 million shares of our common stock which were issued as restricted stock awards vested. At that time, we purchased approximately 0.1 million shares of the vested common stock from our employees, including certain of our named executive officers, to cover employee tax liabilities related to the vesting of the shares.

In the second quarter of fiscal 2010, our Board of Directors authorized us to spend up to $50 million to repurchase shares of our common stock and/or 11$^{3}/_{8}$% Senior Secured Notes. This authorization superseded and replaced all previous authorizations to repurchase shares of our common stock and/or our 11$^{3}/_{8}$% Senior Secured Notes. As of January 29, 2011, no shares of our common stock nor any of our 11$^{3}/_{8}$% Senior Secured Notes had been repurchased pursuant to this authorization, which has no automatic expiration.

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 June 3, 2005 and ending January 29, 2011 of:

The S&P SmallCap 600 Index; and

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

Comparison of Cumulative Total Return

		INDEXED RETURNS Years Ending					
Company / Index	**Base Period 6/3/05**	**6/2/06**	**6/1/07**	**2/2/08**	**1/31/09**	**1/30/10**	**1/29/11**
Oxford Industries, Inc.	**100**	101.28	113.10	57.76	17.57	48.42	65.98
S&P SmallCap 600 Index	**100**	119.04	137.84	120.39	74.30	103.25	134.30
S&P 500 Apparel, Accessories & Luxury Goods	**100**	101.05	145.13	98.39	50.51	95.44	131.13

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

Our selected financial data included in the table below reflects (1) the results of operations for Lilly Pulitzer, which was acquired on December 21, 2010, subsequent to date of the acquisition and (2) the divestiture of substantially all of the operations and assets of our former Womenswear and

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Oxford Apparel operations in fiscal 2006 and fiscal 2010, respectively, resulting in those operations being classified as discontinued operations for all periods presented. 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 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.

	Fiscal 2010	Fiscal 2009	Fiscal 2008	Eight-month Transition Period Ended February 2, 2008	Fiscal 2007	Fiscal 2006
	(In millions, except per share amounts)					
Net sales	$ 603.9	$ 585.3	$ 699.1	$ 501.5	$ 799.5	$ 766.2
Cost of goods sold	276.5	294.5	363.5	263.8	422.2	406.2
Gross profit	327.4	290.8	335.6	237.7	377.4	360.0
SG&A	301.0	282.5	325.4	218.5	310.6	284.9
Amortization of intangible assets	1.0	1.2	2.8	3.1	6.3	7.6
Change in fair value of contingent consideration	0.2					
Impairment of goodwill and intangible assets			307.5			
Royalties and other operating income	15.4	11.8	15.7	11.3	12.8	12.7
Operating income (loss)	40.7	18.9	(284.4)	27.4	73.2	80.2
Gain on repurchase of $8^7/_8$% Senior Unsecured Notes			7.8			
Interest expense, net	19.9	20.5	21.3	13.8	20.9	17.0
Earnings (loss) from continuing operations before income taxes	20.8	(1.6)	(298.0)	13.6	52.3	63.3
Income taxes (benefit)	4.5	(2.9)	(19.8)	1.9	16.3	18.8
Net earnings (loss) from continuing operations	16.2	1.4	(278.1)	11.7	36.0	44.5
Earnings from discontinued operations, net of taxes	12.9	13.2	6.6	8.5	15.5	14.8
Gain on sale of discontinued operations, net of taxes	49.5					10.4
Net earnings from discontinued operations, net of taxes	62.4	13.2	6.6	8.5	15.5	25.2
Net earnings (loss)	$ 78.7	$ 14.6	$ (271.5)	$ 20.2	$ 51.6	$ 69.7
Diluted net earnings (loss) from continuing operations per common share	$ 0.98	$ 0.09	$ (17.42)	$ 0.67	$ 2.01	$ 2.50
Diluted earnings from discontinued operations, net of taxes, per common share	$ 0.78	$ 0.81	$ 0.42	$ 0.49	$ 0.87	$ 0.83
Diluted gain on sale of discontinued operations, net of taxes, per common share	$ 2.99					$ 0.58
Diluted net earnings from discontinued operations per common share	$ 3.77	$ 0.81	$ 0.42	$ 0.49	$ 0.87	$ 1.41
Diluted net earnings (loss) per common share	$ 4.75	$ 0.90	$ (17.00)	$ 1.16	$ 2.88	$ 3.92
Diluted weighted average shares outstanding	16.6	16.3	16.0	17.4	17.9	17.8
Dividends declared	$ 7.3	$ 5.9	$ 11.5	$ 9.3	$ 11.7	$ 9.9
Dividends declared per common share	$ 0.44	$ 0.36	$ 0.72	$ 0.54	$ 0.66	$ 0.57
Total assets, at period-end	$ 558.5	$ 425.2	$ 467.7	$ 910.1	$ 907.6	$ 885.0
Long-term debt, less current maturities, at period-end	$ 147.1	$ 146.4	$ 194.2	$ 234.4	$ 199.3	$ 200.0
Shareholders' equity, at period-end	$ 180.0	$ 104.4	$ 87.3	$ 407.4	$ 452.9	$ 398.1
Capital expenditures	$ 13.3	$ 11.3	$ 20.0	$ 21.1	$ 31.3	$ 25.0
Depreciation and amortization	$ 18.8	$ 20.4	$ 23.6	$ 16.0	$ 23.1	$ 22.7

