

SECURITIES AND EXCHANGE COMMISSION  
 WASHINGTON, D.C. 20549  
 FORM 10-Q

Quarterly Report Pursuant To Section 13 or 15(d) of  
 The Securities Exchange Act of 1934

For the quarterly period ended November 28, 1997  
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OR

Transition Report Pursuant To Section 13 or 15(d) of  
 The Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
 Commission File Number 1-4365  
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OXFORD INDUSTRIES, INC.

-----  
 (Exact name of registrant as specified in its charter)

Georgia 58-0831862

-----  
 (State or other jurisdiction of (I.R.S. Employer  
 incorporation or organization) Identification Number)

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

(Address of principal executive offices)  
 (Zip Code)

(404) 659-2424

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

Not Applicable

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

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

Yes  No

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

Title of each class	Number of shares outstanding as of January 5, 1998
----- Common Stock, \$1 par value	----- 8,855,572

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.  
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OXFORD INDUSTRIES, INC  
 CONSOLIDATED STATEMENT OF EARNINGS  
 SIX MONTHS AND QUARTERS ENDED NOVEMBER 28, 1997 AND NOVEMBER 29, 1996  
 (UNAUDITED)

Six Months Ended

Quarter Ended  
 -----

\$ in thousands except per share amounts	November 28,	November 29,	November 28,	November 29,
	1997	1996	1997	1996
Net Sales	\$401,304	\$375,751	\$208,062	\$203,234
Costs and Expenses:				
Cost of goods sold	322,980	307,218	166,383	166,275
Selling, general and administrative	54,701	49,576	27,906	24,890
Interest	1,999	2,167	1,018	1,071
Total Costs and Expenses	379,680	358,961	195,307	192,236
Earnings Before Income Taxes	21,624	16,790	12,755	10,998
Income Taxes	8,433	6,716	4,974	4,399
Net Earnings	\$ 13,191	\$10,074	\$ 7,781	\$ 6,599
Net Earnings Per Common Share	\$1.49	\$1.15	\$0.88	\$0.75
Average Number of Shares Outstanding	8,826,844	8,741,465	8,845,774	8,707,924
Dividends Per Share	\$0.40	\$0.40	\$0.20	\$0.20

See notes to consolidated financial statements.

OXFORD INDUSTRIES, INC.  
CONSOLIDATED BALANCE SHEETS  
NOVEMBER 28, 1997, MAY 30, 1997 AND NOVEMBER 29, 1996  
(UNAUDITED EXCEPT FOR MAY 30, 1997)

\$ in thousands	November 28,	May 30,	November 29,
- - - - -	1997	1997	1996
Assets			
Current Assets:			
Cash	\$ 3,274	\$ 3,313	\$ 3,710
Receivables	112,458	77,771	107,786
Inventories:			
Finished goods	78,520	87,368	66,956
Work in process	24,102	26,276	22,509
Fabric, trim & supplies	30,801	36,137	31,818
Prepaid expenses	133,423	149,781	121,283
Total Current Assets	261,984	246,945	246,689
Property Plant and Equipment	34,429	34,636	34,299
Other Assets	5,164	5,536	5,941
Total Assets	\$301,577	\$287,117	\$286,929

Liabilities and Stockholders' Equity

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Current Liabilities			
Notes payable	\$10,500	\$ 4,000	\$28,000
Trade accounts payable	52,539	59,524	39,644
Accrued compensation	10,891	11,278	8,715
Other accrued expenses	21,401	16,964	19,327
Dividends payable	1,771	1,755	1,743
Income taxes	296	-	3,224
Current maturities of long-term debt	1,946	2,784	1,397
	-----	-----	-----
Total Current Liabilities	99,344	96,305	102,050
Long-Term Debt, less current maturities	41,680	41,790	44,284
Noncurrent Liabilities	4,500	4,500	4,500
Deferred Income Taxes	3,252	3,005	1,844
Stockholders' Equity:			
Common stock	8,854	8,780	8,716
Additional paid in capital	11,341	9,554	8,342
Retained earnings	132,606	123,183	117,193
	-----	-----	-----
Total Stockholders' Equity	152,801	141,517	134,251
	-----	-----	-----
Total Liabilities and Stockholders' Equity	\$301,577	\$287,117	\$286,929
	=====	=====	=====

See notes to consolidated financial statements.

OXFORD INDUSTRIES, INC.  
 CONSOLIDATED STATEMENTS OF CASH FLOWS  
 SIX MONTHS ENDED NOVEMBER 28, 1997 AND NOVEMBER 29, 1996  
 (UNAUDITED)

	November 28, 1997	November 29, 1996
	-----	-----
Cash Flows From Operating Activities		
Net earnings	\$ 13,191	\$ 10,074
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation and amortization	3,895	4,130
Gain on sale of property, plant and equipment	(48)	(380)
Changes in working capital:		
Receivables	(34,687)	(23,193)
Inventories	16,358	15,506
Prepaid expenses	3,251	(163)
Trade accounts payable	(6,985)	(10,032)
Accrued expenses and other current liabilities	4,050	7,803
Income taxes payable	296	3,224
Deferred income taxes	247	58
Other noncurrent assets	(33)	(49)
Net cash flows (used in)provided by operating activities	----- (465)	----- 6,978
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(3,320)	(2,764)
Proceeds from sale of property, plant and equipment	87	1,782
Net cash used in investing activities	----- (3,233)	----- (982)
Cash Flows From Financing Activities		
Short-term borrowings	6,500	2,500
Payments on long-term debt	(948)	(1,002)

Proceeds from exercise of stock options	1,627	202
Purchase and retirement of common stock	-	(1,500)
Dividends on common stock	(3,520)	(3,501)
Net cash provided by(used in) financing activities	----- 3,659	----- (3,301)
Net change in Cash and Cash Equivalents	(39)	2,695
Cash and Cash Equivalents at Beginning of Period	3,313	1,015
Cash and Cash Equivalents at End of Period	----- \$ 3,274 =====	----- \$ 3,710 =====

Supplemental Disclosure of Cash Flow Information

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Cash paid for:		
Interest	\$ 2,064	\$ 2,010
Income taxes	6,427	4,007

See notes to consolidated financial statements.

OXFORD INDUSTRIES, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
QUARTERS ENDED NOVEMBER 28, 1997 AND NOVEMBER 29, 1996

1. The foregoing unaudited consolidated financial statements

reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim periods. All such adjustments are of a normal recurring nature. The results for interim periods are not necessarily indicative of results to be expected for the year.

2. The financial information presented herein should be read in conjunction with the consolidated financial statements included in the Registrant's Annual Report on Form 10-K for the fiscal year ended May 30, 1997.
3. The Company is involved in certain legal matters primarily arising in the normal course of business. In the opinion of management, the Company's liability under any of these matters would not materially affect its financial condition or results of operations.
4. In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS No. 128) "Earnings per Share." The new standard simplifies the computation of earnings per share (EPS) and increases comparability to international standards. Under SFAS No. 128, primary EPS is replaced by "Basic" EPS, which excludes dilution and is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the period. "Diluted" EPS, which is computed similarly to fully diluted EPS, reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted to common stock.