Amortization of deferred financing costs	$ 1.3	$ 3.4	$ 2.9	$ 1.7	$ 2.5	$ 2.5
Book value per share at period-end	$ 10.90	$ 6.34	$ 5.50	$ 25.38	$ 25.38	$ 22.56

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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 consumer apparel for men, women and children 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 our products through our direct to consumer channels, including our retail stores, e-commerce websites and restaurants, as well as through our wholesale distribution channel, which includes department stores, specialty stores, national chains, specialty catalogs, mass merchants and Internet retailers.

Although we have seen signs of recovery in fiscal 2010, the last three years have been particularly challenging for our operating groups due to the weak global economic conditions which began in fiscal 2008 and continued through fiscal 2009. In much of fiscal 2010, we purchased inventory at levels which mitigated inventory markdown risk and promotional pressure, while also maintaining the integrity of our brands. However, these precautions also limited our growth opportunities in some cases. Although the challenging economic conditions continue to have an impact on our business and the apparel industry as a whole, and we continue to focus on minimizing inventory markdown risk and promotional pressure, we have been slightly more aggressive in our inventory purchases for fiscal 2011 and anticipate continuing to purchase inventory more aggressively if the economic conditions continue to show improvement. We believe that fiscal 2011 will be impacted by pricing pressures on raw materials, fuel, transportation and other costs necessary for the production and sourcing of apparel products.

We continue to believe it is important 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 structure, refinance our significant debt agreements and divest substantially all of the operations and assets of our former Oxford Apparel operating group have significantly enhanced our balance sheet and liquidity, while allowing us to acquire the Lilly Pulitzer brand and operations and continue to operate our businesses appropriately. We believe our strong balance sheet and liquidity will allow us to aggressively develop Tommy Bahama, Lilly Pulitzer and Ben Sherman, our lifestyle brands, while maintaining Lanier Clothes' high level of performance, and at the same time maintain the financial flexibility to opportunistically enhance our capital structure and pursue desirable acquisitions, if any meet our investment criteria.

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 have on other industries. Therefore, even if conditions improve in the general economy, the negative impact on the apparel and retail industry may continue.

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The following table sets forth our consolidated operating results (in thousands, except per share amounts) for fiscal 2010 compared to fiscal 2009:

	Fiscal 2010	Fiscal 2009	$ Change
Net sales	$ 603,947	$ 585,306	$ 18,641
Earnings from continuing operations	$ 16,235	$ 1,386	$ 14,849
Earnings from continuing operations per diluted common share	$ 0.98	$ 0.09	$ 0.89
Earnings from discontinued operations, net of taxes	$ 12,877	$ 13,238	$ (361)
Earnings from discontinued operations per diluted common share	$ 0.78	$ 0.81	$ (0.03)
Gain on sale of discontinued operations, net of taxes	$ 49,546	$	$ 49,546
Gain on sale of discontinued operations per diluted common share	$ 2.99	$	$ 2.99
Net earnings from discontinued operations, net of taxes	$ 62,423	$ 13,238	$ 49,185
Net earnings from discontinued operations per diluted common share	$ 3.77	$ 0.81	$ 2.96
Net earnings	$ 78,658	$ 14,624	$ 64,034
Net earnings per diluted common share	$ 4.75	$ 0.90	$ 3.85
Weighted average common shares outstanding diluted	16,551	16,304	247

The primary reasons for the improvement in earnings from continuing operations were:

An increase in net sales driven by an increase in all channels of distribution at Tommy Bahama and the $6.0 million of net sales related to Lilly Pulitzer subsequent to our acquisition on December 21, 2010. These net sales increases were partially offset by net sales decreases in Ben Sherman and Lanier Clothes, which were primarily attributable to our exit from certain business lines in these two groups. Fiscal 2010 included $2.5 million of net sales associated with businesses in Ben Sherman and Lanier Clothes that we have exited compared to $20.8 million of such sales in fiscal 2009.

Improved gross margins, which benefitted from the higher proportion of net sales being Tommy Bahama sales and 2010 including a LIFO accounting charge of $3.8 million compared to a LIFO accounting charge of $4.9 million in fiscal 2009. Additionally, gross margins were negatively impacted by approximately $0.8 million of charges to cost of goods sold in Lilly Pulitzer resulting from the write-up of acquired inventory from cost to fair value pursuant to the purchase method of accounting in connection with the sale of acquired inventory, as discussed below.

A $0.2 million charge related to the change in fair value of contingent consideration associated with the acquisition of the Lilly Pulitzer brand and operations.

Increased royalty income in Tommy Bahama resulting from increased sales during fiscal 2010 by existing licensees, the addition of new licensees and certain license termination payments received in fiscal 2010.

The $1.8 million write-off of unamortized deferred financing costs related to the satisfaction and discharge of the remaining $8^{7}/_{8}$% Senior Unsecured Notes, which was included in interest expense in fiscal 2009.

These items were partially offset by:

The net increase in SG&A which was primarily due to (1) increased incentive compensation amounts resulting from the resumption of our incentive compensation program, which was suspended in fiscal 2009 and is tied to our financial performance, (2) increased retail store operating costs as a result of the opening of additional retail stores during fiscal 2009 and fiscal 2010, (3) the inclusion of SG&A associated with Lilly Pulitzer operations subsequent to our acquisition on

December 21, 2010, (4) transaction costs associated with the acquisition of Lilly

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Pulitzer totaling approximately $0.8 million and (5) the net impact of restructuring and other charges of $3.2 million related to certain retail store lease terminations and fixed asset impairment charges in Ben Sherman in fiscal 2010 compared to restructuring charges of $2.6 million related to Ben Sherman's exit from its women's, footwear and kids' operations and other streamlining initiatives in Ben Sherman as well as an impairment of certain leasehold improvements in Tommy Bahama in fiscal 2009.

Earnings from discontinued operations reflect operations related to our former Oxford Apparel operating group. We sold substantially all of the operations and assets of Oxford Apparel in fiscal 2010, as discussed below. Earnings from discontinued operations for fiscal 2010 included the $49.5 million gain on sale associated with this transaction and eleven months of operations for the discontinued operations, whereas fiscal 2009 included twelve months of operations for the discontinued operations. We do not anticipate significant operating activities associated with discontinued operations in the future other than the conversion of the net retained assets and liabilities of the discontinued operations as of January 29, 2011, into cash, substantially all of which we anticipate will occur during the first half of fiscal 2011 and the sale of inventory and recognition of the related commission income associated with goods in process as of January 29, 2011.