The Company is required to adopt the new standard in its year-end 1998 financial statements. All prior period EPS information (including interim EPS) is required to be restated at that time. Early adoption is not permitted. PRO forma EPS, as if the Company adopted SFAS No. 128 for each period presented are as follows:

	For the Six months ended		For the quarters ended	
	November 28, 1997	November 29, 1996	November 28, 1997	November 29, 1996
Basic EPS	\$1.49	\$1.15	\$0.88	\$0.75
Diluted EPS	\$1.47	\$1.15	\$0.87	\$0.75

5. In February 1997, the Financial Accounting Standards Board issued SFAS No. 129, "Disclosure of Information About Capital Structure." SFAS No. 129 requires companies to disclose descriptive information about an entity's capital structure. It also requires disclosure of information about the liquidation preference of preferred stock and redeemable stock. SFAS No. 129 is effective for the Company's year-end 1998 financial statements. Management does not expect that SFAS No. 129 will require significant revision of prior disclosures.
6. In June 1997, the Financial Accounting Standards Board issued SFAS No. 130, "Reporting Comprehensive Income." SFAS No. 130 is designed to improve the reporting of changes in equity from period to period. SFAS No. 130 is effective for the Company's year-end 1999 financial statements. Management does not expect SFAS No. 130 to have a significant impact on the Company's financial statements.
7. In June 1997, the Financial Accounting Standards Board issued SFAS No. 131, "Disclosures About Segments of an Enterprise and Related Information." SFAS No. 131 requires that an enterprise disclose certain information about operating segments. SFAS No. 131 is effective for the Company's year-end 1999 financial statement. Management has not yet determined the impact of SFAS No. 131.

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

NET SALES

Net sales for the second quarter of the 1998 fiscal year, which ended November 28, 1997, increased 2.4% from net sales for the same period of the prior year. Net sales for the first six months of the current year increased 6.8% from net sales for the same period of the prior year.

First half net sales for the Company's Slacks Group increased 3.3% most of which was in its Specialty Catalog division. Lanier Clothes, the Company's Tailored Clothing Group, had a net sales increase of 4.1%. Gains in Oscar de la Renta and initial Nautica shipments were partially offset by a decline in private label shipments. The decline in private label was primarily due to pipeline filling, last year, of J.C. Penney's "Stafford Options" program. The Shirt Group gain for the first half was 6.2%. Double-digit gains in OxSport, Tommy Hilfiger Golf, Tommy Hilfiger Dress Shirts and Polo/Ralph Lauren for Boys were partially offset by a decline in Oxford Shirtings, the Company's private label dress shirt division and Ely & Walker western wear. The Womenswear Group, which is all private label, had a very solid 13.8% gain in the first half.

The Company experienced an overall net sales unit volume increase of 2.1% while experiencing a weighted average 0.3% increase in the sales price per unit during the second quarter of the current year. For the first six months of the current year, the Company experienced a 7.0% increase in overall net sales unit volume while experiencing a 0.2% decrease in the weighted average sales price per unit.

COST OF GOODS SOLD

Cost of goods sold as a percentage of net sales was 80.0% in the second quarter of the current year as compared to 81.8% in the second quarter of the prior year. For the first half of the current fiscal year, cost of goods sold as a percentage of net sales was 80.5%, and 81.8% for the first half of the prior fiscal year. The decrease in cost of goods sold as a percentage of net sales was due in

part to the increased sales of higher margin lines. Another factor contributing to the decreased percentage was the continuation of the shift from domestic production to offshore production yielding comparatively lower costs per unit.

During the second quarter, the Company announced the closure of its domestic sewing facility in Alma, Georgia. This facility closing is the direct result of the continuing intense competitive pressures that require the Company to utilize the most cost-effective production resources.

#### SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses increased by 12.1% to \$27,906,000 in the second quarter of fiscal 1998 from \$24,890,000 in the same period of fiscal 1997. Selling, general and administrative expenses increased 10.3% to \$54,701,000 for the first six months of the current year from \$49,576,000 for the first six months of the prior year. As a percentage of net sales, selling, general and administrative expenses increased to 13.4% for the second quarter of the current year from 12.2% for the second quarter of the prior year, and increased to 13.6% for the first half of the current year from 13.2% for the first half of the prior year.

The major contributors to the increased selling, general and administrative expenses were higher advertising, royalty and selling expenses inherent in the licensed designer businesses and higher employment costs. In addition to normal salary increases, the higher employment costs are the result of increased group medical insurance claims and increased management performance bonuses.