ACQUISITION OF LILLY PULITZER

On December 21, 2010, we acquired all of the outstanding capital stock of Sugartown Worldwide, Inc. from SWI Holdings, Inc., pursuant to a stock purchase agreement, which was treated as an asset purchase for tax purposes. Sugartown owns the Lilly Pulitzer trademark and designs, sources and distributes upscale collections of women's dresses, sportswear and other products to specialty and department stores, as well as through direct to consumer channels, including retail stores and an e-commerce site. The operations of the acquired business are reported as our Lilly Pulitzer operating group from the date of acquisition.

We paid $60 million in cash, subject to adjustment based on net working capital as of the closing date of the acquisition. After giving effect to a preliminary working capital adjustment, the purchase price paid was approximately $58.3 million, net of acquired cash of $0.9 million. In connection with the acquisition, we entered into a contingent consideration agreement on December 21, 2010, pursuant to which we will be obligated to pay cash payments of up to $2.5 million after each of the four fiscal years following the closing of the transaction and an additional $10 million subsequent to the end of the fourth fiscal year, contingent upon the Lilly Pulitzer operating group's achievement of certain performance targets.

DISCONTINUED OPERATIONS OXFORD APPAREL

On January 3, 2011, we sold to LF USA Inc., substantially all of the operations and assets of our former Oxford Apparel operating group (other than accounts receivable associated with the businesses which are being sold and all assets and operations relating to our Oxford Golf business and our distribution center in Lyons, Georgia). The purchase price paid by LF was equal to approximately $121.7 million, less an adjustment based on net working capital on the closing date of the transaction. After giving effect to the preliminary net working capital adjustment, the purchase price paid by LF at the closing of the transaction was approximately $108.2 million, of which $5.4 million is being held in escrow pending completion of the final working capital adjustment and other requirements. The net working capital deficit resulted from our retention of accounts receivable and goods in transit as of the closing date, partially offset by our retention of certain accounts payable, as of the closing date, associated with Oxford Apparel. The final net working capital adjustment is expected to occur within 120 days of the closing date of the transaction. LF also agreed to purchase our goods in transit relating to Oxford Apparel following the closing of the transaction. As of January 29, 2011, there were approximately $17.0 million of net assets associated with the discontinued operations, including a

$5.4 million receivable for the cash held in escrow. We anticipate that these net assets, as well as certain commissions we will earn related to goods in transit and inventory in process as of the transaction date, will be converted into cash during the first half of fiscal 2011.

In connection with the consummation of the transaction described above, we, among other things, entered into (1) license agreements with LF to grant licenses (subject to the limitations set forth in the applicable license agreements) to LF to use the trade name "Oxford Apparel" perpetually in connection with its business, as well as to use certain other trademarks in connection with the manufacture, sale and distribution of men's dress shirts for certain periods of time in the applicable territory; (2) a services agreement with LF pursuant to which, in exchange for various fees, we will provide certain transitional support services to LF in its operation of the transferred assets; and (3) a limited non-competition agreement with LF pursuant to which we agreed (subject to the exceptions set forth in the non-competition agreement) not to engage in certain activities for a period of three years following the completion of the transaction.

The results of operations classified as discontinued operations include the operating results for Oxford Apparel as reported historically, except that (1) the operations of our Oxford Golf business and the operations of our Lyons, Georgia distribution center are reported within Corporate and Other as those operations were not sold and (2) certain corporate service costs which were previously allocated to Oxford Apparel are included in Corporate and Other as there is uncertainty in whether there will be a reduction in those costs as a result of the Oxford Apparel sale.

We allocated all interest expense related to our U.S. Revolving Credit Agreement to earnings from discontinued operations as the estimated net proceeds from the transaction and the proceeds from the settlement of the retained assets and liabilities related to the discontinued operations, substantially all of which are expected to be converted into cash during the first half of fiscal 2011, exceed the amounts outstanding under our U.S. Revolving Credit Agreement during each of the periods presented. We did not allocate any interest related to our $11^3/_8$% Senior Secured Notes to discontinued operations. The income taxes for discontinued operations reflect the residual income tax expense after calculating the income taxes for continuing operations, excluding the discontinued operations.

OPERATING GROUPS

Our business is primarily operated through our four operating groups: Tommy Bahama, Lilly Pulitzer, Ben Sherman and Lanier Clothes. We identify our operating groups based on the way our management organizes the components of our business for purposes of allocating resources and assessing performance. All amounts included in this report and in our consolidated financial statements reflect our changes in operating groups during fiscal 2010, including (1) the acquisition of Sugartown, resulting in the creation of our Lilly Pulitzer operating group, (2) the sale of substantially all of the operations and assets of our former Oxford Apparel operating group, which are now classified as discontinued operations, (3) the reclassification of our Oxford Golf business and our Lyons, Georgia distribution center operations into Corporate and Other, as these activities were previously included in Oxford Apparel, but will continue to be operated by us, and (4) the reclassification of certain corporate service costs from Oxford Apparel, where they were previously allocated, to Corporate and Other, as there is uncertainty in whether there will be a reduction in those costs as a result of the Oxford Apparel sale.

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 Tommy Bahama e-commerce website, as well as in certain department stores and independent specialty stores throughout the United

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States. We also license the Tommy Bahama name for various product categories and operate Tommy Bahama restaurants.

Lilly Pulitzer designs, sources and distributes upscale collections of women's and girl's dresses, sportswear and other products. Lilly Pulitzer was originally created in the late 1950's and is an affluent brand with heritage and aesthetic based on the Palm Beach resort lifestyle. The brand is somewhat unique among women's brands in that it has demonstrated multi-generational appeal. The brand targets three distinct groups of women: young women recently graduated from college; young mothers and their daughters; and women who are not tied to the academic calendar. Lilly Pulitzer products can be found in our owned Lilly Pulitzer stores, in Lilly Pulitzer Signature Stores and on our Lilly Pulitzer website, as well as in certain department stores and a variety of independent specialty stores. We also license the Lilly Pulitzer name for various product categories.

Ben Sherman is a London-based designer, marketer and distributor of men's branded sportswear and related products. Ben Sherman was established in 1963 as an edgy, "Mod"-inspired shirt brand and has evolved into a British lifestyle brand of apparel targeted at style conscious men ages 25 to 40 in multiple markets throughout the world. Ben Sherman products can be found in certain department stores, a variety of independent specialty stores and our owned and licensed Ben Sherman retail stores, as well as on Ben Sherman 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 tailored clothing including 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. Lanier Clothes also offers branded products under our Billy London and Arnold Brant trademarks. In addition to the branded businesses, Lanier Clothes designs and sources certain private label products for certain customers. Significant private label brands include Stafford, Lands' End, Alfani, Structure and Kenneth Roberts. Our Lanier Clothes products are sold to national chains, department stores, specialty stores, specialty catalog retailers and discount 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, other costs that are not allocated to the operating groups and operations of our other businesses which are not included in our four 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. The operations of businesses that are included in Corporate and Other include our Oxford Golf business and our Lyons, Georgia distribution center operations.

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

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. 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. In accordance with U.S. GAAP, net sales, cost of goods sold, gross profit, SG&A, amortization of intangible assets, change in fair value of contingent consideration, impairment of goodwill and intangible assets, royalties and other operating income, operating income, interest expense, net, earnings from continuing operations before income taxes, income taxes and earnings from continuing operations reflect continuing operations only, and all

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discontinued operations are reflected in net earnings from discontinued operations. For purposes of the tables below, "NM" means not meaningful.