#### INTEREST EXPENSE

Net interest expense declined by \$53,000 to \$1,018,000 or 0.5% of net sales in the second quarter of the current year from \$1,071,000 or 0.5% of net sales in the second quarter of the prior year. Net interest expense declined by \$168,000 to \$1,999,000 or 0.5% of net sales in the first half of the current year from \$2,167,000 or 0.6% of net sales in the first half of the prior year. The reduction in interest expense was due to lower average short-term borrowings.

#### INCOME TAXES

The Company's effective tax rate was 39.0% in the first quarter and first half of the current year and 40.0% in the first quarter and first half of the previous year and does not differ significantly from the Company's statutory rate.

#### FUTURE OPERATING RESULTS

At the current writing, the Christmas retail results appear to have been mixed with less than robust sales being reported by many of the Company's retail customers. While the Company is experiencing below plan inventory call-out and slower order bookings in some market sectors, the Company's order backlog is solidly ahead and the Company is optimistic about its prospects for record sales and earnings for the second half.

#### LIQUIDITY AND CAPITAL RESOURCES

##### OPERATING ACTIVITIES

Operating activities used \$465,000 during the first quarter of the current year and generated \$6,978,000 in the first quarter of the prior year. The primary factors contributing to this increased use of funds was a larger increase in receivables than in the prior year offset by increased net earnings in the current year.

##### INVESTING ACTIVITIES

Investing activities used \$3,233,000 in the current period and \$982,000 in the comparable period of the prior year. The change was the result of decreased proceeds from the sale of property, plant and equipment in the prior year and slightly increased capital expenditures in the current year.

##### FINANCING ACTIVITIES

Financing activities generated \$3,659,000 in the current period and used \$3,301,000 in the comparable period of the prior year. The primary factors contributing to this change were an increased change in short-term borrowings and increased proceeds from the exercise of employee stock options in the current year, and the purchase and retirement of common stock in the prior year.

On October 6, 1997 the Company's stockholders approved an employee stock option plan and also an employee restricted stock plan.

On January 5, 1998 the Company's Board of Directors declared a cash dividend of \$.20 per share payable on February 28, 1998 to shareholders of record on February 13, 1998.

#### WORKING CAPITAL

Working capital increased from \$144,639,000 at the end of the second quarter of the prior year to \$150,640,000 at the end of the 1997 fiscal year and increased to \$162,640,000 at the end of the second quarter of the current year. The ratio of current assets to current liabilities was 2.4 at the end of the second quarter of the prior year, 2.6 at the end of the prior fiscal year, and 2.6 at the end of the second quarter of the current year.

#### FUTURE LIQUIDITY AND CAPITAL RESOURCES

The Company believes it has the ability to generate cash and/or has available borrowing capacity to meet its foreseeable needs. The sources of funds primarily include funds provided by operations and both short-term and long-term borrowings. The uses of funds primarily include working capital requirements, capital expenditures, acquisitions, dividends and repayment of short-term and long-term debt. The Company regularly utilizes committed bank lines of credit and other uncommitted bank resources to meet working capital requirements. On November 28, 1997, the Company had available for its use lines of credit with several lenders aggregating \$52,000,000. The Company has agreed to pay commitment fees for these available lines of credit. On November 28, 1997, 48,000,000 was in use under these lines. Of the \$48,000,000, \$40,000,000 is long-term. In addition, the Company has \$206,000,000 in uncommitted lines of credit, of which \$118,000,000 is reserved exclusively for letters of credit. The Company pays no commitment fees for these available lines of credit. At November 28, 1997, \$2,500,000 was in use under these lines of credit. Maximum borrowings from all these sources during the first six months of the current year were \$84,500,000 of which \$44,500,000 was short-term. The Company anticipates continued use and availability of both committed and uncommitted resources as working capital needs may require.