	Fiscal 2010		Fiscal 2009		Fiscal 2008	
Net sales	$ 603,947	100.0%	$ 585,306	100.0%	$ 699,064	100.0%
Cost of goods sold	276,540	45.8%	294,493	50.3%	363,452	52.0%
Gross profit	327,407	54.2%	290,813	49.7%	335,612	48.0%
SG&A	301,002	49.8%	282,489	48.3%	325,342	46.5%
Amortization of intangible assets	973	0.2%	1,217	0.2%	2,800	0.4%
Change in fair value of contingent consideration	200	0.0%				
Impairment of goodwill and intangible assets					307,532	44.0%
Royalties and other operating income	15,430	2.6%	11,803	2.0%	15,661	2.2%
Operating income (loss)	40,662	6.7%	18,910	3.2%	(284,401)	(40.7)%
Gain on repurchase of $8^7/_8$% Senior Unsecured Notes					7,767	1.1%
Interest expense, net	19,887	3.3%	20,469	3.5%	21,317	3.0%
Earnings (loss) from continuing operations before income taxes	20,775	3.4%	(1,559)	(0.3)%	(297,951)	(42.6)%
Income taxes	4,540	0.8%	(2,945)	(0.5)%	(19,845)	(2.8)%
Earnings (loss) from continuing operations	16,235	2.7%	1,386	0.2%	(278,106)	(39.8)%
Earnings from discontinued operations, net of taxes	12,877	NM	13,238	NM	6,649	NM
Gain on sale of discontinued operations, net of taxes	49,546	NM		NM		NM
Net earnings from discontinued operations, net of taxes	62,423	NM	13,238	NM	6,649	NM
Net earnings (loss)	$ 78,658	NM	$ 14,624	NM	$ (271,457)	NM

FISCAL 2010 COMPARED TO FISCAL 2009

The discussion and tables below compares certain line items included in our statements of operations for fiscal 2010 to fiscal 2009. 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 2010	Fiscal 2009	$ Change	% Change
Tommy Bahama	$398,510	$363,084	$35,426	9.8%
Lilly Pulitzer	5,959		5,959	NM
Ben Sherman	86,920	102,309	(15,389)	(15.0)%
Lanier Clothes	103,733	114,542	(10,809)	(9.4)%
Corporate and Other	8,825	5,371	3,454	64.3%
Total net sales	$603,947	$585,306	$ 18,641	3.2%

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Consolidated net sales increased $18.6 million, or 3.2%, in fiscal 2010 compared to fiscal 2009. The increase in net sales was primarily a result of the changes in each operating group discussed below as well as the inclusion of sales for Lilly Pulitzer in fiscal 2010 subsequent to our acquisition on December 21, 2010. Fiscal 2010 included $2.5 million of sales related to businesses that we have exited in Ben Sherman and Lanier Clothes compared to $20.8 million of such sales in fiscal 2009.

Tommy Bahama:

The increase in net sales for Tommy Bahama was primarily due to improved comparable retail store sales, sales at retail stores opened during fiscal 2009 and fiscal 2010, higher e-commerce sales and higher wholesale sales. Tommy Bahama apparel unit sales increased 14.1%, which was a result of the improvement in all channels of distribution. The average selling price per unit decreased by 3.2% due to Tommy Bahama offering more items at entry level price points below $100 and women's, home and gift items, which carry a lower average unit price than men's, making up a higher proportion of Tommy Bahama's sales mix.

Lilly Pulitzer:

We acquired Lilly Pulitzer on December 21, 2010. Therefore, fiscal 2010 reflects approximately six weeks of net sales that totaled $6.0 million for Lilly Pulitzer while the prior year includes no net sales for Lilly Pulitzer.

Ben Sherman:

The decrease in net sales for Ben Sherman was primarily due to a 17.8% reduction in unit sales largely resulting from our exit from and subsequent licensing of our footwear and kids' businesses and our exit from our women's operations during fiscal 2009. Net sales related to the footwear, kids' and women's businesses totaled approximately $2.1 million in fiscal 2010 compared to $17.2 million in fiscal 2009. Net sales were also negatively impacted by a 2.1% decrease in the average exchange rate of the British pound sterling versus the United States dollar during fiscal 2010 compared to the average exchange rate for fiscal 2009. The impact of the exited businesses and the exchange rate were partially offset by increased in retail sales in fiscal 2010. The average selling price per unit for Ben Sherman increased 3.4% as retail sales represented a greater proportion of total Ben Sherman sales during fiscal 2010 and there were fewer off-price sales in fiscal 2010. Fiscal 2009 included more off-price sales associated with the exited businesses.