The Company considers possible acquisitions of apparel-related businesses that are compatible with its long-term strategies. The Company's Board of Directors has authorized the Company to purchase shares of the Company's common stock on the open market and in negotiated trades as conditions and opportunities warrant. There are no present plans to sell securities (other than through employee stock option plans and other employee benefits) or enter into off-balance sheet financing arrangements.

#### SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Certain statements included herein are "forward-looking statements" within the meaning of the federal securities laws. This includes any statements concerning plans and objectives of management relating to the Company's operations or economic performance, and assumptions related thereto. In addition, the Company and its representatives may from time to time make other oral or written statements that are also forward-looking statements.

These forward-looking statements are made based on management's expectations and beliefs concerning future events impacting the Company and therefore involve a number of risks and uncertainties. Management cautions that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements.

Important factors that could cause the actual results of operations or financial condition of the Company to differ include, but are not necessarily limited to, general economic and apparel business conditions, continued retailer and consumer acceptance of company products, and global manufacturing costs.

#### ADDITIONAL INFORMATION

For additional information concerning the Company's operations, cash flows, liquidity and capital resources, this analysis should be read in conjunction with the Consolidated Financial Statements and the Notes to Consolidated Financial Statements contained in the Company's Annual Report for fiscal 1997.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.  
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(a) Exhibits.  
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11 Statement re computation of per share earnings.

27 Financial Data Schedule.

(b) Reports on Form 8-K.  
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The Registrant did not file any reports on Form 8-K during the quarter ended November 28, 1997.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its

behalf by the undersigned thereunto duly authorized.

OXFORD INDUSTRIES, INC.

-----  
(Registrant)

/s/Ben B. Blount, Jr.

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Ben B. Blount, Jr.  
Chief Financial Officer

Date: JANUARY 9, 1998  
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## EXHIBIT 11

OXFORD INDUSTRIES, INC.  
 COMPUTATION OF PER SHARE EARNINGS  
 SIX MONTHS AND QUARTERS ENDED NOVEMBER 28, 1997  
 AND NOVEMBER 29, 1996  
 (UNAUDITED)

	Six Months Ended		Quarter Ended	
	November 28, 1997	November 29, 1996	November 28, 1997	November 29, 1996
Net Earnings	\$13,191,000	\$10,074,000	\$7,781,000	\$6,599,000
Average Number of Shares Outstanding:				
Primary	8,953,429	8,745,029	8,964,559	8,709,136
Fully diluted	9,018,999	8,747,440	9,028,839	8,709,875
As reported*	8,826,844	8,741,465	8,845,774	8,707,924
Net Earnings per Common Share:				
Primary	\$1.47	\$1.15	\$0.87	\$0.75
Fully diluted	\$1.46	\$1.15	\$0.86	\$0.75
As reported*	\$1.49	\$1.15	\$0.88	\$0.75

\* Common stock equivalents\* (which arise solely from outstanding stock options) are not materially dilutive and, accordingly, have not been considered in the computation of reported net earnings per common share.

This schedule contains summary financial information extracted from SEC Form-10Q and is qualified in its entirety by reference to such financial statements.

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6-MOS		
	MAY-30-1997	
	NOV-28-1997	
		3,274
		0
	115,613	
	3,155	
	133,423	
	261,984	
		109,635
	75,206	
	301,577	
	99,344	
		0
	0	
		0
		8,854
	143,947	
301,577		
		401,304
	401,304	
		322,980
	322,980	
	54,701	
	0	
	1,999	
	21,624	
		8,433
	13,191	
		0
	0	
		0
	13,191	
	1.47	
	1.46	

## EXHIBIT 99

INDEX OF EXHIBITS  
INCLUDED HERIN, FORM 10-Q  
NOVEMBER 28, 1997

EXHIBIT NUMBER	DESCRIPTION	SEQUENTIAL PAGE NUMBER
11	Statement re computation of per share earnings	13
27	Financial Data Schedule	14