Lanier Clothes:

The decrease in net sales for Lanier Clothes was primarily due to a reduction in unit sales of 10.8%, which was driven by lower sales in our private label businesses and the inclusion of approximately $3.6 million of net sales in fiscal 2009 related to businesses that we have exited. These decreases in net sales were partially offset by higher sales in our branded tailored clothing business. The average selling price per unit increased 1.5% as a result of the change in sales mix as private label products typically have a lower selling price than branded products and many of the sales of the products for businesses that we exited were off-price, close out sales.

Corporate and Other:

Corporate and Other primarily consists of the net sales of our Oxford Golf business and our Lyons, Georgia distribution center. The increase in the net sales for Corporate and Other are primarily driven by the higher net sales in our Oxford Golf business during fiscal 2010.

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Gross Profit

	Fiscal 2010	Fiscal 2009	$ Change	% Change
Gross profit	$ 327,407	$ 290,813	$ 36,594	12.6%
Gross margin (gross profit as a % of net sales)	54.2%	49.7%		
LIFO charges included in gross profit	$ 3,792	$ 4,943		
Restructuring charges included in gross profit		$ 355		
Write-up of acquired inventory included in gross profit	$ 764			

The increase in gross profit was primarily due to higher net sales and increased gross margins. The increase in gross margins was primarily due to changes in the sales mix for fiscal 2010 compared to fiscal 2009. The changes in sales mix included (1) direct to consumer sales, which generally have higher gross margins than wholesale sales, making up a larger proportion of Tommy Bahama sales, (2) Tommy Bahama sales representing a larger proportion of our consolidated net sales, (3) fewer close out sales in Ben Sherman as fiscal 2009 included sales associated with footwear, kids' and women's operations, which we exited, (4) the inclusion of $0.4 million of restructuring charges in Ben Sherman in 2009 associated with our exit from the Ben Sherman footwear, kids' and women's operations, (5) a sales mix change in Lanier Clothes towards branded products and (6) the impact of LIFO accounting charges which totaled $3.8 million and $4.9 million in fiscal 2010 and fiscal 2009, respectively. These positive items were partially offset by the negative impact on our gross profit of approximately $0.8 million of charges to cost of goods sold in Lilly Pulitzer resulting from the write-up of acquired inventory from cost to fair value pursuant to the purchase method of accounting in connection with the sale of acquired inventory. 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 2010	Fiscal 2009	$ Change	% Change
SG&A	$ 301,002	$ 282,489	$ 18,513	6.6%
SG&A (as % of net sales)	49.8%	48.3%		
Restructuring and other charges included in SG&A	$ 3,212	$ 2,201		
Acquisition transaction costs included in SG&A	$ 848			
Environmental reserve reduction included in SG&A	$ (2,242)			

The increase in SG&A was primarily due to fiscal 2010 including (1) costs associated with the resumption of our incentive compensation program, which was suspended in fiscal 2009 and is tied to our financial performance, which impacted SG&A for each of our operating groups, (2) the incremental SG&A associated with the costs of operating retail stores which opened during fiscal 2009 and fiscal 2010, (3) SG&A costs associated with Lilly Pulitzer subsequent to our acquisition and (4) transaction costs associated with the Lilly Pulitzer acquisition totaling $0.8 million. Additionally, SG&A was impacted by the impact of restructuring charges which totaled $3.2 million in fiscal 2010 and $2.2 million in fiscal 2009. The fiscal 2010 restructuring costs primarily related to lease termination charges related to two Ben Sherman retail stores in the United Kingdom and certain fixed asset impairment charges in Ben Sherman. The fiscal 2009 restructuring charges included $2.0 million related to charges associated with our exit from the Ben Sherman women's, footwear and kids' operations, as well as other streamlining initiatives, and $0.5 million related to the impairment of certain leasehold improvements associated with a Tommy Bahama New York office lease. These increased charges to SG&A were partially offset by the $2.2 million of decrease in SG&A in fiscal 2010 resulting from a reduction in our estimate of expected remediation costs associated with an existing environmental reserve.

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Amortization of Intangible Assets

	Fiscal 2010	Fiscal 2009	$ Change	% Change
Amortization of intangible assets	$ 973	$ 1,217	$ (244)	(20.0)%

The decrease in amortization of intangibles was the result of decreases in amortization for Tommy Bahama and Ben Sherman as amortization of intangible assets is typically greater in the earlier periods following an acquisition. We anticipate that amortization of intangible assets in fiscal 2011 will be approximately $1.2 million with an increase due to the amortization of intangible assets related to Lilly Pulitzer being partially offset by decreases in amortization of intangible assets for Tommy Bahama and Ben Sherman.

Change in fair value of contingent consideration

	Fiscal 2010	Fiscal 2009	$ Change	% Change
Change in fair value of contingent consideration	$ 200	$	$ 200	100.0%

In connection with the acquisition of the Lilly Pulitzer brand and operations, we entered into a contingent consideration agreement with the sellers, whereby we will be obligated to pay certain contingent consideration amounts based on the achievement of certain performance criteria by our Lilly Pulitzer operating group, which may be as much as $20 million in the aggregate over the four years subsequent to the acquisition. In accordance with U.S. GAAP, we have recognized a liability in our consolidated balance sheets for the fair value of this liability. This liability will increase in fair value as we approach the date of anticipated payment, resulting in a charge to our consolidated statements of operations. Additionally, the fair value of the contingent consideration will change in future periods to the extent that our assumptions regarding the probability of the payment of the contingent consideration, discount rates and other factors change as part of our periodic assessment of the fair value of the liability. We anticipate that the change in fair value of contingent consideration due to the passage of time only will be approximately $2.4 million in fiscal 2011; however, this charge will change if we alter any assumptions related to fair value of the contingent consideration. The change in assumptions could result in a material change to the amount included in the statement of operations for fiscal 2011.

Royalties and other operating income

	Fiscal 2010	Fiscal 2009	$ Change	% Change
Royalties and other operating income	$ 15,430	$ 11,803	$ 3,627	30.7%

The increase in royalties and other operating income was primarily due to increased royalty income in Tommy Bahama, as sales reported by certain licensees increased and new licensees were added as well as the impact of a payment received related to the termination of the license for Tommy Bahama rum in fiscal 2010.

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Operating income (loss)

	Fiscal 2010	Fiscal 2009	$ Change	% Change
Tommy Bahama	$ 51,081	$ 37,515	$ 13,566	36.2%
Lilly Pulitzer	(372)		(372)	NM
Ben Sherman	(2,664)	(8,616)	5,952	69.1%
Lanier Clothes	14,316	12,389	1,927	15.6%
Corporate and Other	(21,699)	(22,378)	679	3.0%
Total operating income	$ 40,662	$ 18,910	$ 21,752	115.0%
LIFO charges included in operating income	$ 3,792	$ 4,943		
Write-up of acquired inventory included in operating income	$ 764			
Change in fair value of contingent consideration including in operating income	$ 200			
Acquisition transaction costs included in operating income	$ 848			
Restructuring charges included in operating income	$ 3,212	$ 2,556		
Environmental reserve reduction included in operating income	$ (2,242)			

Operating income, on a consolidated basis, increased to $40.7 million in fiscal 2010 from $18.9 million in fiscal 2009. The $21.8 million increase in operating income was primarily due to (1) increased net sales, (2) improved gross margins and (3) higher royalty income, which were partially offset by (1) increased SG&A, (2) the impact of restructuring charges of $3.2 million for fiscal 2010 and $2.6 million for fiscal 2009, (3) inventory mark-up charges associated with purchase accounting of $0.8 million and (4) transaction costs associated with the Lilly Pulitzer acquisition of $0.8 million. Additionally, operating income included charges for LIFO accounting of $3.8 million in fiscal 2010 and $4.9 million in fiscal 2009. Fiscal 2010 also included a $2.2 million of decrease in SG&A resulting from a reduction in our estimate of remediation costs associated with an existing environmental reserve. Changes in operating income by operating group are discussed below.

Tommy Bahama: