

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

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

For the fiscal year ended **May 28, 2004**

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

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 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)

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

(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark 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. ☐

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes ☒ NO ☐

State the aggregate market value of the voting stock held by nonaffiliates of the Registrant: As of November 28, 2003, the aggregate market value of the voting stock held by nonaffiliates of the Registrant (based upon the closing price for the common stock on the New York Stock Exchange on that date) was approximately \$449,820,000.

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	Name of each Exchange on which registered	Number of shares outstanding as of August 6, 2004
Common Stock, \$1 par value	NYSE	16,243,418

Documents incorporated by Reference

- (1) Sections of our Proxy Statement, which will be filed with the Securities and Exchange Commission not later than 120 days after May 28, 2004.
(Incorporated in Part III of this Report).

PART I

Item 1. Business

BUSINESS AND PRODUCTS

Introduction and Background

Oxford Industries, Inc. was founded in 1942. We are a producer and marketer of branded and private label apparel for men, women and children. We provide retailers and consumers with a wide variety of apparel products and services to suit their individual needs.

Our brands include the following:

Tommy Bahama®	Oxford Golf™
Indigo Palms®	Cattleman®
Island Soft®	Cumberland Outfitters®
Ben Sherman®	Ely®

We also hold exclusive licenses to produce and sell certain product categories under the following brands:

Tommy Hilfiger®	Dockers®
Nautica®	Cubavera®
Oscar de la Renta®	Havanera®
Geoffrey Beene®	Evisu®
Slates®	

Tommy Hilfiger is licensed to us for men's and women's golf apparel, as well as men's dress shirts. Nautica, Geoffrey Beene, Slates, Dockers, Cubavera, Havanera and Oscar de la Renta are all licensed for men's tailored clothing. Evisu is licensed for men's and women's apparel and footwear.

Our customers are found in every major channel of distribution including:

National chains	Department stores
Specialty catalogs	Specialty stores
Mass merchants	Internet retailers

Where we sell product under the same brand name to two or more customers, whether the brand is owned by us or a third party, we consider such sales to be "branded" sales. For example, we sell *Tommy Bahama* brand apparel to Nordstrom's, Saks Fifth Avenue and many other customers. Where we sell product under a brand name exclusively to one customer, whether the brand is owned by us, the customer or a third party, we consider such sales to be "private label" sales. For example, we sell *Mossimo*® product only to Target Stores and consider such sales to be private label.

Our business is operated through the following segments:

Segment	Description of the Business
Menswear Group	Produces branded and private label dress shirts, sport shirts, dress slacks, casual slacks, suits, sportcoats, suit separates, walkshorts, golf apparel, jeans, swimwear, footwear and headwear.
Womenswear Group	Produces private label women's sportswear separates, coordinated sportswear, outerwear, dresses and swimwear.
Tommy Bahama Group	Produces lifestyle branded casual attire, operates retail stores and restaurants, and licenses its brands for accessories, footwear, furniture, and other products.

See Note "N" of "Notes to Consolidated Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" for more details on each of our segments.

On June 13, 2003, we acquired all of the outstanding capital stock of Viewpoint International, Inc., which we operate as the Tommy Bahama Group. The purchase price for the Tommy Bahama Group consists of \$240 million in cash, \$10 million in our Common Stock and up to \$75 million in contingent payments that are subject to the Tommy Bahama Group achieving certain performance targets. The \$75 million in contingent payments may include, at the option of the selling stockholders during the first two years, up to \$12.5 million in our Common Stock valued at \$12.88 per share (see Note "O" of "Notes to Consolidated Financial Statements"). The transaction was financed by a \$200 million private placement of senior notes completed on May 16, 2003 and a \$275 million senior secured revolving credit facility closed on June 13, 2003.

On July 30, 2004, we acquired Ben Sherman Limited ("Ben Sherman"), which we operate as part of our Menswear Group. Ben Sherman is a London-based designer, distributor and marketer of branded sportswear, accessories, and footwear. The purchase price for Ben Sherman was £80 million, or approximately \$145 million, plus associated expenses. The acquisition was financed with cash on hand and borrowings under our revolving credit facility. Founded in 1963, Ben Sherman has a long heritage as a modern, young men's shirt brand that has evolved into an irreverent lifestyle brand for youthful thinking men and women.

In conjunction with the acquisition of Ben Sherman, our senior revolver was amended and restated on July 28, 2004 and increased to \$280 million with a syndicate of eight financial institutions. The maturity date was extended to July 28, 2009.

We effected a two-for-one stock split in the form of a 100% stock dividend, payable December 1, 2003, to shareholders of record on November 17, 2003. Shareholders received one additional share of our common stock for each share of common stock held on the record date.

We are a Georgia corporation and our principal executive offices are located at 222 Piedmont Avenue, NE, Atlanta, Georgia 30308. Our telephone number is (404) 659-2424. Our website address is www.oxfordinc.com. Information on our website does not constitute part of this report.

Our fiscal year ends on the Friday nearest May 31st. References to our fiscal years represent the following:

Fiscal Year	Represents the 52 weeks ended
2004	May 28, 2004
2003	May 30, 2003
2002	May 31, 2002

SALES AND MARKETING

We sold our products to more than 8,000 active customers in fiscal 2004, fiscal 2003 and fiscal 2002. Our ten largest customers accounted for approximately 63%, 80%, and 72% of our net sales in fiscal 2004, fiscal 2003 and fiscal 2002, respectively. Our 50 largest customers accounted for 75%, 94% and 91% of our net sales in fiscal 2004, fiscal 2003 and fiscal 2002, respectively. The percentage of our net sales for our three largest customers in fiscal 2004, fiscal 2003 and fiscal 2002 are as follows:

Customer	Fiscal 2004	Fiscal 2003	Fiscal 2002
Target Corporation	19%	22%	19%
Wal-Mart Stores, Inc.	11%	15%	13%
Sears Roebuck & Co.*	8%	16%	12%

* On June 17, 2002, Sears Roebuck & Co. acquired Lands' End Inc., one of our major customers. All sales percentages have been recalculated to reflect the combination of these two customers.

We believe that our long-standing relationships with all of our major customers, including Target, Wal-Mart and Sears, are good.

We employ a sales force consisting of salaried and commissioned sales employees and independent commissioned sales representatives. We maintain apparel sales offices and showrooms in various locations, including Atlanta, New York, Hong Kong, Seattle and London. We also work with independent contractor sales representatives who maintain their own showrooms. Approximately 70% of our net sales in fiscal 2004 were generated by our salaried executives. The rest of our net sales are generated by independent contractor sales representatives. Substantially all net sales for fiscal 2004, fiscal 2003 and fiscal 2002 were to customers located within the United States.

Several of our product lines are designed and manufactured in anticipation of orders for sale to department and specialty stores and certain specialty chain and mail order customers. We make commitments for fabric and production in connection with these lines. In the case of imports, these commitments can be up to several months prior to the receipt of firm orders from customers. These lines include both popular and better price merchandise sold under brand and designer names or customers' private labels. If orders do not materialize, we may incur expense to terminate our fabric and production commitments. This applies to branded and private label merchandise.

We work closely with many customers in the national chain and mass merchant tiers of distribution to develop product programs and secure orders prior to the commencement of production. The large volume orders typical in these tiers of distribution enable us to take advantage of relative

efficiencies in planning raw materials purchasing and utilization of production facilities. These programs generally relate to private label merchandise.

As is customary in our industry, we carry necessary levels of inventory to meet anticipated delivery requirements of our customers. Also, as is customary in our industry, we extend credit terms to our customers, the majority of which range from 30 to 60 days.

MANUFACTURING, RAW MATERIALS, SOURCES OF SUPPLY AND LOGISTICS

Manufacturing and Raw Materials

We manufacture our products in our owned manufacturing facilities, through our joint venture partners and by sourcing these products from third party producers. In fiscal 2004, we manufactured approximately 11% of our products in our owned offshore manufacturing facilities and we sourced approximately 86% from our offshore joint ventures and third party producers with the balance being from domestic sources. We use numerous independent manufacturers, principally in Latin America and Asia, for the production and finishing of our garments. We typically conduct business with our producers on an order-by-order basis. Our manufacturing facilities, joint ventures and third party producers perform cutting, sewing and related operations to produce finished apparel products to the specifications and quality standards approved by us in advance. We inspect fabric and finished goods throughout the manufacturing process as part of our quality control program to ensure that consumers receive products that meet our high standards.

The use of third party producers enables us to reduce working capital relating to work-in-process inventories. In order to place orders and monitor production, we maintain buying offices in Hong Kong and Singapore. We monitor production in our offshore manufacturing locations by sending employees from our Hong Kong and Singapore offices, sending employees from the United States, employing local nationals and using unaffiliated buying agents. In any given offshore location, we may use one or more of these methods of monitoring production.

We are able to maintain a stable, efficient and flexible manufacturing network by having sufficient owned manufacturing facilities and contract facilities for which we are the primary or only customer and have substantial control of the facility's capacity to cover our core, ongoing production needs. This core manufacturing capacity is supplemented by an extensive network of contract manufacturers for which we are not the primary customer. This second tier of manufacturing capacity enables us to handle short term increases in demand for production created by the seasonality of our business in certain products or large unexpected orders, products that require manufacturing capabilities not present in our core manufacturing such as leather or down-filled jackets and other manufacturing demand that cannot be met by our core capacity.

Package purchases are purchases which include both raw materials and cut and sew labor. We do not take ownership of package purchases until the goods are shipped. Cut-Make-Trim (CMT) contract purchases are purchases in which we supply the raw materials and purchase cut and sew labor from third party producers. In CMT purchases, we retain ownership of the raw materials throughout the manufacturing and finishing process. For fiscal 2004, package purchases represented 77% of sourced units and CMT purchases represented 23% of sourced units. These manufacturing and finishing facilities are assessed no less than once per year.

We require all third party producers who manufacture or finish products for us to abide by a stringent code of conduct that sets guidelines for employment practices such as wages and benefits,

working hours, health and safety, working age and disciplinary practices, and for environmental, ethical and legal matters. We regularly assess manufacturing and finishing facilities to ensure that they are complying with our code of conduct. Our program includes periodic on-site facility inspections and continuous improvement activities. We also hire independent monitors to supplement our efforts. For information regarding long-lived assets, see Note “N” to *“Consolidated Financial Statements.”*

Sources of Supply

Our products are manufactured from cotton, linen, wool, silk, other natural fibers, synthetics and blends of these materials. The majority of the materials used in our manufacturing operations are purchased in the form of woven or knitted finished fabrics directly from numerous offshore fabric mills or from intermediary firms that purchase unfinished or “gray” fabric from mills and then re-sell such fabric after dyeing and finishing it. In addition, many of our buttons, zippers, thread and other trim items are also purchased from offshore suppliers. We do not have long-term raw materials contracts with any of our principal suppliers.

We regard our access to offshore sources of raw materials, finished goods and outside production as adequate for our needs. We are not dependent on any single source or third party producer. No single supplier or third party producer accounts for a material portion of our purchases or business. Alternative competitive sources are available, and we do not anticipate significant difficulty in meeting our supply and outside production requirements. There are occasions, however, where we are unable to take customer orders on short notice because of the minimum lead time required to produce a garment that is acceptable to the customer with respect to cost, quantity, quality and service. We are unable to quantify the value of potential orders declined due to the inability to meet the required lead time. We believe that our required lead times are competitive by industry standards.

Logistics

We operate eight dedicated distribution centers in the United States and we also outsource distribution activities to third party logistics providers. Distribution center activities include receiving finished goods from our plants and contractors, inspecting those products and shipping them to our customers. We continually explore opportunities in all of our regions to improve efficiencies in both our in-bound and out-bound logistics activities.

INTELLECTUAL PROPERTY

Brands

We position our apparel collections under six primary brands: Tommy Bahama, Indigo Palms, Island Soft, Ben Sherman, Oxford Golf and Ely & Walker.

Tommy Bahama

Tommy Bahama is an aspirational lifestyle brand that defines elegant tropical living with men's and women's sportswear, swimwear, accessories and a complete home furnishings collection.

Indigo Palms

Indigo Palms is a collection of denim related sportswear that's infused with an island attitude. Appealing to a modern, sophisticated, quality conscious customer, Indigo Palms offers the finest fabrics, treatments and styling in a luxurious yet casual collection for men and women.

Island Soft

Island Soft takes a sophisticated, more fashion-minded approach to sportswear. This upscale men's collection offers a more dressed up alternative, featuring a group of innovative jacket/blazer hybrids, as well as trousers, shirts, sweaters and outerwear.

Ben Sherman

The Ben Sherman collection was established in 1963. It targets 19 to 35-year-old men and women. The Ben Sherman collection has a long heritage as a modern, young men's shirt brand that has evolved into its current irreverent global lifestyle for youthful-thinking men and women.

Oxford Golf

The Oxford Golf line was launched in the Fall of 2003 by the Menswear Group. It appeals to a sophisticated golf apparel customer with a taste for high quality, attention to detail and beautiful styling.

Ely & Walker brands

Brands in this line include Ely, Cattleman, Ely Casuals[®], and Cumberland Outfitters, which are targeted toward a western-style shirt and sportswear consumer.

Licenses

We have the right to use trademarks under license and design agreements with the trademarks' owners. Principal trademarks we have the right to use are:

- *Tommy Hilfiger* for men's dress shirts and men's and women's golf apparel;
- *Nautica* for men's tailored suits, sportcoats and dress slacks;
- *Oscar de la Renta* for men's tailored suits, sportcoats, vests, and dress and casual slacks;
- *Geoffrey Beene* for men's tailored suits, sportcoats, vests and dress slacks;
- *Slates* and *Dockers* for men's tailored sportcoats and suit separates;
- *Cubavera* and *Havanera* for men's Latin-inspired tailored clothing; and
- *Evisu* for men's and women's apparel and footwear.

Although we are not dependent on any single license or design agreement, we believe our license and design agreements in the aggregate are of significant value to our business.

The above mentioned license and design agreements will expire at various dates through our fiscal 2012 year. Many of our licensing agreements are eligible for renewal to extend the licenses through various dates from our fiscal 2004 through 2009 years.

As shown in the table below, we offer numerous products through license arrangements with companies to use our Tommy Bahama trademark. The licenses below expire at various dates and in some cases may be renewed or extended by the licensee at their options as long as they have met certain obligations and goals provided in our agreement.

Product Category	Licensee
Women's handbags and small leather goods	Accessory Design Holdings, Inc.
Men's and women's watches	Advance Watch Company, Ltd.
Men's and women's eyewear	Altair Eyewear, Inc.
Women's swimwear	Apparel Ventures, Inc.
Sailing yachts	Beneteau USA Inc.
Outdoor furniture	Brown Jordan International, Inc.
Ceiling fans	Emerson Air Comfort Products, a division of Emerson Electric Co.
Men's and women's fragrance	Gemini Cosmetics, Inc.
Indoor furniture	Lexington Furniture Industries, Inc.
Men's and women's neckwear	Paradise Neckwear Company, LLC
Men's and women's shoes, belts and socks	Paradise Shoe Company, LLC
Bed linens and accessories	Sferra Bros. Ltd.
Rugs	Shaw Industries, Inc.

Trademarks

We own trademarks, which are very important to our business. Our trademarks are subject to registrations and pending applications throughout the world for use on a variety of items of apparel, apparel-related products, home furnishings and beauty products, as well as in connection with retail services. We continue to expand our worldwide usage and registration of related trademarks. In general, trademarks remain valid and enforceable as long as the marks are used in connection with the products and services and the required registration renewals are filed. We regard the license to use the trademarks and our other proprietary rights in and to the trademarks as valuable assets in marketing our products and, on a worldwide basis, continuously seek to protect them against infringement. As a result of the appeal of our trademarks, our products have been the object of counterfeiting. We have an enforcement program to control the sale of counterfeit products in the United States and in major markets abroad.

In markets outside of the United States, our rights to some or all of our trademarks may not be clearly established. We may experience conflicts with various third parties which have acquired ownership rights in certain trademarks, which may impede our use and registration of our principal trademarks in international markets. While such conflicts are common and may arise again from time to time as we continue our international expansion, we intend on resolving such conflicts through both legal action and negotiated settlements with third-party owners of the conflicting trademarks.

SEASONAL ASPECTS OF BUSINESS AND ORDER BACKLOG

Seasonal Aspects of Business

Although our various product lines are sold on a year-round basis, the demand for specific products or styles may be highly seasonal. For example, the demand for golf and Tommy Bahama products is higher in the spring and summer seasons. Products are sold prior to each of our retail selling seasons, including spring, summer, fall and holiday. As the timing of product shipments and other events affecting the retail business may vary, results for any particular quarter may not be indicative of results for the full year. The percentage of net sales distribution by quarter for fiscal 2004 were 22%, 23%, 25% and 30%, and the net earnings by quarter for fiscal 2004 were 17%, 17%, 24% and 42%.

Order Backlog

As of May 28, 2004 and May 30, 2003, we had booked orders amounting to \$241.5 million and \$124.8 million, respectively, substantially all of which will be or were shipped within six months after each such date. These numbers represent only store orders on hand and do not include private-label contract balances. The excluded private-label contract balances are the portion of our private-label customers' seasonal commitments for which we have not yet received a specific purchase order that includes exact quantities and shipping dates. Once we receive a specific purchase order, the dollar value of such order is included in our booked orders. A significant portion of our business consists of at-once EDI "Quick Response" programs with large retailers. Replenishment shipments under these programs generally possess such an abbreviated order life as to exclude them from the order backlog completely. We therefore do not believe that this backlog information is indicative of sales to be expected for the following year.

COMPETITION

We sell our products in a highly competitive domestic market in which numerous United States-based and foreign manufacturers compete. No single manufacturer or small group of manufacturers dominates the apparel industry. We believe we are one of the largest designers, manufacturers, marketers and wholesalers of consumer apparel products in the United States, but there are other apparel firms with greater sales and financial resources.

Competition within the apparel industry is based upon styling, marketing, price, quality, customer service and, with respect to branded and designer product lines, consumer recognition and preference. We believe we compete effectively with other members of the industry with regard to all of these factors. Successful competition in styling and marketing is related to our ability to foresee changes and trends in fashion and consumer preference and to present appealing product programs to our customers. Successful competition in price, quality and customer service is related to our ability to maintain efficiency in production, sourcing and distribution. Successful competition with respect to branded and designer product lines is related to the high consumer recognition and loyalty that our owned and licensed brands enjoy.

Substantially all of the apparel sold by us and our principal competitors is produced outside the United States. Most of the apparel sold by us and some of our competitors is sold to customers on a landed, duty-paid basis after it is imported into the United States. Some of our private label competitors sell apparel to their customers, many of whom are also our customers, on a direct basis in which the customer takes ownership in the country of production. In this direct sourcing

scenario, the customer handles the in-bound logistics and customs clearance. Direct sourcing presents a competitive challenge to us in our private label business as our customers purchase apparel directly from the third party producers instead of from us. We are not able to quantify the impact that direct sourcing has had on our net sales or margins, but as many of our major customers purchase an increasing percentage of their apparel on a direct basis the opportunities to sell on a delivered, duty paid basis are reduced.

We believe that the relative price advantage to retailers of direct sourcing is offset, to some extent, by several factors. First, our ownership or joint venture participation in, or long-term relationships with, foreign facilities enables us to offer the retailers better and more consistent quality, better adherence to delivery schedules and a more reliable flow of more accurate information than that which is available to them from many of the facilities that offer them direct sourcing. In addition, we believe the services we provide in the areas of product development and design and supply chain management offset, to some extent, the relative price advantage of direct sourcing. We continue to upgrade and streamline our supply chain management technology and information systems, which we believe will enable us to continue to effectively compete against the direct sourcing alternative. In addition, in recent years we have successfully transitioned some of our business to a direct sales basis. Direct sales represented approximately 4% of our net sales in fiscal 2004.

We believe that choosing the most competitive countries for the production of our products is critical to our competitiveness. The most competitive location to produce or source a particular product depends on a variety of factors. These factors include availability of globally competitive fabric and other raw materials, labor and manufacturing costs, ability to meet quality standards, required lead times, logistics and the impact of international trade rules and trade preference agreements and legislation on apparel exports from that country to the United States.

TRADE REGULATION

International trade agreements, trade preference arrangements and trade legislation are important because most apparel imports into the United States are highly restricted. There are two key types of restrictions. First, there are duties levied on the value of imported apparel. The duty rates on the cotton and wool product categories that cover the majority of our products range from 15 to 20%. Silk products represent a major portion of our Tommy Bahama line and are generally subject to duty rates less than 5%. Second, the United States has implemented restrictive quotas on the importation of many classifications of textiles and apparel products from most of the major apparel-producing countries, including most of the countries where we produce apparel and including the cotton and wool product categories that cover the majority of our products. These quota restraints place numerical limits on the quantity of garments that may be imported into the United States in a given year on a by country and by product category basis. The effect of these quotas is to limit the amount of apparel that can be sourced in the countries that offer the most competitive fabrics and most competitive apparel manufacturing. As a result, a substantial portion of cotton and wool apparel imported into the United States is sourced from countries that would not be the most competitive producers in the absence of quotas. Silk products are not subject to quota restraints.

Through December of 1994, these restraints were controlled pursuant to the Multi-Fiber Arrangement, or the MFA, an international textile trade agreement to which the United States was a party. During the Uruguay Round of the General Agreement of Tariffs and Trade, the United

States and other countries negotiated a successor agreement to the MFA known as the Agreement on Textiles and Clothing, or the ATC, which became effective on January 1, 1995.

The ATC requires that importing countries gradually phase out over a ten-year period approximately half of the restrictive quotas on the importation of textiles and apparel products that were in place on December 31, 1994. The remaining quotas are to be eliminated on January 1, 2005. However, the ATC gives importing countries, such as the United States, significant discretion in determining when during the ten-year period quotas on particular products from particular countries will be eliminated. The United States has kept quotas on most of the products produced by us for the entire ten-year period. All quotas among World Trade Organization ("WTO") member countries are scheduled to be eliminated on January 1, 2005.

When the ATC is fully implemented on January 1, 2005, the competitiveness of many countries as apparel sourcing locations will change significantly. Currently, we believe that the presence of quotas imposes a non-market restriction on where apparel is sourced and prevents a substantial portion of apparel destined for the United States market from being sourced in the countries that offer the most competitive fabric and the most competitive apparel garment manufacturing. We believe that generally the most competitive fabrics and apparel manufacturing, absent the non-market restrictions created by quotas, are in Asia and the Indian sub-continent. Consequently, we believe that the elimination of quotas will result in reduced apparel sourcing in the western hemisphere and increased apparel sourcing in Asia and the Indian sub-continent. The market forces that are likely to shift apparel sourcing out of the western hemisphere upon the elimination of quotas may be partially offset by the reduced or zero duty rates offered by free trade agreements and trade preference programs applicable to Israel, Jordan and various countries in Sub-Saharan Africa, the Caribbean Basin and Latin America. In addition, under the terms of China's WTO accession agreement, the United States and other importing countries are permitted under certain circumstances to re-impose quotas on China after January 1, 2005. To the extent countries in Latin America and the Caribbean Basin lose competitiveness, we may reduce the number of owned and contract facilities that we use in that region.

Currently, there are various free trade agreements and trade preference legislation that provide apparel importers including us with relief from duties and quotas. These include, but are not limited to, the United States-Caribbean Basin Trade Partnership Act, the African Growth and Opportunity Act, the North American Free Trade Agreement, the Israel Free Trade Agreement and the Andean Trade Promotion and Drug Eradication Agreement. The proposed United States-Central American Free Trade Agreement, Chile Free Trade Agreement, Dominican Republic Free Trade Agreement and Free Trade of the Americas Agreement may also affect our manufacturing and sourcing agreements in the future to the extent any of them are implemented. We believe that by selecting the locations where we produce or source our products based in part on trade regulations, we are effective and will continue to be effective in using various trade preference agreements and legislation to our competitive advantage.

We believe that with respect to most of our production, we will continue to be able to source from the most competitive countries because of the flexibility of our manufacturing and sourcing base. This flexibility is provided by the fact that while we have long-term relationships with many of our contract manufacturers, we do not have long-term contractual commitments to them and are able to move our production to alternative locations if competitive market forces so dictate. In addition, it would be relatively inexpensive for us to shut down one or more of our owned factories if such action is required to meet the competitive demands of the marketplace. The relative ease with which we can exit our currently owned and contract manufacturing facilities, if necessary, provides

us with the ability to shift our production relatively quickly as different countries become more productive.

EMPLOYEES

As of May 28, 2004, we employed 8,439 persons, of whom 3,088 were employed in the United States. Approximately 67% of our employees were hourly and incentive paid production workers. We believe our employee relations are excellent.

AVAILABLE INFORMATION

Our internet address is www.oxfordinc.com. Under "Investor Relations" on the home page of our website at www.oxfordinc.com, we have provided a link to the SEC's website where, among other things, our annual report on Form 10-K, 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 Exchange Act are available once we electronically file such material with, or furnish it to, the SEC.

In addition, we will provide, at no cost, paper or electronic copies of our reports and other filings made with the SEC. Requests should be directed to:

Investor Relations Department
Oxford Industries, Inc.
222 Piedmont Avenue, N.E.
Atlanta, GA 30308
info@oxfordinc.com

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. This website is and is only intended to be an inactive textual reference.

Item 2. Properties.

Our principal executive offices are located at 222 Piedmont Avenue, N.E. in Atlanta, Georgia.

Our manufacturing, distribution and administrative functions are conducted in both leased and owned facilities. We have:

- 13 distribution centers;
- 9 manufacturing facilities;
- 13 administrative offices; and
- 8 other facilities that combine distribution, manufacturing and administrative offices.

We also lease space for our restaurants, retail and outlet stores, showrooms, warehouses and office space in various domestic and international locations.

The leases for our non-retail or restaurant facilities provide for aggregate annual rentals of approximately \$ 7.9 million in fiscal 2004. We anticipate that we will be able to extend those leases to the extent that they expire in the near future on terms satisfactory to us or, if necessary, locate substitute facilities on acceptable terms.

As of May 28, 2004, the Company operated 42 retail stores or retail stores and restaurants, which provide for aggregate annual rentals of approximately \$13 million. We anticipate that we will be able to extend those leases to the extent that they expire in the near future on satisfactory terms or relocate to desirable locations.

Item 3. Legal Proceedings.

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

The Greenville, Georgia facility for Menswear Group, was found to have a boiler drainage sump that contained a hazardous waste, perchloroethylene. On July 20, 1994, Oxford entered into a consent order with the Georgia Environmental Protection Department, or EPD.

In December of 2001, the EPD visited the Greenville, Georgia facility to assess the site to see if the necessary baseline cleanup indicators had been met. The final report from the Hazardous Waste Management Branch of the EPD states that the Greenville, Georgia facility meets the required environmental indicators to make the determination that the groundwater contamination is controlled at this facility. Oxford must continue to monitor the facility every three (3) years. Oxford and the EPD have agreed to conduct sampling tests every three years of the monitoring wells located on the site. Oxford has provided a Groundwater Monitoring Plan to the EPD and the EPD has approved this plan.

Since 1994 Oxford has continued to comply with the conditions of the consent order.

Amounts incurred with respect to this matter since inception are immaterial and were charged to operations.

Item 4. Submission of Matters to a Vote of Security Holders.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity and Related Matters

Our Common Stock is listed and traded on the New York Stock Exchange under the symbol "OXM." As of May 28, 2004, there were 480 record holders of our Common Stock.

The table below sets forth, for each of the periods indicated below, the high and low sales prices per share of our Common Stock (adjusted to reflect our two-for-one stock split on December 1, 2003) as reported on the New York Stock Exchange Composite Tape.

	High	Low
Fiscal 2004		
Fourth Quarter	\$47.50	\$35.00
Third Quarter	\$44.69	\$29.60
Second Quarter	\$35.83	\$28.65

	High	Low
First Quarter	\$30.65	\$19.52
Fiscal 2003		
Fourth Quarter	\$20.45	\$11.52
Third Quarter	\$13.27	\$11.01
Second Quarter	\$13.13	\$ 9.75
First Quarter	\$14.40	\$10.30

We paid a cash dividend of \$0.12 per share on May 29, 2004, which was the 176th consecutive quarterly dividend we have paid since we became a public company in July 1960. Our future dividend policy will continue to depend on the following factors and other factors considered relevant by our Board of Directors:

- earnings,
- capital requirements,
- financial condition,
- restrictions imposed by agreements related to our indebtedness,
- availability of dividends from subsidiaries,
- receipt of funds in connection with repayment loans to subsidiaries or advances from operating subsidiaries, and
- tax laws.

During the fourth quarter of fiscal 2004, we did not repurchase any shares of our Common Stock.

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders*	1,003,920	\$ 19	1,547,766
Equity compensation plans not approved by security holders	0	0	0
Total	1,003,920	\$ 19	1,547,766

* For descriptions of our equity compensation plans. See Note “I” to the *Consolidated Financial Statements* in Item 8 and “Executive Compensation — Stock-Based Plans” in Item 11.

Item 6. Selected Financial Data.

Oxford Industries, Inc. and Subsidiaries SELECTED FINANCIAL DATA

	Year Ended				
	May 28, 2004	May 30, 2003	May 31, 2002	June 1, 2001	June 2, 2000
	(\$ and shares in thousands, except per share amounts)				
Net sales	\$ 1,116,552	\$ 764,602	\$ 677,264	\$ 812,495	\$ 839,533
Cost of goods sold	776,108	604,891	544,016	663,484	685,841
Gross profit	340,444	159,711	133,248	149,011	153,692
Selling, general and administrative expenses	258,545	124,362	115,729	119,390	112,056
Royalties and other operating income	5,114	—	—	—	—

	Year Ended				
	May 28, 2004	May 30, 2003	May 31, 2002	June 1, 2001	June 2, 2000
	(\$ and shares in thousands, except per share amounts)				
Operating income	87,013	35,349	17,519	29,621	41,636
Interest, net	23,913	1,935	243	4,870	3,827
Earnings before income taxes	63,100	33,414	17,276	24,751	37,809
Income taxes	23,384	13,087	6,704	9,405	14,368
Net earnings	39,716	20,327	10,572	15,346	23,441
Basic earnings per common share	2.47	1.35	0.71	1.03	1.52
Basic weighted average shares outstanding	16,100	15,035	14,987	14,932	15,436
Diluted earnings per common share	2.38	1.34	0.70	1.03	1.51
Diluted weighted average shares outstanding	16,699	15,143	15,099	14,970	15,502
Dividends	7,285	6,314	6,304	6,249	6,444
Dividends per share	0.45	0.42	0.42	0.42	0.42
Total assets	694,817	494,365	250,513	263,240	334,058
Long-term obligations	198,814	198,586	139	399	40,513
Shareholders' equity	238,977	189,365	175,201	168,940	164,314
Capital expenditures	14,143	2,051	1,528	4,332	5,927
Depreciation and amortization	18,411	5,937	8,888	9,249	9,393
Amortization of deferred financing costs	2,654	50	—	—	—
Book value per share at year-end	14.74	12.59	11.66	11.41	10.74
Return on average shareholders' equity	18.5%	11.2%	6.1%	9.2%	14.7%
Return on average total assets	6.7%	5.5%	4.1%	5.1%	7.0%

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

The following discussion and analysis should be read in conjunction with our "Consolidated Financial Statements" and the "Notes to Consolidated Financial Statements" contained in this report.

OVERVIEW

We are engaged in the design, production and sale of consumer apparel for men, women and children. Our principal markets and customers are located primarily in the United States. We manufacture our products in our owned manufacturing facilities, through our joint venture partners and by sourcing these products from third party producers. We distribute our products through our wholesale customers and through our own retail stores.

The most significant factor impacting our results of operations for the current year was the completion of the acquisition of Viewpoint International, Inc., which we operate as the Tommy Bahama Group. On June 13, 2003, we acquired all of the outstanding capital stock of Tommy Bahama. The purchase price of the transaction consists of \$240 million in cash, \$10 million in Oxford common stock and up to \$75 million in contingent payments subject to the Tommy Bahama Group achieving certain performance targets. The \$75 million in contingent payments may include, at the option of the selling stockholders for the first two years, up to \$12.5 million in our Common Stock valued at \$12.88 per share (see Note "O" of "Notes to Consolidated Financial Statements"). The transaction was financed by a \$200 million private placement of senior unsecured notes completed on May 16, 2003 and a \$275 million senior secured revolving credit facility closed on June 13, 2003. Tommy Bahama owns the Tommy Bahama lifestyle brand under which it markets a wide array of products and services including apparel, footwear, accessories, home furnishings and restaurants.

We effected a two-for-one stock split in the form of a 100% stock dividend, payable December 1, 2003, to shareholders of record on November 17, 2003. Shareholders received one additional

share of the Company's common stock for each share of the Company's common stock held on the record date. All share and per share amounts have been adjusted for the stock split.

On July 30, 2004, we acquired Ben Sherman Limited, which we will operate as part of our Menswear Group. Ben Sherman is a London-based designer, distributor and marketer of branded sportswear, accessories, and footwear. The purchase price for Ben Sherman was £80 million, or approximately \$145 million, plus associated expenses. The acquisition was financed with cash on hand and borrowings under our new revolving credit facility.

In conjunction with the acquisition of Ben Sherman, our senior revolver was amended and restated on July 28, 2004 and increased to \$280 million with a syndicate of eight financial institutions. The maturity date was extended to July 28, 2009. On July 30, 2004, our Ben Sherman subsidiary entered into a £12 million senior secured revolving credit facility to provide for seasonal working capital requirements and general corporate purposes.

RESULTS OF OPERATIONS

The following table sets forth the line items in the Consolidated Statements of Earnings data both in dollars and as a percentage of net sales. The table also sets forth the percentage change of the data as compared to the prior year. We have calculated all percentages set forth below based on actual data, but percentage columns may not add due to rounding. Certain prior year information has been restated to be consistent with fiscal year 2004 presentation. Fiscal 2002 and 2003 exclude the Tommy Bahama Group. Fiscal 2004 results include the Tommy Bahama Group from June 13, 2003 through May 28, 2004, or 50 of 52 weeks of the year.

	Fiscal Year		
	2004	2003	2002
	(\$ in thousands)		
Net sales	\$1,116,552	\$764,602	\$677,264
Cost of goods sold	776,108	604,891	544,016
Gross profit	340,444	159,711	133,248
Selling, general & administrative	251,836	124,285	113,630
Amortization of intangibles	6,709	77	2,099
Royalties & other operating income	5,114	—	—
Operating income	87,013	35,349	17,519
Interest expense, net	23,913	1,935	243
Earnings before income taxes	63,100	33,414	17,276
Income taxes	23,384	13,087	6,704
Net earnings	\$ 39,716	\$ 20,327	\$ 10,572

% of Net Sales	Fiscal Year			% Change	
	2004	2003	2002	'03-'04	'02-'03
Net sales	100.0%	100.0%	100.0%	46.0%	12.9%
Cost of goods sold	69.5%	79.1%	80.3%	28.3%	11.2%
Gross profit	30.5%	20.9%	19.7%	113.2%	19.9%
Selling, general & administrative	22.6%	16.3%	16.8%	102.6%	9.4%
Amortization of intangibles	0.6%	N/A	0.3%	N/A	(96.3%)
Royalties & other operating income	0.5%	N/A	N/A	N/A	N/A
Operating income	7.8%	4.6%	2.6%	146.2%	101.8%

% of Net Sales	Fiscal Year			% Change	
	2004	2003	2002	'03-'04	'02-'03
Interest expense, net	<u>2.1%</u>	<u>0.3%</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Earnings before income taxes	5.7%	4.4%	2.6%	88.8%	93.4%
Income taxes	2.1%	1.7%	1.0%	78.7%	95.2%
Net earnings	<u>3.6%</u>	<u>2.7%</u>	<u>1.6%</u>	<u>95.4%</u>	<u>92.3%</u>

ACQUISITION

In May 2003, we completed a \$200 million private placement of senior unsecured notes to finance the acquisition of the Tommy Bahama Group. The notes bear interest at 8.875%, have an 8-year life, and were sold at a discount of 0.713% to par, or \$1.4 million, to yield an effective interest rate of 9.0%. The terms of the notes include certain limitations on additional indebtedness and certain other transactions. Additionally, we are subject to certain customary financial covenants. The net proceeds from the senior notes of \$198.6 million were placed in escrow pending the closing of the acquisition. There was \$7.1 million in debt issuance cost incurred in issuing the senior notes, which are being amortized over the life of the notes.

In June 2003, we acquired all of the outstanding capital stock of the Tommy Bahama Group for a purchase price consisting of \$240 million in cash, \$10 million worth of our Common Stock and up to \$75 million in contingent payments subject to the Tommy Bahama Group achieving certain performance targets. The \$75 million in contingent payments may include, at the option of the selling stockholders during the first two years, up to \$12.5 million in our Common Stock valued at \$12.88 per share (see Note "O" of "Notes to Consolidated Financial Statements").

In June 2003, we also entered into a \$275 million senior secured revolving credit facility (senior revolver), which has a five year term and bears interest, at our option, at rates determined from time to time based upon (1) the higher of the federal funds rate or the applicable prime rate plus a spread or (2) London Interbank Offered Rate ("LIBOR") plus a spread. Borrowings under the senior revolver are subject to a borrowing base calculation based on our accounts receivable, inventories and real property. There were \$7.4 million in debt issuance costs incurred for the senior credit facility. We terminated our \$65 million accounts receivable securitization program prior to entering into this credit facility.

For more information regarding the senior unsecured notes or senior revolver, please refer to the discussion regarding "Liquidity and Capital Resources."

In June 2003, in connection with the completion of the Tommy Bahama acquisition, the net proceeds from our \$200 million senior notes offering were released from escrow. We used the net proceeds from our senior notes offering, together with limited borrowings under our senior revolver and cash on hand, to finance the cash portion of the purchase price of the acquisition.

The purchase price allocation, inclusive of the allocation of contingent consideration of \$22.8 million in the fourth quarter of fiscal 2004, resulted in goodwill of \$109.6 million and other intangible assets including trade names, license agreements, customer relationships and covenants not to compete. Intangible assets with indefinite lives include trademarks valued at \$127.8 million and will not be amortized. Intangible assets with finite lives include license agreements, customer relationships and covenants not to compete. The license agreements, customer relationships and covenants not to compete are valued at \$25.6 million and are being amortized using useful lives of 4 to 15 years, using methods which reflect the pattern in which the economic benefits of the assets

are consumed or otherwise realized. Based on the purchase price allocation, \$1.7 million was amortized for each quarter of this fiscal year, or \$6.6 million for all of fiscal year 2004. Amortization expense is projected to be \$5.6 million for fiscal year 2005, \$4.2 million for fiscal year 2006, \$3 million for fiscal year 2007, \$2.2 million for fiscal 2008 and \$1 million for fiscal 2009.

SEGMENT DEFINITION

During the second quarter of fiscal 2004, we reorganized the components of our business for purposes of allocating resources and assessing performance. As a result of this reorganization, the Oxford Shirt Group, Lanier Clothes and Oxford Slacks, which were previously reportable segments, were combined to become the Menswear Group. Prior year amounts were restated to conform to the current segment presentation. The Womenswear Group and the Tommy Bahama Group remain unchanged. The Menswear Group produces branded and private label dress shirts, sport shirts, dress slacks, casual slacks, suits, sportcoats, suit separates, walkshorts, golf apparel, jeans, swimwear, footwear and headwear. The Womenswear Group produces private label women's sportswear separates, coordinated sportswear, outerwear, dresses and swimwear. The Tommy Bahama Group produces lifestyle branded casual attire, operates retail stores and restaurants, and licenses its brands for accessories, footwear, furniture, and other products. Corporate and Other is a reconciling category for reporting purposes and includes our corporate offices, LIFO inventory accounting adjustments and other costs that are not allocated to the operating groups. LIFO inventory calculations are made on a legal entity basis, which do not correspond to our segment definitions. Therefore, LIFO inventory accounting adjustments are not allocated to the operating segments. Segment results are as follows:

	Fiscal Year			Percent Change	
	2004	2003	2002	'03 - '04	'02 - '03
(\$ in thousands)					
Net Sales					
Menswear Group	\$ 448,800	\$455,516	\$423,133	(1.5)%	7.7%
Womenswear Group	297,865	308,762	253,723	(3.5)%	21.7%
Tommy Bahama Group	369,148	—	—	N/A	N/A
Corporate and Other	739	324	408	128.1%	(20.6)%
Total	\$1,116,552	\$764,602	\$677,264	46.0%	12.9%
	Fiscal Year			Percent Change	
	2004	2003	2002	'03 - '04	'02 - '03
(\$ in thousands)					
Operating Income					
Menswear Group	\$ 41,915	\$27,837	\$16,042	50.6%	73.5%
Womenswear Group	11,583	17,321	9,538	(33.1)%	81.6%
Tommy Bahama Group	50,644	—	—	N/A	N/A
Corporate and Other	(17,129)	(9,809)	(8,061)	(74.6)%	(21.7)%
Total	\$ 87,013	\$35,349	\$17,519	146.2%	101.8%

* For further information regarding our segments, see Note “N” of “*Notes to Consolidated Financial Statements*”.

FISCAL 2004 COMPARED TO FISCAL 2003

Total Company

Net sales increased 46.0% from \$764.6 million in fiscal 2003 to \$1,116.6 million in fiscal 2004. We generated a 23.5% increase in the average selling price per unit and a 15.2% increase in unit sales. The increase in the average selling price per unit was due to the higher average selling price per unit of Tommy Bahama merchandise. The increase in unit sales was almost entirely due to the acquisition of the Tommy Bahama Group. Our pre-acquisition business experienced a 3.5% decline in the average selling price per unit and an increase of 1.3% in unit sales.

Cost of goods sold for fiscal 2004 was \$776.1 million or 69.5% of net sales, compared to \$604.9 million or 79.1% of net sales in fiscal 2003. The relative decline in cost of goods sold was primarily due to the acquisition of the Tommy Bahama Group with its relatively lower cost of goods sold. Our gross margins may not be directly comparable to those of our competitors, as income statement classifications of certain expenses may vary by company.

Selling, general and administrative expenses (“SG&A”) increased from \$124.3 million or 16.3% of net sales in fiscal 2003 to \$251.8 million or 22.6% of net sales in fiscal 2004. The increase in SG&A was primarily due to the acquisition of the Tommy Bahama Group with its relatively higher SG&A expense structure, partially offset by the decline in SG&A due to the wind-down of Izod Club Golf (see Note “H” of “*Notes to Consolidated Financial Statements*”).

Amortization of intangible assets increased from \$77 thousand in fiscal 2003 to \$6.7 million in fiscal 2004. All of the increase in the amortization of intangible assets was due to the acquisition of the Tommy Bahama Group.

Royalties and other operating income is primarily licensing income from licensing the Tommy Bahama brand.

Interest expense increased from \$1.9 million in fiscal 2003 to \$23.9 million in fiscal 2004. The increase in interest expense was due to the interest on debt incurred to finance the acquisition of the Tommy Bahama Group and the amortization of deferred financing costs related to the acquisition.

The effective tax rate was approximately 37.1% in the fiscal 2004 and 39.2% in fiscal 2003. Variations in the effective tax rate are primarily attributable to the acquisition of the Tommy Bahama Group and the relative distribution of pre-tax earnings among the various taxing jurisdictions in which we operate.

Segment Results

Menswear Group

The Menswear Group reported a 1.5% decline in net sales from \$455.5 million in fiscal 2003 to \$448.8 million in fiscal 2004. The decline resulted from a 5.0% decline in the average selling price per unit partially offset by a 3.7% increase in unit sales. An increase in unit sales to the mass

merchant distribution channel was largely offset by a decline in sales to Sears and the wind-down of Izod Club Golf. The decline in shipments to Sears was due to initial shipments to stores in the prior year to establish base inventory levels of Lands' End merchandise. The decline in the average selling price per unit was due to product/customer mix. Increased sales to mass merchants, with a lower average selling price per unit, replaced sales to distribution channels with a higher average selling price per unit. Operating income increased from \$27.8 million in the prior year to \$41.9 million in the current year. The improvement in operating income was due to lower inventory markdowns, improved manufacturing capacity utilization and reduced SG&A. The reduction in SG&A was primarily due to the wind-down of Izod Club Golf.

Womenswear Group

The Womenswear Group reported a 3.5% decline in net sales from \$308.8 million in fiscal 2003 to \$297.9 million in fiscal 2004. The decline in net sales resulted from a 3.5% decline in the average selling price per unit on flat unit sales. Sales to Kmart in fiscal 2003 were approximately \$8.6 million compared to none in fiscal 2004. Our sales to Wal-Mart also declined in fiscal 2004. We believe that growth in sales and profitability with Wal-Mart over the next few quarters will be difficult to achieve due to its increasing emphasis on direct sourcing and its planned reduction in its offering of women's apparel. These sales declines were partially offset by increased sales to other customers in the chain and mass merchant distribution channels. The decline in the average selling price per unit was primarily due to the product/customer mix within the mass merchant distribution channel. Operating income declined from \$17.3 million in fiscal 2003 to \$11.6 million in fiscal 2004. The impact of the decline in net sales on operating income was partially offset by improved manufacturing capacity utilization. SG&A was relatively unchanged.

Tommy Bahama Group

The Tommy Bahama Group reported net sales of \$369.1 million for fiscal 2004. Operating results of Tommy Bahama have been included since the date of acquisition and represent the 50 weeks ending May 28, 2004. Sales were comprised of wholesale shipments to upscale department and specialty stores and retail sales through company-owned retail stores and retail/restaurant compounds. Licensing income product categories primarily include home furnishings, swimwear, shoes, neckwear and watches. At May 28, 2004, Tommy Bahama Group's operations include 42 retail stores (including four outlets and seven retail/restaurant compounds). The Tommy Bahama Group reported operating income of \$50.6 million, which includes \$6.6 million in amortization of intangible assets due to acquisition accounting rules.

Corporate and Other

The Corporate and Other operating loss increased \$7.3 million from \$9.8 million in fiscal 2003 to \$17.1 million in fiscal 2004. The increase in the operating loss was due to increased LIFO inventory accounting charges of \$5.9 million and increased employment costs of \$1.8 million. The operating loss in fiscal 2003 included \$1.1 million of acquisition due diligence costs. The due diligence costs relate to Tommy Bahama initial negotiations that had been discontinued at that time.

FISCAL 2003 COMPARED TO FISCAL 2002

Total Company

Net sales for fiscal 2003 were \$764.6 million, an increase of 12.9% from net sales of \$677.3 million in fiscal 2002. The increase was due to a 24.3% increase in the number of units shipped offset by a 9.1% decline in the average selling price per unit. The increase in unit sales extended to all operating segments and was primarily due to growth in mass merchant and chain store channels of distribution, and included the rollout of Lands' End apparel into selected Sears stores. The decline in the average selling price per unit was due to a shift in product mix towards a higher proportion of lower priced products as a result of the increase in shipments to the mass merchant distribution channel and continued year-to-year deflation in apparel prices.

Cost of goods sold for fiscal 2003 was \$604.9 million, or 79.1% of net sales, compared to \$544 million or 80.3% of net sales in fiscal 2002. The relative decline in cost of goods sold was due to the continuation of more cost-effective sourcing and improved manufacturing efficiencies. We were able to obtain product at a lower cost per unit while also satisfying quality standards and time constraints. Reductions in manufacturing capacity in Mexico and the Caribbean Basin and increased sales enabled us to more efficiently utilize our remaining capacity, which helped lower our manufacturing cost per unit.

SG&A increased \$10.7 million or 9.4% from \$113.6 million in fiscal 2002 to \$124.3 million in fiscal 2003. As a percentage of net sales, SG&A declined from 16.8% in the prior year to 16.3% in the current year. SG&A, in fiscal 2003, included incentive compensation costs of \$10.2 million compared to \$2.2 million in the prior year, \$2.6 million of costs to close the Izod Club Golf operations, which are detailed more fully in the Menswear Group segment discussion below, and \$1.1 million of acquisition due diligence costs. The due diligence costs relate to earlier negotiations with the Tommy Bahama Group (which were discontinued at that time). Included in SG&A in fiscal 2002 were \$2.4 million in losses from the sales of pre-petition Kmart receivables, approximately \$1 million of financing costs reflected as SG&A expense for our accounts receivable securitization facility.

Amortization of intangible assets declined from \$2.1 million in fiscal 2002 to \$77,000 in fiscal 2003. Fiscal 2002 included a charge of approximately \$2 million related to goodwill amortization. With the adoption of SFAS No. 142 "Goodwill and Other Intangible Assets" ("SFAS 142") in fiscal 2003, goodwill ceased to be amortized.

Interest expense increased from \$0.2 million in fiscal 2002 to \$1.9 million in fiscal 2003. In the prior year, approximately \$1 million of financing costs for our trade receivable securitization facility was reflected as SG&A expense rather than interest expense. Fiscal 2003 interest expense includes acquisition interest expense of \$1.8 million, of which \$1 million related to a bridge financing commitment in connection with the acquisition of the Tommy Bahama Group. The bridge financing commitment was established to provide contingent financing in the event the placement of the senior notes was delayed. The bridge financing commitment was terminated upon successful completion of the senior notes offering. Costs incurred relating to this arrangement during the fourth quarter were reflected as additional interest expense.

The effective tax rate was approximately 39.2% for fiscal 2003 and 38.8% for fiscal 2002. Variations in the rate are primarily attributable to the relative distribution of pre-tax earnings among the various taxing jurisdictions in which we operate.

Segment Results

Menswear Group

The Menswear Group reported a net sales increase of 7.7% from \$423.1 million in fiscal 2002 to \$455.5 million in fiscal 2003. The increase resulted from a unit sales increase of 16.0% partially

offset by a 7.2% decline in the average selling price per unit. The unit sales increase was primarily due to growth in the mass merchant and chain store channels of distribution and included the rollout of Lands' End apparel into selected Sears stores, partially offset by a decline in shipments of golf products. The decline in the average selling price per unit was primarily due to a shift in product mix towards a higher proportion of lower priced products as a result of the increase in shipments to the mass merchant distribution channel and continued year-to-year deflation in apparel prices. Operating income increased from \$16 million in fiscal 2002 to \$27.8 million in fiscal 2003. The improvement in operating income was due to the increased sales volume, increased manufacturing efficiency and lower markdowns.

During fiscal 2002, we closed the Izod Club Golf's European operation. Total costs incurred during the second quarter to close the European operation were approximately \$1.3 million. Of the total costs incurred, approximately \$0.8 million related to inventory markdowns and were recognized as additional cost of goods sold, and \$0.5 million related primarily to severance costs and an increase in the allowance for doubtful accounts, which was recognized as additional SG&A. Substantially all of the costs were settled prior to year-end. Net sales for the European operation were \$1.2 million in fiscal 2002 and \$0.5 million in fiscal 2003.

During the year, we announced our decision to close our Izod Club Golf's United States operation in fiscal 2004 upon completion of shipping the fall 2003 season. Total costs incurred during the fourth quarter related to the closure were approximately \$3 million. Of the total costs incurred, approximately \$0.9 million related to additional inventory markdowns associated with the closure, approximately \$1.7 million related to a license termination fee which will be paid in four equal quarterly installments during calendar 2004, with the remaining \$0.4 million related to severance and other miscellaneous costs. The costs associated with the inventory markdowns were recognized as additional cost of goods sold while all other costs incurred were recognized as additional SG&A expense. At May 30, 2003, substantially all of the amounts related to the severance had been paid, while the remaining amounts related to inventory markdowns and the termination fee will be reduced as the related inventory is sold and license fees are paid during the 2004 and 2005 fiscal years. Net sales for the United States operation were \$24.5 million in fiscal 2002 and \$18.1 million in fiscal 2003.

Womenswear Group

The Womenswear Group reported a sales increase of 21.7% from \$253.7 million in fiscal 2002 to \$308.8 million in fiscal 2003. The increase in net sales was due to a 29.3% increase in unit sales volume, partially offset by a 7.1% decline in the average selling price per unit. The increase in unit volume came primarily in the mass merchant distribution channel. The decline in the average selling price per unit was partially due to product mix within the mass merchant distribution channel and partially due to the continued deflation in apparel prices. Operating income increased 81.6% from \$9.5 million in fiscal 2002 to \$17.3 million in fiscal 2003. The increase in operating income was primarily due to the increased sales volume and increased leveraging of SG&A.

Corporate and Other

The Corporate and Other decline in operating income was primarily due to higher accrued incentive compensation costs due to improved financial performance of \$3.3 million and acquisition due diligence costs of \$1.1 million partially offset by LIFO accounting adjustments of \$0.3 million. The LIFO adjustment is net of a \$0.5 million charge which related to the LIFO accounting treatment of inventory markdowns taken in excess of the inventory's LIFO cost

associated with the decision to close our Izod Club Golf's United States operation. Total inventory markdowns in excess of LIFO costs were \$1.4 million. In fiscal 2002, Corporate and Other included \$1 million of financing costs under our accounts receivable securitization facility and a reclassification of bad debt expense resulting in an increase in bad debt expense under Corporate and Other of approximately \$1.4 million.

LIQUIDITY AND CAPITAL RESOURCES

Financing Arrangements

On May 16, 2003, we completed a \$200 million private placement of senior unsecured notes to finance the acquisition of Tommy Bahama. The notes bear interest at 8.875%, have an 8-year life and were sold at a discount of 0.713%, or \$1.4 million, to yield an effective interest rate of 9.0%. Interest is payable semi-annually with the principal amount due at maturity on June 1, 2011. The notes are guaranteed by all existing and future direct and indirect domestic wholly owned restricted subsidiaries of Oxford Industries, Inc. The senior notes indenture restricts our ability to incur additional indebtedness or liens, to enter into lease or hedging arrangements, to make investments and acquisitions, to sell assets, to pay dividends and to pay amounts due under the earnout agreement with the selling shareholders of the Tommy Bahama Group. The indenture also requires us to maintain a minimum consolidated fixed charge coverage ratio which is defined as the sum of consolidated net income, consolidated interest expense and non-cash charges to consolidated interest expense, calculated as applicable on a pro forma basis. We are in compliance with these covenants as of May 28, 2004.

On June 13, 2003, we entered into a \$275 million senior secured revolving credit facility (senior revolver) with a syndicate of twelve financial institutions. The bank syndicate holds a security interest in substantially all of our United States assets. All domestic subsidiaries of the Company are a party to the credit agreement. The facility has a five-year term and bears interest, at our option, at rates determined from time to time based upon (1) the higher of the federal funds rate or the applicable prime rate plus a spread or (2) LIBOR plus a spread. Borrowing spreads and letter of credit fees are based upon a pricing grid which is tied to a fixed charge coverage ratio, defined as the ratio of earnings before interest, taxes, amortization and depreciation minus cash taxes and capital expenditures to the sum of scheduled principal payments, interest expense, cash earnout payments and cash dividends, calculated as applicable on a pro forma basis. The borrowing spread over the applicable prime rate can vary from 0.0% to 1.00% and the borrowing spread over LIBOR can vary from 1.25% to 2.50%. As of May 28, 2004, the interest rate on borrowings under the facility was 4.5% (based on prime of 4.0% plus a spread of 0.5%).

Borrowings under the senior revolver are subject to a borrowing base calculation based on our accounts receivable, inventories and real property and may be used for working capital, the issuance of letters of credit up to \$175 million and general corporate purposes. The credit agreement restricts our ability to incur additional indebtedness or liens, to enter into lease or hedging arrangements, to make investments and acquisitions, to make capital expenditures, to sell assets, to pay dividends and to pay amounts due under the earnout agreement with the selling shareholders of the Tommy Bahama Group. The credit agreement also requires us to maintain a minimum ratio of earnings before interest, taxes, depreciation and amortization to total indebtedness, as well as a minimum fixed charge coverage ratio as described above. Failure to comply with the provisions of our credit agreement and indenture could result in an acceleration of the indebtedness and a demand for immediate repayment by our lenders. We are in compliance with these covenants as of May 28, 2004 (see next paragraph for amendment and restatement of

senior facility). At May 28, 2004, gross collateral availability under the senior revolver totaled \$245.5 million, against which approximately \$99.5 million in letters of credit and no direct borrowings were outstanding.

In conjunction with our acquisition of Ben Sherman Limited on July 30, 2004, the senior revolver was amended and restated on July 28, 2004 and increased to \$280 million with a syndicate of eight financial institutions. The maturity date was extended to July 28, 2009. Under the amended senior revolver, borrowing spreads and letter of credit fees are based upon a pricing grid, which is tied to a ratio of our total debt to our earnings before interest, taxes, depreciation and amortization (EBITDA), calculated as applicable on a pro forma basis. The credit agreement also requires us to maintain certain financial ratios including the ratio of total debt to EBITDA, the ratio of senior debt to EBITDA, a fixed charge coverage ratio and an interest coverage ratio. Our borrowings under the amended senior revolver are no longer subject to a borrowing base calculation based on our accounts receivable, inventories and real property. A portion of the deferred financing fees will be written off in the first quarter of fiscal 2005 as a result of amending and restating the senior revolver.

On July 30, 2004, our Ben Sherman subsidiary entered into a £12 million senior secured revolving credit facility to provide for seasonal working capital requirements and general corporate purposes. The facility is secured by substantially all of the United Kingdom assets of Ben Sherman and bears interest at the lender's prime or base rate plus 1.20%. The facility is repayable on demand and requires the borrower to maintain certain financial ratios including a minimum interest coverage ratio, a minimum asset coverage ratio and a minimum level of earnings before interest, taxes and intangible asset amortization.

Operating Activities

The cash flow from operating activities is primarily due to net earnings and changes in working capital. Changes in working capital are primarily monitored by analysis of the investment in accounts receivable and inventories and by the amount of accounts payable. During fiscal 2004, we generated cash from operating activities of \$62.9 million primarily from net earnings and noncash charges and a slight decrease in working capital after giving effect to the acquisition of the Tommy Bahama Group. Working capital changes included decreased inventories, increased trade payables and increased accrued expenses offset by increased accounts receivable. The inventory decline occurred in our pre-acquisition businesses. Trade payables increased primarily due to extended payment terms on letter of credit purchasing commitments with suppliers for finished goods. The increase in accrued expenses was primarily due to accrued interest on the senior notes. The accounts receivable increase was due to the increase in sales in the fourth quarter.

In fiscal 2003, we generated cash from operating activities of \$27.6 million, primarily from net earnings, increased trade payables and increased accrued expenses, offset by increased accounts receivable and inventories. The increase in trade payables was primarily due to the increase in inventories. The increase in accrued expenses was primarily due to increased incentive compensation costs. The accounts receivable increase was due to a slight increase in sales in the fourth quarter and a slight increase in day's sales outstanding over the prior year. The inventory increase was due to inventory required to support increased core replenishment programs.

Investing Activities

During fiscal 2004, investing activities used \$32.1 million in cash and principally represented the acquisition of the Tommy Bahama Group net of the reduction in restricted proceeds from the sale of the senior unsecured notes. Capital expenditures of \$14.1 million were primarily related to new Tommy Bahama retail stores, computer equipment and software.

In fiscal 2003, investing activities used \$206.1 million in cash. The increase in restricted cash in fiscal 2003 represents the net proceeds from the senior unsecured notes plus accrued interest contained in the escrow account for the acquisition of the Tommy Bahama Group. Capital expenditures were \$2.1 million.

Financing Activities

During fiscal 2004, financing activities used \$7.4 million in cash. This represents the amount of payments for long-term debt, payments for debt issuance costs and payments for dividends partially offset by proceeds from the issuance of common stock upon the exercise of employee stock options.

In fiscal 2003, financing activities generated \$185 million in cash. This represents the net proceeds from the sale of the senior unsecured notes partially offset by payments for long-term debt, debt issuance costs and dividends.

CRITICAL ACCOUNTING POLICIES

The discussion and analysis of our financial condition and results of operations are based upon our *Consolidated Financial Statements*, which have been prepared in accordance with accounting principles generally accepted in the U. S. The preparation of these financial statements requires us to make estimates and judgements that affect the reported amounts of assets, liabilities, revenues, and expenses and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including those related to bad debts, inventories, intangible assets, income taxes, contingencies and litigation and certain other accrued expenses. We base our estimates on historical experience and on various other assumptions that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Financial Reporting Release No. 60, which was released by the Securities and Exchange Commission, requires all companies to include a discussion of critical accounting policies or methods used in the preparation of financial statements. The detailed Summary of Significant Accounting Policies is included in the *Notes to Consolidated Financial Statements* contained in this report. The following is a brief discussion of the more significant accounting policies and methods we use.

Revenue Recognition and Accounts Receivable

We consider revenue realized or realizable and earned when the following criteria are met:

- persuasive evidence of an agreement exists,
- delivery has occurred,
- our price to the buyer is fixed and determinable, and
- collectibility is reasonably assured.

Sales are recorded net of discounts, as well as provisions for estimated returns and allowances. We estimate returns and allowances on an ongoing basis considering historical and current trends and projected seasonal results. We record these costs as a reduction to net revenue. Our historical estimates of these sales reductions have not differed materially from actual results. For accounts receivable, we estimate the net collectibility, considering both historical and anticipated trends of trade discounts and co-op advertising deductions taken by our customers, allowances we provide to our retail customers for a variety of reasons, and the possibility of non-collection due to the financial position of our customers. Credit losses are charged to SG&A.

Inventories

For segment reporting, inventory is carried at the lower of FIFO cost or market. For wholesale inventory, we estimate the amount of goods that we will not be able to sell in the normal course of business and write down the value of these goods to the recovery value expected to be realized through off-price channels yielding a normal gross margin when shipped. For Tommy Bahama retail inventory, we provide an allowance for shrinkage and goods expected to be sold below cost. If we incorrectly anticipate these trends or unexpected events occur, the results of operations could be materially affected. For consolidated financial reporting, significant portions of our inventory are valued at the lower of LIFO cost or market. LIFO inventory calculations are made on a legal entity basis, which do not correspond to our segment definitions. Therefore, LIFO inventory accounting adjustments are not allocated to the operating segments. As part of our LIFO accounting, markdowns for inventory valued at LIFO cost are deferred until the period in which the goods are sold. However, in non-routine circumstances, such as discontinuance of a product line, markdowns below the allocated LIFO reserve are not deferred. Both the LIFO reserve and the markdown deferral are reflected in Corporate and Other.

Goodwill

The evaluation of the recoverability of goodwill under SFAS 142 requires valuations of each applicable underlying business using fair value techniques and market comparable. These valuations can be significantly affected by estimates of future performance and discount rates over a relatively long period of time, market price valuation multiples and transactions in related markets. These estimates will likely change over time. Goodwill is required to be evaluated annually, or more frequently if events or changes in circumstances indicate that the carrying amount may exceed fair value. If this review indicates an impairment of goodwill balances, the amount of impairment will be recorded immediately and reported as a component of current operations. The business valuation reviews required by SFAS 142 were performed as of the end of the first quarter and indicated that no reduction of the carrying value of goodwill for our business units was required.

Intangible Assets Other than Goodwill

Intangible assets with finite lives are amortized while intangible assets with indefinite useful lives are not amortized, but tested at least annually for impairment. The valuation of the recoverability of indefinite lived intangibles can be significantly impacted by estimates of future cash flows and discount rates over a relatively long period of time, which will likely change over time. Intangible assets whose useful lives are finite are amortized over their useful lives using a method of amortization that reflects the pattern in which the economic benefits of the intangible assets are consumed or otherwise realized.

Legal and Tax Contingencies

We are involved in tax and legal proceedings, claims and litigation arising in the ordinary course of business. We periodically assess our liabilities and contingencies in connection with these matters, based upon the latest information available. For those matters where it is probable that we have incurred a loss and the loss or range of loss can be reasonably estimated, we have recorded reserves in the consolidated financial statements. In other instances, because of the uncertainties related to both the probable outcome and amount or range of loss, we are unable to make a reasonable estimate of a liability, if any. As additional information becomes available, we adjust our assessment and estimates of such liabilities accordingly.

Cost of Goods Sold

We include in cost of goods sold all manufacturing and sourcing costs and expenses incurred prior to receipt of finished goods at our distribution facilities. These costs principally include product cost, inbound freight charges, purchasing costs, internal transfer costs, as well as insurance, duty, brokers' fees and consolidators' fees. Our gross margins may not be directly comparable to those of our competitors, as income statement classifications of certain expenses may vary by company.

Selling, General and Administrative Expenses

We include in SG&A, costs incurred subsequent to the receipt of finished goods at our distribution facilities, such as the cost of warehousing, picking, packing, shipping and handling goods for delivery to customers. In addition, SG&A includes product design costs, selling costs, royalty costs, advertising, promoting and marketing expenses and general and administrative expenses.

Distribution Network Costs, Including Shipping and Handling

Distribution network costs, including shipping and handling, are included as a component of SG&A. Revenues received from customers for shipping and handling are included in net revenue.

Advertising

All costs associated with advertising, promoting and marketing of our products are expensed during the periods when the activities take place. Costs associated with cooperative advertising programs under which we agree to share costs of customers' advertising and promotion expenditures are expensed when the related revenues are recognized. Advertising, promotion and marketing expenses are included in SG&A.

Seasonality

Although our various product lines are sold on a year-round basis, the demand for specific products or styles may be highly seasonal. For example, the demand for golf and Tommy Bahama products is higher in the spring and summer seasons. Products are sold prior to each of our retail selling seasons, including spring, summer, fall and holiday. As the timing of product shipments and other events affecting the retail business may vary, results for any particular quarter may not be indicative of results for the full year. The percentage of net sales distribution by quarter for fiscal 2004 were 22%, 23%, 25% and 30%, and the net earnings by quarter for fiscal 2004 were 17%, 17%, 24% and 42%.

NEW ACCOUNTING STATEMENTS

Variable Interest Entities: In December 2002, the FASB issued FASB Interpretation No. 46, "Consolidation of Variable Interest Entities" ("FIN 46"). FIN 46 requires that a variable interest entity be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. We determined that we had no interests in variable interest entities. Accordingly, the adoption of FIN 46 did not have a material impact on our financial position, results of operations or liquidity.

SUBSEQUENT EVENTS

On July 30, 2004, we acquired Ben Sherman Limited, which we will operate as part of our Menswear Group. Ben Sherman is a London-based designer, distributor and marketer of branded sportswear, accessories, and footwear. The purchase price for Ben Sherman was £80 million, or approximately \$145 million, plus associated expenses. The acquisition was financed with cash on hand and borrowings under our new revolving credit facility.

In conjunction with the acquisition of Ben Sherman, our senior revolver was amended and restated on July 28, 2004 and increased to \$280 million with a syndicate of eight financial institutions. The maturity date was extended to July 28, 2009.

On July 30, 2004, our Ben Sherman subsidiary entered into a £12 million senior secured revolving credit facility to provide for seasonal working capital requirements and general corporate purposes.

FUTURE LIQUIDITY AND CAPITAL RESOURCES

Cash flow from operations is our primary source of liquidity. Our projected capital expenditures for fiscal 2005 are approximately \$21 million. We anticipate that cash flows from operations supplemented with our amended and restated senior secured credit facility will be sufficient to fund our future liquidity requirements for fiscal 2005.

The following table summarizes our contractual cash obligations, as of May 28, 2004, by future period (see Notes "G," "H," and "O" of "Notes to Consolidated Financial Statements"):

	Payments due by Period				Total
	Less than 1 year	1-3 years	3-5 years	After 5 years	
	(\$ in thousands)				
Contractual Obligations					
Capital leases	\$ 98	\$ 48	\$ 6	\$ —	\$ 152
Long-term debt	—	—	—	198,760	198,760
Operating leases	17,370	33,093	31,638	54,084	136,185
Minimum royalty	7,424	7,061	—	—	14,485
Letters of credit	99,450	—	—	—	99,450
Contingent purchase price	4,898	25,000	37,500	—	67,398
Total	<u>\$129,240</u>	<u>\$65,202</u>	<u>\$69,144</u>	<u>\$252,844</u>	<u>\$516,430</u>

We have no off-balance sheet arrangements.

FORWARD OUTLOOK

We anticipate fiscal 2005 sales in the range of \$1.285 billion to \$1.325 billion and earnings per diluted share in the range of \$2.70 to \$2.85. For the first quarter, we anticipate sales in the range of \$275 million to \$285 million and earnings per diluted share in the range of \$0.37 to \$0.39. For the second quarter, we anticipate sales in the range of \$305 million to \$315 million and earnings per diluted share in the range of \$0.48 to \$0.52. For the second half, we anticipate sales in the range of \$705 million to \$725 million and diluted earnings per common share of between \$1.85 to \$1.95.

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

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are indicated by words or phrases such as “anticipate,” “estimate,” “project,” “expect,” “believe” and similar words or phrases. Such statements are based on our current expectations and are subject to certain risks and uncertainties. Such statements include but are not limited to statements about our expected business outlook, anticipated financial and operating results, the anticipated benefits of the Tommy Bahama Group acquisition, growth of particular product lines, strategies, contingencies, financing plans, working capital needs, sources of liquidity, estimated amounts and timing of capital expenditures and other expenditures, are based on current management expectations that involve certain risks which if realized, in whole or in part, could have a material adverse effect on Oxford’s business, financial condition and results of operations, including, without limitation:

- general economic cycles,
- competitive conditions in our industry,
- price deflation in the worldwide apparel industry,
- our ability to identify and respond to rapidly changing fashion trends and to offer innovative and upgraded products,
- the price and availability of raw materials,
- our dependence on and relationships with key customers,
- the ability of our third party producers to deliver quality products in a timely manner,
- potential disruptions in the operation of our distribution facilities,
- economic and political conditions in the foreign countries in which we operate or source our products,
- risk associated with changes in global currency exchange rates,
- regulatory risks associated with importing products,
- the impact of labor disputes and wars or acts of terrorism on our business,
- increased competition from direct sourcing,
- our ability to maintain our licenses,
- our ability to protect our intellectual property and prevent our trademarks, service marks and goodwill from being harmed by competitors’ products,
- our reliance on key management,
- our inability to retain current pricing on our products due to competitive or other factors,
- the impact of reduced travel to resort locations on our sales,
- risks related to our operation of restaurants under the Tommy Bahama name,
- the integration of Ben Sherman into our company,
- the expansion of our business through the acquisition of new businesses,

- our ability to successfully implement our growth plans for acquired businesses,
- our ability to open new retail stores,
- unforeseen liabilities associated with the acquisition of acquired businesses, and
- the factors discussed in Exhibit 99.1 to the Company's Form 8-K, filed July 16, 2003, under the heading "Risk Factors."

Other risks or uncertainties may be detailed from time to time in our future SEC filings. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. 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.

ADDITIONAL INFORMATION

For additional information concerning our 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 this report.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Risk

Interest rate risk is managed through the maintenance of a portfolio of variable and fixed rate debt composed of short and long-term instruments. The objective is to maintain a cost-effective mix that management deems appropriate. We do not engage in hedging activities with respect to such risk.

We finance our capital needs through available cash, operating cash flow, letters of credit and bank revolving credit facilities.

At May 28, 2004, we had no variable rate debt. Our average variable rate borrowings for the twelve months ending May 28, 2004 were \$10 million, with an average interest rate of 3.8 %. If the twelve-month average interest rate increased by 10%, our interest expense would have changed by \$38 thousand.

Trade Policy Risk

Under the terms of bilateral agreements between most of the major apparel exporting countries and the United States, the importation of most categories of our products is subject to quotas limiting the quantity of such products that may be imported into the United States. Utilization of these quotas is typically controlled at origin by an export license or visa system administered by the exporting country and is monitored and enforced by United States Customs and Border Protection at the time of importation. Since we own or directly control only a small portion of the quota we need, we rely on our suppliers and vendors to secure the visas or licenses required to ship our products. If our suppliers and vendors fail to secure the necessary visas or licenses as agreed with us, our supply chain could be disrupted.

If an exporting country fails to properly administer its quota and issues visas or export licenses in excess of the quantity permitted under the terms of its bilateral agreement with the United States, the goods covered by such export license or visa could be denied entry into the United States. Such a denial could disrupt our supply chain.

Since the quotas under the bilateral agreements described above are country-specific, the United States has established detailed country of origin criteria that a product must meet to be eligible to use a particular country's quota. If we, or our vendors or suppliers fail to comply with these country of origin requirements or fail to be able to document our compliance with such requirements, our products may be denied entry into the United States. Such a denial could disrupt our supply chain.

The 1994 Agreement on Textiles and Clothing among World Trade Organization ("WTO") countries mandates the elimination of textile and apparel product quotas for WTO countries, including the United States, on January 1, 2005. As a result, there will be changes in the international textile and apparel trade, which may significantly impact our sourcing patterns, could disrupt our supply chain and could put us at a disadvantage to our competitors.

Some of the impact of quota elimination may begin in the latter part of calendar 2004. Historically, exporting countries have been permitted under the terms of their bilateral agreements with the United States to borrow a limited amount of quota from the following year. Since there will be no quota in 2005, none is available for this type of borrowing in 2004. The unavailability of this type of quota borrowing could lead to quota shortages in the latter part of calendar 2004, which could cause disruption in our supply chain.

In addition, notwithstanding quota elimination, under the terms of China's WTO accession agreement, the United States and other WTO members may re-impose quotas on specific categories of products in the event it is determined that imports from China have surged and are threatening to create a market disruption for such categories of products (so called "safeguard quota"). China is a major source of production for us, and the re-imposition of safeguard quotas on China following the elimination of the existing quota regime on January 1, 2005 could cause disruption in our supply chain.

Furthermore, under long-standing statutory authority applicable to imported goods in general, the United States may unilaterally impose additional duties: (i) when imported merchandise is sold at less than fair value and causes material injury, or threatens to cause material injury, to the domestic industry producing a comparable product (generally known as "anti-dumping" duties); or (ii) when foreign producers receive certain types of governmental subsidies, and when the importation of their subsidized goods causes material injury, or threatens to cause material injury, to the domestic industry producing a comparable product (generally known as "countervailing" duties). The imposition of anti-dumping or countervailing duties on products we import would increase the cost of those products to us. We may not be able to pass any such cost increase on to our customers.

There are numerous free trade agreements pending, including the United States-Central American Free Trade Agreement that, if adopted, could put us as a disadvantage to some of our competitors.

Foreign Currency Risk

We receive United States dollars for substantially all of our product sales. Substantially all inventory purchases from contract manufacturers throughout the world are also denominated in United States dollars; however, purchase prices for our products may be impacted by fluctuations in the exchange rate between the United States dollar and the local currencies of the contract manufacturers, which may have the effect of increasing our cost of goods sold in the future. During the last three fiscal years, exchange rate fluctuations have not had a material impact on our inventory costs; however, due to the number of currencies involved and the fact that not all foreign

currencies react in the same manner against the United States dollar, we cannot quantify in any meaningful way the potential effect of such fluctuations on future income.

We did not engage in hedging activities in fiscal 2004, 2003 or 2002 with respect to such exchange rate risk. These foreign currency risks are similar to those experienced by our competitors.

In connection with the acquisition of Ben Sherman, we entered into foreign exchange forward contracts to fix the currency exchange rate between the dollar and the pound sterling from the agreement date until the closing and funding of the acquisition. The contracts totaled £76 million at an average exchange rate of \$1.8118 per £1.00.

Commodity Price Risk

We are subject to commodity price risk arising from price fluctuations in the market prices of sourced garments or the various raw materials components of our manufactured products. We are subject to commodity price risk to the extent that any fluctuations in the market prices of our purchased garments and raw materials are not reflected by adjustments in selling prices of our products or if such adjustments significantly trail changes in these costs. We neither enter into significant long-term sales contracts nor significant long-term purchase contracts. We do not engage in hedging activities with respect to such risk.

Inflation Risk

While the consumer price index has consistently indicated deflation in apparel prices from May 1998 through May 2003, this trend appears to be moderating within the last few months. While this deflationary trend has not affected the Tommy Bahama products, it has impacted our other businesses as evidenced by the declining average selling price per unit. Inflation/deflation risks are managed by each business unit through selective price increases when possible, productivity improvements and cost containment initiatives.

Item 8. *Financial Statements and Supplementary Data.*

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	Year Ended	
	May 28, 2004	May 30, 2003
	(\$ in thousands, except per share amounts)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 47,569	\$ 24,091
Receivables, less allowance for doubtful accounts of \$3,448 in 2004 and \$3,505 in 2003	176,367	110,304
Inventories	116,410	104,334
Prepaid expenses	16,475	12,631
Total current assets	356,821	251,360
Property, plant and equipment, net	51,826	21,971
Restricted cash in escrow	—	204,986
Goodwill	115,426	5,839
Intangibles, net	147,333	682
Other assets, net	23,411	9,408
Deferred income taxes	—	119
Total Assets	\$ 694,817	\$ 494,365
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Trade accounts payable	\$ 100,813	\$ 59,031
Accrued compensation	33,113	23,556
Additional acquisition cost payable	22,779	—
Other accrued expenses	30,440	15,063
Dividends payable	1,946	1,579
Income taxes payable	4,294	2,551
Current maturities of long-term debt	98	134
Total current liabilities	193,483	101,914
Notes payable	198,760	198,581
Other long-term debt, less current maturities	54	5
Noncurrent liabilities	11,124	4,500
Deferred income taxes	52,419	—
Commitments and contingencies (Note H)		
Shareholders' Equity:		
Preferred stock*	—	—
Common stock**	16,215	15,044
Additional paid-in capital	23,673	7,237
Retained earnings	199,089	167,084
Total Shareholders' Equity	238,977	189,365
Total Liabilities and Shareholders' Equity	\$ 694,817	\$ 494,365

* Par Value of \$1 per share; authorized 30,000,000 preferred shares; none outstanding.

** Par value of \$1 per share; authorized 60,000,000 common shares; issued and outstanding 16,215,358 in 2004 and 15,043,498 in 2003.

The accompanying notes are an integral part of these consolidated financial statements.

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS

	Year Ended		
	May 28, 2004	May 30, 2003	May 31, 2002
	(\$ in thousands, except per share amounts)		
Net sales	\$ 1,116,552	\$ 764,602	\$ 677,264
Cost of goods sold	776,108	604,891	544,016
Gross profit	340,444	159,711	133,248
Selling, general and administrative	251,836	124,285	113,630
Amortization of intangibles	6,709	77	2,099
Royalties and other operating income	258,545	124,362	115,729
	5,114	—	—
Operating income	87,013	35,349	17,519
Interest expense, net	23,913	1,935	243
Earnings before income taxes	63,100	33,414	17,276
Income taxes	23,384	13,087	6,704
Net earnings	\$ 39,716	\$ 20,327	\$ 10,572
Basic earnings per common share	\$ 2.47	\$ 1.35	\$ 0.71
Diluted earnings per common share	\$ 2.38	\$ 1.34	\$ 0.70
Basic weighted average shares outstanding	16,099,851	15,034,720	14,987,356
Diluted weighted average shares outstanding	16,698,744	15,143,290	15,098,554
Dividends per share	\$ 0.45	\$ 0.42	\$ 0.42

The accompanying notes are an integral part of these consolidated financial statements.

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Common Stock	Additional Paid-In Capital	Retained Earnings	Total
	(\$ in thousands, except per share amounts)			
Balance, June 1, 2001	\$14,812	\$ 4,335	\$149,793	\$168,940
Net earnings	—	—	10,572	10,572
Exercise of stock options, net	218	2,765	(990)	1,993
Cash dividends, \$0.42 per share	—	—	(6,304)	(6,304)
Balance, May 31, 2002	\$15,030	\$ 7,100	\$153,071	\$175,201
Net earnings	—	—	20,327	20,327
Exercise of stock options, net	14	137	—	151
Cash dividends, \$0.42 per share	—	—	(6,314)	(6,314)
Balance, May 30, 2003	\$15,044	\$ 7,237	\$167,084	\$189,365
Net earnings	—	—	39,716	39,716
Exercise of stock options, net	395	7,212	(426)	7,181
Shares issued for acquisition	776	9,224	—	10,000
Cash dividends, \$0.45 per share	—	—	(7,285)	(7,285)
Balance, May 28, 2004	\$16,215	\$23,673	\$199,089	\$238,977

The accompanying notes are an integral part of these consolidated financial statements.

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended		
	May 28, 2004	May 30, 2003	May 31, 2002
	(\$ in thousands)		
Cash Flows From Operating Activities:			
Net earnings	\$ 39,716	\$ 20,327	\$ 10,572
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation	11,702	5,860	6,789
Amortization of intangible assets	6,709	77	2,099
Amortization of deferred financing costs and bond discount	2,654	50	—
Loss (gain) on sale of property, plant and equipment	(637)	462	(31)
Equity income	(321)	—	—
Deferred income taxes	(2,379)	(2,371)	2,844
Changes in working capital:			
Receivables	(36,354)	(7,106)	(52,499)
Inventories	15,992	(19,793)	62,829
Prepaid expenses	1,973	(1,143)	(673)
Trade accounts payable	18,228	15,711	(11,467)
Accrued expenses and other current liabilities	4,411	13,617	(4,867)
Income taxes payable	879	2,551	(2,924)
Other noncurrent assets	(5,171)	(649)	(285)
Other non current liabilities	5,500	—	—
Net cash provided by operating activities	62,902	27,593	12,387
Cash Flows From Investing Activities:			
Acquisition — net of cash acquired	(222,737)	—	—
Decrease (increase) in restricted cash in escrow	204,986	(204,986)	—
Investment in deferred compensation plan	(1,842)	—	—
Purchases of property, plant and equipment	(14,143)	(2,051)	(1,528)
Proceeds from sale of property, plant and equipment	1,675	947	1,097
Net cash used in investing activities	(32,061)	(206,090)	(431)
Cash Flows From Financing Activities:			
Long-term debt repayments	(210)	(255)	(268)
Proceeds from issuance of notes	—	198,581	—
Note issue costs	(7,416)	(7,167)	—
Proceeds from issuance of common stock	7,181	151	1,993
Dividends on common stock	(6,918)	(6,313)	(6,275)
Net cash (used in) provided by financing activities	(7,363)	184,997	(4,550)
Net change in cash and cash equivalents	23,478	6,500	7,406
Cash and cash equivalents at the beginning of year	24,091	17,591	10,185
Cash and cash equivalents at the end of year	\$ 47,569	\$ 24,091	\$ 17,591

The accompanying notes are an integral part of these consolidated financial statements.

Supplemental schedule of noncash investing and financing activities:

At May 28, 2004, we accrued \$22,779 of additional acquisition cost (see Note "O").

Supplemental disclosure of Cash Flow Information

Cash paid for:			
Interest, net	\$13,124	\$ 1,457	\$ 103
Income taxes	\$22,461	\$12,353	\$5,716

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended May 28, 2004, May 30, 2003 and May 31, 2002

Note A. Summary of Significant Accounting Policies:

1. Principal Business Activity

We are a producer and wholesaler of branded and private label apparel for men, women and children and operator of apparel stores and restaurants. We provide retailers and consumers with a wide variety of apparel and related products and services to suit their individual needs.

2. Principles of Consolidation

Our consolidated financial statements include the accounts of Oxford Industries, Inc. and its wholly owned domestic and foreign subsidiaries. All significant intercompany accounts and transactions are eliminated in consolidation. The equity method of accounting is used for investments in companies where we have a 20% to 50% ownership interest. We do not exercise control over the investees, nor does the Company have substantive participating rights. Accordingly, the investees are not variable interest entities and these investments are accounted for under the equity method of accounting.

3. Fiscal Period

Our fiscal year ends on the Friday nearest May 31. The fiscal year includes operations for a 52-week period in fiscal 2004, 2003 and 2002.

4. Revenue Recognition and Accounts Receivable

We consider revenue realized or realizable and earned when the following criteria are met:

- persuasive evidence of an agreement exists,
- delivery has occurred,
- our price to the buyer is fixed and determinable, and
- collectibility is reasonably assured.

Sales are recorded net of discounts, and provisions for estimated returns and allowances. We estimate returns and allowances on an ongoing basis considering historical and current trends and projected seasonal results. We record these amounts as a reduction to net revenue. Our historical estimates of these sales reductions have not differed materially from actual results. For accounts receivable, we estimate the net collectibility considering both historical and anticipated trends of trade discounts and co-op advertising deductions taken by our customers, allowances we provide to our retail customers for a variety of reasons, historical write-offs and the possibility of non-collection due to the financial condition of our customers. Any trade accounts receivable that are not collectible are written off to selling, general and administrative expenses.

5. Cash and Cash Equivalents

We consider cash equivalents to be short-term investments with original maturities of three months or less.

6. Inventories

For segment reporting, inventory is carried at the lower of FIFO cost or market. For wholesale inventory, we estimate the amount of goods that we will not be able to sell in the normal course of business and write down the value of these goods to the recovery value expected to be realized through

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

off-price channels yielding a normal gross margin when shipped. For Tommy Bahama retail inventory, we provide an allowance for shrinkage and goods expected to be sold below cost. If we incorrectly anticipate these trends or unexpected events occur, the results of operations could be materially affected. For consolidated financial reporting, significant portions of our inventories are valued at the lower of LIFO cost or market. LIFO inventory calculations are made on a legal entity basis which do not correspond to our segment definitions. Therefore, LIFO inventory accounting adjustments are not allocated to the operating segments. As part of our LIFO accounting, markdowns for inventory valued at LIFO cost are deferred until the period in which the goods are sold. However, in non routine circumstances, such as discontinuance of a product line, markdowns below the allocated LIFO reserve are not deferred. Both the LIFO reserve and the markdown deferral are reflected in Corporate and Other.

7. Property, Plant and Equipment, net

Property, plant and equipment is carried at cost less accumulated depreciation. Depreciation is calculated using both straight-line (primarily buildings) and accelerated methods over the estimated useful lives of the assets as follows:

Buildings and improvements	7 – 40 years
Machinery and equipment	3 – 15 years
Fixtures and equipment	3 – 10 years
Software	3 – 4 years
Autos and trucks	2 – 6 years
Leasehold improvements	Lesser of remaining life of the asset or lease term

Property, plant and equipment are reviewed periodically for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. If expected future undiscounted cash flows from operations are less than their carrying amounts, an asset is determined to be impaired and a loss is recorded for the amount by which the carrying value of the asset exceeds its fair value.

8. Income Taxes

We recognize deferred tax liabilities and assets based on the difference between financial and tax bases of assets and liabilities using enacted tax rates expected to apply to taxable income in the period in which such amounts are expected to be realized or settled. Our policy is to recognize net deferred tax assets, whose realization is dependent on taxable earnings in future years, when a greater than 50 percent probability exists that the tax benefits will actually be realized sometime in the future.

9. Financial Instruments

Our financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable and notes payable. Given their short-term nature, the fair values of financial instruments other than notes payable closely approximate their carrying values. The fair value of our notes payable was approximately \$211 million at May 28, 2004, based on then-current market rates.

10. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

of the financial statements as well as reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

11. Foreign Currency Translation

Our functional currency for our owned foreign manufacturing facilities is the United States dollar. We remeasure those assets and liabilities denominated in foreign currencies using exchange rates in effect on the balance sheet date. Fixed assets and the related depreciation or amortization charges are recorded at the exchange rates in effect on the date we acquired the assets. Revenues and expenses denominated in foreign currencies are remeasured using average exchange rates for all periods presented. We recognize the resulting foreign exchange gains and losses as a component of cost of goods sold in the consolidated statements of earnings. These gains and losses are immaterial for all periods presented.

12. Advertising

All costs associated with advertising, promoting and marketing of our products are expensed during the periods when the activities take place. Costs associated with cooperative advertising programs under which we agree to share costs of customers' advertising and promotion expenditures are expensed when the related revenues are recognized. Advertising, promotion and marketing expenses are included in selling, general and administrative expenses. The total advertising costs in fiscal 2004, 2003 and 2002 were \$15.4 million, \$8.2 million and \$8.6 million, respectively.

13. Stock Based Compensation

As permitted by Statement of Financial Accounting Standards ("SFAS") No. 123 "Accounting for Stock Based Compensation", we account for employee stock compensation plans using the intrinsic value method prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("Opinion 25").

Under Opinion 25, no compensation expense is recognized because the exercise price of our employee stock options equals the market price of the underlying stock on the date of the grant.

The effect of applying the fair value method of SFAS 123 to our stock option plans does not result in net earnings and net earnings per share that are materially different from the amounts reported in our consolidated financial statements as demonstrated below (amounts in thousands except per share data):

	Year Ended		
	2004	2003	2002
Net earnings as reported	\$39,716	\$20,327	\$10,572
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(664)	(386)	(324)
Pro forma net earnings	\$39,052	\$19,941	\$10,248
Basic earnings per common share as reported	\$ 2.47	\$ 1.35	\$ 0.71
Pro forma basic earnings per common share	\$ 2.43	\$ 1.33	\$ 0.69
Diluted earnings per common share as reported	\$ 2.38	\$ 1.34	\$ 0.70
Pro forma diluted earnings per common share	\$ 2.34	\$ 1.32	\$ 0.68

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

14. *Unamortized Debt Issuance Costs*

Unamortized debt issuance costs related to our long term debt are amortized on a straight line method, which approximates an effective interest method over the life of the related debt. Amortization expense totaled \$2.5 million and \$50,000 in fiscal years 2004 and 2003, respectively, and is included in interest expense in the accompanying consolidated statements of earnings.

15. *Change in Accounting Principle*

In 2002, we changed our method of calculating LIFO inventories by reducing the overall number of inventory pools from five to three. We made the change to better match costs with revenues and to provide for a LIFO adjustment more representative of our actual inflation on our inventories. The effect of the change on the results of operations for 2002 was to reduce net earnings by \$3 million or \$.20 per share diluted.

16. *Goodwill*

The evaluation of the recoverability of goodwill under SFAS 142 requires valuations of each applicable underlying business using fair value techniques and market comparables. These valuations can be significantly affected by estimates of future performance and discount rates over a relatively long period of time, market price valuation multiples and transactions in related markets. These estimates will likely change over time. Goodwill is required to be evaluated annually, or more frequently if events or changes in circumstances indicate that the carrying amount may exceed fair value. If this review indicates an impairment of goodwill balances, the amount of impairment will be recorded immediately and reported as a component of current operations. The business valuation reviews required by SFAS 142 were performed as of the end of the first quarter and indicated that no reduction of the carrying value of goodwill for our business units was required.

17. *Intangible Assets Other than Goodwill*

Intangible assets with finite lives are amortized while intangible assets with indefinite useful lives are not amortized, but tested at least annually for impairment. The valuation of the recoverability of indefinite lived intangibles can be significantly impacted by estimates of future cash flows and discount rates over a relatively long period of time, which will likely change over time. Intangible assets whose useful lives are finite are amortized over their estimated useful lives using a method of amortization that reflects the pattern in which the economic benefits of the intangible assets are consumed or otherwise realized.

18. *Legal and Tax Contingencies*

We are involved in tax and legal proceedings, claims and litigation arising in the ordinary course of business. We periodically assess our liabilities and contingencies in connection with these matters, based upon the latest information available. For those matters where it is probable that we have incurred a loss and the loss or range of loss can be reasonably estimated, we have recorded reserves in the consolidated financial statements. In other instances, because of the uncertainties related to both the probable outcome and amount or range of loss, we are unable to make a reasonable estimate of a liability, if any. As additional information becomes available, we adjust our assessment and estimates of such liabilities accordingly.

19. *Seasonality*

Although our various product lines are sold on a year-round basis, the demand for specific products or styles may be highly seasonal. For example, the demand for golf and Tommy Bahama products is higher

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

in the spring and summer seasons. Products are sold prior to each of our retail selling seasons, including spring, summer, fall and holiday. As the timing of product shipments and other events affecting the retail business may vary, results for any particular quarter may not be indicative of results for the full year. The percentage of net sales distribution by quarter for fiscal 2004 were 22%, 23%, 25% and 30%, and the net earnings by quarter for fiscal 2004 were 17%, 17%, 24% and 42%.

20. Cost of Goods Sold

We include in cost of goods sold all manufacturing and sourcing costs and expenses incurred prior to receipt of finished goods at our distribution facilities. These costs principally include product cost, inbound freight charges, purchasing costs, internal transfer costs, as well as insurance, duty, brokers' fees and consolidators' fees. Our gross margins may not be directly comparable to those of our competitors, as income statement classifications of certain expenses may vary by company.

21. Selling, General and Administrative Expenses

We include in selling, general and administrative expenses, costs incurred subsequent to the receipt of finished goods at our distribution facilities, such as the cost of inspection, stocking, warehousing, picking and packing, shipping and handling goods for delivery to customers. In addition, selling, general and administrative expenses include product design costs, selling costs, royalty costs, advertising, promotion and marketing expenses and general and administrative expenses.

22. Distribution Network Costs, Including Shipping and Handling

Distribution network costs, including shipping and handling, are included as a component of selling, general and administrative expenses. Revenues received from customers for shipping and handling are included in net revenue. In fiscal 2004, 2003 and 2002, distribution network costs, including shipping and handling, were \$23.5 million, \$16.6 million and \$15.4 million, respectively.

23. New Accounting Standards

During fiscal 2004, we adopted Financial Accounting Standards Board Interpretation No. 46, "Consolidation of Variable Interest Entities" ("FIN 46"). FIN 46 requires that a variable interest entity be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. We determined that we had no interests in variable interest entities. Accordingly, the adoption of FIN 46 did not have a material impact on our financial position, results of operations or liquidity.

Note B. Sale of Accounts Receivable:

During our fiscal 2003, we had a \$65 million asset backed revolving securitization facility ("securitization facility") under which we sold a defined pool of our accounts receivable to a wholly-owned special purpose subsidiary. The securitization facility was accounted for as secured borrowing. We had no borrowings under the securitization facility on May 30, 2003. We terminated the accounts receivable securitization facility in June 2003, in connection with a new senior revolving credit facility established to finance the acquisition of the Tommy Bahama Group (See Note "O").

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Note C. Inventories:

The components of inventories are summarized as follows:

	May 28, 2004	May 30, 2003
	(\$ in thousands)	
Finished goods	\$ 85,492	\$ 64,695
Work in process	9,925	11,981
Fabric, trim and supplies	20,993	27,658
	<u>\$ 116,410</u>	<u>\$ 104,334</u>

The excess of replacement cost over the carrying value of inventories based upon the LIFO method was \$35.5 million at May 28, 2004 and \$34.9 million at May 30, 2003. At May 28, 2004 and May 30, 2003, 85% and 97%, respectively, of our inventories were valued under the LIFO method.

During fiscal 2004 and 2003 inventory quantities were reduced in certain pools, which resulted in a liquidation of LIFO inventory layers carried at lower costs which prevailed in prior years. The effect of the liquidation in fiscal 2004 was to decrease cost of goods sold by approximately \$98,000 and to increase net earnings by \$62,000. The effect of the liquidation in fiscal 2003 was to decrease cost of goods sold by approximately \$69,000 and to increase net earnings by \$42,000.

Note D. Property, Plant and Equipment, Net:

Property, plant and equipment, carried at cost, are summarized as follows:

	May 28, 2004	May 30, 2003
	(\$ in thousands)	
Land	\$ 2,075	\$ 2,253
Buildings	28,980	31,285
Machinery and equipment	71,010	60,890
Leasehold improvements	26,719	4,974
	<u>128,784</u>	<u>99,402</u>
Less accumulated depreciation and amortization	<u>(76,958)</u>	<u>(77,431)</u>
	<u>\$ 51,826</u>	<u>\$ 21,971</u>

Machinery and equipment includes machinery, office fixtures, equipment, software, autos and trucks.

Depreciation expense in fiscal 2004, 2003 and 2002 was \$11.7 million, \$5.9 million and \$6.8 million, respectively.

Note E. Restricted Cash:

As of May 30, 2003, we had \$205 million in restricted cash, which was held in escrow. The cash was primarily received from our senior note offering completed on May 16, 2003 (See Note "G"). The proceeds from our senior note offering were restricted and could only be used to complete the acquisition of the Tommy Bahama Group, which was completed on June 13, 2003 (See Note "O").

Note F. Goodwill and Intangibles:

On June 1, 2002, we adopted SFAS 142. This statement requires that goodwill, including previously existing goodwill and intangible assets with indefinite useful lives, not be amortized, but instead tested for

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

impairment at adoption and at least annually thereafter. We performed our initial test upon adoption and have performed our annual impairment review in subsequent years as of the end of our first quarter.

The fair value of our goodwill is determined using a discounted cash flow methodology. Goodwill in the accompanying balance sheet is net of accumulated amortization of \$7.9 million.

Had we adopted SFAS 142 as of June 3, 2000, the effects on income would have been as follows.

	May 28, 2004	May 30, 2003	May 31, 2002
Net earnings (as reported)	\$ 39,716	\$ 20,327	\$ 10,572
Effect of ceasing goodwill amortization	—	—	1,237
Pro forma net earnings	\$ 39,716	\$ 20,327	\$ 11,809
Pro forma basic net earnings per share	\$ 2.47	\$ 1.35	\$ 0.79
Pro forma diluted net earnings per share	\$ 2.38	\$ 1.34	\$ 0.78

Intangible assets by category are summarized below:

Intangibles	Intangibles, at Cost	Accumulated Amortization	Intangibles, Net
Trademarks	\$128,233	\$ 77	\$128,156
Licensee agreements	8,649	2,573	6,076
Customer relationships	16,700	3,944	12,756
Covenant not to compete	460	115	345
	\$154,042	\$ 6,709	\$147,333

Amortization expense was \$6.7 million in fiscal 2004. Amortization expense is projected to be \$5.6 million for fiscal year 2005, \$4.2 million for fiscal year 2006, \$3 million for fiscal year 2007, \$2.2 million for fiscal 2008 and \$1 million for fiscal 2009.

Note G. Notes Payable and Long-Term Debt:

On May 16, 2003, we completed a \$200 million private placement of senior unsecured notes. The proceeds from the private placement were used to fund our acquisition of the Tommy Bahama Group (see Note "O"). The notes bear interest at 8.875%, have an 8-year life and were sold at a discount of 0.713% (\$1.4 million) to yield an effective interest rate of 9.0%. The terms of the notes provide certain limitations on additional indebtedness, and certain other transactions. Additionally, we are subject to certain financial covenants.

At May 30, 2003, we had \$145.5 million in uncommitted lines of credit, of which \$125 million was reserved exclusively for letters of credit. We did not pay any commitment fees for these available lines of credit. At May 30, 2003, there were no direct borrowings and approximately \$77 million in letters of credit outstanding under these lines. These lines of credit were refinanced under our new senior credit facility which was established with the acquisition of the Tommy Bahama Group (see Note "O").

On June 13, 2003, we entered into a \$275 million senior secured revolving credit facility (senior revolver), which has a five year term and bears interest, at our option, at rates determined from time to time based upon (1) the higher of the federal funds rate or the applicable prime rate plus a spread or (2) LIBOR plus a spread. Borrowings under the senior revolver are subject to a borrowing base calculation based on our accounts receivable, inventories and real property, and are secured by substantially all of our United States-based assets. At May 28, 2004, we had no direct borrowings and

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

approximately \$99.5 million in letters of credit outstanding under this credit facility resulting in excess availability of \$146 million.

A summary of debt is as follows:

	May 28, 2004	May 30, 2003
	(\$ in thousands)	
Notes payable at a fixed rate of 8.875%, due in 2011	\$ 198,760	\$ 198,581
Other debt	152	139
	<u>198,912</u>	<u>198,720</u>
Total notes payable and long-term debt	198,912	198,720
Less current maturities	(98)	(134)
	<u>198,814</u>	<u>198,586</u>
Total long-term portion	\$ 198,814	\$ 198,586

The aggregate maturities of debt are as follows:

Fiscal Year	(\$ in thousands)
2005	\$ 98
2006	32
2007	16
2008	6
Thereafter	198,760
	<u>\$ 198,912</u>

Note H. Commitments and Contingencies:

We have operating lease agreements for buildings, sales offices and equipment with varying terms to 2014. The total rent expense under all leases was \$23.7 million in 2004, \$5.4 million in 2003 and \$5.6 million in 2002.

The aggregate minimum rental commitments for all non-cancelable operating leases with original terms in excess of one year are as follows:

Fiscal Year	(\$ in thousands)
2005	\$ 17,370
2006	16,865
2007	16,228
2008	16,108
2009	15,530
Thereafter	54,084
	<u>\$ 136,185</u>

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

We are also obligated under certain apparel license and design agreements to make future minimum payments as follows:

Fiscal Year	(\$ in thousands)
2005	\$ 7,424
2006	6,230
2007	831
	<hr/> \$ 14,485 <hr/>

We are involved in certain legal matters primarily arising in the normal course of business. In our opinion, our liability under any of these matters would not materially affect our financial position, results of operations or cash flows.

We discovered a past unauthorized disposal of a substance believed to be dry cleaning fluid on one of our properties. We believe that remedial action will be required, including continued investigation, monitoring and treatment of groundwater and soil. Based on advice from our environmental experts, we provided \$4.5 million for this remediation in the fiscal year ended May 31, 1996. We believe this estimate of our potential liability continues to be reasonable given recent discussions with our environmental experts.

During fiscal 2003, we closed our Izod Club Golf European operation. During the second quarter of fiscal 2003, our costs to close the operation were approximately \$1.3 million, of which approximately \$0.8 million related to inventory markdowns and were recognized as additional cost of goods sold, and \$0.5 million related primarily to severance costs and an increase in the allowance for doubtful accounts and was recognized as additional SG & A. Substantially all of the costs were settled during fiscal 2003. Net sales for our Izod Club Golf European operation was \$0.5 million in fiscal 2003.

During fiscal 2003, we announced our decision to close our Izod Club Golf United States operation in fiscal 2004 upon completion of shipping the Fall 2003 season. Total costs incurred during the fourth quarter of fiscal 2003, were approximately \$3.5 million, of which approximately \$3 million was recognized by the Menswear Group and the remaining \$0.5 million was recognized in Corporate and Other. Of the total costs incurred,

- Approximately \$1.4 million was related to inventory markdowns in excess of the related LIFO cost,
- Approximately \$1.7 million was related to a license termination fee, which is being paid in four equal quarterly installments during calendar 2004, and
- The remaining \$0.4 million were related to severance and other miscellaneous costs.

The costs associated with the inventory markdowns was recognized as additional cost of goods sold while all other costs incurred were recognized as additional SG & A expense. At May 30, 2003, substantially all of the amounts related to the severance had been paid. During fiscal 2004, all inventory was liquidated and two installments of the termination fee were paid. The remaining fees will be paid during fiscal 2005. Net sales for our Izod Club Golf United States operation in fiscal 2004, 2003 and 2002 were \$6.5 million, \$18.1 million and \$24.5 million, respectively.

Note I. Stock Options:

At May 28, 2004, 1,353,650 shares of Common Stock were authorized and reserved for issuance under our 1997 stock option plan. The options granted under the stock option plans expire ten years from the date of grant. Options granted vest over five years.

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Pro forma information regarding net earnings and net earnings per share is required by SFAS 123 and has been determined as if we had accounted for our employee stock option plans under the fair value method of that statement. The fair value of these options was estimated at the date of the grant using the Black-Scholes option pricing model with the following assumption ranges: Risk-free interest rates between 4.565% and 6.510%, dividend yields between 1.28% and 4.87%, volatility factors between 0.2814 and 0.3525, and expected lives of ten years.

A summary of the status of our stock option plans and changes during the years ended are presented below:

	Year Ended:					
	2004		2003		2002	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, beginning of year	967,160	\$ 12	798,000	\$ 12	928,200	\$ 12
Granted	463,500	30	234,000	12	224,400	11
Exercised	(414,640)	14	(13,540)	9	(318,140)	9
Forfeited	(12,100)	14	(51,300)	13	(36,460)	12
Outstanding, end of year	1,003,920	\$ 19	967,160	\$ 12	798,000	\$ 12
Options exercisable, end of year	123,920		344,820		216,620	

The following table summarizes information about stock options outstanding as of May 28, 2004.

Date of Option Grant	Number of Shares	Exercise Price	Grant Date Fair Value	Number Exercisable	Expiration Date
Jul. 13, 1998	26,900	\$17.83	\$ 5.16	26,900	July 13, 2008
Jul. 12, 1999	76,120	13.94	4.70	39,440	July 12, 2009
Jul. 10, 2000	109,030	8.63	2.03	28,470	July 10, 2010
Jul. 16, 2001	136,180	10.73	3.18	17,040	July 16, 2011
Jul. 15, 2002	194,190	11.73	3.25	12,070	July 15, 2012
Aug. 18, 2003	230,500	26.44	11.57	—	Aug. 18, 2013
Nov. 17, 2003	40,000	32.15	14.81	—	Nov. 17, 2013
Dec. 16, 2003	191,000	32.75	14.17	—	Dec. 16, 2013
	1,003,920			123,920	

We have a Restricted Stock Plan for issuance of up to 200,000 shares of Common Stock. At May 28, 2004, 5,884 shares were outstanding under this plan. The plan allows us to compensate our key employees with shares of Common Stock containing restrictions on sale and other restrictions in lieu of cash compensation.

Note J. Significant Customers:

We sell our merchandise in all major retail distribution channels across the United States and extend credit based on an evaluation of the customer's financial condition. Credit risk is impacted by conditions or occurrences within the economy and the retail industry and is principally dependent on each customer's financial condition. A decision by the controlling owner of a group of stores or any substantial customer to

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

decrease the amount of merchandise purchased from us or to cease carrying our products could have a material adverse effect. Two customers, in the aggregate, constituted approximately \$53.9 million of trade accounts receivable outstanding at May 28, 2004. Three customers, in the aggregate, constituted approximately \$62.2 million of trade accounts receivable outstanding at May 30, 2003.

We monitor credit levels and the financial condition of our customers on a continuous basis to minimize credit risk. We believe that adequate provision for credit loss has been made in the *Consolidated Financial Statements*.

Our top two customers represented 19% and 11% of our net sales in fiscal 2004. Our top three customers represented 22%, 16%, and 15% in fiscal 2003 and 19%, 13% and 10% of our total sales in fiscal 2002. We perform ongoing credit evaluations of our customers and maintain allowances for potential credit losses.

In fiscal 2004, two customers represented 19% and 11% of the Menswear Group sales, three customers represented 51%, 34% and 10% of the Womenswear Group sales and one customer represented 16% of the Tommy Bahama Group sales.

In fiscal 2003, two customers represented 26% and 12% of the Menswear Group sales and two customers represented 48% and 34% of the Womenswear Group sales.

In fiscal 2002, two customers represented 19% and 13% of the Menswear Group sales and two customers represented 44% and 32% of the Womenswear Group sales.

Note K. Benefit Plans:

We have tax-qualified voluntary retirement savings plans covering substantially all full-time United States employees. If a participant decides to contribute, a portion of the contribution is matched by us. Our total expense under these plans in fiscal 2004, 2003 and 2002 were \$1.8 million, \$1.1 million and \$1.1 million, respectively.

We have a non-qualified deferred compensation plan offered to a select group of management and highly compensated employees. The plan provides the participants with the opportunity to defer a specified percentage of their cash compensation. We match a portion of the contribution. Participants may elect to defer up to 10% of their annual base salary and up to 25% of their bonus. We fund these deferred compensation liabilities by making contributions to a rabbi trust, which had assets of approximately \$2.8 million at May 28, 2004, and approximately \$1.5 million at May 30, 2003.

The Tommy Bahama Group sponsors and maintains a non-qualified deferred compensation plan for eligible executives. Participants may elect to defer up to 100% of compensation in a given plan year. Any amounts deferred under the non-qualified deferred compensation plan are subject to a Company matching contribution equal to the contribution that would have been received had the deferrals been made under the Company's 401(k) Plan (without reference to any statutory or other limits). The matching contribution is equal to 50% of the first 12% of compensation deferred. Matching contributions become vested after two years of continuous service. Participants may direct how their accounts under the non-qualified deferred compensation plan are to be invested. Our total expense for deferred compensation plans in fiscal 2004, 2003 and 2002 was \$253,000, \$156,000 and \$170,000, respectively.

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Note L. Income Taxes:

The provision (benefit) for income taxes includes the following:

	2004	2003	2002
	(\$ in thousands)		
Current:			
Federal	\$22,526	\$12,725	\$2,944
State	2,002	1,645	120
Foreign	1,235	1,088	781
	25,763	15,458	3,845
Deferred	(2,379)	(2,371)	2,859
	\$23,384	\$13,087	\$6,704

Reconciliations of the United States federal statutory income tax rates and the Company's effective tax rates are summarized as follows:

	2004	2003	2002
Statutory rate	35.0%	35.0%	35.0%
State income taxes — net of federal income tax benefit	1.8	2.6	1.9
Non-deductible expenses and other, net	0.3	1.6	1.9
Effective rate	37.1%	39.2%	38.8%

Deferred tax assets and liabilities are comprised of the following:

	May 28, 2004	May 30, 2003
	(\$ in thousands)	
Deferred Tax Assets:		
Inventories	\$ 1,515	\$ 1,933
Accrued compensation and benefits	4,549	2,663
Allowance for doubtful accounts	1,375	1,341
Depreciation and amortization	5,172	1,718
Noncurrent liabilities	1,721	1,721
Other, net	2,148	1,338
Deferred Tax Assets	16,480	10,714
Deferred Tax Liabilities:		
Acquired intangible assets	56,146	—
Foreign	3,054	2,561
Other, net	1,970	1,063
Deferred Tax Liabilities	61,170	3,624
Net Deferred Tax (Liability) Asset	\$ (44,690)	\$ 7,090

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Note M. Earnings Per Share:

	May 28, 2004	May 30, 2003	May 31, 2002
	(In thousands, except share and per share amounts)		
Net earnings available to common stockholders (numerator):	\$ 39,716	\$ 20,327	\$ 10,572
Shares (denominator):			
Weighted average shares outstanding	16,099,851	15,034,720	14,987,356
Dilutive securities:			
Options	477,581	108,570	111,198
Earnout contingently issuable shares	121,312	—	—
Total assuming conversion	16,698,744	15,143,290	15,098,554
Per share amounts:			
Basic earnings per common share	\$ 2.47	\$ 1.35	\$ 0.71
Diluted earnings per common share	\$ 2.38	\$ 1.34	\$ 0.70

- Earnout contingently issuable shares represent 485,248 shares payable to selling shareholders based on achievement of performance targets as of May 28, 2004 (see Note "O").
- Stock options to purchase 177,000 shares of our Common Stock at \$17.83 per share were outstanding during fiscal 2003. However, these were not included in the computation of diluted earnings per share because the inclusion of such shares would have had an antidilutive effect.
- Stock options to purchase 381,400 shares of our Common Stock at prices ranging from \$13.94 to \$17.83 per share were outstanding during fiscal 2002. However, these were not included in the computation of diluted earnings per share because the inclusion of such shares would have had an antidilutive effect.

Note N. Segments:

During the second quarter of fiscal 2004, we reorganized the components of our business for purposes of allocating resources and assessing performance. As a result of this reorganization, the Oxford Shirt Group, Lanier Clothes and Oxford Slacks, which were previously reportable segments, were combined to become the Menswear Group. Prior year amounts were restated to conform to the current segment presentation. The Womenswear Group and the Tommy Bahama Group remain unchanged. The Menswear Group produces branded and private label dress shirts, sport shirts, dress slacks, casual slacks, suits, sportcoats, suit separates, walkshorts, golf apparel, jeans, swimwear, footwear and headwear. The Womenswear Group produces private label women's sportswear separates, coordinated sportswear, outerwear, dresses and swimwear. The Tommy Bahama Group produces lifestyle branded casual attire, operates retail stores and restaurants, and licenses its brands for accessories, footwear, furniture, and other products. Corporate and Other is a reconciling category for reporting purposes and includes our corporate offices, LIFO inventory accounting adjustments and other costs that are not allocated to the operating groups. LIFO inventory calculations are made on a legal entity basis which do not correspond to our segment definitions. Therefore, LIFO inventory accounting adjustments are not allocated to the operating segments. Total assets for Corporate and Other included the LIFO inventory reserve of \$35.5 million, \$34.9 million and \$35.2 million at May 28, 2004, May 30, 2003 and May 31, 2002, respectively.

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Menswear Group	Womenswear Group	Tommy Bahama Group	Corporate and Other	Total
	(\$ in thousands)				
2004					
Net sales	\$448,800	\$ 297,865	\$369,148	\$ 739	\$1,116,552
Depreciation and amortization of intangibles	3,559	440	13,974	489	18,462
Operating Income	41,915	11,583	50,644	(17,129)	87,013
Interest expense, net					23,913
Earnings before income taxes					63,100
Total assets	171,718	95,866	390,961	36,272	694,817
Purchases of property, plant and equipment	1,831	71	12,033	208	14,143
Goodwill	1,847	3,992	109,587	—	115,426
2003					
Net sales	\$455,516	\$ 308,762	\$ —	\$ 324	\$ 764,602
Depreciation and amortization of intangibles	4,328	958	—	701	5,987
Operating income	27,837	17,321	—	(9,809)	35,349
Interest expense, net					1,935
Earnings before income taxes					33,414
Total assets	183,834	86,118	—	224,413	494,365
Purchases of property, plant and equipment	1,713	82	—	256	2,051
Goodwill	1,847	3,992	—	—	5,839
2002					
Net sales	\$423,133	\$ 253,723	\$ —	\$ 408	\$ 677,264
Depreciation and amortization of intangibles	4,965	2,982	—	941	8,888
Operating income	16,042	9,538	—	(8,061)	17,519
Interest expense, net					243
Earnings before income taxes					17,276
Total assets	179,695	75,585	—	(4,767)	250,513
Purchases of property, plant and equipment	1,321	82	—	125	1,528
Goodwill	1,847	3,992	—	—	5,839

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Information for the net book value of property plant and equipment by geographic area is presented below:

	Year Ended	
	May 28, 2004	May 30, 2003
United States	\$ 42,866	\$ 11,277
Latin America	8,452	9,928
Other foreign	508	766
Total	<u>\$ 51,826</u>	<u>\$ 21,971</u>

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Note O. Tommy Bahama Group Acquisition:

On June 13, 2003, we acquired all of the capital stock of Viewpoint International, Inc., which we operate as the Tommy Bahama Group. The purchase price for the acquisition of the Tommy Bahama Group consists of \$240 million in cash, \$10 million in our Common Stock (776,400 shares), and up to \$75 million in contingent payments that are subject to the Tommy Bahama Group achieving certain performance targets. Such performance targets are based on earnings before interest and taxes after deduction of a capital charge based on net tangible assets and are as follows:

- Year 1—\$42.3 million, which will be prorated to \$40.8 million based on the closing of the acquisition 13 days into the year;
- Year 2—\$50 million;
- Year 3—\$58.1 million; and
- Year 4—\$69.7 million;

For each of the four years following the acquisition, the selling stockholders of the Tommy Bahama Group will receive an annual basic contingent payment if their earnings are greater than 90% of the applicable target described above and will receive the maximum annual basic contingent payment of \$12.5 million if their earnings are 100% or greater than the applicable target. If their earnings are between 90% and 100% of the applicable target, the annual basic contingent payment will be calculated on a straight line basis from \$0 to \$12.5 million. Up to 50% of any annual basic contingent payment may be paid in shares of our Common Stock at our option, and in the case of payments in the first two years, at the option of the selling stockholders of the Tommy Bahama Group. Shares of our Common Stock issued at our option will be valued at the average price on the New York Stock Exchange (or other applicable exchange) for the ten full trading days prior to the applicable payment date. Shares of our Common Stock issued at the option of the selling stockholders will be valued at \$12.88 per share. All earnout payments to be paid to selling shareholders will be treated as additional purchase price and recorded as goodwill. The Year 1 contingent payment was earned in full and \$22.8 million has been accrued as additional acquisition cost payable in the financial statements. The contingent payment will be made by issuing 485,248 shares of our Common Stock and approximately \$5 million of cash in the first half of fiscal 2005.

Additionally, if, at the end of the four year period, cumulative earnings exceed the cumulative targets, the selling stockholders will receive 33.33% of the cumulative excess up to a maximum cumulative additional contingent payment of \$25 million. Any cumulative additional contingent payment will be paid in cash.

Approximately 5% of the total value of all consideration that becomes due and payable under the earnout agreement has been designated to be paid toward an Employee Cash Bonus Plan to be distributed to employees of Tommy Bahama under the terms of the plan. The estimated amount of the earnout payments designated toward the Employee Cash Bonus Plan of approximately \$1.4 million was charged to selling, general and administrative expense in the fourth quarter of fiscal 2004.

This acquisition helped us achieve one of our key strategic objectives of owning a major lifestyle brand. The acquisition of the Tommy Bahama Group provides for strategic benefits through growth opportunities and further diversification of our business over distribution channels, price points, product categories and target customers. The Tommy Bahama Groups results of operations from June 14, 2003 through May 28, 2004 are included in our consolidated statement of earnings in the *Consolidated Financial Statements*.

In connection with the Tommy Bahama Group acquisition, we entered into a \$275 million senior secured revolving credit facility, which has a five year term and bears interest, at our option, at rates

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

determined from time to time based upon (1) the higher of the federal fund rate or the applicable prime rate plus a spread or (2) LIBOR plus a spread. Borrowings under the senior secured revolving credit facility are subject to a borrowing base calculation based on our accounts receivable, inventories and real property.

Upon completion of the Tommy Bahama Group acquisition, the net proceeds from our \$200 million senior notes offering were released from escrow. We used the net proceeds from our senior notes offering, together with limited borrowings under our senior secured revolving credit facility and cash on hand, to finance the cash portion of the purchase price for the Tommy Bahama Group acquisition. We also terminated our previously existing accounts receivable securitization facility in June 2003, in connection with the senior revolving credit facility.

The purchase price, including of contingent consideration of \$22.8 million allocated to goodwill during the fourth quarter, was allocated to the net assets of the Tommy Bahama Group, which are based on their estimated fair values. Additional contingent consideration will be recorded and allocated to goodwill when earned by the sellers. The following table summarizes the fair values of the assets acquired and liabilities assumed at the date of acquisition.

Market value of stock issued	\$ 10,000
Cash consideration paid	241,696
Direct merger costs	3,366
Year one contingent consideration	22,779
Total purchase price	\$277,841
Cash	\$ 22,145
Accounts receivable	29,521
Inventories	27,697
Other current assets	6,015
Goodwill	109,586
Intangibles	153,360
Property, plant and equipment	28,087
Other assets	2,470
Current liabilities	(45,626)
Noncurrent liabilities	(1,253)
Deferred taxes	(54,161)
Fair value of net assets acquired	\$277,841

The components of the Intangibles listed in the above table are as follows:

	Amount	Life
Trademarks	\$127,800	Indefinite
License agreements	8,400	5 years
Customer relationships	16,700	15 years
Covenant not to compete	460	4 years
Total	\$153,360	

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The pro forma financial information presented below gives effect to the Tommy Bahama Group acquisition as if it had occurred as of the beginning of fiscal 2004 and fiscal 2003. The information presented below is for illustrative purposes only and is not indicative of results that would have been achieved if the acquisition had occurred as of the beginning of fiscal 2004 and 2003 or results which may be achieved in the future.

	Year Ended	
	May 28, 2004	May 30, 2003
Net Sales	\$1,128,284	\$1,094,643
Net Earnings	\$ 40,299	\$ 34,668
Net Earnings Per Share		
Basic	\$ 2.50	\$ 2.19
Diluted	\$ 2.41	\$ 2.18

Note P. Stock Split:

We effected a two-for-one stock split in the form of a 100% stock dividend, payable December 1, 2003, to shareholders of record on November 17, 2003. All share and per share data appearing in the *Consolidated Financial Statements* and related notes have been retroactively adjusted for this stock split.

Note Q. Related Party Transactions:

During fiscal 2004, the Tommy Bahama Group purchased approximately \$2.8 million of inventory and recorded approximately \$1 million in royalty income from Paradise Shoe Company, LLC, an entity in which we own a 50% interest for which we account for under the equity method. Paradise Shoe holds an exclusive license to produce and market men's and women's shoes, belts and socks under the Tommy Bahama brand. The net amount due from Paradise Shoe at May 28, 2004 was approximately \$625,000.

During fiscal 2004, the Menswear Group purchased approximately \$8.6 million of inventory from Jiangsu Oxford Sainty Garment Manufacturing Limited, in which we own a 49% interest that we account for under the equity method.

Note R. Consolidating Financial Data of Subsidiary Guarantors:

The notes discussed in Note "G" were issued by Oxford Industries, Inc. Not all of our subsidiaries guarantee the notes. Each subsidiary guarantor is wholly owned by Oxford Industries, Inc. and organized in the United States. All guarantees are full and unconditional. Non-guarantors consist of subsidiaries of Oxford Industries, Inc. which are organized outside the United States. Our consolidated balance sheets at May 28, 2004 and May 30, 2003, and our consolidated statements of earnings and cash flow for the years ended May 28, 2004, May 30, 2003 and May 31, 2002 are set forth below. We have used the equity method with respect to investment in subsidiaries.

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Oxford Industries, Inc.
CONSOLIDATED BALANCE SHEET

May 28, 2004

	Oxford Industries (Parent)	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Total
(\$ in thousands)					
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 45,405	\$ 1,438	\$ 724	\$ 2	\$ 47,569
Receivables	110,092	69,989	36,192	(39,906)	176,367
Inventories	75,699	38,412	2,299	—	116,410
Prepaid expenses	10,377	5,716	382	—	16,475
Total current assets	241,573	115,555	39,597	(39,904)	356,821
Property, plant and equipment, net	13,839	33,186	4,801	—	51,826
Goodwill	1,847	113,579	—	—	115,426
Intangibles, net	249	147,084	—	—	147,333
Other assets net	382,738	7,053	1,604	(367,984)	23,411
Total Assets	\$640,246	\$416,457	\$ 46,002	\$ (407,888)	\$ 694,817
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities:					
Trade accounts payable	\$ 92,517	\$ 34,647	\$ 13,562	\$ (39,913)	\$ 100,813
Accrued compensation	19,339	11,357	2,417	—	33,113
Additional acquisition cost payable	22,779	—	—	—	22,779
Other accrued expenses	20,056	10,028	356	—	30,440
Dividends payable	1,946	—	—	—	1,946
Income taxes payable	(16,847)	19,533	1,607	1	4,294
Current maturities of long-term debt	—	98	—	—	98
Total current liabilities	139,790	75,663	17,942	(39,912)	193,483
Long term debt, less current portion	198,760	54	—	—	198,814
Noncurrent liabilities	82,943	(74,847)	3,031	(3)	11,124
Deferred income taxes	4,130	48,249	40	—	52,419
Total Shareholders'/invested equity	214,623	367,338	24,989	(367,973)	238,977
Total Liabilities and Shareholders' Equity	\$640,246	\$416,457	\$ 46,002	\$ (407,888)	\$ 694,817

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Oxford Industries, Inc.

CONSOLIDATED STATEMENT OF EARNINGS

Year Ended May 28, 2004

	Oxford Industries (Parent)	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Total
Net Sales	\$693,222	\$440,055	\$ 37,672	\$ (54,397)	\$1,116,552
Cost of goods sold	544,861	231,699	85	(537)	776,108
Gross Profit	148,361	208,356	37,587	(53,860)	340,444
Selling, general and administrative	125,167	156,801	30,842	(54,265)	258,545
Royalties and other income	32	5,042	40	—	5,114
Operating Income	23,226	56,597	6,785	405	87,013
Interest (income) expense, net	25,127	(1,523)	(95)	404	23,913
Income from equity investment	42,503	38	—	(42,541)	—
Earnings Before Income Taxes	40,602	58,158	6,880	(42,540)	63,100
Income Taxes	889	21,234	1,261	—	23,384
Net Earnings	\$ 39,713	\$ 36,924	\$ 5,619	\$ (42,540)	\$ 39,716

Oxford Industries, Inc.

CONSOLIDATED STATEMENT OF EARNINGS

Year Ended May 30, 2003

	Oxford Industries (Parent)	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Total
Net Sales	\$703,620	\$ 78,545	\$ 39,247	\$ (56,810)	\$ 764,602
Cost of goods sold	550,966	52,313	1,595	17	604,891
Gross Profit	152,654	26,232	37,652	(56,827)	159,711
Selling, general and administrative	131,200	12,286	37,645	(56,769)	124,362
Operating Income	21,454	13,946	7	(58)	35,349
Interest (income) expense, net	3,232	(1,141)	(97)	(59)	1,935
Income from equity investment	10,596	65	—	(10,661)	—
Earnings Before Income Taxes	28,818	15,152	104	(10,660)	33,414
Income Taxes	8,494	3,506	1,087	—	13,087
Net Earnings	\$ 20,324	\$ 11,646	\$ (983)	\$ (10,660)	\$ 20,327

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Oxford Industries, Inc.

CONSOLIDATED STATEMENT OF EARNINGS

Year Ended May 31, 2002

	Oxford Industries (Parent)	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Total
Net Sales	\$616,686	76,160	\$ 39,555	\$ (55,137)	\$ 677,264
Cost of goods sold	494,058	50,657	925	(1,624)	544,016
Gross Profit	122,628	25,503	38,630	(53,513)	133,248
Selling, general and administrative	114,427	17,673	36,587	(52,958)	115,729
Operating Income	8,201	7,830	2,043	(555)	17,519
Interest (income) expense, net	2,094	(1,169)	(126)	(556)	243
Income from equity investment in subsidiaries	7,223	38	—	(7,261)	
Earnings Before Income Taxes	13,330	9,037	2,169	(7,260)	17,276
Income Taxes	2,758	3,150	796	—	6,704
Net Earnings	\$ 10,572	\$ 5,887	\$ 1,373	\$ (7,260)	\$ 10,572

Oxford Industries, Inc.

CONSOLIDATED STATEMENT OF CASH FLOW

Year ended May 28, 2004

	Oxford Industries (Parent)	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Total
(\$ in thousands)					
Cash Flows From Operating Activities					
Net earnings	\$ 39,713	\$ 36,924	\$ 5,619	\$ (42,540)	\$ 39,716
Adjustments to reconcile net earnings to net cash used in operating activities:					
Depreciation and amortization	3,883	16,702	480	—	21,065
Equity income	(40)	(281)	—	—	(321)
(Gain)/loss on sale of property, plant and equipment	22	(39)	(620)	—	(637)
Deferred income taxes	1,051	(2,701)	21	(750)	(2,379)
Changes in working capital	(85,551)	114,461	(5,477)	(18,304)	5,129
Income from equity investment in subsidiaries	(42,503)	(38)	—	42,541	—

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Oxford Industries (Parent)	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Total
			(\$ in thousands)		
Other assets, net	(500)	(3,463)	271	(1,479)	(5,171)
Other noncurrent assets	2,925	2,575	—	—	5,500
Net cash (used in) provided by operating activities	(81,000)	164,140	294	(20,532)	62,902
Cash Flows from Investing Activities					
Acquisitions	(245,062)	—	—	22,325	(222,737)
Decrease in restricted cash	204,986	—	—	—	204,986
Investment in deferred compensation plan	—	(1,842)	—	—	(1,842)
Purchases of property, plant and equipment	(2,068)	(11,875)	(200)	—	(14,143)
Proceeds from sale of property, plant and equipment	98	1,099	1,051	(573)	1,675
Net cash (used in) provided by investing activities	(42,046)	(12,618)	851	21,752	(32,061)
Cash Flows from Financing Activities					
Principal payments of long-term debt	(129)	144	—	(225)	(210)
Proceeds from issuance of common stock	7,181	—	—	—	7,181
Debt issue costs	(7,416)	—	—	—	(7,416)
Change in intercompany payable	152,712	(150,446)	(1,141)	(1,125)	—
Dividends on common stock	(6,918)	—	—	—	(6,918)
Net cash (used in) provided by financing activities	145,430	(150,302)	(1,141)	(1,350)	(7,363)
Net change in Cash and Cash Equivalents	22,384	1,220	4	(130)	23,478
Cash and Cash Equivalents at the Beginning of Period	23,021	218	720	132	24,091
Cash and Cash Equivalents at the End of Period	\$ 45,405	\$ 1,438	\$ 724	\$ 2	\$ 47,569

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Oxford Industries (Parent)	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Total
(\$ in thousands)					
Cash Flows from Financing Activities					
Principal payments of long-term debt	(216)	(39)	—	—	(255)
Proceeds from the issuance of notes	198,581	—	—	—	198,581
Proceeds from issuance of common stock	152	5	—	(6)	151
Debt issue costs	(7,167)	—	—	—	(7,167)
Change in intercompany payable	5,414	(6,330)	916	—	—
Dividends on common stock	(6,312)	—	—	(1)	(6,313)
Net cash (used in) provided by financing activities	190,452	(6,364)	916	(7)	184,997
Net change in Cash and Cash Equivalents	6,808	24	72	(404)	6,500
Cash and Cash Equivalents at the Beginning of Period	16,214	194	648	535	17,591
Cash and Cash Equivalents at the End of Period	\$ 23,022	\$ 218	\$ 720	\$ 131	\$ 24,091

Oxford Industries, Inc.

CONSOLIDATED COMBINED STATEMENT OF CASH FLOW
Year Ended May 31, 2002

	Oxford Industries (Parent)	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Total
(\$ in thousands)					
Cash Flows From Operating Activities					
Net earnings	\$ 10,572	\$ 5,887	\$ 1,373	\$ (7,260)	\$ 10,572
Adjustments to reconcile net earnings to net cash used in operating activities:					
Depreciation and amortization	5,609	3,352	648	(721)	8,888
(Gain)/loss on sale of property, plant and equipment	(37)	4	3	(1)	(31)
Changes in working capital	92,160	8,782	(1,032)	(109,511)	(9,601)
Deferred income taxes	1,318	(951)	—	2,477	2,844
Income from equity investment in subsidiaries	(7,223)	(37)	—	7,260	—
Other noncurrent assets	(21)	7,002	(267)	(6,999)	(285)
Net cash provided by (used in) operating activities	102,378	24,039	725	(114,755)	12,387

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Oxford Industries (Parent)	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Total
	(\$ in thousands)				
Cash Flows from Investing Activities					
Purchases of property, plant and equipment	(1,235)	(71)	(223)	1	(1,528)
Proceeds from sale of property, plant and equipment	347	10	19	721	1,097
Net cash (used in) provided by investing activities	(888)	(61)	(204)	722	(431)
Cash Flows from Financing Activities					
Proceeds from short term debt	—	(56,000)	—	56,000	—
Principal payments of long-term debt	(7,232)	(36)	(684)	7,684	(268)
Change in intercompany payable	(88,697)	38,644	—	50,053	—
Proceeds from issuance of common stock	1,993	—	—	—	1,993
Dividends on common stock	1,011	(7,287)	—	1	(6,275)
Net cash (used in) provided by financing activities	(92,925)	(24,679)	(684)	113,738	(4,550)
Net change in Cash and Cash Equivalents	8,565	(701)	(163)	(295)	7,406
Cash and Cash Equivalents at the Beginning of Period	7,649	895	811	830	10,185
Cash and Cash Equivalents at the End of Period	\$ 16,214	\$ 194	\$ 648	\$ 535	\$ 17,591

Note S. Subsequent Events:

On July 30, 2004, we acquired Ben Sherman Limited, which we will operate as part of our Menswear Group. Ben Sherman is a London-based designer, distributor and marketer of branded sportswear, accessories, and footwear. The purchase price for Ben Sherman was £80 million, or approximately \$145 million, plus associated expenses. The transaction was financed with cash on hand and borrowings under our revolving credit facility.

In association with the Ben Sherman acquisition, the senior revolver was amended and restated on July 28, 2004 and increased to \$280 million with a syndicate of eight financial institutions. The maturity date was extended to July 28, 2009. Under the amended senior revolver, borrowing spreads and letter of credit fees are based upon a pricing grid, which is tied to a ratio of our total debt to our earnings before interest, taxes, depreciation and amortization ("EBITDA"), calculated as applicable on a pro forma basis. The credit agreement also requires us to maintain certain financial ratios including the ratio of total debt to EBITDA, the ratio of senior debt to EBITDA, a fixed charge coverage ratio and an interest coverage ratio. Our borrowings under the amended senior revolver are no longer subject to a borrowing base calculation based on our accounts receivable, inventory and real property.

On July 30, 2004, our Ben Sherman subsidiary entered into a £12 million senior secured revolving credit facility to provide for seasonal working capital requirements and general corporate purposes. The facility is secured by substantially all of the United Kingdom assets of Ben Sherman and bears interest at

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

the lender's prime or base rate plus 1.20%. The facility is repayable on demand and requires the borrower to maintain certain financial ratios including a minimum interest coverage ratio, a minimum asset coverage ratio and a minimum level of earnings before interest, taxes, and amortization of intangibles.

Note T. Summarized Quarterly Data (unaudited):

Following is a summary of the quarterly results of operations for the years ended May 28, 2004 and May 30, 2003:

	Fiscal Quarter				
	First	Second	Third	Fourth	Total
	(\$ in thousands, except per share amounts)				
2004					
Net sales	\$242,105	\$253,883	\$281,418	\$339,146	\$1,116,552
Gross profit	70,891	76,832	87,068	105,653	340,444
Net earnings	6,842	6,840	9,540	16,494	39,716
Basic earnings per common share	0.44	0.43	0.59	1.02	2.47
Diluted earnings per common share	0.42	0.41	0.58	0.97	2.38
2003					
Net sales	\$172,139	\$185,421	\$208,969	\$198,073	\$ 764,602
Gross profit	38,462	37,186	42,913	41,150	159,711
Net earnings	4,510	4,263	6,927	4,627	20,327
Basic earnings per common share	0.30	0.29	0.46	0.31	1.35
Diluted earnings per common share	0.30	0.29	0.46	0.30	1.34

OXFORD INDUSTRIES, INC. AND SUBSIDIARIES

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The management of Oxford Industries, Inc. is responsible for the integrity and objectivity of the consolidated financial statements and other financial information presented in this report. These statements have been prepared in conformity with accounting principles generally accepted in the United States consistently applied and include amounts based on the best estimates and judgments of management.

Oxford maintains a system of internal accounting controls designed to provide reasonable assurance, at a reasonable cost, that assets are safeguarded against loss or unauthorized use and that the financial records are adequate and can be relied upon to produce financial statements in accordance with accounting principles generally accepted in the United States. The internal control system is augmented by written policies and procedures, an internal audit program and the selection and training of qualified personnel. This system includes policies that require adherence to ethical business standards and compliance with all applicable laws and regulations.

The consolidated financial statements for the years ended May 28, 2004, May 30, 2003 and May 31, 2002, have been audited by Ernst & Young LLP, independent auditors. In connection with its audit, Ernst & Young LLP develops and maintains an understanding of Oxford's accounting and financial controls and conducts tests of Oxford's accounting systems and other related procedures as it considers necessary to render an opinion on the financial statements.

The Audit Committee of the Board of Directors, composed solely of outside directors, meets periodically with Oxford's management, internal auditors and independent auditors to review matters relating to the quality of financial reporting and internal accounting controls, and the independent nature, extent and results of the audit effort. The Committee recommends to the Board appointment of the independent auditors. Both the internal auditors and the independent auditors have access to the Audit Committee, with or without the presence of management.

/s/ BEN B. BLOUNT, JR.

Ben B. Blount, Jr.

*Executive Vice President-Finance, Planning and
Administration and Chief Financial Officer*

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Oxford Industries, Inc.

We have audited the accompanying consolidated balance sheets of Oxford Industries, Inc. and subsidiaries as of May 28, 2004 and May 30, 2003, and the related consolidated statements of earnings, shareholders' equity, and cash flows for each of the three years in the period ended May 28, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Oxford Industries, Inc. and subsidiaries at May 28, 2004 and May 30, 2003, and the consolidated results of their operations and their cash flows for each of the three years in the period ended May 28, 2004, in conformity with United States generally accepted accounting principles.

As discussed in Note A, the Company changed its method of calculating LIFO inventories in the year ended May 31, 2002.

/s/ Ernst & Young LLP

Atlanta, Georgia

July 23, 2004

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Effective May 22, 2002, we appointed Ernst & Young LLP (“Ernst & Young”) as our independent auditors. The decision to replace Arthur Andersen LLP (“Andersen”) as our independent public accountants was approved by our Board of Directors upon the recommendation of our Audit Committee.

During our fiscal 2002 year and through the date of the Form 8-K filed on May 22, 2002, there were no disagreements between us and Andersen on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements if not resolved to Andersen’s satisfaction would have caused them to make reference to the subject matter of the disagreement in connection with their reports.

None of the reportable events described under Item 304(a)(1)(v) of Regulation S-K occurred within our two most recent fiscal years or through the date of the Form 8-K filed on May 22, 2002.

During our fiscal 2002 year and through the date of the Form 8-K filed on May 22, 2002, we did not consult Ernst & Young with respect to the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our consolidated financial statements, or any other matters or reportable events listed in Items 304(a)(2)(i) and (ii) of Regulation S-K.

Item 9A. Controls and Procedures

As of the end of the period covered by this report, we conducted an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”). Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective to ensure that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms. We changed our internal controls over financial reporting during fiscal 2004 when we integrated the Tommy Bahama Group’s accounting offices, which we believe enhanced our efficiencies and increased our internal controls. Other than the integration of the Tommy Bahama Group’s accounting and credit functions, there was no change in our internal control over financial reporting during our most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART III

Item 10. Directors and Executive Officers of the Registrant.

Information required by this item covering our directors is incorporated by reference to the information presented under the heading “Election of Directors - Directors and Nominees” in the Company’s Proxy Statement, which will be filed with the Securities and Exchange Commission not later than 120 days after May 28, 2004. Information regarding our executive officers is set forth below.

Name	Age	Office Held
J. Hicks Lanier	64	Chairman of the Board, Chief Executive Officer
S. Anthony Margolis	62	Group Vice President
Ben B. Blount, Jr	65	Executive Vice President and Chief Financial Officer
Michael J. Setola	46	President
Knowlton J. O’Reilly	64	Group Vice President

Messrs. J. Hicks Lanier, S. Anthony Margolis, Ben B. Blount, Jr. and Knowlton J. O’Reilly are also directors. The Board of Directors of the Company elects executive officers annually.

Mr. J. Hicks Lanier has been Chief Executive Officer of the Company since 1977. In 1981, he was elected Chairman of the Board of the Company. He is also a director of SunTrust Banks, Inc., Crawford & Company, West Point Stevens, Inc., and Genuine Parts Company.

Mr. S. Anthony Margolis has served as Group Vice President since 2003. Prior to joining the Company, Mr. Margolis had been the Chief Executive Officer and President of Viewpoint International, Inc. since 1992.

Mr. Ben B. Blount, Jr. has served as Executive Vice President and Chief Financial Officer since 1995. On June 30, 2004, the Company announced that Mr. Blount will retire on October 4, 2004, at which time he will also resign from the Company’s Board of Directors.

Mr. Michael J. Setola has served as President since 2003. Prior to joining the Company, Mr. Setola had been the Chairman and Chief Executive Officer of Salant Corporation since 1998.

Mr. Knowlton J. O’Reilly has served as Group Vice President since 1978.

We adopted a code of business conduct and ethics applicable to our senior financial officers (including our principal executive officer, principal financial officer and controller), known as the Ethical Conduct Policy for Senior Financial Officers. The Ethical Conduct Policy for Senior Financial Officers is available on our website. In the event that we amend or waive any of the provisions of the Ethical Conduct Policy for Senior Financial Officers applicable to our principal executive officer, principal financial officer or controller, we intend to disclose the same on our website at www.oxfordinc.com.

Item 11. Executive Compensation.

Incorporated by reference to the information presented under the heading “Executive Compensation and Other Information” in our Proxy Statement, which will be filed with the Securities and Exchange Commission not later than 120 days after May 28, 2004.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

Incorporated by reference to the information presented under the heading “Beneficial Ownership of Common Stock” in our Proxy Statement, which will be filed with the Securities and Exchange Commission not later than 120 days after May 28, 2004.

Item 13. Certain Relationships and Related Transactions.

Incorporated by reference to the information presented under the heading “Executive Compensation and Other Information — Compensation Committee Interlocks and Insider Participation” in our Proxy Statement, which will be filed with the Securities and Exchange Commission not later than 120 days after May 28, 2004.

Item 14. Principal Accounting Fees and Services.

Incorporated by reference to the information presented under the heading “Fees Paid To Auditors” in our Proxy Statement, which will be filed with the Securities and Exchange Commission not later than 120 days after May 28, 2004.

PART IV

Item 15. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

(a) 1. Financial Statements

The following consolidated financial statements are included in Item 8:

- Consolidated Balance Sheets at May 28, 2004 and May 30, 2003.
- Consolidated Statements of Earnings for the years ended May 28, 2004, May 30, 2003 and May 31, 2002.
- Consolidated Statements of Shareholders’ Equity for the years ended May 28, 2004, May 30, 2003 and May 31, 2002.
- Consolidated Statements of Cash Flows for the years ended May 28, 2004, May 30, 2003 and May 31, 2002.
- Notes to Consolidated Financial Statements for the years ended May 28, 2004, May 30, 2003 and May 31, 2002.

2. Financial Statement Schedules

All schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

3. Exhibits

- 3(a) Articles of Incorporation of the Company. Incorporated by reference to Exhibit 3(a) to the Company's Form 10-Q for the fiscal quarter ended August 29, 1997.
- 3(b) Bylaws of the Company. Incorporated by reference to Exhibit 3(b) to the Company's Form 10-K for the fiscal year ended May 28, 1999.
- 10(a) 1997 Stock Option Plan. Incorporated by reference to Exhibit 10(a) to the Company's Form 10-K for the fiscal year ended May 31, 2002.
- 10(b) 1997 Restricted Stock Plan. Incorporated by reference to Exhibit 10(b) to the Company's Form 10-K for the fiscal year ended May 31, 2002.
- 10(c) Non-qualified Deferred Compensation Plan. Incorporated by reference to Exhibit 10(c), to the Company's Form 10-K for the fiscal year ended June 1, 2001.
- 10(d) Executive Medical Reimbursement Plan. Incorporated by reference to Exhibit 10(d), to the Company's Form 10-K for the fiscal year ended June 1, 2001.
- 10(e) 1992 Stock Option Plan. Incorporated by reference to Exhibit 10(h), to the Company's Form 10-K for the fiscal year ended June 1, 2001
- 10(f) Earnout Agreement dated June 13, 2003 between the former stockholders of Viewpoint International, Inc. and Oxford Industries, Inc. Incorporated to Exhibit 10(j), from the Company's Form 8-K filed on June 26, 2003.
- 10(g) Registration Rights Agreement between the former stockholders of Viewpoint International, Inc. Incorporated by reference to Exhibit 10(m), to the Company's Form 8-K filed on June 26, 2003.
- 10(h) Indenture Agreement dated May 16, 2003 among the Guarantors, Oxford Industries Inc. and SunTrust Bank, Inc. Incorporated by reference to Exhibit 10(n) from the Company's Form 10-K for the fiscal year ended May 30, 2003.
- 10(i) Supplemental Indenture Agreement No. 1 dated June 13, 2003 among the Guarantors, Oxford Industries Inc. and SunTrust Bank, Inc.*
- 10(j) Supplemental Indenture Agreement No. 2 dated July 28, 2004 among the Guarantors, Oxford Industries Inc. and SunTrust Bank, Inc.*

10(k)	Amended and Restated Credit Agreement dated July 28, 2004 between Oxford Industries, Inc., certain of its domestic subsidiaries, and SunTrust Bank, Inc. as administrative agent, and various financial institutions of lenders and issuing banks.*
16	Letter of Arthur Andersen LLP regarding change in certifying accountant. Incorporated by reference to Exhibit 16.1 the Company's Form 10-K for the fiscal year ended May 31, 2002.
21	List of Subsidiaries.*
23	Consent of Independent Registered Public Accounting Firm, Ernst & Young LLP.*
24	Powers of Attorney.*
31(a)	Certification by Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31(b)	Certification by Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32(a)	Certification by Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32(b)	Certification by Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*

* filed herewith

We agree to file upon request of the Securities and Exchange Commission a copy of all agreements evidencing long-term debt of ours omitted from this report pursuant to Item 601(b)(4)(iii) of Regulation S-K.

Shareholders may obtain copies of Exhibits without charge upon written request to the Corporate Secretary, Oxford Industries, Inc., 222 Piedmont Avenue, N.E., Atlanta, Georgia 30308.

(b) We filed the following Form 8-K's during the last quarter of the period covered by this report.

A report on Form 8-K was filed on June 21, 2004 for Item 9. Regulation FD disclosure in connection with the press release dated June 21, 2004 announcing the Company entering into an agreement to acquire Ben Sherman Limited.

A report on Form 8-K was filed on May 27, 2004 for Item 7. Financial statements and exhibits in connection with the press release dated May 27, 2004 regarding earnings guidance by the Company for its fiscal 2005 year.

A report on Form 8-K was filed on April 1, 2004 for Item 7. Financial statements and exhibits in connection with the press release dated April 1, 2004 regarding earnings guidance by the Company for the third quarter of its fiscal 2004 year.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Oxford Industries, Inc.

/s/ J. Hicks Lanier

J. Hicks Lanier

Chairman and Chief Executive Officer

Date: August 10, 2004

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company in the capacities and on the dates indicated.

Signature	Capacity	Date
<u>/s/ J. Hicks Lanier</u>	Chief Executive Officer and Director	August 10, 2004
<u>J. Hicks Lanier</u> <u>/s/ Ben B. Blount, Jr.</u>	Executive Vice President, Chief Financial Officer and Director	August 10, 2004
<u>Ben B. Blount, Jr.</u> <u>/s/ K. Scott Grassmyer</u>	Controller	August 10, 2004
<u>K. Scott Grassmyer</u> *	Director	August 10, 2004
<u>Cecil D. Conlee</u> *	Director	August 10, 2004
<u>Thomas Gallagher</u> *	Director	August 10, 2004
<u>J. Reese Lanier</u> *	Director	August 10, 2004
<u>S. Anthony Margolis</u> *	Director	August 10, 2004
<u>Knowlton J. O'Reilly</u>		

Signature	Capacity	Date
*	Director	August 10, 2004
Clarence B. Rogers, Jr. *	Director	August 10, 2004
Robert E. Shaw *	Director	August 10, 2004
Clarence H. Smith *	Director	August 10, 2004
E. Jenner Wood *	Director	August 10, 2004
Helen B. Weeks		
* By /s/ Dominic C. Mazzone		
Dominic C. Mazzone, as Attorney-in-Fact		

SUPPLEMENTAL INDENTURE NO. 1

SUPPLEMENTAL INDENTURE No. 1 (this "Supplemental Indenture"), dated as of June 13, 2003, by and among Oxford Industries, Inc., a Georgia corporation (the "Company"), the Company's subsidiaries listed on Schedule A hereto (each, a "New Guarantor"), the Company's subsidiaries listed on Schedule B hereto (the "Existing Delaware Guarantors"), the Company's subsidiaries listed on Schedule C hereto (the "Existing Georgia Guarantors"), Oxford of South Carolina, a South Carolina corporation ("Oxford of South Carolina" and, together with the Existing Delaware Guarantors and the Existing Georgia Guarantors, the "Existing Guarantors") and Sun Trust Bank, as trustee under the Indenture referred to below (the "Trustee").

WITNESSETH

WHEREAS, the Company, the Existing Guarantors and the Trustee are parties to an indenture (the "Indenture"), dated as of May 16, 2003 providing for the issuance of 8 7/8% Senior Notes due 2011 (the "Securities");

WHEREAS, the Indenture provides that, without the consent of any Holders, the Company and the Existing Guarantors, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into indentures supplemental thereto or agreements or other instruments with respect to any Guarantee, in form and substance satisfactory to the Trustee, for the purpose of adding a Guarantor;

WHEREAS, each New Guarantor wishes to guarantee the Securities pursuant to the Indenture;

WHEREAS, pursuant to the Indenture the Company, the Existing Guarantors, the New Guarantors and the Trustee have agreed to enter into this Supplemental Indenture for the purposes stated herein; and

WHEREAS, all things necessary have been done to make this Supplemental Indenture, when executed and delivered by the Company, the Existing Guarantors, and each New Guarantor, the legal, valid and binding agreement of the Company, the Existing Guarantors, and each New Guarantor, in accordance with its terms.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company, each New Guarantor, the Existing Guarantors and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Securities as follows:

(1) Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

(2) Guarantee. Each New Guarantor hereby agrees to guarantee the Indenture and the Securities related thereto pursuant to the terms and conditions of Article Thirteen of the Indenture, such Article Thirteen being incorporated by reference herein as if set forth at length

herein (each such guarantee, a "Guarantee") and such New Guarantor agrees to be bound as a Guarantor under the Indenture as if it had been an initial signatory thereto.

(3) Governing Law. THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF.

(4) Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

(5) Effect of Headings. The section headings herein are for convenience only and shall not affect the construction hereof.

(6) The Trustee. The Trustee shall not be responsible in any manner

whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Company, the New Guarantors and the Existing Guarantors.

2

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

OXFORD INDUSTRIES, INC.

By: /s/ Thomas C. Chubb, III

Name: Thomas C. Chubb, III
Title: Vice President -- Law and Administration,
Secretary and General Counsel

EACH GUARANTOR LISTED ON SCHEDULE A HERETO

By: /s/ Thomas C. Chubb, III

Name: Thomas C. Chubb, III
Title: Secretary

EACH GUARANTOR LISTED ON SCHEDULE B HERETO

By: /s/ Thomas C. Chubb, III

Name: Thomas C. Chubb, III
Title: President

EACH GUARANTOR LISTED ON SCHEDULE C HERETO

By: /s/ Thomas C. Chubb, III

Name: Thomas C. Chubb, III
Title: Secretary

OXFORD OF SOUTH CAROLINA

By: /s/ Thomas C. Chubb, III

Name: Thomas C. Chubb, III
Title: Secretary

SUNTRUST BANK, as Trustee

By: /s/ Muriel Shaw

Authorized Signatory

SUPPLEMENTAL INDENTURE NO. 2

SUPPLEMENTAL INDENTURE No. 2 (this "Supplemental Indenture No. 2"), dated as of July 28, 2004, by and among Oxford Industries, Inc., a Georgia corporation (the "Company"), the Company's subsidiaries listed on Schedule A hereto (each, a "New Guarantor"), the Company's subsidiaries listed on Schedule B hereto (collectively, the "Existing Guarantors"), and Sun Trust Bank, as trustee under the Indenture referred to below (the "Trustee").

WITNESSETH

WHEREAS, the Company, the Existing Guarantors and the Trustee are parties to an indenture, dated as of May 16, 2003 (the "Original Indenture"), as supplemented by a supplemental indenture, dated as of June 13, 2003 (the "Supplemental Indenture No. 1," and together with the Original Indenture, the "Indenture"), providing for the issuance of 8 7/8% Senior Notes due 2011 (the "Securities");

WHEREAS, the Indenture provides that, without the consent of any Holders, the Company and the Existing Guarantors, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into indentures supplemental thereto or agreements or other instruments with respect to any Guarantee, in form and substance satisfactory to the Trustee, for the purpose of adding a Guarantor;

WHEREAS, each New Guarantor wishes to guarantee the Securities pursuant to the Indenture;

WHEREAS, pursuant to the Indenture, the Company, the Existing Guarantors, the New Guarantors and the Trustee have agreed to enter into this Supplemental Indenture No. 2 for the purposes stated herein; and

WHEREAS, all things necessary have been done to make this Supplemental Indenture No. 2, when executed and delivered by the Company, the Existing Guarantors, and each New Guarantor, the legal, valid and binding agreement of the Company, the Existing Guarantors, and each New Guarantor, in accordance with its terms.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company, each New Guarantor, the Existing Guarantors and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Securities as follows:

(1) Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

(2) Guarantee. Each New Guarantor hereby agrees to guarantee the Indenture and the Securities related thereto pursuant to the terms and conditions of Article Thirteen of the Indenture, such Article Thirteen being incorporated by reference herein as if set forth at length

herein (each such guarantee, a "Guarantee") and such New Guarantor agrees to be bound as a Guarantor under the Indenture as if it had been an initial signatory thereto.

(3) Governing Law. THIS SUPPLEMENTAL INDENTURE NO. 2 SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF.

(4) Counterparts. The parties may sign any number of copies of this Supplemental Indenture No. 2. Each signed copy shall be an original, but all of them together represent the same agreement.

(5) Effect of Headings. The section headings herein are for convenience only and shall not affect the construction hereof.

(6) The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental

Indenture No. 2 or for or in respect of the recitals contained herein, all of which recitals are made solely by the Company, the New Guarantors and the Existing Guarantors.

[Signature page to follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture No. 2 to be duly executed and attested, all as of the date first above written.

Dated: July 28, 2004

OXFORD INDUSTRIES, INC.

By: /s/ J. Reese Lanier, Jr.

Name: J. Reese Lanier, Jr.
Title: Vice President and Treasurer

EACH GUARANTOR LISTED ON SCHEDULE A HERETO

By: /s/ J. Reese Lanier, Jr.

Name: J. Reese Lanier, Jr.
Title: Vice President and Treasurer

EACH GUARANTOR LISTED ON SCHEDULE B HERETO

By: /s/ J. Reese Lanier, Jr.

Name: J. Reese Lanier, Jr.
Title: Vice President and Treasurer

SUNTRUST BANK, as Trustee

By: /s/ Muriel Shaw

Authorized Signatory

AMENDED AND RESTATED CREDIT AGREEMENT

among

OXFORD INDUSTRIES, INC.

and certain of its Domestic Subsidiaries party hereto as Borrowers,

The Domestic Subsidiaries of the Borrowers party hereto as Guarantors,

The financial institutions party hereto as Lenders,

The financial institutions party hereto as Issuing Banks,

and

SUNTRUST BANK, as Administrative Agent

SUNTRUST ROBINSON HUMPHREY (a division of SunTrust Capital Markets, Inc.),
as Lead ArrangerBANK OF AMERICA, N.A. and THE CIT GROUP/COMMERCIAL SERVICES, INC.,
as Co-Syndication Agents,GENERAL ELECTRIC CAPITAL CORPORATION,
as Documentation Agent

July 28, 2004

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AMENDED AND RESTATED CREDIT AGREEMENT

THIS AMENDED AND RESTATED CREDIT AGREEMENT (this "Agreement") dated as of July 28, 2004, is by and among Oxford Industries, Inc., a Georgia corporation, Oxford of South Carolina, Inc., a South Carolina corporation, and Viewpoint International, Inc., a Delaware corporation, as Borrowers, the Domestic Subsidiaries of the Borrowers party hereto as Guarantors, the financial institutions party hereto as Lenders, the financial institutions party hereto as Issuing Banks, and SunTrust Bank, as Administrative Agent.

W I T N E S S E T H:

WHEREAS, a credit facility was extended to the Borrowers pursuant to the terms and conditions of that certain Credit Agreement dated as of June 13, 2003 (as amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the "Existing Credit Agreement"), by and among the Borrowers, certain subsidiaries of the Borrowers party thereto as Guarantors (as defined in the Existing Credit Agreement), certain financial institutions party thereto as Lenders (as defined in the Existing Credit Agreement), the financial institutions party thereto as Issuing Banks (as defined in the Existing Credit Agreement), Merrill Lynch Capital (a division of Merrill Lynch Business Financial Services Inc.), as Syndication Agent (as defined in the Existing Credit Agreement), and SunTrust Bank, as Administrative Agent;

WHEREAS, in connection with the Existing Credit Agreement, Borrowers and certain of their subsidiaries executed and delivered the Security Documents (as defined in the Existing Credit Agreement) in favor of the Administrative Agent to secure the payment and performance of the Obligations (as defined under the

Existing Credit Agreement);

WHEREAS, the Parent (as defined below), the Target (as defined below) and the Sellers (as defined below) are parties to the Acquisition Agreement (as defined below);

WHEREAS, pursuant to the Acquisition Agreement, the Parent will acquire all of the Equity Interests (as defined below) of the Target;

WHEREAS, in connection with the Acquisition Agreement, the Borrowers have requested that the Existing Credit Agreement be amended, modified and restated, pursuant to the terms and conditions set forth herein;

WHEREAS, certain Lenders (as defined in the Existing Credit Agreement) do not desire to be a party to this Agreement and therefore such Lenders, as assignors, and SunTrust Bank, as assignee, have entered into an Assignment and Acceptance of even date herewith, pursuant to which such Lenders have assigned all of their respective Revolving Loan Commitments (as defined in the Existing Credit Agreement) held by

them under the Existing Credit Agreement to SunTrust Bank, and SunTrust Bank has assumed each of such Lenders' Revolving Loan Commitments (as defined in the Existing Credit Agreement) thereunder;

WHEREAS, upon the execution and delivery of this Agreement, pursuant to Section 11.18 of this Agreement, to the extent necessary to achieve the allocation of the Revolving Loan Commitments, SunTrust Bank has assigned a portion of its Revolving Loan Commitment to the other Lenders party hereto; and

WHEREAS, each Borrower Party (as defined herein) acknowledges and agrees that the security interests and Liens (as defined in the Existing Credit Agreement) granted to the Administrative Agent pursuant to the Existing Credit Agreement and the other Security Documents (as defined in the Existing Credit Agreement), shall remain outstanding and in full force and effect, without interruption or impairment of any kind, in accordance with the Existing Credit Agreement and shall continue to secure the Obligations (as defined herein);

WHEREAS, each Borrower Party acknowledges and agrees that (a) the Obligations (as defined herein) represent, among other things, the amendment, restatement, renewal, extension, consolidation and modification of the Obligations (as defined in the Existing Credit Agreement) arising in connection with the Existing Credit Agreement and other Loan Documents (as defined in the Existing Credit Agreement) executed in connection therewith; (b) the Borrower Parties intend that the Existing Credit Agreement and the other Loan Documents (as defined in the Existing Credit Agreement) executed in connection therewith and the collateral pledged thereunder shall secure, without interruption or impairment of any kind, all existing Obligations (as defined in the Existing Credit Agreement) under the Existing Credit Agreement and the other Loan Documents (as defined in the Existing Credit Agreement) executed in connection therewith, as they may be amended, restated, renewed, extended, consolidated and modified hereunder, together with all other obligations hereunder; (c) all Liens (as defined in the Existing Credit Agreement) evidenced by the Loan Documents (as defined in the Existing Credit Agreement) executed in connection therewith are hereby ratified, confirmed and continued; and (d) the Loan Documents (as defined herein) are intended to restate, renew, extend, consolidate, amend and modify the Existing Credit Agreement and the other Loan Documents (as defined in the Existing Credit Agreement) executed in connection therewith; provided that the parties hereto acknowledge and agree that US Ben Sherman Holdco (as defined herein) shall not be a Guarantor (as defined herein) and shall not be a party to the Security Agreement (as defined herein), Pledge Agreement (as defined herein) or Intellectual Property Security Agreement (as defined herein) and the Parent shall be required to pledge only 65% of its Equity Interest in US Ben Sherman Holdco under the Pledge Agreement;

WHEREAS, each Borrower Party intends that (a) the provisions of the Existing Credit Agreement and the other Loan Documents (as defined in the Existing Credit

Agreement) executed in connection therewith, to the extent restated, renewed, extended, consolidated, amended and modified hereby and by the other Loan

Documents (as defined herein), be hereby superseded and replaced by the provisions hereof and of the other Loan Documents (as defined herein); (b) the Revolving Loan Notes (as defined herein) restate, renew, extend, consolidate, amend, modify, replace, are substituted for and supersede in their entirety, but do not extinguish, the Obligations (as defined in the Existing Credit Agreement) arising under the Revolving Loan Notes (as defined in the Existing Credit Agreement) issued pursuant to the Existing Credit Agreement; and (c) by entering into and performing their respective obligations hereunder, this transaction shall not constitute a novation;

NOW THEREFORE, in consideration of the premises and the covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Existing Credit Agreement is hereby amended and restated as follows:

ARTICLE 1.

DEFINITIONS, ACCOUNTING PRINCIPLES AND OTHER INTERPRETIVE MATTERS

Section 1.1 Definitions. For the purposes of this Agreement:

"Account Debtor" shall mean any Person who is obligated to make payments under an Account.

"Account Control Agreement" shall mean any agreement executed by a depository bank and the Administrative Agent, for the benefit of the Lender Group, and acknowledged and agreed to by the applicable Borrower Party, in the form of Exhibit A or such other form acceptable to the Administrative Agent in its sole discretion, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

"Accounts" shall mean all "accounts," as such term is defined in the UCC, of each Borrower Party whether now existing or hereafter created or arising, including, without limitation, (i) all accounts receivable, other receivables, book debts and other forms of obligations (other than forms of obligations evidenced by chattel paper (as defined in the UCC) or instruments (as defined in the UCC)), (including any such obligations that may be characterized as an account or contract right under the UCC), (ii) all of each Borrower Party's rights in, to and under all purchase orders or receipts for goods or services, (iii) all of each Borrower Party's rights to any goods represented by any of the foregoing (including unpaid sellers' rights of rescission, replevin, reclamation and stoppage in transit and rights to returned, reclaimed or repossessed goods), (iv) all rights to payment due to a Borrower Party for property sold, leased, licensed, assigned or otherwise disposed of, for a policy of insurance issued or to be issued, for a secondary obligation

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incurred or to be incurred, for energy provided or to be provided, for the use or hire of a vessel under a charter or other contract, arising out of the use of a credit card or charge card, or for services rendered or to be rendered by such Borrower Party or in connection with any other transaction (whether or not yet earned by performance on the part of such Borrower Party), (v) all health care insurance receivables and (vi) all collateral security of any kind, given by any Account Debtor or any other Person with respect to any of the foregoing.

"ACH Transactions" means any cash management or related services including the automated clearinghouse transfer of funds by the Administrative Agent (or any affiliate of the Administrative Agent) for the account of the Borrowers pursuant to agreement or overdrafts.

"Act" shall have the meaning specified in Section 11.20.

"Acquisition" shall mean the acquisition by the Parent of all of the Equity Interests of the Target pursuant to the Acquisition Agreement.

"Acquisition Agreement" shall mean that certain Share Purchase Agreement dated as of June 19, 2004 among Oxford Industries (UK 3) (as assignee of the Parent) and the Sellers, as the same may be amended, modified or supplemented from time to time in accordance with Section 8.15.

"Acquisition Documents" shall mean the Acquisition Agreement, that certain

Escrow Agreement to be dated on or before the date of the consummation of the Acquisition, among the Sellers and Oxford Industries (UK 3) in form and substance satisfactory to the Administrative Agent, that certain Deposit Escrow Agreement dated June 19, 2004 among the Sellers and Oxford Industries (UK 3) (as assignee of the Parent), and the Loan Notes, as the same may be amended, modified or supplemented from time to time in accordance with Section 8.15.

"Additional Commitment Amount" shall have the meaning specified in Section 2.17.

"Additional Lender" shall have the meaning specified in Section 2.17.

"Administrative Agent" shall mean SunTrust Bank, acting as administrative agent for the Lender Group, and any successor Administrative Agent appointed pursuant to Section 10.12.

"Administrative Agent's Office" shall mean the office of the Administrative Agent located at 303 Peachtree Street, Atlanta, Georgia 30308, or such other office as may be designated pursuant to the provisions of Section 11.1.

"Administrative Borrower" shall have the meaning specified in Section 13.4.

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"Administrative Questionnaire" shall mean a questionnaire substantially in the form of Exhibit B.

"Advance" or "Advances" shall mean amounts of the Revolving Loans or Swing Loans, as applicable, advanced by the Lenders or the Swing Bank, as applicable, to the Borrowers pursuant to Section 2.2 on the occasion of any borrowing.

"Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person, and any other Person who is a director, officer or partner of such Person. For purposes of this definition, "control", when used with respect to any Person, includes, without limitation, the direct or indirect beneficial ownership of ten percent (10%) or more of the outstanding voting securities or voting equity of such Person or the power to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"Aggregate Letter of Credit Commitment" shall mean the several obligations of the Issuing Banks to issue (or arrange with a Foreign Issuer for the issuance of) Letters of Credit for the account of Borrowers from time to time in an aggregate face amount not to exceed \$175,000,000 pursuant to the terms of this Agreement.

"Aggregate Revolving Credit Obligations" shall mean, as of any particular time, the sum of (a) the aggregate principal amount of all Revolving Loans then outstanding, plus (b) the aggregate amount of all Letter of Credit Obligations then outstanding, plus (c) the aggregate amount of all Swing Loans then outstanding.

"Agreement" shall mean this Credit Agreement, together with all Exhibits and Schedules hereto, as amended, restated, supplemented or otherwise modified from time to time.

"Agreement Date" shall mean the date as of which this Agreement is dated.

"Applicable Law" shall mean, in respect of any Person, all provisions of constitutions, statutes, rules, regulations, and orders of governmental bodies or regulatory agencies applicable to such Person, and all orders and decrees of all courts and arbitrators in proceedings or actions to which the Person in question is a party or by which it is bound.

"Approved Freight Handler" shall mean any Freight Handler that has delivered a Lien Acknowledgment Agreement in favor of the Administrative Agent, so long as such Lien Acknowledgment Agreement remains in full force and effect and the Administrative Agent has not received any notice of termination with respect thereto.

"Approved Fund" shall mean any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity that administers or manages a Lender.

"Assigned Interest" shall have the meaning specified in Section 11.18.

"Assignee" shall have the meaning specified in Section 11.18.

"Assignment and Assumption Agreement" shall mean that certain form of Assignment and Assumption Agreement attached hereto as Exhibit C, pursuant to which each Lender may, as further provided in Section 11.5, sell a portion of its Loans and Revolving Loan Commitment.

"Assignments of Life Insurance Policy" shall mean the assignments of life insurance policies as collateral from the applicable Borrower Party in favor of the Administrative Agent, for the benefit of the Lender Group, assigning such Borrower Party's life insurance policy or policies on the lives of (a) S. Anthony Margolis and (b) Lucio Dalla Gasperina, and acknowledged by the applicable insurance company issuing such policy or policies, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Assignment of Rights under Viewpoint Acquisition Agreement" shall mean that certain Assignment of Rights under Acquisition Agreement, dated as of June 13, 2003, executed by the Parent in favor of the Administrative Agent, for the benefit of the Lender Group, and acknowledged by the Viewpoint Sellers, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Authorized Signatory" shall mean such personnel of each Borrower Party as may be duly authorized and designated in writing to the Administrative Agent by such Borrower Party to execute documents, agreements, and instruments on behalf of such Borrower Party.

"Availability" shall mean, as of any particular time, (a) the Revolving Loan Commitments minus (b) in each case, the Aggregate Revolving Credit Obligations.

"Available Letter of Credit Amount" shall mean, as of any particular time, an amount equal to the lesser of (a) the Aggregate Letter of Credit Commitment at such time, minus the aggregate amount of all Letter of Credit Obligations at such time and (b) Availability at such time.

"Available Revolving Loan Commitment" shall mean, as of any particular time, (a) the amount of the Revolving Loan Commitments at such time minus (b) the Aggregate Revolving Credit Obligations at such time.

"Avoidance Provisions" shall have the meaning specified in Section 13.5(b).

"Bank Products" shall mean any one or more of the following types of services or facilities extended to the Borrower Parties by the Administrative Agent (or any affiliate of the Administrative Agent) or, so long as Bank of America, N.A. is a Lender hereunder, Bank of America, N.A. (or any affiliate of Bank of America, N.A.) or, in the case of Hedge Agreements, the Administrative Agent (or any affiliate of the Administrative

Agent) or any Lender: (a) credit cards; (b) ACH Transactions; (c) cash management, including controlled disbursement services; and (d) Hedge Agreements.

"Bank Products Documents" shall mean all agreements entered into from time to time by the Borrower Parties in connection with any of the Bank Products and shall include the Hedge Agreements.

"Bankruptcy Code" shall mean the United States Bankruptcy Code (11 U.S.C. Section 101 et seq.), as now or hereafter amended, and any successor statute.

"Base Rate" shall mean, at any time, a fluctuating and floating rate per annum equal to the higher of: (a) 0.50% per annum above the latest Federal Funds Rate; and (b) the rate of interest announced publicly by SunTrust Bank from time to time as its "prime rate" for the determination of interest rate loans of varying maturities in Dollars to United States residents of varying degrees of credit worthiness. Such "prime rate" is not necessarily the lowest rate of interest charged to borrowers of SunTrust Bank, and SunTrust Bank may make commercial loans or other loans at rates of interest at, above, or below such "prime rate". Each change in the prime rate announced by SunTrust Bank shall take effect at

the opening of business on the day specified in the public announcement of such change.

"Base Rate Advance" shall mean an Advance which the Administrative Borrower requests to be made as a Base Rate Advance or which is reborrowed as a Base Rate Advance, in accordance with the provisions of Section 2.2.

"Borrower Parties" shall mean, collectively, the Borrowers and each of their respective Domestic Subsidiaries.

"Borrower Payments" shall have the meaning specified in Section 2.8(b)(i).

"Borrowers" shall mean the Parent, Oxford of South Carolina, Inc., a South Carolina corporation, and Viewpoint.

"Business Day" shall mean any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of Georgia or is a day on which banking institutions located in such state are closed; provided, however, that when used with reference to a Eurodollar Advance (including the making, continuing, prepaying or repaying of any Eurodollar Advance), the term "Business Day" shall also exclude any day in which banks are not open for dealings in deposits of Dollars on the London interbank market.

"Capital Expenditures" shall mean, for any period, on a consolidated basis for the Borrower Parties, the aggregate of all expenditures made by the Borrower Parties during such period that, in conformity with GAAP, are required to be included in or reflected on

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the consolidated balance sheet as a capital asset of the Borrower Parties, including Capitalized Lease Obligations of the Borrower Parties.

"Capitalized Lease Obligation" shall mean that portion of any obligation of a Person as lessee under a lease which at the time would be required to be capitalized on the balance sheet of such lessee in accordance with GAAP.

"Change in Control" shall mean the occurrence of one or more of the following events: (a) any Person or two or more Persons acting in concert shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the SEA) of thirty five percent (35%) or more of the outstanding shares of the voting Equity Interest of the Parent; (b) as of any date a majority of the board of directors of the Parent consists (other than vacant seats) of individuals who were not either (i) directors of the Parent as of the Agreement Date, (ii) selected or nominated to become directors by the board of directors of the Parent of which a majority consisted of individuals described in clause (i), or (iii) selected or nominated to become directors by the board of directors of the Parent of which a majority consisted of individuals described in clause (i) and individuals described in clause (ii), or (c) except as otherwise specifically permitted hereunder and except for directors qualifying shares (required by Applicable Law) in certain Foreign Subsidiaries, the Parent ceases to directly or indirectly own and control one hundred percent (100%) of the outstanding Equity Interests of all of its Subsidiaries.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" shall mean all property pledged as collateral security for the Obligations pursuant to the Security Documents or otherwise, and all other property of any Borrower Party that is now or hereafter in the possession or control of the Administrative Agent, any Issuing Bank or any Lender or on which the Administrative Agent, any Issuing Bank or any Lender has been granted a Lien in connection with the Obligations.

"Commercial Letter of Credit" shall mean a documentary Letter of Credit issued in respect of the purchase of goods or services by any Borrower Party in the ordinary course of its business.

"Confidential Information" means information that any Borrower Party furnishes to any member of the Lender Group in a writing designated as confidential, and all information relating to the Acquisition, but does not include any such information that is or becomes generally available to the public or that is or becomes available to such member of the Lender Group from a source other than a Borrower Party.

"Contributing Borrower" shall have the meaning specified in Section 13.5(e).

"Date of Issue" shall mean the date on which an Issuing Bank issues (or, at the direction of an Issuing Bank, a Foreign Issuer issues) a Letter of Credit pursuant to Section 2.15.

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"Default" shall mean any Event of Default, and any of the events specified in Section 9.1 regardless of whether there shall have occurred any passage of time or giving of notice (or both) that would be necessary in order to constitute such event an Event of Default.

"Default Rate" shall mean a simple per annum interest rate equal to, (a) with respect to outstanding principal, the sum of (i) the applicable Interest Rate Basis, plus (ii) the applicable Interest Rate Margin plus (iii) two percent (2%), and (b) with respect to all other Obligations, the sum of (i) the Base Rate, plus (ii) the Interest Rate Margin applicable to Base Rate Advances plus (iii) two percent (2%); provided, however, that with respect to any Eurodollar Advance outstanding on the date on which the Default Rate becomes applicable, the Default Rate shall be based on the then applicable Eurodollar Basis until the end of the current Eurodollar Advance Period and thereafter the Default Rate shall be based on the Base Rate as in effect from time to time.

"Disbursement Account" shall mean account number 8800828975 maintained at SunTrust Bank, or as otherwise designated to the Administrative Agent by the Borrowers.

"Dividends" shall mean, any direct or indirect distribution, dividend, or payment to any Person on account of any Equity Interests of any Borrower or any Borrower's Subsidiaries.

"Dollars" or "\$" shall mean United States dollars.

"Domestic Subsidiary" shall mean any Subsidiary of a Borrower Party that is organized and existing under the laws of the United States or any state or commonwealth thereof or under the laws of the District of Columbia, but shall not include the US Ben Sherman Holdco.

"EBITDA" shall mean, with respect to the Parent on a consolidated basis with its Subsidiaries for any period, the Net Income for such period, plus, (i) without duplication and to the extent reflected as charges in the statement of Net Income for such period, the sum of (a) income taxes, (b) Interest Expense (c) depreciation and amortization expense, and (d) extraordinary losses, minus (ii) to the extent added in computing Net Income for such period, extraordinary gains; provided, however, that if any such calculation includes any period in which an acquisition or sale of a Person or the assets of a Person occurred, then such calculation shall be made on a Pro Forma Basis.

"Eligible Assignee" shall mean (a) a Lender; (b) an Affiliate of a Lender; (c) an Approved Fund; or (d) any other Person approved by the Administrative Agent, the Issuing Banks and, unless (x) such Person is taking delivery of an assignment in connection with physical settlement of a credit derivatives transaction or (y) a Default has occurred and is continuing, the Borrowers, such approvals not to be unreasonably withheld or delayed. If the consent of the Borrowers to an assignment or to an Eligible Assignee is required hereunder (including a consent to an assignment which does not meet the minimum assignment thresholds specified in Section 11.5(b)), the Borrowers

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shall be deemed to have given their consent five (5) Business Days after the date notice thereof has been delivered by the assigning Lender (through the Administrative Agent) unless such consent is expressly refused by the Borrowers prior to such fifth (5th) Business Day.

"Employment Agreements" shall have the meaning specified in Section 4.1.

"Environmental Laws" shall mean, collectively, any and all applicable federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees or requirements of any Governmental Authority regulating, relating to or imposing liability or standards of conduct concerning

environmental protection matters, including without limitation, Hazardous Materials or human health, as now or may at any time during the term hereof be in effect.

"Equity Interests" shall mean, as applied to any Person, any capital stock, membership interests, partnership interests or other equity interests of such Person, regardless of class or designation, and all warrants, options, purchase rights, conversion or exchange rights, voting rights, calls or claims of any character with respect thereto.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as in effect on the Agreement Date and as such Act may be amended thereafter from time to time.

"ERISA Affiliate" shall mean any Person (whether incorporated or unincorporated) that together with the Borrowers would be deemed to be a "single employer" within the meaning of Section 414 of the Code.

"Eurodollar Advance" shall mean an Advance which the Administrative Borrower requests to be made as a Eurodollar Advance or which is reborrowed as a Eurodollar Advance, in accordance with the provisions of Section 2.2.

"Eurodollar Advance Period" shall mean, for each Eurodollar Advance, each one, two, three, or six month period, as selected by the Administrative Borrower pursuant to Section 2.2, during which the applicable Eurodollar Rate (but not the applicable Interest Rate Margin) shall remain unchanged. Notwithstanding the foregoing, however: (i) any applicable Eurodollar Advance Period which would otherwise end on a day which is not a Business Day shall be extended to the next succeeding Business Day, unless such Business Day falls in another calendar month, in which case such Eurodollar Advance Period shall end on the next preceding Business Day; (ii) any applicable Eurodollar Advance Period which begins on a day for which there is no numerically corresponding day in the calendar month during which such Eurodollar Advance Period is to end shall (subject to clause (i) above) end on the last day of such calendar month; and (iii) no Eurodollar Advance Period shall extend beyond the Maturity Date or such earlier date as would interfere with the repayment obligations of the Borrowers under Section 2.6. Interest shall be due and payable with respect to any Advance as provided in Section 2.3.

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"Eurodollar Basis" shall mean, with respect to each Eurodollar Advance Period, a simple per annum interest rate equal to the quotient of (i) the Eurodollar Rate divided by (ii) one minus the Eurodollar Reserve Percentage, stated as a decimal. The Eurodollar Basis shall remain unchanged during the applicable Eurodollar Advance Period, except for changes to reflect adjustments in the Eurodollar Reserve Percentage.

"Eurodollar Rate" shall mean, for any applicable Eurodollar Advance Period, the rate per annum quoted at or about 11:00 a.m. (London, England time) two (2) Business Days prior to the first day of the Eurodollar Advance Period on that page of the Reuters, Telerate or Bloomberg's reporting service (as then being used by the Administrative Agent to obtain such interest rate quotes) that displays British Bankers' Association Interest Settlement Rates for deposits in Dollars for a period equal to such Eurodollar Advance Period or if such page or such service shall cease to be available, such other page or service (as the case may be) for the purpose of displaying British Bankers' Association Interest Settlement Rates as reasonably determined by the Administrative Agent upon advising the Administrative Borrower as to the use of any such other service; provided, that if the Administrative Agent determines that the relevant foregoing sources are unavailable for the relevant Eurodollar Advance Period, the Eurodollar Rate shall mean the rate of interest determined by the Administrative Agent to be the average (rounded upward, if necessary, to the nearest one one-hundredth of one percent (1/100th of 1%)) of the rates per annum at which deposits in the applicable currency are offered to the Administrative Agent two (2) Business Days preceding the first day of such Eurodollar Advance Period by leading banks in the London interbank market as of 10:00 a.m. for delivery on the first day of such Eurodollar Advance Period, for the number of days comprised therein and in an amount comparable to the amount of the applicable Eurodollar Advance of the Administrative Agent.

"Eurodollar Reserve Percentage" shall mean the aggregate of the maximum reserve percentages (including, without limitation, any emergency, supplemental, special or other marginal reserves) expressed as a decimal (rounded upwards to the next

one one-hundredth of one percent (1/100th of 1%)) in effect on any day to which the Administrative Agent is subject with respect to the Eurodollar Basis pursuant to regulations issued by the Board of Governors of the Federal Reserve System (or any Governmental Authority succeeding to any of its principal functions) with respect to Eurocurrency Liabilities (as that term is defined in Regulation D). Eurodollar Advances shall be deemed to constitute Eurocurrency Liabilities and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to the Administrative Agent under Regulation D. The Eurodollar Reserve Percentage shall be adjusted automatically on and as of the effective date of any change in any reserve percentage. The Eurodollar Basis for any Eurodollar Advance shall be adjusted as of the effective date of any changes in the Eurodollar Reserve Percentage.

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"Event of Default" shall mean any of the events specified in Section 9.1, provided that any requirement for notice or lapse of time, or both, has been satisfied.

"Excess Funding Guarantor" shall have the meaning specified in Section 3.1(m).

"Excess Payment" shall have the meaning specified in Section 3.1(m).

"Excluded Deposit Accounts" shall mean, collectively, (i) each disbursement account that has a balance no greater than the amount necessary to cover outstanding checks drawn on such account, (ii) petty cash deposit accounts for retail stores of Retail Borrower Parties that have a balance (determined on an average basis for all retail stores as of any date of determination) no greater than \$5,000 per retail store, (iii) the employee benefit trust account number 8801663496 at SunTrust Bank or such other similar employee benefit trust account, so long as the balance therein does not exceed as of any date of determination the Administrative Borrower's estimate of employee benefit claims to be paid in the remaining portion of such fiscal year (or, with respect to any date of determination in the last fiscal month of any fiscal year, the Administrative Borrower's estimate of employee benefit claims to be paid in the remaining portion of such fiscal year and during the next succeeding fiscal year) from such date of determination (provided, that at any time that a Default exists, Borrower Parties shall not deposit additional funds into such account except to the extent necessary to pay accrued and unpaid employee benefit claims that are then due and payable) and (iv) other deposit accounts with balances not to exceed \$1,000,000 in the aggregate.

"Existing Letters of Credit" shall have the meaning specified in Section 2.15.

"Federal Funds Rate" shall mean, for any day, the rate set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Bank of New York (including any such successor, "H.15(519)") on the preceding Business Day opposite the caption "Federal Funds (Effective)"; or, if for any relevant day such rate is not so published on any such preceding Business Day, the rate for such day will be the arithmetic mean as determined by the Administrative Agent of the rates for the last transaction in overnight Federal funds arranged prior to 12:00 noon (Atlanta, Georgia time) on that day by each of three leading brokers of Federal funds transactions in New York, New York selected by the Administrative Agent.

"Fixed Charge Coverage Ratio" shall mean, with respect to the Parent and its Subsidiaries on a consolidated basis for any period, calculated on a Pro Forma Basis in the event of any acquisition during such period, the ratio of (a) the greater of (i) (x) EBITDA minus (y) (A) Capital Expenditures made during such period and (B) taxes accrued during such period and (ii) zero, to (b) the sum of (i) scheduled payments of principal made with respect to Indebtedness during such period, (ii) Interest Expense (other than loan fees that, in accordance with GAAP, are amortized) accrued during such period, (iii) cash earnout payments made to the Viewpoint Sellers pursuant to the Viewpoint Earnout Agreement during such period; provided that such payments shall not

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be included in this clause (b) if, after giving effect to such payments, the Total Senior Debt to EBITDA Ratio for the four (4) fiscal quarters of the Parent immediately preceding the date of such payments would have been at least 0.25 to 1.00 below the covenant level of the Total Senior Debt to EBITDA Ratio

applicable during such period under Section 8.9, and, after giving effect to such payments, Availability would have been at least \$40,000,000 as of the date of such payments; and (iv) Dividends paid by the Parent during such period (other than Dividends on common stock which accrue (but are not paid in cash) or are paid in kind or Dividends on preferred stock which accrue (but are not paid in cash) or are paid in kind); provided, however, that for purposes of calculating the components of item (a)(i)(y)(B) and (b)(ii) of this definition (1) for the period ending as of the last day of the first fiscal quarter of the 2005 fiscal year, the actual amount of such components for such fiscal quarter multiplied by 4 shall be included, (2) for the period ending as of the last day of the second fiscal quarter of the 2005 fiscal year, the actual amount of such components for such fiscal year multiplied by 2 shall be included and (3) for the period ending as of the last day of the third fiscal quarter of the 2005 fiscal year, the actual amount of such components for such fiscal year multiplied by 4/3 shall be included.

"Foreign Issuer" shall mean any foreign bank engaged by an Issuing Bank to issue Commercial Letters of Credit on behalf of such Issuing Bank so long as (a) such foreign bank has agreed to hold any and all documents, instruments or other Collateral in its possession in connection with the issuance of any Commercial Letter of Credit as bailee on behalf of the Administrative Agent to perfect the Administrative Agent's security interest in such documents, instruments or other Collateral and (b) the agreement between such Issuing Bank and the Foreign Issuer is satisfactory to the Administrative Agent in its reasonable discretion.

"Foreign Subsidiary" shall mean any Subsidiary of a Borrower Party that does not constitute a Domestic Subsidiary.

"Freight Handler" shall mean any freight forwarder, customs broker, customs agent, shipper, shipping company or similar Person utilized by a Borrower Party from time to time in connection with the importation of Inventory.

"Fund" shall mean any Person that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"Funding Borrower" shall have the meaning specified in Section 13.5(e).

"GAAP" shall mean, as in effect from time to time (subject to the provisions of Section 1.2), United States generally accepted accounting principles consistently applied, provided, however, that with respect to the financial statements of the Target and its Subsidiaries dated as of a date on or prior to the Agreement Date, such term shall mean United Kingdom generally accepted accounting principles consistently applied.

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"Governmental Authority" shall mean any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government.

"Guarantors" shall mean, collectively, all Domestic Subsidiaries (other than the Borrowers) of the Parent and "Guarantor" shall mean any one of the foregoing Guarantors.

"Guaranty" or "guaranteed," as applied to an obligation (each a "primary obligation"), shall mean and include (a) any guaranty, direct or indirect, in any manner, of any part or all of such primary obligation, and (b) any agreement, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of non-performance) of any part or all of such primary obligation, including, without limiting the foregoing, any reimbursement obligations as to amounts drawn down by beneficiaries of outstanding letters of credit, and any obligation of any Person, whether or not contingent, (i) to purchase any such primary obligation or any property or asset constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of such primary obligation or (2) to maintain working capital, equity capital or the net worth, cash flow, solvency or other balance sheet or income statement condition of any other Person, (iii) to purchase property, assets, securities or services primarily for the purpose of assuring the owner or holder of any primary obligation of the ability of the primary obligor with respect to such primary obligation to make payment thereof or (iv) otherwise to assure or hold harmless the owner or holder of such primary obligation against loss in

respect thereof. All references in this Agreement to "this Guaranty" shall be to the Guaranty provided for pursuant to the terms of Article 3.

"Guaranty Supplement" shall have the meaning specified in Section 6.21.

"Hazardous Materials" shall mean any hazardous materials, hazardous wastes, hazardous constituents, hazardous or toxic substances, petroleum products (including crude oil or any fraction thereof), friable asbestos containing materials defined or regulated as such in or under any Environmental Law.

"Hedge Agreement" shall mean any and all transactions, agreements or documents now existing or hereafter entered into between or among any Borrower Party, on the one hand, and the Administrative Agent (or an Affiliate of the Administrative Agent) or one or more Lenders (or an Affiliate of any Lender), on the other hand, which provides for an interest rate, credit, commodity or equity swap, cap, floor, collar, forward foreign exchange transaction, currency swap, cross currency rate swap, currency option, or any combination of, or option with respect to, these or similar transactions, for the purpose of hedging such Borrower Party's exposure to fluctuations in interest or exchange rates, loan, credit exchange or security or currency valuations.

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"Increased Revolving Loan Commitment Activation Notice" shall mean a notice substantially in the form of Exhibit D.

"Indebtedness" shall mean, with respect to any Person (a) indebtedness for borrowed money or for the deferred purchase price of property and services (other than trade accounts payable on customary terms in the ordinary course of business), (b) financial obligations evidenced by bonds, debentures, notes or other similar instruments, (c) financial obligations of such Person as lessee under leases which shall have been or should be, in accordance with GAAP, recorded as capital leases, (d) financial obligations of such Person as the issuer of Equity Interests redeemable in whole or in part at the option of a Person other than such issuer, at a fixed and determinable date or upon the occurrence of an event or condition not solely within the control of such issuer, (e) all net payment obligations with respect to interest rate and currency hedging agreements, including, without limitation under Hedge Agreements, (f) reimbursement obligations (contingent or otherwise) with respect to amounts under letters of credit, bankers acceptances and similar instruments, (g) financial obligations under purchase money mortgages, (h) financial obligations under asset securitization vehicles, (i) conditional sale contracts and similar title retention instruments with respect to property acquired, and (j) obligations under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against a loss in respect of, indebtedness or financial obligations of others of the kinds referred to in clauses (a) through (i) above, except to the extent such guaranties are limited to a lesser amount.

"Indenture" shall mean that certain Indenture dated as of May 16, 2003 between the Parent, as issuer, and the Indenture Trustee governing the issuance of the Senior Notes, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with Section 8.15.

"Indenture Trustee" shall mean SunTrust Bank.

"Insolvency Proceeding" means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code or under any state or federal bankruptcy or insolvency law, assignment for the benefit of creditors, formal or informal moratoria, compositions, extensions generally with creditors, or proceedings seeking reorganization, arrangement or similar relief.

"Intellectual Property Security Agreement" shall mean that certain Amended and Restated Intellectual Property Security Agreement of even date herewith among the Borrower Parties and the Administrative Agent, on behalf of, and for the benefit of, the Lender Group, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Interest Coverage Ratio" shall mean, with respect to the Parent and its Subsidiaries on a consolidated basis for any period, calculated on a Pro Forma Basis in the event of any

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acquisition during such period, the ratio of EBITDA to Interest Expense (other than loan fees that, in accordance with GAAP, are amortized); provided, however, that for purposes of calculating the components of Interest Expense above (a) for the period ending as of the last day of the first fiscal quarter of the 2005 fiscal year, the actual amount of Interest Expense for such fiscal quarter multiplied by 4 shall be included, (b) for the period ending as of the last day of the second fiscal quarter of the 2005 fiscal year, the actual amount of Interest Expense for such fiscal year multiplied by 2 shall be included, and (c) for the period ending as of the last day of the third fiscal quarter of the 2005 fiscal year, the actual amount of Interest Expense for such fiscal year multiplied by 4/3 shall be included.

"Interest Expense" shall mean, for any period, interest expense and loan fees of the Parent and its Subsidiaries, determined on a consolidated basis in accordance with GAAP, and including capitalized and non-capitalized interest and the interest component of Capitalized Lease Obligations.

"Interest Rate Basis" shall mean the Base Rate or the Eurodollar Basis, as appropriate.

"Interest Rate Margin" shall have the meaning specified in Section 2.3(c).

"In-Transit Inventory" shall mean Inventory of a Borrower Party that is currently in transit (whether by vessel, air, or land) from a location outside of the United States to a location in the United States.

"Inventory" shall mean all "inventory," as such term is defined in the UCC, of each Borrower Party, whether now existing or hereafter acquired, wherever located, and in any event including inventory, merchandise, goods and other personal property that are held by or on behalf of a Borrower Party for sale or lease or are furnished or are to be furnished under a contract of service, goods that are leased by a Borrower Party as lessor, or that constitute raw materials, samples, work-in-process, finished goods, returned goods, promotional materials or materials or supplies of any kind, nature or description used or consumed or to be used or consumed in such Borrower Party's business or in the processing, production, packaging, promotion, delivery or shipping of the same, including all supplies and embedded software.

"ISP" shall mean, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance).

"Issuing Bank Joinder Agreement" shall have the meaning specified in Section 2.15(i).

"Issuing Banks" shall mean (a) SunTrust Bank, (b) Bank of America, N.A., (c) Shanghai Commercial Bank Ltd., (d) HSBC Bank USA, National Association (formerly HSBC Bank USA), (e) Wachovia Bank, National Association and (f) any other Person (consented to by the Administrative Agent and, so long as no Default exists, the

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Administrative Borrower) who hereafter may be designated as an Issuing Bank pursuant to an Assignment and Assumption Agreement or pursuant to an Issuing Bank Joinder Agreement.

"Lender Group" shall mean, collectively, the Administrative Agent, the Issuing Banks and the Lenders.

"Lenders" shall mean those lenders whose names are set forth on the signature pages to this Agreement under the heading "Lenders" and any assignees of the Lenders who hereafter become parties hereto pursuant to and in accordance with Section 2.17 or 11.5.

"Letter of Credit Commitment" means, with respect to any Issuing Bank, the obligation of such Issuing Bank to issue (or arrange with a Foreign Issuer for the issuance of) Letters of Credit in an aggregate face amount from time to time not to exceed the amount set forth on Schedule 1(a) or any applicable Assignment and Assumption Agreement.

"Letter of Credit Obligations" shall mean, at any time, the sum of (a) an amount equal to 100% of the aggregate undrawn and unexpired stated amount (including

the amount to which any such Letter of Credit can be reinstated pursuant to its terms) of the then outstanding Letters of Credit, plus (b) an amount equal to 100% of the aggregate drawn, but unreimbursed drawings of any Letters of Credit (excluding, for the avoidance of doubt, such drawings that have been reimbursed with Advances made pursuant to Section 2.15(e)).

"Letter of Credit Reserve Account" shall mean any account maintained by the Administrative Agent for the benefit of any Issuing Bank, the proceeds of which shall be applied as provided in Section 9.2(d).

"Letters of Credit" shall mean either Standby Letters of Credit or Commercial Letters of Credit issued by Issuing Banks (or arranged by an Issuing Bank with a Foreign Issuer on or after the Agreement Date) on behalf of the Borrowers from time to time in accordance with Section 2.15 and shall include the Existing Letters of Credit.

"License Agreement" shall mean any license agreement or other agreement between a Borrower Party and a Person duly holding rights in a trademark, trade name or service mark pursuant to which such Borrower Party is granted a license to use such trademark, trade name or service mark on Inventory of such Borrower Party.

"Licensor Consent Agreement" shall mean an agreement among the applicable Borrower Party, the Administrative Agent and the applicable licensor in form and substance reasonably acceptable to the Administrative Agent.

"Lien" shall mean, with respect to any property, any mortgage, lien, pledge, negative pledge agreement, assignment, charge, security interest, title retention agreement, levy,

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execution, seizure, attachment, garnishment or other encumbrance of any kind in respect of such property, whether or not choate, vested, or perfected.

"Lien Acknowledgment Agreement" shall mean an agreement between a Freight Handler and the Administrative Agent, in form and substance satisfactory to the Administrative Agent, pursuant to which, among other things, the Freight Handler acknowledges the Lien of the Administrative Agent in the Collateral in the possession of the Freight Handler and any documents evidencing same.

"Loan Account" shall have the meaning specified in Section 2.7.

"Loan Documents" shall mean this Agreement, any Revolving Loan Notes, any New Lender Supplement, the Security Documents, the Account Control Agreements, the Securities Account Control Agreements, the Viewpoint Earnout Subordination Agreement, the Syndication Letter, the Guaranty Supplements, all reimbursement agreements relating to Letters of Credit, the Licensor Consent Agreements, any Lien Acknowledgment Agreement, all landlord, warehouseman or bailee waiver agreements in favor of the Administrative Agent, all Requests for Advance, all Requests for Issuance of Letters of Credit, all Notices of Conversion/Continuation, all Increased Revolving Loan Commitment Activation Notices, and all other agreements executed or delivered by a Borrower Party in connection with or contemplated by this Agreement, including, without limitation, any security agreements or guaranty agreements from the Borrowers' Subsidiaries to the Administrative Agent, the Lenders and the Issuing Banks; provided, however, that none of the Bank Products Documents shall be deemed to constitute Loan Documents.

"Loan Notes" shall mean those certain Loan Notes issued in connection with the Acquisition by the Parent or its Subsidiaries in favor of certain Sellers in the aggregate principal amount not to exceed 4,000,000 Pounds Sterling, in form and substance satisfactory to the Administrative Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with Section 8.15.

"Loans" shall mean, collectively, the Revolving Loans and the Swing Loans.

"Losses" shall mean any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnified Person or Agent Indemnified Person, as applicable).

"Majority Lenders" shall mean (i) as of any date of calculation prior to the termination of the Revolving Loan Commitments, Lenders the sum of whose Revolving Commitment Ratios of the Revolving Loan Commitments on such date of

calculation equals or exceeds fifty-one percent (51%) of the amount of the Revolving Loan Commitments on such date of calculation, or (ii) as of any date of calculation after termination of the Revolving Loan Commitments, Lenders the total of whose Revolving Loans outstanding plus participation interests in Letter of Credit Obligations and Swing Loans outstanding,

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as applicable, on such date of calculation equals or exceeds fifty-one percent (51%) of the total principal amount of the Revolving Loans and Swing Loans outstanding plus Letters of Credit Obligations as of such date of calculation.

"Materially Adverse Effect" shall mean any materially adverse effect (a) upon the business, condition (financial or otherwise), operations, properties or prospects of the Parent and its Subsidiaries, taken as a whole, or (b) upon the ability of the Borrower Parties, taken as a whole, to perform under the Loan Documents, or (c) upon the rights, benefits or interests of the Administrative Agent, the Lenders or the Issuing Banks in or to this Agreement, any other Loan Document or the Collateral.

"Maturity Date" shall mean July 28, 2009 or such earlier date as payment of the Loans shall be due (whether by acceleration or otherwise).

"Maximum Borrower Liability" shall have the meaning specified in Section 13.5(b).

"Moody's" shall mean Moody's Investor Service, Inc.

"Mortgage" shall mean, collectively, any mortgage, deed of trust or deed to secure debt entered into between a Borrower Party and the Administrative Agent, in each case, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Multiemployer Plan" shall have the meaning specified in Section 4001(a)(3) of ERISA.

"Necessary Authorizations" shall mean all material authorizations, consents, permits, approvals, licenses, and exemptions from, and all filings and registrations with, and all reports to, any Governmental Authority whether federal, state, local, and all agencies thereof, which are required for the consummation of the Acquisition and the transactions contemplated by the Loan Documents and the conduct of the businesses and the ownership (or lease) of the properties and assets of the Borrower Parties and their Subsidiaries, as applicable.

"Net Cash Proceeds" shall mean, with respect to any sale, lease, transfer, casualty loss or other disposition or loss of assets by any Borrower Party or any issuance by any Borrower Party of any Equity Interests or the incurrence by any Borrower Party of any Total Debt (other than the Obligations), the aggregate amount of cash received for such assets or Equity Interests, or as a result of such Total Debt, net of reasonable and customary transaction costs properly attributable to such transaction and payable by such Borrower Party to a non-Affiliate in connection with such sale, lease, transfer or other disposition of assets or the issuance of any Equity Interests or the incurrence of any Total Debt, including without limitation, sales commissions and underwriting discounts.

"Net Income" shall mean, with respect to any Person for any period, the consolidated net income (or deficit) of such Person and its Subsidiaries for such period, determined in accordance with GAAP.

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"New Lender Supplement" shall have the meaning specified in Section 2.17.

"Notice of Conversion/Continuation" shall mean a notice in substantially the form of Exhibit E.

"Obligations" shall mean (a) all payment and performance obligations as existing from time to time of the Borrower Parties to the Lender Group under this Agreement and the other Loan Documents (including all Letter of Credit Obligations and including any interest, fees and expenses that, but for the provisions of the Bankruptcy Code, would have accrued), as they may be amended

from time to time, or as a result of making the Loans or issuing the Letters of Credit, (b) any obligations as existing from time to time of any Borrower Party to the Administrative Agent (or an affiliate of the Administrative Agent) or, so long as Bank of America, N.A. is a Lender hereunder, Bank of America, N.A. (or an affiliate of Bank of America, N.A.) arising from or in connection with Bank Products and (c) any obligations as existing from time to time of any Borrower Party to the Administrative Agent (or an affiliate of the Administrative Agent) or any Lender (or an Affiliate of a Lender), as applicable, arising from or in connection with any Hedge Agreement.

"Other Debt Relief Law" shall have the meaning specified in Section 13.5(b) (iii).

"Other Taxes" shall have the meaning specified in Section 2.8(b) (ii).

"Oxford Clothing" shall mean Oxford Clothing Corporation, a Georgia corporation.

"Oxford Industries (UK 1)" shall mean Oxford Industries (UK 1) Limited, a private company limited by shares incorporated in England.

"Oxford Industries (UK 2)" shall mean Oxford Industries (UK 2) Limited, a private company limited by shares incorporated in England.

"Oxford Industries (UK 3)" shall mean Oxford Industries (UK 3) Limited, a private company limited by shares incorporated in England.

"Parent" shall mean Oxford Industries, Inc., a Georgia corporation.

"Participant" shall have the meaning specified in Section 11.5(d).

"Payment Date" shall mean the last day of each Eurodollar Advance Period for a Eurodollar Advance.

"PBGC" shall mean the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Permitted Liens" shall mean, as applied to any Person:

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(a) Any Lien in favor of the Administrative Agent or any other member of the Lender Group given to secure the Obligations;

(b) (i) Liens on real estate for real estate taxes not yet delinquent and (ii) Liens for taxes, assessments, judgments, governmental charges or levies, or claims not yet delinquent or the non-payment of which is being diligently contested in good faith by appropriate proceedings and for which adequate reserves have been set aside on such Person's books;

(c) Liens of carriers, warehousemen, mechanics, laborers, suppliers, workers and materialmen incurred in the ordinary course of business for sums not yet due or being diligently contested in good faith, if such reserve or appropriate provision, if any, as shall be required by GAAP shall have been made therefor;

(d) Liens incurred in the ordinary course of business in connection with worker's compensation and unemployment insurance or other types of social security benefits;

(e) Easements, rights-of-way, restrictions (including zoning or deed restrictions), and other similar encumbrances on the use of real property which do not interfere with the ordinary conduct of the business of such Person;

(f) Purchase money security interests and Liens securing Capitalized Lease Obligations provided that such Lien attaches only to the asset (which asset shall not constitute Inventory) so purchased or leased by the applicable Borrower Party and secures only Indebtedness incurred by such Borrower Party in order to purchase or lease such asset, but only to the extent permitted by Section 8.1(d);

(g) Deposits to secure the performance of bids, trade contracts, tenders, sales, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(h) Liens on assets of the Borrower Parties, the Target and its Subsidiaries on the Agreement Date which are set forth on Schedule 1(b);

(i) With respect to Collateral consisting of real property, Liens that are exceptions to the commitments for title insurance issued in connection with the Mortgage, as accepted by the Administrative Agent in its sole and absolute discretion;

(j) Liens on the assets of the Target and its Subsidiaries securing Indebtedness under the UK Credit Facility Documents; and

(k) Liens on the assets of the Target and its Subsidiaries permitted by the UK Credit Facility Documents to the extent approved by the Administrative Agent in writing.

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"Person" shall mean an individual, corporation, partnership, trust, joint stock company, limited liability company, unincorporated organization, other legal entity or joint venture or a government or any agency or political subdivision thereof.

"Plan" shall mean an employee benefit plan within the meaning of Section 3(3) of ERISA or any other plan maintained for employees of any Person or any ERISA Affiliate of such Person.

"Pledge Agreement" shall mean that certain Pledge Agreement, dated as of June 13, 2003, by certain Borrower Parties in favor of the Administrative Agent, on behalf of, and for the benefit of, the Lender Group, as amended by the Pledge Agreement First Amendment, as the same may be further amended, restated, supplemented or otherwise modified from time to time.

"Pledge Agreement First Amendment" shall mean that certain First Amendment to Pledge Agreement of even date herewith by certain Borrower Parties in favor of the Administrative Agent, on behalf of, and for the benefit of, the Lender Group.

"Pounds Sterling" shall mean the lawful currency of the United Kingdom and, if the United Kingdom adopts the Euro as its lawful currency, includes the equivalent amount of Euros.

"Pro Forma Basis" shall mean for purposes of determining compliance with the covenants set forth in Sections 8.8, 8.9, 8.10 and 8.11 hereof and the defined terms relating thereto, giving pro forma effect to any acquisition or sale of a Person, business or asset, and any related incurrence, repayment or refinancing of Indebtedness, Capital Expenditures or other related transactions which would otherwise be accounted for as an adjustment permitted by Regulation S-X under the Securities Act or on a pro forma basis under GAAP, in each case, as if such acquisition or sale and related transactions were realized on the first day of the relevant period.

"Property" shall mean any real property or personal property, plant, building, facility, structure, underground storage tank or unit, equipment, Inventory or other asset owned, leased or operated by any Borrower Party or any Subsidiary of a Borrower Party (including, without limitation, any surface water thereon or adjacent thereto, and soil and groundwater thereunder).

"Pro Rata Share" shall have the meaning specified in Section 3.1(m).

"Reimbursement Obligations" shall mean the payment obligations of the Borrowers under Section 2.15(d).

"Replacement Asset" shall have the meaning specified in Section 2.6(b)(ii).

"Replacement Event" shall have the meaning specified in Section 11.16.

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"Replacement Lender" shall have the meaning specified in Section 11.16.

"Reportable Event" shall have the meaning specified in Section 4043(c) of ERISA and the regulations thereunder, but shall not include any event which is not subject to the thirty (30) day notice requirement for which notice is waived

under the regulations to Section 4043 of ERISA.

"Request for Advance" shall mean any certificate signed by an Authorized Signatory of the Administrative Borrower requesting an Advance pursuant to Section 2.2 which will increase the aggregate amount of the Loans outstanding, which certificate shall be denominated a "Request for Advance," and shall be in substantially the form of Exhibit F. Each Request for Advance shall, among other things, specify the date of the Advance, which shall be a Business Day, the amount of the Advance, and the type of Advance.

"Request for Issuance of Letter of Credit" shall mean any certificate signed by an Authorized Signatory of the Administrative Borrower requesting that an Issuing Bank issue (or arrange with a Foreign Issuer for the issuance of) a Letter of Credit hereunder, increase the stated amount of a Letter of Credit or extend the expiration date of a Letter of Credit, which certificate shall be in substantially the form of Exhibit G, and shall, among other things, (a) with respect to any new Letter of Credit, specify that the requested Letter of Credit is either a Commercial Letter of Credit or a Standby Letter of Credit, (b) with respect to any increase in the stated amount of an existing Letter of Credit or extension of the expiration date of any existing Letter of Credit, identify the Letter of Credit to be amended and the Issuing Bank therefor, (c) the stated amount of the Letter of Credit (which shall be in Dollars), (c) the effective date (which shall be a Business Day) for the issuance or amendment of such Letter of Credit, (d) the date on which such Letter of Credit is to expire (which shall be a Business Day and which shall be subject to Section 2.15(a)), (e) the Person for whose benefit such Letter of Credit (or amendment to a Letter of Credit) is to be issued, (f) other relevant terms of such Letter of Credit, and (g) the Available Letter of Credit Amount as of the scheduled date of issuance (or amendment) of such Letter of Credit.

"Restricted Payment" shall mean (a) Dividends, (b) any payment of management, consulting or similar fees payable by any Borrower Party or any Subsidiary of a Borrower Party to any Affiliate, (c) any earnout payments to the Viewpoint Sellers, including, without limitation earnout payments made pursuant to the Viewpoint Earnout Agreement, (d) any payment prior to the scheduled maturity of any Total Debt of any Borrower Party (other than the Obligations), or (e) any payment or prepayment of principal of, premium, if any, or interest, fees or other charges on or with respect to, and any redemption, purchase, retirement, defeasance, sinking fund or similar payment and any claim for rescission with respect to, the Senior Notes.

"Restricted Purchase" shall mean any payment on account of the purchase, redemption, or other acquisition or retirement of any shares of Equity Interests of any Borrower Party.

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"Retail Borrower Parties" shall mean, collectively, all Domestic Subsidiaries of the Parent that are parties to this Agreement and whose principal business is the operation of retail stores.

"Revolving Commitment Ratio" shall mean, with respect to any Lender, the ratio, expressed as a percentage, of (i) the Revolving Loan Commitment of such Lender, divided by (ii) the aggregate Revolving Loan Commitments of all Lenders, which, as of the Agreement Date, are set forth (together with Dollar amounts thereof) on Schedule 1(a) (after giving effect to the assignments provided for in Section 11.18); and "Revolving Commitment Ratios" shall mean, collectively, the Revolving Commitment Ratio of each Lender.

"Revolving Loan Commitments" shall mean the several obligations of the Lenders to advance the aggregate amount of up to \$280,000,000 to the Borrowers on or after the Agreement Date, in accordance with their respective Revolving Commitment Ratios, pursuant to the terms hereof, and as such amount may be increased pursuant to Section 2.17 or reduced from time to time, pursuant to the terms of this Agreement; and "Revolving Loan Commitment" shall mean, with respect to each Lender, such Lender's Revolving Commitment Ratio multiplied by the Revolving Loan Commitments.

"Revolving Loan Notes" shall mean those certain promissory notes issued by the Borrowers to each of the Lenders that requests a promissory note, in accordance with each such Lender's Revolving Commitment Ratio of the Revolving Loan Commitments, in substantially in the form of Exhibit H, and any amendments, replacements, extensions, or renewals thereof.

"Revolving Loans" shall mean, collectively, the amounts (other than Swing Loans) advanced from time to time by the Lenders to the Borrowers under the Revolving Loan Commitments, not to exceed the amount of the Revolving Loan Commitments.

"S&P" shall mean Standard & Poor's Ratings Group, a division of McGraw-Hill, Inc.

"SEA" shall mean the Securities and Exchange Act of 1934 and the rules promulgated thereunder by the Securities and Exchange Commission, as amended from time to time or any similar Federal law then in force

"Securities Act" shall mean the Securities Act of 1933, as amended, or any similar Federal law then in force.

"Securities Account Control Agreement" shall mean any agreement executed by a securities intermediary and the Administrative Agent, for the benefit of the Lender Group, and acknowledged and agreed to by the applicable Borrower Party, in the form of Exhibit I or such other form acceptable to the Administrative Agent in its sole discretion, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

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"Security Agreement" shall mean that certain Amended and Restated Security Agreement of even date herewith among the Borrower Parties and the Administrative Agent, on behalf of, and for the benefit of, the Lender Group, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Security Documents" shall mean, collectively, the Assignments of Life Insurance Policy, the Assignment of Rights under the Viewpoint Acquisition Agreement, the Intellectual Property Security Agreement, each Mortgage, the Pledge Agreement, the Security Agreement, all UCC-1 financing statements and any other document, instrument or agreement granting Collateral for the Obligations, as the same may be amended or modified from time to time.

"Sellers" shall mean Enterprise Equity (NI) Limited, a corporation existing under the laws of Ireland, 3i Group plc, a corporation existing under the laws of England, Michael Buckley, Jogesh Choda, Miles Gray, Michael Lamont, Philip Worrall, Andrew Rigg, Stephen Gill, Paul McAdam, Mark Maidment, Bernard Solomons, Miles Templeman and Roisen Mark Sater.

"Senior Notes" shall mean the senior debt securities of the Parent issued under and pursuant to the terms of the Indenture and due June 11, 2011, as amended, modified or supplemented from time to time in accordance with Section 8.15, and shall include any note or notes issued in exchange, substitution or replacement thereof pursuant to the Indenture.

"Senior Notes Debt" shall mean Indebtedness evidenced by the Senior Notes Documents.

"Senior Notes Documents" shall mean the Senior Notes and the Indenture, as the same may be amended, modified or supplemented from time to time in accordance with Section 8.15.

"Standby Letter of Credit" shall mean a Letter of Credit issued to support obligations of any Borrower Party incurred in the ordinary course of its business, and which is not a Commercial Letter of Credit.

"Standby Letter of Credit Issuers" shall mean Issuing Banks consisting of SunTrust Bank and any other Issuing Bank (consented to by the Administrative Agent and, so long as no Default exists, the Administrative Borrower) who may be designated as a Standby Letter of Credit Issuer pursuant to an Assignment and Assumption Agreement or otherwise.

"Subsidiary" shall mean, as applied to any Person, (a) any corporation of which more than fifty percent (50%) of the outstanding stock (other than directors' qualifying shares) having ordinary voting power to elect a majority of its board of directors, regardless of the existence at the time of a right of the holders of any class or classes of securities of such corporation to exercise such voting power by reason of the happening of any contingency, or any partnership of which more than fifty percent (50%) of the

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outstanding partnership interests is at the time owned by such Person, or by one or more Subsidiaries of such Person, or by such Person and one or more Subsidiaries of such Person, and (b) any other entity which is controlled or capable of being controlled by such Person, or by one or more Subsidiaries of such Person, or by such Person and one or more Subsidiaries of such Person. For all purposes under this Agreement, the Target shall be deemed to be a "Subsidiary" of the Parent.

"SunTrust Bank" shall mean SunTrust Bank, a bank organized under the laws of the State of Georgia.

"Swing Bank" shall mean SunTrust Bank, or any other Lender who shall agree with the Administrative Agent and the Administrative Borrower to act as Swing Bank.

"Swing Loans" shall mean any Loans made to the Borrowers by the Swing Bank from time to time, in accordance with Section 2.2(g).

"Syndication Letter" shall mean that certain syndication letter of even date herewith executed by the Borrowers and addressed to the Administrative Agent and SunTrust Capital Markets, Inc.

"Target" shall mean Ben Sherman Limited, a private company limited by shares incorporated under the laws of England.

"Taxes" shall have the meaning specified in Section 2.8(b)(i).

"Total Debt" shall mean as of any date of determination, all Indebtedness of the Parent and its Subsidiaries on a consolidated basis, excluding Indebtedness of the type described in clause (e) the definition of Indebtedness.

"Total Debt to EBITDA Ratio" shall mean, with respect to the Parent and its Subsidiaries on a consolidated basis for any period, calculated on a Pro Forma Basis in the event of any acquisition during such period, the ratio of Total Debt to EBITDA.

"Total Senior Debt to EBITDA Ratio" shall mean, with respect to the Parent and its Subsidiaries on a consolidated basis for any period, calculated on a Pro Forma Basis in the event of any acquisition during such period, the ratio of Total Senior Debt to EBITDA.

"Total Senior Debt" shall mean as of any date of determination, Total Debt minus the Senior Notes Debt.

"UCC" shall mean the Uniform Commercial Code as the same may, from time to time, be enacted and in effect in the State of New York; provided, that to the extent that the UCC is used to define any term herein and such term is defined differently in different Articles or Divisions of the UCC, the definition of such term contained in Article or Division 9

shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect to, the Administrative Agent's Lien on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

"UK Credit Facility" shall mean a credit facility from the Bank of Scotland to the Target or its Subsidiaries in a maximum aggregate principal amount of 12,000,000 Pounds Sterling plus, if and to the extent the Loan Notes are refinanced by the Bank of Scotland, 4,000,000 Pounds Sterling at any time outstanding.

"UK Credit Facility Documents" shall mean all documents executed by the Target or any of its Subsidiaries in connection with the UK Credit Facility in form and substance reasonably satisfactory to the Administrative Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with Section 8.15.

"Uniform Customs" shall mean the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, as the same may be amended from time to time.

"US Ben Sherman Holdco" shall mean Oxford Private Limited of Delaware, Inc., a Delaware corporation.

"Viewpoint" shall mean Viewpoint International, Inc., a Delaware corporation.

"Viewpoint Earnout Agreement" shall mean that certain Earnout Agreement, dated as of June 13, 2003, by and among the Parent, Viewpoint and the Viewpoint Sellers, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with Section 8.15.

"Viewpoint Earnout Subordination Agreement" shall mean that certain Earnout Subordination Agreement, dated as of June 13, 2003, by and among the Parent, the Viewpoint Sellers, SunTrust Bank, as Indenture Trustee, and the Administrative Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with Section 8.15.

"Viewpoint Sellers" shall mean, collectively SKM-TB, LLC, a Delaware limited liability company, S. Anthony Margolis, The Margolis Family Stock Trust u/a/d May 1, 2000, Whole Duty Investment, Ltd., a Hong Kong corporation, Bonita Beach Blues, Inc., a Florida corporation, and Lucio Dalla Gasperina.

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"Voidable Transfer" shall have the meaning specified in Section 13.6.

Section 1.2 Accounting Principles. The classification, character and amount of all assets, liabilities, capital accounts and reserves and of all items of income and expense to be determined, and any consolidation or other accounting computation to be made, and the interpretation of any definition containing any financial term, pursuant to this Agreement shall be determined and made in accordance with GAAP consistently applied, provided that if because of a change in GAAP after the date of this Agreement the Parent or any of its Subsidiaries would be required to alter a previously utilized accounting principle, method or policy in order to remain in compliance with GAAP, such determination shall continue to be made in accordance with the Parent's or such Subsidiary's previous accounting principles, methods and policies.

Section 1.3 Other Interpretive Matters. Each definition of an agreement in this Article 1 shall include such instrument or agreement as modified, amended, or supplemented from time to time with, if required, the prior written consent of the Majority Lenders, except as provided in Section 11.12. Except where the context otherwise requires, definitions imparting the singular shall include the plural and vice versa. Except where otherwise specifically provided herein, each reference to a "Section", "Article", "Exhibit" or "Schedule" shall be to a Section or Article hereof or an Exhibit or Schedule attached hereto. Except where otherwise specifically restricted, reference to a party to a Loan Document includes that party and its successors and assigns. All terms used herein which are defined in Article 9 of the Uniform Commercial Code in effect in the State of New York on the Agreement Date and which are not otherwise defined herein shall have the same meanings herein as set forth therein. All financial calculations hereunder shall, unless otherwise stated, be determined for the Parent on a consolidated basis with its Subsidiaries.

ARTICLE 2.

THE LOANS AND THE LETTERS OF CREDIT

Section 2.1 Extension of Credit. Subject to the terms and conditions of, and in reliance upon the representations and warranties made in, this Agreement and the other Loan Documents, the Lenders have extended and agree, severally in accordance with their respective Revolving Commitment Ratios, and not jointly, to extend credit in an aggregate principal amount not to exceed Two Hundred Eighty Million Dollars (\$280,000,000).

(a) The Revolving Loans. The Lenders agree, severally in accordance with their respective Revolving Commitment Ratios and not jointly, upon the terms and subject to the conditions of this Agreement, to lend and relend to the Borrowers, on any Business Day prior to the Maturity Date, amounts which do not exceed such Lender's ratable share (based upon such Lender's Revolving Commitment Ratio) of Availability as of such Business Day. Subject to the terms

and conditions hereof and prior to the

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Maturity Date, Advances under the Revolving Loan Commitments may be repaid and reborrowed from time to time on a revolving basis.

(b) The Letters of Credit. Subject to the terms and conditions hereof, each Issuing Bank agrees, severally in accordance with its Letter of Credit Commitment and not jointly, to issue Letters of Credit (or to arrange with a Foreign Issuer for the issuance of a Letter of Credit on behalf of such Issuing Bank) for the account of the Borrowers pursuant to Section 2.15 (i) in an aggregate outstanding face amount (A) for all Issuing Banks, not to exceed the Aggregate Letter of Credit Commitment at any time, (B) for any individual Issuing Bank, not to exceed such Issuing Bank's Letter of Credit Commitment, and (ii) with respect to the issuance of any Letter of Credit as of any Business Day, not to exceed the Available Letter of Credit Amount as of such Business Day.

(c) The Swing Loans. Subject to the terms and conditions hereof, the Swing Bank, in its sole discretion, may from time to time after the Agreement Date but prior to the Maturity Date, make Swing Loans to the Borrowers in an aggregate principal amount not to exceed at any time outstanding the least of (i) the Swing Bank's pro rata share (in accordance with its Revolving Commitment Ratio) of Availability, (ii) the excess of (x) the Swing Bank's pro rata share (in accordance with its Revolving Commitment Ratio) of the Revolving Loan Commitments less (y) the sum of the aggregate outstanding principal amount of Swing Loans and Revolving Loans made by it and the Swing Bank's pro rata share (in accordance with its Revolving Commitment Ratio) of the outstanding Letter of Credit Obligations, and (iii) \$25,000,000.

Section 2.2 Manner of Borrowing and Disbursement of Loans.

(a) Choice of Interest Rate, etc. Any Advance of the Revolving Loans shall, at the option of the Borrowers, be made either as a Base Rate Advance or as a Eurodollar Advance (except for the first two (2) Business Days after the Agreement Date, during which period the Revolving Loans shall bear interest as a Base Rate Advance); provided, however, that (i) if the Administrative Borrower fails to give the Administrative Agent written notice specifying whether a Eurodollar Advance is to be repaid, continued or converted on a Payment Date, such Advance shall be converted to a Base Rate Advance on the Payment Date in accordance with Section 2.3(a)(iii), and (ii) the Administrative Borrower may not select a Eurodollar Advance (A) with respect to Swing Loans, (B) with respect to an Advance, the proceeds of which are to reimburse an Issuing Bank pursuant to Section 2.15, or (C) if, at the time of such Advance or at the time of the continuation of, or conversion to, a Eurodollar Advance pursuant to Section 2.2(c), a Default has occurred and is continuing. Any notice given to the Administrative Agent in connection with a requested Advance hereunder (other than a request for a Swing Loan) shall be given to the Administrative Agent prior to 11:00 a.m. (Atlanta, Georgia time) in order for such Business Day to count toward the minimum number of Business Days required.

(b) Base Rate Advances.

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(i) Initial and Subsequent Advances. The Administrative Borrower shall give the Administrative Agent in the case of Base Rate Advances, not later than 12:00 p.m. (Atlanta, Georgia time) on the Business Day of a proposed Base Rate Advance, irrevocable prior notice by telephone and shall confirm any such telephone notice with a written Request for Advance; provided, however, that the failure by the Administrative Borrower to confirm any notice by telephone or telecopy with a Request for Advance shall not invalidate any notice so given.

(ii) Repayments and Conversions. The Borrowers may (A) at any time without prior notice repay or prepay a Base Rate Advance, or (B) upon at least three (3) Business Days' irrevocable prior written notice to the Administrative Agent in the form of a Notice of Conversion/Continuation, convert all or a portion of the principal thereof to one or more Eurodollar Advances. Upon the date indicated by the Administrative Borrower, such Base Rate Advance shall be so repaid or converted.

(c) Eurodollar Advances.

(i) Initial and Subsequent Advances. The Administrative Borrower shall give the Administrative Agent in the case of Eurodollar Advances at least three (3) Business Days' irrevocable prior notice by telephone and shall immediately confirm any such telephone notice with a written Request for Advance; provided, however, that the failure by the Administrative Borrower to confirm any notice by telephone or telecopy with a Request for Advance shall not invalidate any notice so given.

(ii) Repayments, Continuations and Conversions. At least three (3) Business Days prior to each Payment Date for a Eurodollar Advance, the Administrative Borrower shall give the Administrative Agent written notice in the form of a Notice of Continuation/Conversion specifying whether all or a portion of such Eurodollar Advance outstanding on such Payment Date is to be continued in whole or in part as one or more new Eurodollar Advances and also specifying the new Eurodollar Advance Period applicable to the continuation of such Eurodollar Advance (and subject to the provisions of this Agreement, upon such Payment Date such Eurodollar Advance shall be so continued). Upon such Payment Date, any Eurodollar Advance (or portion thereof) not so continued shall be converted to a Base Rate Advance, subject to Section 2.5, or prepaid or repaid.

(iii) Miscellaneous. Notwithstanding any term or provision of this Agreement which may be construed to the contrary, each Eurodollar Advance shall be in a principal amount of no less than \$1,000,000 and in an integral multiple of \$500,000 in excess thereof, and at no time shall the aggregate number of all Eurodollar Advances then outstanding exceed ten (10).

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(d) Notification of Lenders. Upon receipt of a (i) Request for Advance or a telephone or telecopy request for Advance, (ii) notification from an Issuing Bank that a draw has been made under any Letter of Credit (unless such Issuing Bank will be reimbursed through the funding of a Swing Loan), (iii) notification from the Swing Bank with respect to any outstanding Swing Loans pursuant to Section 2.2(g)(ii) or (iv) notice from the Administrative Borrower with respect to any outstanding Advance prior to the Payment Date for such Advance, the Administrative Agent shall promptly notify each Lender by telephone or telecopy of the contents thereof and the amount of each Lender's portion of any such Advance. Each Lender shall, not later than 1:00 p.m. (Atlanta, Georgia time) on the date specified for such Advance in such notice, make available to the Administrative Agent at the Administrative Agent's Office, or at such account as the Administrative Agent shall designate, the amount of such Lender's portion of the Advance in immediately available funds.

(e) Disbursement. Prior to 3:00 p.m. (Atlanta, Georgia time) on the date of an Advance hereunder, the Administrative Agent shall, subject to the satisfaction of the conditions set forth in Article 4 hereof, disburse the amounts made available to the Administrative Agent by the Lenders in like funds by (i) transferring the amounts so made available by wire transfer to the Disbursement Account or (ii) in the case of an Advance the proceeds of which are to reimburse an Issuing Bank pursuant to Section 2.15, transferring such amounts to such Issuing Bank. Unless the Administrative Agent shall have received notice from a Lender prior to 12:00 Noon (Atlanta, Georgia time) on the date of any Advance that such Lender will not make available to the Administrative Agent such Lender's ratable portion of such Advance, the Administrative Agent may assume that such Lender has made or will make such portion available to the Administrative Agent on the date of such Advance and the Administrative Agent may, in its sole discretion and in reliance upon such assumption, make available to the Borrowers on such date a corresponding amount. If and to the extent such Lender shall not have so made such ratable portion available to the Administrative Agent, such Lender agrees to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrowers until the date such amount is repaid to the Administrative Agent, (x) for the first two (2) Business Days, at the Federal Funds Rate on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day by the Federal Reserve Bank of New York, and (y) thereafter, at the Base Rate. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Lender's portion of the applicable Advance for purposes of this

Agreement, and if both such Lender and the Borrowers shall pay and repay such corresponding amount, the Administrative Agent shall promptly relend to the Borrowers such corresponding amount. If such Lender does not repay such corresponding amount immediately upon the Administrative Agent's demand therefor, the Administrative Agent shall notify the Administrative Borrower, and the Borrowers shall immediately pay such corresponding amount to the Administrative Agent. The failure of any Lender to fund its portion of any Advance shall not relieve any

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other Lender of its obligation, if any, hereunder to fund its respective portion of the Advance on the date of such borrowing, but no Lender shall be responsible for any such failure of any other Lender. In the event that a Lender for any reason fails or refuses to fund its portion of an Advance in violation of this Agreement, then, until such time as such Lender has funded its portion of such Advance, or all other Lenders have received payment in full (whether by repayment or prepayment) of the principal and interest due in respect of such Advance, such non-funding Lender shall not (i) have the right to vote regarding any issue on which voting is required or advisable under this Agreement or any other Loan Document, and with respect to any such Lender, the amount of the Revolving Loan Commitment or Loans, as applicable, held by such Lender shall not be counted as outstanding for purposes of determining "Majority Lenders" hereunder, and (ii) be entitled to receive any payments of principal, interest or fees from the Borrowers or the Administrative Agent (or the other Lenders) in respect of its Loans.

(f) Deemed Requests for Advance. Unless payment is otherwise timely made by the Borrowers, the becoming due of any amount required to be paid under this Agreement or any of the other Loan Documents as principal, interest, reimbursement obligations in connection with Letters of Credit, premiums, fees, reimbursable expenses or other sums payable hereunder shall be deemed irrevocably to be a Request for Advance on the due date of, and in an aggregate amount required to pay, such principal, interest, reimbursement obligations in connection with Letters of Credit, premiums, fees, reimbursable expenses or other sums payable hereunder, and the proceeds of a Revolving Loan made pursuant thereto may be disbursed by way of direct payment of the relevant Obligation and shall bear interest as a Base Rate Advance; provided, however, that the Administrative Agent shall provide the Administrative Borrower with ten (10) days prior written notice before making any such Advance that will be made for the purpose of paying an Obligation other than principal, interest, reimbursement obligations in connection with Letters of Credit, premiums or fees. The Lenders shall have no obligation to the Borrowers to honor any deemed Request for Advance under this Section 2.2(f) unless all the conditions set forth in Section 4.2 have been satisfied, but, with the consent of the Lenders required under the last sentence of Section 4.2, may do so in their sole discretion and without regard to the existence of, and without being deemed to have waived, any Default and without regard to the failure by the Borrowers to satisfy any of the conditions set forth in Section 4.2. No further authorization, direction or approval by the Borrowers shall be required to be given by the Administrative Borrower for any deemed Request for Advance under this Section 2.2(f). The Administrative Agent shall promptly provide to the Administrative Borrower written notice of any Advance pursuant to this Section 2.2(f).

(g) Special Provisions Pertaining to Swing Loans.

(i) The Administrative Borrower shall give the Swing Bank written notice in the form of a Request for Advance, or notice by telephone, followed immediately by a written request for Advance no later than 1:00 p.m.

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(Atlanta, Georgia time) on the date on which the Borrowers wish to receive an Advance of any Swing Loan, in each case, with a copy to the Administrative Agent; provided, however, that the failure by the Administrative Borrower to confirm any notice by telephone with a written Request for Advance shall not invalidate any notice so given; provided further, however, that any request by the Administrative Borrower of a Base Rate Advance under the Revolving Loan Commitments shall be deemed to be a request for a Swing Loan unless the Administrative Borrower specifically requests otherwise. Each Swing Loan shall bear interest at

the same rate as a Base Rate Advance. If the Swing Bank, in its sole discretion, elects to make the requested Swing Loan, the Advance shall be made on the date specified in the notice or the Request for Advance and such notice or Request for Advance shall specify (i) the amount of the requested Advance, and (ii) instructions for the disbursement of the proceeds of the requested Advance. Each Swing Loan shall be subject to all the terms and conditions applicable to Revolving Loans, except that all payments thereon shall be payable to the Swing Bank solely for its own account. The Swing Bank shall have no duty or obligation to make any Swing Loans hereunder. The Swing Bank shall not make any Swing Loans if (i) the Swing Bank has received written notice from any Lender (or the Swing Bank has actual knowledge) that one or more applicable conditions precedent set forth in Section 4.2 will not be satisfied on the requested Advance date or (ii) the requested Swing Loan would exceed Availability on the Advance date. In the event the Swing Bank in its sole and absolute discretion elects to make any requested Swing Loan, the Swing Bank shall make the proceeds of such Swing Loan available to the Borrowers by deposit of Dollars in same day funds by wire transfer to the Disbursement Account.

(ii) The Swing Bank shall notify the Administrative Agent and each Lender no less frequently than weekly, as determined by the Administrative Agent, of the principal amount of Swing Loans outstanding as of 12:00 noon (Atlanta, Georgia time) as of such date and each Lender's pro rata share thereof. Each Lender shall before 2:00 p.m. (Atlanta, Georgia time) on such Business Day (the "Settlement Date") make available to the Administrative Agent, in immediate available funds, the amount of its pro rata share of such principal amount of Swing Loans outstanding. Upon such payment by a Lender, such Lender shall be deemed to have made a Base Rate Advance to the Borrowers, notwithstanding any failure of the Borrowers to satisfy the conditions in Section 4.2. The Administrative Agent shall use such funds to repay the principal amount of Swing Loans to the Swing Bank. Additionally, if at any time any Swing Loans are outstanding, any of the events described in clauses (g) or (h) of Section 9.1 shall have occurred, then each Lender shall automatically upon the occurrence of such event and without any action on the part of the Swing Bank, the Borrowers, the Administrative Agent or the Lenders be deemed to have purchased an undivided participation in the principal and interest of all Swing Loans then outstanding in

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an amount equal to such Lender's Revolving Commitment Ratio and each Lender shall, notwithstanding such Event of Default, immediately pay to the Administrative Agent for the account of the Swing Bank in immediately available funds, the amount of such Lender's participation (and upon receipt thereof, the Swing Bank shall deliver to such Lender a loan participation certificate dated the date of receipt of such funds in such amount).

Section 2.3 Interest.

(a) On Revolving Loans. Interest on Advances, subject to Section 2.3(b) and (c) shall be payable as follows:

(i) On Base Rate Advances. Interest on each Base Rate Advance shall be computed for the actual number of days elapsed on the basis of a hypothetical year of 365 days and shall be payable monthly in arrears on the second day of each calendar month for the prior calendar month, commencing on September 2, 2004. Interest on Base Rate Advances then outstanding shall also be due and payable on the Maturity Date. Interest shall accrue and be payable on each Base Rate Advance made with respect to the Revolving Loans at the simple per annum interest rate equal to the sum of (A) the Base Rate, and (B) the applicable Interest Rate Margin.

(ii) On Eurodollar Advances. Interest on each Eurodollar Advance shall be computed on the basis of a hypothetical 360-day year for the actual number of days elapsed and shall be payable in arrears on (x) the Payment Date for such Advance, and (y) if the Eurodollar Advance Period for such Advance is greater than three (3) months, on each three month anniversary of such Advance. Interest on Eurodollar Advances then outstanding shall also be due and payable on the Maturity Date. Interest shall accrue and be payable on each Eurodollar Advance made with respect to the Revolving Loans at a rate per annum equal to the sum of (A) the

Eurodollar Basis applicable to such Eurodollar Advance, and (B) the applicable Interest Rate Margin.

(iii) If No Notice of Selection of Interest Rate. If the Administrative Borrower fails to give the Administrative Agent timely notice of its selection of a Eurodollar Basis, or if for any reason a determination of a Eurodollar Basis for any Advance is not timely concluded, the Base Rate shall apply to such Advance. If the Administrative Borrower fails to elect to continue any Eurodollar Advance then outstanding prior to the last Payment Date applicable thereto in accordance with the provisions of Section 2.2, as applicable, the Base Rate shall apply to such Advance commencing on and after such Payment Date.

(b) Upon Default. Unless the Majority Lenders shall otherwise agree in writing (which agreement shall not be deemed to be a waiver of any Event of Default),

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upon the occurrence and during the continuance of an Event of Default, interest on the outstanding Obligations shall accrue at the Default Rate. Interest accruing at the Default Rate shall be payable on demand and in any event on the Maturity Date. The Lenders shall not be required to (A) accelerate the maturity of the Loans, (B) terminate the Revolving Loan Commitments, or (C) exercise any other rights or remedies under the Loan Documents in order to charge interest hereunder at the Default Rate.

(c) Interest Rate Margin. The interest rate margin (the "Interest Rate Margin") shall be that per annum rate of interest determined as set forth below:

With respect to any Advance under the Revolving Loan Commitments, the applicable Interest Rate Margin shall be (x) from the Agreement Date through and including the date one (1) Business Day following the date on which the quarterly financial statements referred to in Section 7.1 with respect to the fiscal quarter ending November 30, 2004 are delivered to the Administrative Agent, 1.75% with respect to Eurodollar Advances and 0.25% with respect to Base Rate Advances, and (y) thereafter, the interest rate margin determined by the Administrative Agent based upon the Total Debt to EBITDA Ratio as of the fiscal quarter most recently ended for the immediately preceding four (4) fiscal quarter periods (with respect to which the financial statements referred to below have been delivered), effective as of the second Business Day after the financial statements referred to in Section 7.1 hereof, and an accompanying certificate of an Authorized Signatory of the Administrative Borrower certifying the calculations of the Total Debt to EBITDA Ratio as set forth in Section 7.3 hereof, are delivered by the Administrative Borrower to the Administrative Agent and each Lender as of such fiscal quarter most recently ended, expressed as a per annum rate of interest as follows:

TOTAL DEBT TO EBITDA RATIO	BASE RATE ADVANCE (INCLUDING SWING LOANS) INTEREST RATE MARGIN	EURODOLLAR ADVANCE INTEREST RATE MARGIN
Greater than 4.00 to 1.00	1.00%	2.50%
Greater than 3.50 to 1.00 but less than or equal to 4.00 to 1.00	0.50%	2.00%
Greater than 3.00 to 1.00 but less than or equal to 3.50 to 1.00	0.25%	1.75%
Greater than 2.50 to 1.00 but less than or equal to 3.00 to 1.00	0.00%	1.50%
Less than or equal to 2.50 to 1.00	0.00%	1.25%

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In the event that the Administrative Borrower fails to timely provide the quarterly financial statements and certificate referred to above in accordance with the terms of Sections 7.1 and 7.3, and without prejudice to any additional rights under Section 9.2, as of the second Business Day after delivery of such financial statements were due until the date two (2) Business Days following the date such financial statements and certificate are delivered, the applicable Interest Rate Margin shall be 2.50% with respect to Eurodollar Advances and 1.00% with respect to Base Rate Advances.

(d) Computation of Interest. In computing interest on any Advance, the date of making the Advance shall be included and the date of payment shall be excluded; provided, however, that if an Advance is repaid on the date that it is made, one (1) day's interest shall be due with respect to such Advance.

Section 2.4 Fees.

(a) Syndication Letter. The Borrowers agree to pay to the Administrative Agent such fees as are set forth in the Syndication Letter.

(b) Unused Line Fee. The Borrowers agree to pay to the Administrative Agent for the account of the Lenders, in accordance with their respective Revolving Commitment Ratios, an unused line fee on the Available Revolving Loan Commitment (without taking into account any Swing Loans) for each day from the Agreement Date through the Maturity Date (or the date of any earlier prepayment in full of the Obligations), (x) from the Agreement Date through and including the date one (1) Business Day following the date on which the quarterly financial statements referred to in Section 7.1 with respect to the fiscal quarter ending November 30, 2004 are delivered to the Administrative Agent, at a rate of 0.375% per annum, and (y) thereafter, the unused line fee as set forth below based upon the Total Debt to EBITDA Ratio as of the last day of the fiscal quarter most recently ended for the immediately preceding four (4) fiscal quarter period, effective as of the second (2nd) Business Day after the quarterly financial statements referred to in Section 7.1 hereof, and an accompanying certificate of an Authorized Signatory of the Administrative Borrower certifying the calculations of Total Debt to EBITDA Ratio as set forth in Section 7.3 hereof, are delivered by the Administrative Borrower to the Administrative Agent and each Lender as of such fiscal quarter most recently ended, expressed as a per annum rate as follows:

Total Debt to EBITDA Ratio -----	Unused Line Fee -----
Greater than 3.50 to 1.00	0.500%
Less than or equal to 3.50 to 1.00	0.375%

In the event that the Administrative Borrower fails to timely provide the quarterly financial statements and certificate referred to above in accordance with the terms of Sections 7.1 and 7.3, and without prejudice to any additional rights under Section 9.2, as

of the second Business Day after delivery of such financial statements were due until the date two (2) Business Days following the date such financial statements and certificate are delivered, the applicable unused line fee rate shall be 0.500% per annum. Such unused line fee shall be computed on the basis of a hypothetical year of 360 days for the actual number of days elapsed, shall be payable in arrears on September 2, 2004, for the immediately preceding calendar quarter and thereafter shall be payable quarterly in arrears on the second day of each calendar quarter thereafter for the immediately preceding calendar quarter, and if then unpaid, on the Maturity Date (or the date of any earlier prepayment in full of the Obligations), and shall be fully earned when due and non-refundable when paid.

(c) Letter of Credit Fees.

(i) The Borrowers shall pay to the Administrative Agent for the account of the Lenders, in accordance with their respective Revolving Commitment Ratios, a fee on the stated amount of any outstanding Letters of Credit for each day from the Date of Issue through the Maturity Date

(or the date of any earlier prepayment in full of the Obligations) at a rate per annum on the amount of the Letter of Credit Obligations equal to: (x) from the Agreement Date through and including the date one (1) Business Day following the date on which the quarterly financial statements referred to in Section 7.1 with respect to the fiscal quarter ending November 30, 2004 are delivered to the Administrative Agent, 1.375%, and (y) thereafter, the rate set forth below based upon the Total Debt to EBITDA Ratio as of the last day of the fiscal quarter most recently ended for the immediately preceding four (4) fiscal quarter period, effective as of the second (2nd) Business Day after the quarterly financial statements referred to in Section 7.1 hereof, and an accompanying certificate of an Authorized Signatory of the Administrative Borrower certifying the calculations of the Total Debt to EBITDA Ratio as set forth in Section 7.3 hereof, are delivered by the Administrative Borrower to the Administrative Agent and each Lender as of such fiscal quarter most recently ended, expressed as a per annum rate as follows:

TOTAL DEBT TO EBITDA RATIO -----	LETTER OF CREDIT FEE -----
Greater than 4.00 to 1.00	2.00%
Greater than 3.50 to 1.00 but less than or equal to 4.00 to 1.00	1.50%
Greater than 3.00 to 1.00 but less than or equal to 3.50 to 1.00	1.375%
Greater than 2.50 to 1.00 but less than or equal to 3.00 to 1.00	1.250%
Less than or equal to 2.50 to 1.00	1.00%

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In the event that the Administrative Borrower fails to timely provide the quarterly financial statements and certificate referred to above in accordance with the terms of Sections 7.1 and 7.3, and without prejudice to any additional rights under Section 9.2, as of the second Business Day after delivery of such financial statements were due until the date two (2) Business Days following the date such financial statements and certificate are delivered, the applicable Letter of Credit fee shall be 2.00% per annum. Such Letter of Credit fee shall be computed on the basis of a hypothetical year of 360 days for the actual number of days elapsed, shall be payable quarterly in arrears for each calendar quarter on the second day of the immediately succeeding calendar quarter, commencing on September 2, 2004, and if then unpaid, on the Maturity Date (or the date of any earlier prepayment in full of the Obligations), and shall be fully earned when due and non-refundable when paid.

(ii) The Borrowers shall also pay to the Administrative Agent, for the account of each applicable Issuing Bank (A) a fee on the undrawn stated amount of each Letter of Credit issued by or on behalf of such Issuing Bank for each day from the Date of Issue through the expiration date of each such Letter of Credit (or any earlier prepayment in full of the Obligations) at a rate of one-eighth of one percent (0.1250%) per annum which fee shall be computed on the basis of a hypothetical year of 360 days for the actual number of days elapsed, shall be payable quarterly in arrears on the second day of each calendar quarter for the immediately preceding calendar quarter, commencing on September 2, 2004, and, if unpaid on the Maturity Date (or any earlier prepayment in full of the Obligations) and (B) any reasonable and customary fees charged by the Issuing Banks for issuance and administration of such Letters of Credit. The foregoing fees shall be fully earned when due and non-refundable when paid.

(d) Computation of Fees. In computing any fees payable under this Section 2.4, the first day of the applicable period shall be included and the date of the payment shall be excluded.

Section 2.5 Prepayment/Reduction of Commitment.

(a) Prepayment of Advances. The principal amount of any Base Rate Advance may be prepaid in full or in part at any time, without penalty; and the principal amount of any Eurodollar Advance may be prepaid prior to the applicable Payment Date, upon three (3) Business Days' prior written notice to the Administrative Agent, provided that the Borrowers shall reimburse the Lenders and the Administrative Agent, on the earlier of demand and the Maturity Date, for any loss or reasonable out-of-pocket expense incurred by the Lenders or the Administrative Agent in connection with such prepayment, as set forth in Section 2.9. Each notice of prepayment shall be irrevocable, and each such prepayment shall include the accrued interest on the amount so prepaid.

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Upon receipt of any notice of prepayment, the Administrative Agent shall promptly notify each Lender of the contents thereof by telephone or telecopy and of such Lender's portion of the prepayment. Notwithstanding the foregoing, the Borrowers shall not make any prepayment of the Revolving Loans unless and until the balance of the Swing Loans then outstanding is zero. Other than with respect to amounts required to be applied to the Revolving Loans pursuant to Section 2.6(b) or Section 6.15, and other than with respect to prepayment in full of the principal amount of the Loans, prepayments of principal hereunder shall be in minimum amounts of \$1,000,000 and integral multiples of \$500,000 in excess thereof. Except as provided in Section 2.5(b), any prepayment of Advances outstanding under the Revolving Loan Commitments shall not reduce the Revolving Loan Commitments.

(b) Permanent Prepayment or Reduction. The Borrowers shall have the right, at any time and from time to time after the Agreement Date and prior to the Maturity Date, upon at least three (3) Business Days' prior written notice to the Administrative Agent by the Administrative Borrower, without premium or penalty, to cancel or reduce permanently all or a portion of the Revolving Loan Commitments on a pro rata basis among the Lenders in accordance with their Revolving Commitment Ratios, provided that any such partial reduction shall be made in an amount not less than \$1,000,000 and in integral multiples of \$500,000 in excess thereof. As of the date of cancellation or reduction set forth in such notice, the Revolving Loan Commitments shall be permanently reduced to the amount stated in the Administrative Borrower's notice for all purposes herein, and the Borrowers shall pay to the Administrative Agent for the account of the Lenders the amount necessary to reduce the principal amount of the Revolving Loans then outstanding to not more than the amount of the Revolving Loan Commitments as so reduced, together with accrued interest on the amount so prepaid and the unused line fee set forth in Section 2.4(b) accrued through the date of the reduction with respect to the amount reduced, and shall reimburse the Administrative Agent and the Lenders for any loss or out-of-pocket expense incurred by any of them in connection with such payment as set forth in Section 2.9.

Section 2.6 Repayment.

(a) The Loans. All unpaid principal and accrued interest on the Loans shall be due and payable in full on the Maturity Date. Notwithstanding the foregoing, however, in the event that at any time and for any reason the Aggregate Revolving Credit Obligations exceed the Revolving Loan Commitments, the Borrowers shall pay to the Administrative Agent, immediately, a payment equal to the amount by which the Aggregate Revolving Credit Obligations exceed the Revolving Loan Commitments, which payment shall constitute a mandatory payment of the Obligations to be applied to the Revolving Loans, Swing Loans and Letter of Credit Reserve Account, as appropriate.

(b) Other Mandatory Repayments. (i) In the event that after the Agreement Date, the Parent shall issue any Equity Interests (other than Equity Interests issued to

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sellers in connection with any acquisition permitted under Section 8.7(d)) or any Borrower Party shall incur any Total Debt other than Total Debt permitted under Section 8.1, one hundred percent (100%) of the Net Cash Proceeds received by such Borrower Party from such issuance or incurrence shall be paid on the date of receipt of the proceeds thereof by such Borrower Party to the Lenders as a mandatory payment of the Loans. Any payment due hereunder shall be applied first to repay outstanding Swing Loans and then to repay outstanding Revolving

Loans. Nothing in this Section shall authorize any Borrower Party to issue any Equity Interests except to the extent not prohibited by this Agreement or incur any Total Debt except as expressly permitted by this Agreement.

(ii) All Net Cash Proceeds of Collateral (including, without limitation, proceeds of insurance and condemnation, but excluding, so long as no Default exists, Net Cash Proceeds from (x) sales to any other Borrower Party, (y) sales of Inventory in the ordinary course of business and (z) sales of other assets for a sales price of less than \$1,000,000 in the aggregate (with respect to all such other assets sold) during any calendar year) shall immediately be remitted to the Administrative Agent and shall be applied to the repayment of the Obligations as set forth in Section 2.11.

(c) In addition to the foregoing, the Borrowers hereby promise to pay all Obligations, including, without limitation, the principal amount of the Loans and interest and fees thereon, as the same become due and payable hereunder and, in any event, on the Maturity Date.

Section 2.7 Revolving Loan Notes; Loan Accounts.

(a) The Revolving Loans shall be repayable in accordance with the terms and provisions set forth herein and, upon request by any Lender, the Revolving Loans owed to such Lender shall be evidenced by Revolving Loan Notes. A Revolving Loan Note shall be payable to the order of each Lender requesting such a Revolving Loan Note in accordance with such Lender's Revolving Commitment Ratio of the Revolving Loan Commitments. Any such Revolving Loan Notes shall be issued by the Borrowers to the Lenders and shall be duly executed and delivered by Authorized Signatories of the Borrowers.

(b) The Administrative Agent shall open and maintain on its books in the name of the Borrowers a loan account with respect to the Loans and interest thereon (the "Loan Account"). The Administrative Agent shall debit such Loan Account for the principal amount of each Advance made by it on behalf of the Lenders, accrued interest thereon, and all other amounts which shall become due from the Borrowers pursuant to this Agreement (including any Swing Loans) and shall credit the Loan Account for each payment which the Borrowers shall make in respect to the Obligations. The records of the Administrative Agent with respect to such Loan Account shall be conclusive evidence of the Loans and accrued interest thereon, absent manifest error.

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Section 2.8 Manner of Payment.

(a) When Payments Due.

(i) Each payment (including any prepayment) by the Borrowers on account of the principal of or interest on the Loans, fees, and any other amount owed to any member of the Lender Group under this Agreement, the Revolving Loan Notes or the other Loan Documents shall be made not later than 1:00 p.m. (Atlanta, Georgia time) on the date specified for payment under this Agreement or any other Loan Document to the Administrative Agent at the Administrative Agent's Office, for the account of the Lenders, the Issuing Bank or the Administrative Agent, as the case may be, in lawful money of the United States of America in immediately available funds. Any payment received by the Administrative Agent after 1:00 p.m. (Atlanta, Georgia time) shall be deemed received on the next Business Day. In the case of a payment for the account of a Lender, the Administrative Agent will promptly thereafter (but in any event no more than two (2) Business Days following receipt thereof by the Administrative Agent) distribute the amount so received in like funds to such Lender. If the Administrative Agent shall not have received any payment from the Borrowers as and when due, the Administrative Agent will promptly notify the Lenders accordingly.

(ii) If any payment under this Agreement or any Revolving Loan Note shall be specified to be made upon a day which is not a Business Day, it shall be made on the next succeeding day which is a Business Day, and such extension of time shall in such case be included in computing interest and fees, if any, in connection with such payment.

(b) No Deduction.

(i) Any and all payments of principal and interest, or of

any fees or indemnity or expense reimbursements by the Borrowers hereunder or under any other Loan Documents (the "Borrower Payments") shall be made without setoff or counterclaim and free and clear of and without deduction for any and all current or future taxes, levies, imposts, deductions, charges or withholdings with respect to such Borrower Payments and all interest, penalties or similar liabilities with respect thereto, excluding taxes imposed on the net income of any member of the Lender Group (or any transferee or assignee thereof) by the jurisdiction under the laws of which such member of the Lender Group is organized or conducts business or any political subdivision thereof (all such nonexcluded taxes, levies, imposts, deductions, charges or withholdings and liabilities collectively or individually "Taxes"). If a Borrower shall be required to deduct any Taxes from or in respect of any sum payable to any member of the Lender Group hereunder or under any other Loan Document, (i) the sum payable shall be increased by the amount (an "additional amount") necessary so that after

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making all required deductions (including deductions applicable to additional sums payable under this Section 2.8(b)(i), such member of the Lender Group shall receive an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower shall make such deductions, and (iii) such Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Law.

(ii) In addition, the Borrowers shall pay to the relevant Governmental Authority in accordance with Applicable Law any current or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or any other Loan Document (such taxes being "Other Taxes").

(iii) The Borrowers shall indemnify the members of the Lender Group for the full amount of Taxes and Other Taxes with respect to Borrower Payments paid by such Person, and any liability (including penalties, interest and expenses (including reasonable attorney's fees and expenses)) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted by the relevant Governmental Authority. A certificate setting forth and containing an explanation in reasonable detail of the manner in which such amount shall have been determined and the amount of such payment or liability prepared by a member of the Lender Group or the Administrative Agent on its behalf, absent manifest error, shall be final, conclusive and binding for all purposes. Such indemnification shall be made within thirty (30) days after the date the Administrative Agent or such member, as the case may be, makes written demand therefor. If any Taxes or Other Taxes for which the Administrative Agent or any member of the Lender Group has received indemnification from a Borrower hereunder shall be finally determined to have been incorrectly or illegally asserted and are refunded to the Administrative Agent or such member, the Administrative Agent or such member, as the case may be, shall promptly forward to such Borrower any such refunded amount (after deduction of any Tax or Other Tax paid or payable by any member of the Lender Group as a result of such refund), not exceeding the increased amount paid by such Borrower pursuant to this Section 2.8(b).

(iv) As soon as practicable after the date of any payment of Taxes or Other Taxes by a Borrower to the relevant Governmental Authority, such Borrower will deliver to the Administrative Agent, at its address, the original or a certified copy of a receipt issued by such Governmental Authority evidencing payment thereof.

(v) On or prior to the Agreement Date (or, in the case of any Lender that becomes a party to this Agreement pursuant to an Assignment and

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Assumption Agreement, on or prior to the effective date of such Assignment and Assumption Agreement), each Lender which is organized in a

jurisdiction other than the United States or a political subdivision thereof shall provide each of the Administrative Agent and the Borrowers with either (a) two (2) properly executed originals of Form W-8ECI or Form W-8BEN (or any successor forms) prescribed by the Internal Revenue Service or other documents satisfactory to the Borrowers and the Administrative Agent, as the case may be, certifying (i) as to such Lender's status for purposes of determining exemption from United States withholding taxes with respect to all payments to be made to such Lender hereunder and under any other Loan Documents or (ii) that all payments to be made to such Lender hereunder and under any other Loan Documents are subject to such taxes at a rate reduced to zero by an applicable tax treaty, or (b)(i) a certificate executed by such Lender certifying that such Lender is not a "bank" and that such Lender qualifies for the portfolio interest exemption under Section 881(c) of the Code, and (ii) two (2) properly executed originals of Internal Revenue Service Form W-8BEN (or any successor form), in each case, certifying such Lender's entitlement to an exemption from United States withholding tax with respect to payments of interest to be made hereunder or under any other Loan Documents. Each such Lender agrees to provide the Administrative Agent and the Borrowers with new forms prescribed by the Internal Revenue Service upon the expiration or obsolescence of any previously delivered form, or after the occurrence of any event requiring a change in the most recent forms delivered by it to the Administrative Agent and the Borrowers.

(vi) The Borrowers shall not be required to indemnify any member of the Lender Group that is organized in a jurisdiction other than the United States or any political subdivision thereof, or to pay any additional amounts to such Lender pursuant to subsection (b)(i) or (b)(iii) above to the extent that (i) the obligation to withhold amounts with respect to United States Federal, state or local withholding tax existed on the date such Lender became a party to this Agreement (or, in the case of a transferee, on the effective date of the Assignment and Assumption Agreement pursuant to which such transferee became a Lender) or, with respect to payments to a new lending office, the date such Lender designated such new lending office; provided, however, that this clause (i) shall not apply to any Lender that became a Lender or new lending office that became a new lending office as a result of an assignment or designation made at the request of a Borrower; and provided further, however, that this clause (i) shall not apply to the extent the indemnity payment or additional amounts, if any, that any member of the Lender Group through a new lending office would be entitled to receive (without regard to this clause (i)) do not exceed the indemnity payment or additional amounts that the Person making the assignment or transfer to such member of the Lender Group making the designation of such new lending office would have been entitled to receive in the absence of such assignment, transfer or designation or (ii) the obligation to pay

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such additional amounts or such indemnity payments would not have arisen but for a failure by such member of the Lender Group to comply with the provisions of subsection (b)(v) above.

(vii) Any member of the Lender Group claiming any indemnity payment or additional amounts payable pursuant to this Section 2.8(b) shall use reasonable efforts (consistent with legal and regulatory restrictions) to file any certificate or document reasonably requested in writing by any Borrower or to change the jurisdiction of its applicable lending office if the making of such a filing or change would avoid the need for or reduce the amount of any such indemnity payment or additional amounts that may thereafter accrue and would not, in the good faith determination of such member of the Lender Group, be otherwise disadvantageous to such Person.

(viii) Nothing contained in this Section 2.8(b) shall require any member of the Lender Group to make available to any Borrower any of its tax returns (or any other information) that it deems confidential or proprietary.

Section 2.9 Reimbursement. Whenever any Lender shall sustain or incur any losses (including losses of anticipated profits) or out-of-pocket expenses in connection with (a) failure by the Borrowers to borrow or continue any Eurodollar Advance, or convert any Advance to a Eurodollar Advance, in each case, after having given notice of their intention to do so in accordance with

Section 2.2 (whether by reason of the election of the Borrowers not to proceed or the non-fulfillment of any of the conditions set forth in Article 3), or (b) prepayment of any Eurodollar Advance in whole or in part for any reason or (c) failure by the Borrowers to prepay any Eurodollar Advance after giving notice of its intention to prepay such Advance, the Borrowers agree to pay to such Lender, promptly upon such Lender's written demand therefor, accompanied by a certificate setting forth in reasonable detail the nature and calculation of such losses and expenses, an amount sufficient to compensate such Lender for all such losses and out-of-pocket expenses. Such Lender's good faith determination of the amount of such losses and out-of-pocket expenses, absent manifest error, shall be binding and conclusive. Losses subject to reimbursement hereunder shall include, without limitation, expenses incurred by any Lender or any participant of such Lender permitted hereunder in connection with the re-employment of funds prepaid, repaid, not borrowed, or paid, as the case may be, and any lost profit of such Lender or any participant of such Lender over the remainder of the Eurodollar Advance Period for such prepaid Advance. For purposes of calculating amounts payable to a Lender under this paragraph, each Lender shall be deemed to have actually funded its relevant Eurodollar Advance through the purchase of a deposit bearing interest at the Eurodollar Rate in an amount equal to the amount of that Eurodollar Advance and having a maturity and repricing characteristics comparable to the relevant Eurodollar Advance Period; provided, however, that each Lender may fund each of its Eurodollar Advances in any manner it sees fit, and the foregoing assumption shall be utilized only for the calculation of amounts payable under this Section.

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Section 2.10 Pro Rata Treatment.

(a) Advances. Each Advance with respect to the Revolving Loans, from the Lenders under this Agreement shall be made pro rata on the basis of their respective Revolving Commitment Ratios.

(b) Payments. Each payment and prepayment of the principal of the Revolving Loans and each payment of interest on the Revolving Loans received from the Borrowers shall be made by the Administrative Agent to the Lenders pro rata on the basis of their respective unpaid principal amounts thereof outstanding immediately prior to such payment or prepayment (except in cases when a Lender's right to receive payments is restricted pursuant to Section 2.2(e)). If any Lender shall obtain any payment (whether involuntary, through the exercise of any right of set-off, or otherwise) on account of the Revolving Loans in excess of its ratable share of the Revolving Loans under its Revolving Commitment Ratio (or in violation of any restriction set forth in Section 2.2(e)), such Lender shall forthwith purchase from the other Lenders such participation in the Revolving Loans made by them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery without interest thereon unless the Lender obligated to repay such amount is required to pay interest. The Borrowers agree that any Lender so purchasing a participation from another Lender pursuant to this Section 2.10(b) may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrowers in the amount of such participation.

Section 2.11 Application of Payments.

(a) Payments Prior to Event of Default. Prior to the occurrence and continuance of an Event of Default, all amounts received by the Administrative Agent from the Borrowers (other than payments specifically earmarked for application to certain principal, interest, fees or expenses hereunder), shall be distributed by the Administrative Agent in the following order of priority: FIRST, to the payment of fees and expenses then due and payable to the Administrative Agent hereunder; SECOND, pro rata to the payment of any fees and expenses then due and payable to the Lenders and the Issuing Banks hereunder or under any other Loan Documents; THIRD, to the payment of interest then due and payable on the Swing Loans and the Revolving Loans; FOURTH, to the payment of principal then due and payable on the Swing Loans; FIFTH, to the payment of principal then due and payable on the Revolving Loans; SIXTH, to the payment of Obligations arising in respect of Bank Products (including, Hedge Agreements) then due to the Administrative Agent (or any affiliate of the Administrative Agent) or, so long as Bank of America, N.A. is a Lender hereunder, Bank of

N.A. (or any Affiliate of Bank of America, N.A.) and to the payment of Obligations arising in respect of Hedge Agreements then due to any of the other Lenders (or any Affiliate of any other Lender) from the Borrowers; and SEVENTH, to the payment of all other Obligations not otherwise referred to in this Section 2.11(a) then due and payable.

(b) Payments Subsequent to Event of Default. Subsequent to the occurrence and during the continuance of an Event of Default, payments and prepayments with respect to the Obligations made to the Administrative Agent, the Lenders, the Issuing Banks or otherwise received by the Administrative Agent, any Lender, any Issuing Bank (from realization on Collateral or otherwise) shall be distributed in the following order of priority (subject, as applicable, to Section 2.10): FIRST, to the costs and expenses (including attorneys' fees and expenses), if any, incurred by the Administrative Agent, any Lender, or any Issuing Bank in the collection of such amounts under this Agreement or any other Loan Documents, including, without limitation, any costs incurred in connection with the sale or disposition of any Collateral; SECOND, to any fees then due and payable to the Administrative Agent under this Agreement or any other Loan Document; THIRD, pro rata to any fees then due and payable to the Lenders and the Issuing Banks under this Agreement or any other Loan Document; FOURTH, pro rata to the payment of interest then due and payable on the Swing Loans and the Revolving Loans; FIFTH, pro rata to (i) the payment of the principal of the Swing Loans then outstanding, (ii) the payment of principal on the Revolving Loans then outstanding and (iii) the Letter of Credit Reserve Account to the extent of one hundred five percent (105%) of any Letter of Credit Obligations then outstanding; SIXTH, to the payment of any Obligations arising in respect of Bank Products then due to the Administrative Agent (or any affiliate of the Administrative Agent) or any Lender (or any Affiliate of a Lender); SEVENTH, to any other Obligations not otherwise referred to in this Section 2.11(b); and EIGHTH, upon satisfaction in full of all Obligations, to the Borrowers or as otherwise required by law.

Section 2.12 Use of Proceeds. The proceeds of the Loans shall be used by the Borrowers as follows:

(a) The initial Advance of Revolving Loans hereunder shall be used to provide financing related to the acquisition by the Parent of the Equity Interests of the Target pursuant to the Acquisition Agreement, to fund transaction fees, costs and expenses and to refinance, in conjunction with proceeds of other funds received, certain existing indebtedness of the Borrowers.

(b) The balance of the proceeds of the Loans shall be used to finance the Borrowers' working capital needs, permitted capital expenditures, permitted acquisitions and general corporate needs. In addition, subject to the terms of this Agreement, the Borrowers may reborrow any amounts prepaid on or after the Agreement Date with the Net Cash Proceeds from an issuance of Equity Interests by the Parent in accordance with Section 2.6(b) (i) and use such reborrowed amounts in connection with a redemption of

Senior Notes Debt pursuant to Section 1101 of the Indenture within sixty (60) days of the date of the issuance of such Equity Interests.

Section 2.13 All Obligations to Constitute One Obligation. All Obligations shall constitute one general obligation of the Borrowers and shall be secured by the Administrative Agent's security interest (on behalf of, and for the benefit of, the Lender Group) and Lien upon all of the Collateral, and by all other security interests and Liens heretofore, now or at any time hereafter granted by any Borrower Party to the Administrative Agent or any other member of the Lender Group, to the extent provided in the Security Documents under which such Liens arise.

Section 2.14 Maximum Rate of Interest. The Borrowers and the Lender Group hereby agree and stipulate that the only charges imposed upon the Borrowers for the use of money in connection with this Agreement are and shall be the specific interest and fees described in this Article 2 and in any other Loan Document. Notwithstanding the foregoing, the Borrowers and the Lender Group further agree

and stipulate that all closing fees, agency fees, syndication fees, facility fees, underwriting fees, default charges, late charges, funding or "breakage" charges, increased cost charges, attorneys' fees and reimbursement for costs and expenses paid by any member of the Lender Group to third parties or for damages incurred by the Lender Group or any of them are charges to compensate the Lender Group for underwriting and administrative services and costs or losses performed or incurred, and to be performed and incurred, by the Lender Group in connection with this Agreement and the other Loan Documents and shall under no circumstances be deemed to be charges for the use of money pursuant to any Applicable Law. In no event shall the amount of interest and other charges for the use of money payable under this Agreement exceed the maximum amounts permissible under any law that a court of competent jurisdiction shall, in a final determination, deem applicable. The Borrowers and the Lender Group, in executing and delivering this Agreement, intend legally to agree upon the rate or rates of interest and other charges for the use of money and manner of payment stated within it; provided, however, that, anything contained herein to the contrary notwithstanding, if the amount of such interest and other charges for the use of money or manner of payment exceeds the maximum amount allowable under applicable law, then, ipso facto as of the date of this Agreement, the Borrowers are and shall be liable only for the payment of such maximum as allowed by law, and payment received from the Borrowers in excess of such legal maximum, whenever received, shall be applied to reduce the principal balance of the Revolving Loans to the extent of such excess.

Section 2.15 Letters of Credit.

(a) Subject to the terms and conditions of this Agreement, each Issuing Bank, on behalf of the Lenders, and in reliance on the agreements of the Lenders set forth in Section 2.15(c) below, hereby agrees to issue (or arrange with a Foreign Issuer for the issuance of) one or more Letters of Credit up to an aggregate face amount equal to such

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Issuing Bank's Letter of Credit Commitment; provided, however, that except as described in the last sentence of Section 4.3, the Issuing Banks shall not issue (or arrange with a Foreign Issuer for the issuance of) any Letter of Credit unless the conditions precedent to the issuance thereof set forth in Section 4.3 have been satisfied, and, except as described in the last sentence of Section 4.3, shall not issue (or arrange with a Foreign Issuer for the issuance of) any Letter of Credit if any Default then exists or would be caused thereby or if, after giving effect to such issuance, the Aggregate Revolving Credit Obligations would exceed the Revolving Loan Commitments; and provided further, however, that at no time shall the total Letter of Credit Obligations outstanding hereunder exceed the Aggregate Letter of Credit Commitment. Each Letter of Credit shall (1) be denominated in Dollars, and (2) expire no later than the earlier to occur of (A) the date thirty (30) days prior to the Maturity Date, and (B) 365 days after its date of issuance (but may contain provisions for automatic renewal provided that no Default exists on the renewal date or would be caused by such renewal and provided no such renewal shall extend beyond the date thirty (30) days prior to the Maturity Date). Unless otherwise expressly agreed by any Issuing Bank and the applicable Borrower requesting a Letter of Credit, when a Letter of Credit is issued (including any such agreement applicable to an Existing Letter of Credit), (i) each Commercial Letter of Credit shall be subject to the Uniform Customs and, to the extent not inconsistent therewith, the laws of the State of New York and (ii) each Standby Letter of Credit shall be subject to the ISP and, to the extent not inconsistent therewith, the laws of the State of New York. None of the Issuing Banks shall at any time be obligated to issue, or to cause to be issued, any Letter of Credit if such issuance would conflict with, or cause such Issuing Bank to exceed any limits imposed by, any Applicable Law. Without limiting the generality of the foregoing, each of the letters of credit set forth on Schedule 2.15 (each, an "Existing Letter of Credit") shall be deemed to constitute a Letter of Credit issued hereunder on the Agreement Date and shall thereafter be subject to each of the terms and conditions of this Agreement and the other Loan Documents.

(b) The Administrative Borrower on behalf of the Borrowers may from time to time request that an Issuing Bank issue (or arrange with a Foreign Issuer for the issuance of) a Letter of Credit, increase the stated amount of a Letter of Credit or extend the expiration date of any Letter of Credit; provided, however, that only a Standby Letter of Credit Issuer shall issue Standby Letters of Credit hereunder. The Administrative Borrower on behalf of the Borrowers shall execute and deliver to the Administrative Agent and applicable Issuing Bank a Request for Issuance of Letter of Credit (i) for each Standby Letter of Credit

to be issued (or amended) by such Issuing Bank, not later than 12:00 noon (Atlanta, Georgia time) on the third (3rd) Business Day preceding the date on which such requested Standby Letter of Credit is to be issued (or amended), and (ii) for each Commercial Letter of Credit to be issued (or amended) by such Issuing Bank, (x) not later than 2:00 p.m. (Atlanta, Georgia time) one (1) Business Day preceding the date on which such requested Commercial Letter of Credit is to be issued (or amended) or (y) with respect to requests for Commercial Letters of Credit in an aggregate stated amount not to exceed \$750,000 in any day (from 12:00 a.m. until 11:59 p.m., Atlanta, Georgia

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time), not later than 10:00 a.m. (at the location of the office where the applicable Letter of Credit is to be issued) on the Business Day on which such requested Commercial Letter of Credit is to be issued, or, in each case under clauses (i) and (ii) above, such shorter notice as may be acceptable to the applicable Issuing Bank and the Administrative Agent. Each Business Day on which a Request for Issuance of Letter of Credit is delivered to the Administrative Agent and on or before 3:00 p.m. (Atlanta, Georgia time) on such Business Day, the Administrative Agent shall determine whether there is sufficient Availability, after giving effect to the requirements of Section 4.3(c), for the issuance of such Letter of Credit and shall notify the applicable Issuing Banks of the same; provided, however, that with respect to any Request for Issuance of Letter of Credit for a Commercial Letter of Credit under clause (y) above, the applicable Issuing Bank shall not be required to obtain confirmation from the Administrative Agent of sufficient Availability prior to issuing such Commercial Letter of Credit requested but rather shall be entitled to rely on the certifications given by the Administrative Borrower pursuant to Section 4.3 and the applicable Request for Issuance of Letter of Credit. Unless an Issuing Bank has received notice from a Lender or the Administrative Agent that a Default exists or unless such Issuing Bank has actual knowledge that a Default exists and except as set forth in the immediately preceding sentence of this Section, such Issuing Bank shall be entitled to rely on the certifications of the Administrative Borrower pursuant to Section 4.3 and the applicable Request for Issuance of Letter of Credit to determine whether the conditions to issuance of any Letter of Credit have been satisfied. Upon receipt of any such Request for Issuance of Letter of Credit, subject to satisfaction (or waiver in accordance with the last sentence of Section 4.3) of all conditions precedent thereto as set forth in Section 4.3 and receipt of a notification from the Administrative Agent that sufficient Availability, after giving effect to the requirements of Section 4.3(c), exists for the issuance of such Letter of Credit, the applicable Issuing Bank shall process such Request for Issuance of Letter of Credit and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall promptly issue (or amend) (or arrange with a Foreign Issuer for the issuance of) the Letter of Credit requested thereby. Such Issuing Bank shall furnish a copy of such Letter of Credit to the Administrative Borrower and the Administrative Agent following the issuance thereof. In addition to the fees payable pursuant to Section 2.4(c) (ii) the Borrowers shall pay or reimburse each Issuing Bank for normal and customary costs and expenses incurred by such Issuing Bank in issuing, causing the issuance of, effecting payment under, amending or otherwise administering the Letters of Credit. On each Business Day on or before 10:00 a.m. (Atlanta, Georgia time) each Issuing Bank shall deliver to the Administrative Agent and the Administrative Borrower a report in substantially the form of Exhibit J (a "Daily Letter of Credit Report") (A) setting forth the opening balance of its Letters of Credit outstanding on the immediately preceding Business Day, (B) identifying all Letters of Credit issued (or amended) by it (or its Foreign Issuer) on such immediately preceding Business Day, (C) identifying all Letters of Credit cancelled on such immediately preceding Business Day, (D) identifying all draws on such immediately preceding Business Day under Letters of Credit issued by it (or its Foreign Issuer), (E) setting forth the ending balance of its

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Letters of Credit outstanding on such immediately preceding Business Day and (E) identifying all requests for the issuance of Letters of Credit cancelled on such immediately preceding Business Day.

(c) Immediately upon the issuance (or amendment) by (or on behalf of) an Issuing Bank of a Letter of Credit and in accordance with the terms and conditions of this Agreement, such Issuing Bank shall be deemed to have sold and transferred to each Lender, and each Lender shall be deemed irrevocably and

unconditionally to have purchased and received from such Issuing Bank, without recourse or warranty, an undivided interest and participation, to the extent of such Lender's Revolving Commitment Ratio, in such Letter of Credit (as applicable, as amended) and the obligations of the Borrowers with respect thereto (including, without limitation, all Letter of Credit Obligations with respect thereto). The applicable Issuing Bank shall promptly notify the Administrative Agent of any such draw under a Letter of Credit. At such time as the Administrative Agent shall be notified by the Issuing Bank that the beneficiary under any Letter of Credit has drawn on the same, the Administrative Agent shall promptly notify the Borrowers and the Swing Bank (or, at its option, all Lenders), by telephone or telecopy, of the amount of the draw (and, in the case of each Lender, such Lender's portion of such draw amount as calculated in accordance with its Revolving Commitment Ratio).

(d) The Borrowers hereby agree to immediately reimburse each Issuing Bank for amounts paid by such Issuing Bank in respect of draws under each Letter of Credit. In order to facilitate such repayment, the Borrowers hereby irrevocably request the Lenders, and the Lenders hereby severally agree, on the terms and conditions of this Agreement (other than as provided in Article 2 with respect to the amounts of, the timing of requests for, and the repayment of Advances hereunder and in Article 4 with respect to conditions precedent to Advances hereunder), with respect to any drawing under a Letter of Credit, to make a Base Rate Advance on each day on which a draw is funded under any Letter of Credit and in the amount of such draw, and to pay the proceeds of such Advance directly to the applicable Issuing Bank to reimburse such Issuing Bank for the amount paid by it upon such draw. Each Lender shall pay its share of such Base Rate Advance by paying its portion of such Advance to the Administrative Agent in accordance with Section 2.2(e) and its Revolving Commitment Ratio, without reduction for any set-off or counterclaim of any nature whatsoever and regardless of whether any Default then exists or would be caused thereby. The disbursement of funds in connection with a draw under a Letter of Credit pursuant to this Section hereunder shall be subject to the terms and conditions of Section 2.2(e). The obligation of each Lender to make payments to the Administrative Agent for the account of an Issuing Bank in accordance with this Section 2.15 shall be absolute and unconditional, and no Lender shall be relieved of its obligations to make such payments by reason of noncompliance by any other Person with the terms of the Letter of Credit or for any other reason (other than the gross negligence or willful misconduct of such Issuing Bank (or Foreign Issuer) in paying such Letter of Credit, as determined by a final non-appealable judgment of a court of

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competent jurisdiction). The Administrative Agent shall promptly remit to such Issuing Bank the amounts so received from the other Lenders. Any overdue amounts payable by the Lenders to an Issuing Bank in respect of a draw under any Letter of Credit shall bear interest, payable on demand, (x) for the first two (2) Business Days, at the Federal Funds Rate and (y) thereafter, at the Base Rate. Notwithstanding the foregoing, at the request of the Administrative Agent the Swing Bank may, at its option and subject to the conditions set forth in Section 2.2(g), make Swing Loans to reimburse Issuing Banks for amounts drawn under Letters of Credit.

(e) The Borrowers agree that each Advance by the Lenders to reimburse an Issuing Bank for draws under any Letter of Credit, shall, for all purposes hereunder unless and until converted into Eurodollar Advances pursuant to Section 2.2(b)(ii), be deemed to be a Base Rate Advance under the Revolving Loan Commitments and shall be payable and bear interest in accordance with all other Base Rate Advances.

(f) The Borrowers agree that any action taken or omitted to be taken by an Issuing Bank in connection with any Letter of Credit, except for such actions or omissions as shall constitute gross negligence or willful misconduct on the part of such Issuing Bank as determined by a final non-appealable judgment of a court of competent jurisdiction, shall be binding on the Borrowers as between the Borrowers and such Issuing Bank, and shall not result in any liability of such Issuing Bank to the Borrowers. The obligation of the Borrowers to reimburse an Issuing Bank for a drawing under any Letter of Credit or the Lenders for Advances made by them to the Issuing Banks on account of draws made under the Letters of Credit shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances whatsoever, including, without limitation, the following circumstances:

(i) Any lack of validity or enforceability of any Loan Document;

(ii) Any amendment or waiver of or consent to any departure from any or all of the Loan Documents;

(iii) Any improper use which may be made of any Letter of Credit or any improper acts or omissions of any beneficiary or transferee of any Letter of Credit in connection therewith;

(iv) The existence of any claim, set-off, defense or any right which the Borrowers may have at any time against any beneficiary or any transferee of any Letter of Credit (or Persons for whom any such beneficiary or any such transferee may be acting), any Lender or any other Person, whether in connection with any Letter of Credit, any transaction contemplated by any Letter of Credit, this Agreement, or any other Loan Document, or any unrelated transaction;

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(v) Any statement or any other documents presented under any Letter of Credit proving to be insufficient, forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;

(vi) The insolvency of any Person issuing any documents in connection with any Letter of Credit;

(vii) Any breach of any agreement between the Borrowers and any beneficiary or transferee of any Letter of Credit;

(viii) Any irregularity in the transaction with respect to which any Letter of Credit is issued, including any fraud by the beneficiary or any transferee of such Letter of Credit;

(ix) Any errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, wireless or otherwise, whether or not they are in code;

(x) Any act, error, neglect or default, omission, insolvency or failure of business of any of the correspondents of or Foreign Issuer for the applicable Issuing Bank (other than the gross negligence or willful misconduct of any such Foreign Issuer or correspondent);

(xi) Any other circumstances arising from causes beyond the control of the applicable Issuing Bank;

(xii) Payment by an Issuing Bank (or Foreign Issuer) under any Letter of Credit against presentation of a sight draft or a certificate which does not comply with the terms of such Letter of Credit, provided that such payment shall not have constituted gross negligence or willful misconduct of such Issuing Bank (or Foreign Issuer) as determined by a final non-appealable judgment of a court of competent jurisdiction; and

(xiii) Any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

(g) The Borrowers will indemnify and hold harmless each member of the Lender Group and each of their respective employees, representatives, officers and directors from and against any and all claims, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (including reasonable attorneys' fees) which may be imposed on, incurred by or asserted against such member of the Lender Group in any way relating to or arising out of the issuance of a Letter of Credit, except that the Borrowers shall not be liable to any member of the Lender Group for any portion of such claims, liabilities,

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obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements resulting from the gross negligence or willful misconduct of such member of the Lender Group, as determined by a final non-appealable judgment of a court of competent jurisdiction. This Section

2.15(g) shall survive termination of this Agreement.

(h) Each Lender shall be responsible (to the extent the applicable Issuing Bank is not reimbursed by the Borrowers) for its pro rata share (based on such Lender's Revolving Commitment Ratio) of any and all reasonable out-of-pocket costs, expenses (including reasonable legal fees) and disbursements which may be incurred or made by such Issuing Bank in connection with the collection of any amounts due under, the administration of, or the presentation or enforcement of any rights conferred by any Letter of Credit, the Borrowers' or any guarantor's obligations to reimburse draws thereunder or otherwise. In the event the Borrowers shall fail to pay such expenses of an Issuing Bank within fifteen (15) days of demand for payment by such Issuing Bank, each Lender shall thereupon pay to such Issuing Bank its pro rata share (based on such Lender's Revolving Commitment Ratio) of such expenses within ten (10) days from the date of such Issuing Bank's notice to the Lenders of the Borrowers' failure to pay; provided, however, that if the Borrowers shall thereafter pay such expenses, such Issuing Bank will repay to each Lender the amounts received from such Lender hereunder.

(i) Any Person that is to be a new Issuing Bank (that does not execute an Assignment and Assumption Agreement) is required to enter into this Agreement by executing and delivering to the Administrative Agent a joinder agreement, in form and substance reasonably satisfactory to the Administrative Agent and, so long as no Default exists, the Administrative Borrower (each, an "Issuing Bank Joinder Agreement"). Upon the execution and delivery of an Issuing Bank Joinder Agreement by such Person, such Person shall become an Issuing Bank hereunder with the same force and effect as if originally named as an Issuing Bank herein. The execution and delivery of any Issuing Bank Joinder Agreement adding an additional Person as a party to this Agreement shall not require the consent of any other party hereto.

Section 2.16 Bank Products. Any Borrower Party may request and the Administrative Agent, so long as Bank of America, N.A. is a Lender hereunder, Bank of America, N.A. or, with respect to Hedge Agreements, any Lender may, in its sole and absolute discretion, arrange for such Borrower Party to obtain from such Person or any Affiliate of such Person, as applicable, Bank Products although no Borrower Party is required to do so. If any Bank Products are provided by an Affiliate of the Administrative Agent, so long as Bank of America, N.A. is a Lender hereunder, an Affiliate of Bank of America, N.A. or, with respect to Hedge Agreements, any Affiliate of a Lender, the Borrower Parties agree to indemnify and hold the Lender Group, or any of them, harmless from any and all costs and obligations now or hereafter incurred by the Lender Group, or any of them, which arise from any indemnity given by the Administrative Agent to any of its Affiliates, so long as Bank of America, N.A. is a Lender hereunder, Bank of America, N.A. to any of its Affiliates or any Lender to any of

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its Affiliates, as applicable, related to such Bank Products; provided, however, nothing contained herein is intended to limit the Borrower Parties' rights, with respect to the Administrative Agent or any of its Affiliates, Bank of America, N.A. or any of its Affiliates or any Lender or any of its Affiliates, as applicable, if any, which arise as a result of the execution of documents by and between the Borrower Parties and such Person which relate to Bank Products. The agreement contained in this Section shall survive termination of this Agreement. The Borrower Parties acknowledge and agree that the obtaining of Bank Products from the Administrative Agent, Bank of America, N.A. or any Lender or any of their respective Affiliates (a) is in the sole and absolute discretion of the Administrative Agent, Bank of America, N.A. or such Affiliates, and (b) is subject to all rules and regulations of the Administrative Agent, Bank of America, N.A., such Lender or such Affiliates.

Section 2.17 Increased Revolving Loan Commitments.

(a) So long as no Event of Default has occurred and is continuing, from time to time after the Agreement Date, the Borrowers may, upon 30 days' prior written notice by delivering an Increased Revolving Loan Activation Commitment Notice to the Administrative Agent (who shall promptly provide a copy of such notice to each Lender), propose to increase the Revolving Loan Commitments by an amount not to exceed \$100,000,000 in the aggregate and in minimum increments of \$10,000,000 (the amount of any such increase, an "Additional Commitment Amount"). Each Lender shall have the right for a period of 10 Business Days following receipt of such notice, to elect by written notice to the

Administrative Borrower and the Administrative Agent to increase the Revolving Loan Commitment of such Lender by a principal amount equal to its Revolving Commitment Ratio of the Additional Commitment Amount. No Lender shall have any obligation to increase its Revolving Loan Commitment or its other obligations under this Agreement and the other Loan Documents, and any decision by a Lender to increase its Revolving Loan Commitment shall be made in its sole discretion independently from any other Lender.

(b) If any Lender shall not elect to increase its Revolving Loan Commitment pursuant to subsection (a) of this Section, the Borrowers may designate another bank or other financial institution (which may be, but need not be, one or more of the existing Lenders) which at the time agrees to (i) in the case of any such Person that is an existing Lender, increase its Revolving Loan Commitment and (ii) in the case of any other Person (an "Additional Lender"), become a "Lender" under this Agreement; provided, however, that any such new bank or financial institution must be acceptable to the Administrative Agent, which acceptance will not be unreasonably withheld or delayed. The sum of the increases in the Revolving Loan Commitments of the existing Lenders pursuant to this subsection (b) plus the Revolving Loan Commitments of the Additional Lenders shall not in the aggregate exceed the unsubscribed amount of the Additional Commitment Amount.

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(c) An increase in the Revolving Loan Commitments pursuant to this Section shall become effective upon the receipt by the Administrative Agent of a New Lender Supplement signed by the Borrowers, by each Additional Lender and by each other Lender whose Revolving Loan Commitment is to be increased, substantially in the form of Exhibit K (a "New Lender Supplement") and setting forth the new Revolving Loan Commitments and Revolving Commitment Ratios of such Lenders and setting forth the agreement of each Additional Lender to become a "Lender" under this Agreement and to be bound by all the terms and provisions hereof, together with such evidence of appropriate corporate authorization on the part of the Borrowers with respect to the increase in the Revolving Loan Commitments and such opinions of counsel for the Borrowers with respect to the increase in the Revolving Loan Commitments as the Administrative Agent may reasonably request.

(d) Upon the receipt of any such New Lender Supplement by the Administrative Agent, the Revolving Loan Commitments shall automatically be deemed to be increased by the amount of the Revolving Loan Commitments added through such New Lender Supplement and Schedule 1(a) shall automatically be deemed amended to reflect the new Revolving Loan Commitments of all Lenders (including, without limitation, the Additional Lenders, if any), after giving effect to such New Lender Supplement.

(e) Upon any increase in the Revolving Loan Commitments pursuant to this Section that is not pro rata among all Lenders (based on the Revolving Commitment Ratios of the Lenders immediately preceding such increase), (x) within five Business Days, in the case of any Base Rate Advances then outstanding, and on the Payment Date, in the case of any Eurodollar Advances then outstanding, the Borrowers shall prepay such Loans in their entirety and, to the extent the Borrowers elect to do so and subject to the conditions specified in Article 4, the Borrowers shall reborrow Loans from the Lenders in proportion to their respective Revolving Loan Commitments after giving effect to such increase, until such time as all outstanding Loans are held by the Lenders in such proportion and (y) effective upon such increase, the amount of the participations held by each Lender in each Letter of Credit then outstanding shall be adjusted such that, after giving effect to such adjustments, the Lenders shall hold participations in each such Letter of Credit equal to its Revolving Commitment Ratio after giving effect to such increase.

ARTICLE 3.

GUARANTY

Section 3.1 Guaranty

(a) Each Guarantor hereby guarantees to the Administrative Agent, for the benefit of the Lender Group, the full and prompt payment of the Obligations, including, without limitation, any interest therein (including, without limitation, interest as provided

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in this Agreement, accruing after the filing of a petition initiating any insolvency proceedings, whether or not such interest accrues or is recoverable against the Borrowers after the filing of such petition for purposes of the Bankruptcy Code or is an allowed claim in such proceeding), plus reasonable attorneys' fees and expenses if the obligations represented by this Guaranty are collected by law, through an attorney-at-law, or under advice therefrom.

(b) Regardless of whether any proposed guarantor or any other Person shall become in any other way responsible to the Lender Group, or any of them, for or in respect of the Obligations or any part thereof, and regardless of whether or not any Person now or hereafter responsible to the Lender Group, or any of them, for the Obligations or any part thereof, whether under this Guaranty or otherwise, shall cease to be so liable, each Guarantor hereby declares and agrees that this Guaranty shall be a joint and several obligation, shall be a continuing guaranty and shall be operative and binding until the Obligations shall have been indefeasibly paid in full in cash (or in the case of Letter of Credit Obligations, secured through delivery of cash collateral in an amount equal to one hundred and five percent (105%) of the Letter of Credit Obligations) and the Revolving Loan Commitments shall have been terminated.

(c) Each Guarantor absolutely, unconditionally and irrevocably waives any and all right to assert any defense (other than the defense of payment in cash in full, to the extent of its obligations hereunder, or a defense that such Guarantor's liability is limited as provided in Section 3.1(g)), set-off, counterclaim or cross-claim of any nature whatsoever with respect to this Guaranty or the obligations of the Guarantors under this Guaranty or the obligations of any other Person or party (including, without limitation, the Borrowers) relating to this Guaranty or the obligations of any of the Guarantors under this Guaranty or otherwise with respect to the Obligations in any action or proceeding brought by the Administrative Agent or any other member of the Lender Group to collect the Obligations or any portion thereof, or to enforce the obligations of any of the Guarantors under this Guaranty.

(d) The Lender Group, or any of them, may from time to time, without exonerating or releasing any Guarantor in any way under this Guaranty, (i) take such further or other security or securities for the Obligations or any part thereof as they may deem proper, or (ii) release, discharge, abandon or otherwise deal with or fail to deal with any guarantor of the Obligations or any security or securities therefor or any part thereof now or hereafter held by the Lender Group, or any of them, or (iii) amend, modify, extend, accelerate or waive in any manner any of the provisions, terms, or conditions of the Loan Documents, all as they may consider expedient or appropriate in their sole discretion. Without limiting the generality of the foregoing, or of Section 3.1(e), it is understood that the Lender Group, or any of them, may, without exonerating or releasing any Guarantor, give up, modify or abstain from perfecting or taking advantage of any security for the Obligations and accept or make any compositions or arrangements, and

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realize upon any security for the Obligations when, and in such manner, and with or without notice, all as such Person may deem expedient.

(e) Each Guarantor acknowledges and agrees that no change in the nature or terms of the Obligations or any of the Loan Documents, or other agreements, instruments or contracts evidencing, related to or attendant with the Obligations (including any novation), shall discharge all or any part of the liabilities and obligations of such Guarantor pursuant to this Guaranty; it being the purpose and intent of the Guarantors and the Lender Group that the covenants, agreements and all liabilities and obligations of each Guarantor hereunder are absolute, unconditional and irrevocable under any and all circumstances. Without limiting the generality of the foregoing, each Guarantor agrees that until each and every one of the covenants and agreements of this Guaranty is fully performed, and without possibility of recourse, whether by operation of law or otherwise, such Guarantor's undertakings hereunder shall not be released, in whole or in part, by any action or thing which might, but for this paragraph of this Guaranty, be deemed a legal or equitable discharge of a surety or guarantor, or by reason of any waiver, omission of the Lender Group, or any of them, or their failure to proceed promptly or otherwise, or by reason of any action taken or omitted by the Lender Group, or any of them, whether or not such action or failure to act varies or increases the risk of, or affects the rights or remedies of, such Guarantor or by reason of any further dealings among the Borrowers, on the one hand, and any member of the Lender Group, on the

other hand, or any other guarantor or surety, and such Guarantor hereby expressly waives and surrenders any defense to its liability hereunder, or any right of counterclaim or offset of any nature or description which it may have or may exist based upon, and shall be deemed to have consented to, any of the foregoing acts, omissions, things, agreements or waivers.

(f) The Lender Group, or any of them, may, without demand or notice of any kind upon or to any Guarantor, at any time or from time to time when any amount shall be due and payable hereunder by any Guarantor, if the Borrowers shall not have timely paid any of the Obligations (or in the case of Letter of Credit Obligations, secured through delivery of cash collateral in an amount equal to one hundred and five percent (105%) of the Letter of Credit Obligations), set-off and appropriate and apply to any portion of the Obligations hereby guaranteed, and in such order of application as the Administrative Agent may from time to time elect in accordance with this Agreement, any deposits, property, balances, credit accounts or moneys of any Guarantor in the possession of any member of the Lender Group or under their respective control for any purpose. If and to the extent that any Guarantor makes any payment to the Administrative Agent or any other Person pursuant to or in respect of this Guaranty, any claim which such Guarantor may have against the Borrowers by reason thereof shall be subject and subordinate to the prior payment in full of the Obligations to the satisfaction of the Lender Group.

(g) The creation or existence from time to time of Obligations in excess of the amount committed to or outstanding on the date of this Guaranty is hereby authorized,

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without notice to any Guarantor, and shall in no way impair or affect this Guaranty or the rights of the Lender Group herein. It is the intention of each Guarantor and the Administrative Agent that each Guarantor's obligations hereunder shall be, but not in excess of, the Maximum Guaranteed Amount (as herein defined). The "Maximum Guaranteed Amount" with respect to any Guarantor, shall mean the maximum amount which could be paid by such Guarantor without rendering this Guaranty void or voidable as would otherwise be held or determined by a court of competent jurisdiction in any action or proceeding involving any state or Federal bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws relating to the insolvency of debtors.

(h) Upon the bankruptcy or winding up or other distribution of assets of any Borrower, or of any surety or guarantor (other than the applicable Guarantor) for any Obligations of the Borrowers to the Lender Group, or any of them, the rights of the Administrative Agent against any Guarantor shall not be affected or impaired by the omission of any member of the Lender Group to prove its claim, or to prove the full claim, as appropriate, against such Borrower, or any such other guarantor or surety, and the Administrative Agent may prove such claims as it sees fit and may refrain from proving any claim and in its discretion may value as it sees fit or refrain from valuing any security held by it without in any way releasing, reducing or otherwise affecting the liability to the Lender Group of each of the Guarantors.

(i) Each Guarantor hereby absolutely, unconditionally and irrevocably expressly waives, except to the extent such waiver would be expressly prohibited by applicable law, the following: (i) notice of acceptance of this Guaranty, (ii) notice of the existence or creation of all or any of the Obligations, (iii) presentment, demand, notice of dishonor, protest and all other notices whatsoever (other than notices expressly required hereunder or under any other Loan Document to which any Guarantor is a party), (iv) all diligence in collection or protection of or realization upon the Obligations or any part thereof, any obligation hereunder, or any security for any of the foregoing, (v) all rights to enforce any remedy which the Lender Group, or any of them, may have against the Borrowers, and (vi) until the Obligations shall have been paid in full in cash (or in the case of Letter of Credit Obligations, secured through delivery of cash collateral in an amount equal to one hundred and five percent (105%) of the Letter of Credit Obligations), all rights of subrogation, indemnification, contribution and reimbursement from the Borrowers for amounts paid hereunder and any benefit of, or right to participate in, any collateral or security now or hereinafter held by the Lender Group, or any of them, in respect of the Obligations. If a claim is ever made upon any member of the Lender Group for the repayment or recovery of any amount or amounts received by such Person in payment of any of the Obligations and such Person repays all or part of such amount by reason of (x) any judgment, decree or order of any court or

administrative body having jurisdiction over such Person or any of its property, or (y) any settlement or compromise of any such claim effected by such Person with any such claimant, including a Borrower, then in such event each Guarantor agrees that any such judgment, decree,

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order, settlement or compromise shall be binding upon such Guarantor, notwithstanding any revocation hereof or the cancellation of any promissory note or other instrument evidencing any of the Obligations, and such Guarantor shall be and remain obligated to such Person hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by such Person.

(j) This Guaranty is a continuing guaranty of the Obligations and all liabilities to which it applies or may apply under the terms hereof and shall be conclusively presumed to have been created in reliance hereon. No failure or delay by any member of the Lender Group in the exercise of any right, power, privilege or remedy shall operate as a waiver thereof, and no single or partial exercise by the Administrative Agent of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy and no course of dealing between any Guarantor and any member of the Lender Group shall operate as a waiver thereof. No action by any member of the Lender Group permitted hereunder shall in any way impair or affect this Guaranty. For the purpose of this Guaranty, the Obligations shall include, without limitation, all Obligations of the Borrowers to the Lender Group, notwithstanding any right or power of any third party, individually or in the name of any Borrower and the Lender Group, or any of them, to assert any claim or defense as to the invalidity or unenforceability of any such Obligation, and no such claim or defense shall impair or affect the obligations of any Guarantor hereunder.

(k) This is a guaranty of payment and not of collection. In the event the Administrative Agent makes a demand upon any Guarantor in accordance with the terms of this Guaranty, such Guarantor shall be held and bound to the Administrative Agent directly as debtor in respect of the payment of the amounts hereby guaranteed. All costs and expenses, including, without limitation, reasonable attorneys' fees and expenses, incurred by the Administrative Agent in obtaining performance of or collecting payments due under this Guaranty shall be deemed part of the Obligations guaranteed hereby.

(l) Each Guarantor is a direct or indirect wholly owned Domestic Subsidiary of the Parent. Each Guarantor expressly represents and acknowledges that any financial accommodations by the Lender Group to any Borrower, including, without limitation, the extension of credit, are and will be of direct interest, benefit and advantage to such Guarantor.

(m) The Guarantors hereby agree, among themselves, that if any Guarantor shall become an Excess Funding Guarantor (as defined below) by reason of the payment by such Guarantor of any Obligations, each other Guarantor shall, on demand of such Excess Funding Guarantor (but subject to the next sentence), pay to such Excess Funding Guarantor an amount equal to such Guarantor's Pro Rata Share (as defined below and determined, for this purpose, without reference to the properties, debts and liabilities of such Excess Funding Guarantor) of the Excess Payment (as defined below) in respect of such Obligations. The payment obligation of a Guarantor to any Excess Funding

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Guarantor under this Section 3.1(m) shall be subordinate and subject in right of payment to the prior payment in full of the obligations of such Guarantor under the other provisions of this Guaranty, and such Excess Funding Guarantor shall not exercise any right or remedy with respect to such excess until payment and satisfaction in full of all such obligations. For purposes of this Section 3.1(m), (i) "Excess Funding Guarantor" shall mean, in respect of any Obligations, a Guarantor that has paid an amount in excess of its Pro Rata Share of such Obligations, (ii) "Excess Payment" shall mean, in respect of any Obligations, the amount paid by an Excess Funding Guarantor in excess of its Pro Rata Share of such Obligations and (iii) "Pro Rata Share" shall mean, for any Guarantor, the ratio (expressed as a percentage) of (x) the amount by which the aggregate present fair saleable value of all properties of such Guarantor (excluding any shares of stock of any other Guarantor) exceeds the amount of all the debts and liabilities of such Guarantor (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of such

Guarantor hereunder and any obligations of any other Subsidiary Guarantor that have been guaranteed by such Guarantor) to (y) the amount by which the aggregate fair saleable value of all properties of the Borrowers and all of the Guarantors exceeds the amount of all the debts and liabilities (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of the Borrowers and the Guarantors hereunder) of the Borrowers and all of the Guarantors, all as of the Agreement Date.

(n) Pursuant to Section 6.21 of this Agreement, any new Domestic Subsidiary (whether by creation or designation) is required to enter into this Agreement by executing and delivering to the Administrative Agent a Guaranty Supplement. Upon the execution and delivery of a Guaranty Supplement by such new Domestic Subsidiary, such Domestic Subsidiary shall become a Guarantor and Borrower Party hereunder with the same force and effect as if originally named as a Guarantor or Borrower Party herein. The execution and delivery of any Guaranty Supplement adding an additional Guarantor as a party to this Agreement shall not require the consent of any other party hereto. The rights and obligations of each party hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantor hereunder.

ARTICLE 4.

CONDITIONS PRECEDENT

Section 4.1 Conditions Precedent to Initial Advance. The obligations of the Lenders to undertake the Revolving Loan Commitments and to make the initial Advance hereunder, and the obligation of the Issuing Banks to issue (or arrange with a Foreign Issuer the issuance of) the initial Letter of Credit hereunder, are subject to the prior fulfillment of each of the following conditions:

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(a) The Administrative Agent shall have received each of the following, in form and substance satisfactory to the Administrative Agent and the other members of the Lender Group:

- (i) This duly executed Agreement;
- (ii) A duly executed Revolving Loan Note to the order of each Lender requesting a promissory note in the amount of such Lender's Revolving Commitment Ratio of the Revolving Loan Commitments;
- (iii) The Security Agreement, duly executed by each Borrower Party;
- (iv) The Intellectual Property Security Agreement, duly executed by each Borrower Party;
- (v) The Pledge Agreement First Amendment, duly executed by certain Borrower Parties;
- (vi) The Syndication Letter duly executed by the Borrowers;
- (vii) Amendments to the Mortgages delivered by the applicable Borrower Parties in connection with the Existing Credit Agreement, together with the delivery of: (x) endorsements to title policies issued in connection with the Existing Credit Agreement, as requested by the Administrative Agent and (y) local counsel opinions with respect to each Mortgage amendment;
- (viii) Duly executed landlord waiver agreements and bailee waiver agreements, as applicable, to the extent not previously delivered in connection with the Existing Credit Agreement, with respect to each Borrower Party's leased premises or goods in the possession of bailees, except as set forth on Schedule 4.1(a) (viii);
- (ix) A duly executed Licensor Consent Agreement with respect to each License Agreement, to the extent not previously delivered in connection with the Existing Credit Agreement;
- (x) Duly executed Account Control Agreements to the extent not previously delivered in connection with the Existing Credit Agreement;
- (xi) Duly executed Securities Account Control Agreements;

(xii) The legal opinion of King & Spalding LLP, counsel to the Borrower Parties, addressed to the Lender Group;

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(xiii) The duly executed Request for Advance for the initial Advance of the Revolving Loans;

(xiv) All Lien Acknowledgment Agreements duly executed by the applicable Approved Freight Handler, to the extent not previously delivered in connection with the Existing Credit Agreement;

(xv) With respect to each Borrower Party, a loan certificate signed by an Authorized Signatory of such Borrower Party in substantially the form of Exhibit L, including a certificate of incumbency with respect to each Authorized Signatory of such Borrower Party, together with appropriate attachments which shall include, without limitation, the following: (A) a copy of the certificate or articles of incorporation, certificate of limited partnership or certificate of organization of such Borrower Party certified to be true, complete and correct by the Secretary of State or applicable officer for the State of such Borrower Party's incorporation or organization, (B) a true, complete and correct copy of the bylaws, partnership agreement or limited liability company or operating agreement of such Borrower Party, (C) a true, complete and correct copy of the resolutions of the such Borrower Party authorizing the execution, delivery and performance by such Borrower Party of the Loan Documents and, with respect to the Borrowers, authorizing the borrowings hereunder, (D) certificates of good standing from each jurisdiction in which such Borrower Party does business except to the extent the failure to be so qualified would not reasonably be expected to have a Materially Adverse Effect, (E) copies of employment contracts for senior management level employees of such Borrower Party, and (F) copies of all shareholders or share purchase agreements, as applicable, relating to the Equity Interests of such Borrower Party;

(xvi) With respect to US Ben Sherman Holdco, a loan certificate signed by an Authorized Signatory of US Ben Sherman Holdco in substantially the form of Exhibit L, including a certificate of incumbency with respect to each Authorized Signatory of US Ben Sherman Holdco, together with appropriate attachments which shall include, without limitation, the following: (A) a copy of the charter documents of US Ben Sherman Holdco, certified to be true, complete and correct by the Secretary of State or applicable officer for the State of US Ben Sherman Holdco's incorporation or organization, (B) a true, complete and correct copy of the bylaws, partnership agreement or limited liability company or operating agreement of US Ben Sherman Holdco, (C) certificates of good standing from each jurisdiction in which US Ben Sherman Holdco does business except to the extent the failure to be so qualified would not reasonably be expected to have a Materially Adverse Effect; (D) copies of employment contracts for senior management level employees of US Ben Sherman Holdco, and (E) copies of all shareholders or share purchase agreements, as applicable, relating to the Equity Interests of US Ben Sherman Holdco;

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(xvii) A certificate of the Secretary or an Assistant Secretary of the Parent certifying that attached thereto is a true and complete copy of resolutions adopted by the Board of Directors of the Parent authorizing the execution, delivery and performance of the Acquisition Documents and the consummation of the transactions provided for therein;

(xviii) (A) Projected consolidated financial statements for the Parent and its Subsidiaries for the 2005 fiscal year, on a month-by-month basis, for each fiscal year thereafter until the Maturity Date on an annual basis and (B) monthly financial statements for the Parent and its Subsidiaries and the Target for the fiscal month of May 2004;

(xix) Copies of certificates of insurance and loss payable endorsements with respect to the Borrower Parties and certified copies of

all insurance policies of the Borrower Parties, in each case, meeting the requirements of Section 6.5;

(xx) Lien search results with respect to the Borrower Parties from all appropriate jurisdictions and filing offices satisfactory to the Administrative Agent;

(xxi) Evidence satisfactory to the Administrative Agent that the Liens granted pursuant to the Security Documents will be first priority perfected Liens on the Collateral (subject only to Permitted Liens);

(xxii) Payment of all fees and expenses payable to the Administrative Agent, the affiliates of the Administrative Agent and the Lenders in connection with the execution and delivery of this Agreement, including, without limitation, fees and expenses of counsel to the Administrative Agent; and

(xxiii) All such other documents as the Administrative Agent may reasonably request, certified by an appropriate governmental official or an Authorized Signatory if so requested.

(b) No event shall have occurred since May 30, 2003, which, in the reasonable business judgment of the Administrative Agent and the other members of the Lender Group, is reasonably likely to have a Materially Adverse Effect; and no event shall have occurred since June 30, 2003, which, in the reasonable business judgment of the Administrative Agent and the other members of the Lender Group, is reasonably likely to have a materially adverse effect upon the business, assets, liabilities, prospects, condition (financial or otherwise) or the results of operation of the Target and its Subsidiaries taken as a whole.

(c) The Administrative Agent shall have received evidence reasonably satisfactory to it that all Necessary Authorizations are in full force and effect and are not

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subject to any pending or threatened reversal or cancellation, and that no Default exists, after giving effect to the initial Advance hereunder, and the Administrative Agent and the other members of the Lender Group shall have received a certificate of an Authorized Signatory so stating.

(d) The Administrative Agent shall have received a flow of funds report in form and substance reasonably acceptable to it dated as of the Agreement Date and executed by the Administrative Borrower which report shall include a statement of all sources and uses of funds on the Agreement Date.

(e) The Administrative Agent shall have received, as applicable, and reviewed to its satisfaction the Borrowers' accounting and computer systems, pension agreements and obligations, union contracts negotiated in the preceding twelve (12) month period and customer profitability reports.

(f) The Administrative Agent shall have received and reviewed to its satisfaction, all License Agreements.

(g) The Administrative Agent shall have reviewed to its satisfaction the structure, terms and conditions of the Acquisition.

Section 4.2 Conditions Precedent to Each Advance. The obligation of the Lenders to make each Advance, including the initial Advance hereunder (but excluding Advances, the proceeds of which are to reimburse (i) the Swing Bank for Swing Loans or (ii) an Issuing Bank for amounts drawn under a Letter of Credit), is subject to the fulfillment of each of the following conditions immediately prior to or contemporaneously with such Advance:

(a) All of the representations and warranties of the Borrower Parties under this Agreement and the other Loan Documents, which, pursuant to Section 5.4, are made at and as of the time of such Advance, shall be true and correct at such time, both before and after giving effect to the application of the proceeds of such Advance, and the Administrative Agent shall have received a certificate (which may be a Request for Advance) to that effect signed by an Authorized Signatory of the Administrative Borrower and dated the date of such Advance or such Request for Advance;

(b) The incumbency of the Authorized Signatories of the Administrative Borrower shall be as stated in the certificate of incumbency contained in the certificate of the Administrative Borrower delivered pursuant to Section 4.1(a) or as subsequently modified and reflected in a certificate of incumbency delivered to the Administrative Agent and the Lenders;

(c) After giving effect to such Advance, the Aggregate Revolving Credit Obligations shall not exceed the Revolving Loan Commitments;

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(d) There shall not exist on the date of such Advance and after giving effect to the application of the proceeds of such Advance, a Default or an Event of Default and the Administrative Agent shall have received a certificate (which may be a Request for Advance) to that effect signed by an Authorized Signatory of the Administrative Borrower and dated the date of such Advance; and

(e) The Administrative Agent and the Lenders shall have received all such other certificates, reports, statements, opinions of counsel, or other documents as the Administrative Agent or Lenders may reasonably request and all other conditions to the making of such Advance which are set forth in this Agreement shall have been fulfilled.

The Borrowers hereby agree that the delivery of any Request for Advance hereunder shall be deemed to be the certification of the Authorized Signatory of the Administrative Borrower thereof, on behalf of the Borrowers, that there does not exist, on the date of the making of the Advance and after giving effect thereto, a Default or an Event of Default hereunder and that all of the other conditions set forth in this Section 4.2 have been satisfied. Notwithstanding the foregoing, if the conditions, or any of them, set forth above are not satisfied, such conditions may be waived by the requisite Lenders under Section 11.12.

Section 4.3 Conditions Precedent to Each Letter of Credit. The obligation of the Issuing Banks to issue (or arrange with a Foreign Issuer the issuance of) each Letter of Credit (including the initial Letter of Credit), to increase the stated amount of any existing Letter of Credit or to extend the expiration date of any existing Letter of Credit hereunder is subject to the fulfillment of each of the following conditions immediately prior to or contemporaneously with the issuance of such Letter of Credit:

(a) All of the representations and warranties of the Borrower Parties under this Agreement and the other Loan Documents, which, pursuant to Section 5.4, are made at and as of the time of the issuance of (or amendment to) such Letter of Credit, shall be true and correct at such time, both before and after giving effect to the issuance of such Letter of Credit, and the Administrative Agent shall have received a certificate (which may be a Request for Issuance of Letter of Credit) to that effect signed by an Authorized signatory of the Administrative Borrower and dated the date of the issuance of such Letter of Credit or such Request for Issuance of Letter of Credit;

(b) The incumbency of the Authorized Signatories of the Administrative Borrower shall be as stated in the certificate of incumbency contained in the certificate of the Administrative Borrower delivered pursuant to Section 4.1(a) or as subsequently modified and reflected in a certificate of incumbency delivered to the Administrative Agent and the Lenders;

(c) After giving effect to the issuance of (or amendment to) a Letter of Credit, the Available Letter of Credit Amount shall not have been exceeded;

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(d) There shall not exist on the date of issuance of (or amendment to) such Letter of Credit, and after giving effect thereto, a Default or an Event of Default, and the Administrative Agent shall have received a certificate (which may be a Request for Issuance of Letter of Credit) to that effect signed by an Authorized Signatory of the Administrative Borrower and dated the date of the issuance of (or amendment to) such Letter of Credit; and

(e) The Administrative Agent and the applicable Issuing Bank shall have received all such other certificates, reports, statements, opinions of counsel, or other documents as the Administrative Agent or such Issuing Bank may reasonably request and all other conditions to the issuance of (or amendment to)

such Letter of Credit which are set forth in this Agreement shall have been fulfilled.

The Borrower hereby agrees that the delivery of any Request for Issuance of a Letter of Credit hereunder shall be deemed to be the certification of the Authorized Signatory thereof that there does not exist, on the date of issuance of (or amendment to) the Letter of Credit and after giving effect thereto, a Default or an Event of Default hereunder and that all of the conditions set forth in Section 4.3 have been satisfied. Notwithstanding the foregoing, if the conditions, or any of them, set forth above are not satisfied, such conditions may be waived by the requisite Lenders under Section 11.12.

Section 4.4 Post Closing Covenants. On or before the applicable date specified below, the Borrowers shall perform or cause to be performed the following (the failure by the Borrowers to so perform or cause to be performed any such item constituting an Event of Default hereunder):

(a) On or before the earlier of August 13, 2004 or the date the Acquisition is consummated, the Administrative Agent shall have received each of the following, in form and substance satisfactory to the Administrative Agent:

(i) With respect to the Target: (A) a certified copy of the certificate of incorporation, memorandum and articles of association of the Target, (B) a certified copy of the resolutions of the Target issued in connection with the Acquisition; (C) if applicable, a certificate of good standing in England and Wales from the Registrar of Companies of England and Wales and; (D) copies of employment contracts for senior management level employees of the Target;

(ii) A copy of the executed Acquisition Agreement, together with all exhibits and schedules thereto, accompanied by the certificate of a senior officer of the Parent as to the consummation of the transactions contemplated by the Acquisition Agreement;

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(iii) A copy of the other executed Acquisition Documents and such other documents executed in connection with the Acquisition as shall be requested by the Administrative Agent;

(iv) A copy of the executed UK Credit Facility Documents;

(v) A certificate executed by an Authorized Signatory of the Parent regarding the solvency and financial condition of the Borrower Parties, together with a pro forma balance sheet giving effect to the Acquisition and the incurrence of the Advances and the issuance of the Letters of Credit, if any, on the Agreement Date; and

(vi) A certificate executed by the chief financial officer of the Administrative Borrower, together with calculations, evidencing that (A) EBITDA of the Parent and its Subsidiaries for the 12-month period ending with the May 2004 fiscal month on a consolidated basis calculated on a Pro Forma Basis (after giving effect to the Acquisition) is not less than \$120,000,000; (B) as of the last day of the May 2004 fiscal month, the Total Debt to EBITDA Ratio calculated on a Pro Forma Basis (after giving effect to the Acquisition) is not greater than 3.75 to 1.00; and (C) as of the last day of the May 2004 fiscal month, the Total Senior Debt to EBITDA Ratio is not greater than 2.00 to 1.00.

(b) On or before August 13, 2004, the Administrative Agent shall have received evidence that the Acquisition was consummated on the terms set forth in the Acquisition Documents and otherwise on terms satisfactory to the Administrative Agent.

(c) Within thirty (30) days following the Agreement Date, the Borrower Parties shall use commercially reasonable efforts to deliver to the Administrative Agent landlord waiver agreements for the locations set forth on Schedule 4.1(a) (viii).

(d) Within thirty (30) days following the Agreement Date or such later date as shall be acceptable to the Administrative Agent, the Borrower Parties shall deliver to the Administrative Agent updated stock certificates and stock powers, in form and substance satisfactory to the Administrative Agent, with respect to the Equity Interests of each Subsidiary referenced on Schedule 1 to

the Pledge Agreement that includes a notation that the stock certificates with respect thereto are to be replaced after the Agreement Date.

ARTICLE 5.

REPRESENTATIONS AND WARRANTIES

Section 5.1 General Representations and Warranties. In order to induce the Lender Group to enter into this Agreement and to extend the Loans and issue the Letters of Credit to the Borrowers, each Borrower Party hereby represents, and warrants that:

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(a) Organization; Power; Qualification. Each Borrower Party and each Subsidiary of a Borrower Party, as applicable (i) is a corporation or other legal entity duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation or organization, (ii) has the corporate or other company power and authority to own or lease and operate its properties and to carry on its business as now being and hereafter proposed to be conducted, and (iii) is duly qualified and is in good standing as a foreign corporation or other company, and authorized to do business, in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization except where the failure to be so qualified would not reasonably be expected to have a Materially Adverse Effect.

(b) Authorization; Enforceability. Each Borrower Party has the power and has taken all necessary action, corporate or otherwise to authorize it to execute, deliver, and perform this Agreement and each of the other Loan Documents to which it is a party in accordance with the terms thereof and to consummate the transactions contemplated hereby and thereby. Each of this Agreement and each other Loan Document to which a Borrower Party is a party has been duly executed and delivered by such Borrower Party, and (except for Requests for Advance, Requests for Issuance of Letters of Credit, Notices of Conversion/Continuation, and Uniform Commercial Code financing statements solely to the extent they do not contain any affirmative obligations of the Borrower Parties) is a legal, valid and binding obligation of such Borrower Party, enforceable in accordance with its terms except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditor's rights generally or by general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

(c) Partnerships; Joint Ventures; Subsidiaries. Except as disclosed to the Administrative Agent in writing in connection with any investment made pursuant to Section 8.5 or 8.7, no Borrower Party or any Subsidiary of a Borrower Party is a partner or joint venturer in any partnership or joint venture other than (i) the Subsidiaries listed on Schedule 5.1(c)-1 (and identified on such schedule as a Domestic Subsidiary or Foreign Subsidiaries) and (ii) the partnerships and joint ventures (that are not Subsidiaries) listed on Schedule 5.1(c)-2. Schedule 5.1(c)-1 and Schedule 5.1(c)-2 set forth, for each entity identified thereon, a complete and accurate statement of (A) the percentage ownership of each entity by the applicable Borrower Party, (B) the state or other jurisdiction of incorporation or organization, as appropriate, of each such entity, (C) each state in which each entity is qualified to do business as of the Agreement Date and (D) all names, trade names, trade styles or doing business forms which such entity has used or under which such entity has transacted business during the five (5) year period immediately preceding the Agreement Date. Except as set forth on Schedule 5.1(c)-1 and Schedule 5.1(d) attached hereto or as disclosed to the Administrative Agent in writing as set forth above, no Borrower Party has any Subsidiaries.

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(d) Capital Stock and Related Matters. The authorized Equity Interests as of the Agreement Date of each Borrower Party and its Subsidiaries and the number of shares of such Equity Interests that are issued and outstanding as of the Agreement Date are as set forth on Schedule 5.1(d). All of the shares of such Equity Interests that are issued and outstanding as of the Agreement Date are fully paid and non-assessable. As of the Agreement Date, the Equity Interests of each such Borrower Party and its Subsidiaries (other than the Parent) are owned by the Persons listed on Schedule 5.1(d) in the amounts set

forth on such schedule. A description of such Equity Interests held by such Persons is listed on Schedule 5.1(d). Except as described on Schedule 5.1(d), no Borrower Party or Subsidiary of a Borrower Party has outstanding any stock or securities convertible into or exchangeable for any shares of its Equity Interests, nor are there any preemptive or similar rights to subscribe for or to purchase, or any other rights to subscribe for or to purchase, or any options for the purchase of, or any agreements providing for the issuance (contingent or otherwise) of, or any calls, commitments, or claims of any character relating to, any Equity Interests or any stock or securities convertible into or exchangeable for any Equity Interests. Except as set forth on Schedule 5.1(d), no Borrower Party or Subsidiary of a Borrower Party is subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any shares of its Equity Interests or to register any shares of its Equity Interests, and there are no agreements restricting the transfer of any shares of such Borrower Party's or such Subsidiary's Equity Interests.

(e) Compliance of the Loan Documents with Laws, Other Loan Documents, and Contemplated Transactions The execution, delivery, and performance of this Agreement and each of the other Loan Documents in accordance with their respective terms and the consummation of the transactions contemplated hereby and thereby do not and will not (i) violate any Applicable Law, (ii) conflict with, result in a breach of, or constitute a default under the certificate of incorporation or by-laws of any Borrower Party or under any indenture, agreement, or other instrument to which any Borrower Party is a party or by which any Borrower Party or any of its properties may be bound, or (iii) result in or require the creation or imposition of any Lien upon or with any Borrower Party except Permitted Liens.

(f) Necessary Authorizations. Each Borrower Party and each Subsidiary of a Borrower Party has obtained all Necessary Authorizations, and all such Necessary Authorizations are in full force and effect. None of such Necessary Authorizations is the subject of any pending or, to the best of each Borrower Party's or such Subsidiary's knowledge, threatened attack or revocation, by the grantor of the Necessary Authorization.

(g) Title to Properties. Each Borrower Party and each Subsidiary of a Borrower Party has good, marketable, and legal title to, or a valid leasehold interest in, all of its properties and assets, and none of such properties or assets is subject to any Liens (other than Permitted Liens).

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(h) Material Contracts; Labor Matters. Schedule 5.1(h) contains a complete list, as of the date of this Agreement, of each contract or agreement to which any Borrower Party or Subsidiary of a Borrower Party is a party which, if terminated, would reasonably be likely to result in a Materially Adverse Effect. Schedule 5.1(h) further identifies, as of the Agreement Date, each material contract which requires consent to the granting of a Lien in favor of the Administrative Agent on the rights of any Borrower Party thereunder. Except as disclosed to the Administrative Agent and the Lenders in writing from time to time, no Borrower Party or Subsidiary of a Borrower Party is in default under or with respect to any contract to which it is a party or by which it or any of its properties are bound that, if terminated, would reasonably be likely to result in a Materially Adverse Effect. Except as disclosed on Schedule 5.1(h): (A) no labor contract to which any Borrower Party is a party or is otherwise subject is scheduled to expire prior to the Maturity Date; (B) no Borrower Party has, within the two-year (2) period preceding the Agreement Date, taken any action which would have constituted or resulted in a "plant closing" or "mass layoff" within the meaning of the Federal Worker Adjustment and Retraining Notification Act of 1988 or any similar applicable federal, state or local law (to the extent any such law would restrict such action taken given the location of the applicable Borrower Party's operations or otherwise), and no Borrower Party has any reasonable expectation that any such action is or will be required at any time prior to the Maturity Date; (C) no Borrower Party is a party to any labor dispute (other than disputes arising in the ordinary course of business, including, without limitation, disputes with such Borrower Party's employees as individuals and not affecting such Borrower Party's relations with any labor group or its workforce as a whole), and (D) there are no pending or, to each Borrower Party's knowledge, threatened strikes or walkouts relating to any labor contracts to which any Borrower Party is a party or is otherwise subject that could reasonably be expected to have a Materially Adverse Effect. Except as set forth on Schedule 5.1(h), none of the employees of any Borrower Party or Subsidiary of a Borrower Party is a party to any collective bargaining agreement with such Borrower Party or such Subsidiary, as applicable.

(i) Taxes. Except as set forth on Schedule 5.1(i), all federal, state, and other tax returns of each Borrower Party and each Subsidiary of Borrower Party required by law to be filed have been duly filed, and all federal, state, and other taxes (including without limitation, all real estate and personal property, income, franchise, transfer and gains taxes), all general or special assessments, and other governmental charges or levies upon each Borrower Party and each Subsidiary of a Borrower Party and any of their respective properties, income, profits, and assets, which are due and payable, have been paid, except any payment of any of the foregoing which such Borrower Party or Subsidiary, as applicable, is currently contesting in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of such Borrower Party or such Subsidiary, as the case may be. The charges, accruals, and reserves on the books of the Borrower Parties and Subsidiaries of the Borrower Parties in respect of taxes are, in the reasonable judgment of the Borrower Parties, adequate. Except as set forth on Schedule 5.1(i), no Borrower Party or any

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Subsidiary of a Borrower Party is currently under audit by the Internal Revenue Service or any other taxing authority.

(j) Financial Statements. The Borrower Parties have furnished, or caused to be furnished, to the Lenders the audited consolidated financial statements of the Parent and its Subsidiaries and the financial statements of the Target which are complete and correct in all material respects and present fairly in accordance with GAAP the respective financial positions of the Parent and its Subsidiaries as of May 30, 2003 and of the Target as of June 30, 2003, and the respective results of operations of the Parent and its Subsidiaries and of the Target for the periods then ended. The Borrower Parties have furnished, or caused to be furnished, to the Lenders the unaudited consolidated financial statements of the Parent and its Subsidiaries and the financial statements of the Target for the May 2004 fiscal month which are complete and correct in all material respects and present fairly in accordance with GAAP, subject to normal year end adjustments, the respective financial positions of the Parent and its Subsidiaries as of the last day of the May 2004 fiscal month and of the Target as of the last day of the May 2004 fiscal month, and the respective results of operations of the Parent and its Subsidiaries and of the Target for the periods then ended.

(k) No Adverse Change. Since May 30, 2003, there has occurred no event which could reasonably be expected to have a Materially Adverse Effect. Since June 30, 2003, there has occurred no event which could reasonably be expected to have a materially adverse effect upon the business, assets, liabilities, prospects, condition (financial or otherwise) or the results of operation of the Target and its Subsidiaries, taken as a whole.

(l) Investments and Guaranties. As of the Agreement Date, no Borrower Party or Subsidiary of a Borrower Party owns any Equity Interests of, or has outstanding loans or advances to, or guaranties of the obligations of, any Person, except as reflected in the financial statements referred to in Section 5.1(j) or disclosed on Schedules 5.1(c)-1, 5.1(d) or 5.1(l).

(m) Liabilities, Litigation, etc. As of the Agreement Date, except for liabilities incurred in the normal course of business, no Borrower Party or Subsidiary of a Borrower Party has any material (individually or in the aggregate) liabilities, direct or contingent, except as disclosed or referred to in the financial statements referred to in Section 5.1(j), the Obligations and the Senior Notes Debt. As of the Agreement Date, except as described on Schedules 5.1(m) and 5.1(x), there is no litigation, legal or administrative proceeding, investigation, or other action of any nature pending or, to the knowledge of the Borrower Parties, threatened against or affecting any Borrower Party or any Subsidiary of a Borrower Party or any of their respective properties which could reasonably be expected to result in any judgment against or liability of such Borrower Party or Subsidiary of a Borrower Party in excess of \$7,500,000, individually and in the aggregate with respect to all Borrower Parties and their Subsidiaries, or the loss of any

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certification or license material to the operation of such Borrower Party's or Subsidiary's business. None of such litigation disclosed on Schedules 5.1(m) and

5.1(x), individually or collectively, could reasonably be expected to have a Materially Adverse Effect.

(n) ERISA. Each Borrower Party and each Plan are in compliance in all material respects with ERISA and the Code, and no Borrower Party nor any of its ERISA Affiliates incurred any accumulated funding deficiency within the meaning of Section 302 of ERISA or Section 412 of the Code with respect to any such Plan that is subject to the minimum funding requirements of Section 302 of ERISA or Section 412 of the Code. Each Borrower Party and each of its ERISA Affiliates have complied with all material requirements of Sections 601 through 608 of ERISA and Section 4980B of the Code. No Borrower Party has made any promises of retirement or other benefits to employees, except as set forth in the Plans. No Borrower Party has incurred any material liability to the PBGC in connection with any such Plan. No Reportable Event has occurred and is continuing with respect to any such Plan. No such Plan or trust created thereunder, or party in interest (as defined in Section 3(14) of ERISA, or any fiduciary (as defined in Section 3(21) of ERISA), has engaged in a non-exempt "prohibited transaction" (as such term is defined in Section 406 of ERISA or Section 4975 of the Code) which would subject any Borrower Party to any material penalty or tax on "prohibited transactions" imposed by Section 502 of ERISA or Section 4975 of the Code. No Borrower Party or any ERISA Affiliate is a participant in or is obligated to make any payment to a Multiemployer Plan.

(o) Intellectual Property; Licenses; Certifications. As of the Agreement Date, except as set forth on Schedule 5.1(o), no Borrower Party or Subsidiary of a Borrower Party owns any registered patents, trademarks or service marks, and has no pending registration applications with respect to any of the foregoing. As of the Agreement Date, no other patents, trademarks or service marks are necessary for the operation of the business of the Borrower Parties and their Subsidiaries. As of the Agreement Date, to the knowledge of the Borrower Parties, Schedule 5.1(o) sets forth all copyrights of the Borrower Parties and their Subsidiaries that have been registered on or after June 13, 2003 and any pending copyright registration applications. As of the Agreement Date, to the knowledge of the Borrower Parties, no other copyrights are necessary for the operation of the business of the Borrower Parties and their Subsidiaries. Each Borrower Party and each Subsidiary of a Borrower Party has all material licenses and certifications necessary for the operation of such Borrower Party's or such Subsidiary's business.

(p) Compliance with Law; Absence of Default. Each Borrower Party and each Subsidiary of a Borrower Party is in material compliance with all Applicable Laws and with all of the provisions of its certificate or articles of incorporation or formation, by-laws or other governing documents. No event has occurred or has failed to occur which has not been remedied or waived, the occurrence or non-occurrence of which constitutes (i) a Default, (ii) a default by such Borrower Party under the Senior Notes Documents, or (iii) except with respect to indebtedness in an aggregate principal amount

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equal to or less than \$5,000,000, a default under any other indenture, agreement, or other instrument, or any judgment, decree, or order to which such Borrower Party or such Subsidiary is a party or by which such Borrower Party or such Subsidiary or any of their respective properties may be bound.

(q) Casualties; Taking of Properties, etc. Since May 31, 2003, neither the business nor the properties of the Borrower Parties, their Subsidiaries, or the Target has been materially and adversely affected as a result of any fire, explosion, earthquake, flood, drought, windstorm, accident, strike or other labor disturbance, embargo, requisition or taking of property or cancellation of contracts, permits or concessions by any domestic or foreign government or any agency thereof, riot, activities of armed forces, or acts of God or of any public enemy.

(r) Accuracy and Completeness of Information. All written information, reports, other papers and data relating to the Borrower Parties furnished by or at the direction of the Borrower Parties to the Lender Group (other than projections, estimates and forecasts) were, at the time furnished, complete and correct in all material respects. With respect to projections, estimates and forecasts given to the Lender Group, such projections, estimates and forecasts are based on the Borrower Parties' good faith assessment of the future of the business at the time made. The Borrower Parties had a reasonable basis for such assessment at the time made.

(s) Compliance with Regulations T, U and X. No Borrower Party or Subsidiary of a Borrower Party is engaged principally in or has as one of its important activities in the business of extending credit for the purpose of purchasing or carrying, and no Borrower Party or Subsidiary of a Borrower Party owns or presently intends to acquire, any "margin security" or "margin stock" as defined in Regulations T, U and X of the Board of Governors of the Federal Reserve System (herein called "margin stock"). None of the proceeds of the Loans will be used, directly or indirectly, for the purpose of purchasing or carrying any margin stock or for the purpose of reducing or retiring any Indebtedness which was originally incurred to purchase or carry margin stock or for any other purpose which might constitute this transaction a "purpose credit" within the meaning of said Regulations T, U and X. If so requested by the Administrative Agent, the Borrower Parties or their Subsidiaries, as applicable, will furnish the Administrative Agent with (i) a statement or statements in conformity with the requirements of Federal Reserve Form U-1 referred to in Regulation U of said Board of Governors and (ii) other documents evidencing its compliance with the margin regulations reasonably requested by the Administrative Agent. Neither the making of the Loans nor the use of proceeds thereof will violate the provisions of Regulation T, U or X of said Board of Governors.

(t) Solvency. As of the Agreement Date and after giving effect to the transactions contemplated by the Acquisition Documents, the Acquisition, and the transactions contemplated by the Loan Documents (i) the property of each Borrower Party, at a fair valuation on a going concern basis, will exceed its debt; (ii) the capital of

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each Borrower Party will not be unreasonably small to conduct its business; and (iii) no Borrower Party will have incurred debts, or have intended to incur debts, beyond its ability to pay such debts as they mature. For purposes of this Section, "debt" means any liability on a claim, and "claim" means (A) the right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, undisputed, legal, equitable, secured or unsecured, or (B) the right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, undisputed, secured or unsecured.

(u) Insurance. The Borrower Parties and their Subsidiaries have insurance meeting the requirements of Section 6.5, and such insurance policies are in full force and effect. As of the Agreement Date, all material insurance policies and insurance coverages maintained by the Borrower Parties and their Subsidiaries are described on Schedule 5.1(u).

(v) Broker's or Finder's Commissions. Except as set forth on Schedule 5.1(v), no broker's or finder's fee or commission will be payable with respect to the execution and delivery of this Agreement and the other Loan Documents, and no other similar fees or commissions will be payable by the Borrower Parties for any other services rendered to the Borrower Parties ancillary to the credit transactions contemplated herein.

(w) Real Property. All real property leased by each Borrower Party and each Subsidiary of a Borrower Party as of the Agreement Date, and the name of the lessor of such real property, is set forth in Schedule 5.1(w)-1. The leases of each Borrower Party and each Subsidiary of a Borrower Party, as applicable, are valid, enforceable and in full force and effect, and have not been modified or amended, except as otherwise set forth in Schedule 5.1(w)-1. The Borrower Parties and their Subsidiaries, as applicable, are the sole holders of the lessee's interests under such leases. No Borrower Party or a Subsidiary of a Borrower Party has made any pledge, mortgage, assignment or sublease of any of its rights under such leases except pursuant to the Loan Documents and as set forth in Schedule 5.1(w)-1 and, there is no default or condition which, with the passage of time or the giving of notice, or both, would constitute a material default on the part of any party under such leases and the Borrower Parties and their Subsidiaries, as applicable, have paid all rents and other charges due and payable under such leases. All real property owned by each Borrower Party and each Subsidiary of a Borrower Party as of the Agreement Date is set forth in Schedule 5.1(w)-2. As of the Agreement Date, no Borrower Party or Subsidiary of a Borrower Party owns, leases or uses any real property other than as set forth on Schedule 5.1(w). Each Borrower Party and each Subsidiary of a Borrower Party, as applicable, owns good and marketable fee simple title to all of its owned real property, and none of its owned real property is subject to any Liens, except Permitted Liens. No Borrower Party or Subsidiary of a Borrower Party,

owns or holds, or is obligated under or a party to, any option, right of first refusal or any other

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contractual right to purchase, acquire, sell, assign or dispose of any real property owned or leased by it.

(x) Environmental Matters.

(i) Except as is described on Schedule 5.1(x) - 1, none of the Properties contains, in, on or under, including, without limitation, the soil and groundwater thereunder, any Hazardous Materials in violation of Environmental Laws or in amounts that could give rise to any material liability under Environmental Laws.

(ii) Except as is described on Schedule 5.1(x) - 2, each Borrower Party and each Subsidiary of a Borrower Party is in compliance with all applicable Environmental Laws and there is no violation of any Environmental Law or contamination which could materially interfere with the continued operation of any of the Properties or impair the financial condition of any Borrower Party or Subsidiary of a Borrower Party.

(iii) Except as is described on Schedule 5.1(x) -3, no Borrower Party or Subsidiary of a Borrower Party has received from any Governmental Authority any complaint, or notice of violation, alleged violation, investigation or advisory action or notice of potential liability regarding matters of environmental protection or permit compliance under applicable Environmental Laws with regard to the Properties, nor is any Borrower Party aware that any such notice is pending.

(iv) Except as is described on Schedule 5.1(x) - 4, Hazardous Materials have not been generated, treated, stored, disposed of, at, on or under any of the Property in violation of any Environmental Laws or in a manner that could give rise to any liability under Environmental Laws nor have any Hazardous Materials been transported or disposed of from any of the Properties to any other location in violation of any Environmental Laws or in a manner that could give rise to liability under Environmental Laws. Except as disclosed on Schedule 5.1x-4 no Borrower Party or any Subsidiary of a Borrower Party has permitted or will permit any tenant or occupant of the Properties to engage in any activity that could impose material liability under the Environmental Laws on such tenant or occupant, any Borrower Party or any Subsidiary of a Borrower Party or any other owner of any of the Properties.

(v) Except as is described on Schedule 5.1(x) - 5, no Borrower Party is, and no Subsidiary of a Borrower Party is, a party to any governmental administrative actions or judicial proceedings pending under any Environmental Law with respect to any of the Properties, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other

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administrative or judicial requirements outstanding under any Environmental Law with respect to any of the Properties.

(vi) Except as is described on Schedule 5.1(x) - 6, there has been no release or threat of release of Hazardous Materials into the environment at or from any of the Properties, or arising from or relating to the operations of the Borrower Parties or their Subsidiaries, in material violation of Environmental Laws or in amounts that could give rise to any material liability under Environmental Laws.

(vii) None of the matters disclosed on Schedules 5 (x) - 1 through 6 is reasonably likely to result in liability to the Borrower Parties and their Subsidiaries in excess of \$7,500,000 in the aggregate.

(y) OSHA. All of the Borrower Parties' operations are conducted in substantial compliance with all material and applicable rules and regulations promulgated by the Occupational Safety and Health Administration of the United States Department of Labor.

(z) Names of Borrowers. No Borrower Party or Subsidiary of a Borrower Party has changed its name within the five (5) years preceding the Agreement Date, nor has any Borrower Party or Subsidiary of a Borrower Party transacted business under any other name or trade name.

(aa) Investment Company Act; Public Utility Holding Company Act. No Borrower Party is required to register under the provisions of the Investment Company Act of 1940, as amended, and neither the entering into or performance by the Borrower Parties of this Agreement nor the issuance of any Revolving Loan Notes violates any provision of such Act or requires any consent, approval, or authorization of, or registration with, any governmental or public body or authority pursuant to any of the provisions of such Act. No Borrower Party is a "holding company" or a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", as such terms are defined in the Public Utility Holding Company Act of 1935, as amended.

(bb) Senior Debt Status; Permitted Debt and Permitted Lien Status. The Obligations as and when incurred shall constitute senior Indebtedness of each Borrower Party with respect to any Indebtedness of such Borrower Party that is subordinate to the Obligations, including, without limitation, Indebtedness of the Parent under the Viewpoint Earnout Agreement. The Obligations as and when incurred shall constitute permitted Indebtedness (as defined in the Indenture) under the Senior Notes Documents, and all Liens granted to the Administrative Agent under the Loan Documents shall constitute Permitted Liens (as defined in the Indenture) under the Senior Notes Documents.

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(cc) Holding Company Status. US Ben Sherman Holdco does not (x) have any material liabilities other than intercompany Indebtedness permitted hereunder or (y) own any material assets or engage in any material activity or business other than its ownership of the Equity Interests of Oxford Industries (UK 1) and the intercompany Indebtedness permitted hereunder that is owed to it.

Section 5.2 Representations and Warranties Relating to Accounts. With respect to all Accounts of each Borrower Party, such Borrower Party hereby warrants and represents to the Lender Group that such Accounts are bona fide existing payment obligations of Account Debtors created by the sale and delivery of Inventory or the rendition of services to such Account Debtors in the ordinary course of such Borrower Party's business.

Section 5.3 [RESERVED]

Section 5.4 Survival of Representations and Warranties, etc. All representations and warranties made under this Agreement and the other Loan Documents shall be deemed to be made, and shall be true and correct, at and as of the Agreement Date (after giving effect to the Acquisition) and the date of each Advance or issuance of (or amendment to) a Letter of Credit hereunder, except to the extent previously fulfilled in accordance with the terms of this Agreement or the other Loan Documents and to the extent subsequently inapplicable. All representations and warranties made under this Agreement and the other Loan Documents shall survive, and not be waived by, the execution of this Agreement or the other Loan Documents by the Lender Group or any of them, any investigation or inquiry by any member of the Lender Group, or the making of any Advance or the issuance of (or amendment to) any Letter of Credit under this Agreement.

ARTICLE 6.

GENERAL COVENANTS

So long as any of the Obligations are outstanding and unpaid or the Borrowers shall have the right to borrow, or have Letters of Credit issued, hereunder (whether or not the conditions to borrowing have been or can be fulfilled), and unless the Majority Lenders shall otherwise give their prior consent in writing:

Section 6.1 Preservation of Existence and Similar Matters. Each Borrower Party will, and will cause its Subsidiaries to, (i) except as expressly permitted under Section 8.7, preserve and maintain its existence, rights, franchises, licenses, and privileges in its jurisdiction of incorporation or organization including, without limitation, all Necessary Authorizations, and (ii) qualify and remain qualified and authorized to do business in each

jurisdiction in which the character of its properties or the nature of their respective business requires such qualification or authorization except where the failure to be so qualified would not reasonably be expected to have a Materially Adverse Effect.

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Section 6.2 Compliance with Applicable Law. Each Borrower Party will, and will cause its Subsidiaries to, comply, in all material respects, with the requirements of all Applicable Law.

Section 6.3 Maintenance of Properties. Each Borrower Party will, and will cause its Subsidiaries to, maintain or cause to be maintained in the ordinary course of business in good repair, working order, and condition, normal wear and tear and disposal of obsolete equipment excepted, all properties used or useful in its business (whether owned or held under lease), and from time to time make or cause to be made all needed and appropriate repairs, renewals, replacements, additions, betterments, and improvements thereto.

Section 6.4 Accounting Methods and Financial Records. Each Borrower Party will, and will cause its Subsidiaries to, maintain a system of accounting established and administered in accordance with GAAP, and will keep adequate records and books of account in which complete entries will be made in accordance with such accounting principles consistently applied and reflecting all transactions required to be reflected by such accounting principles.

Section 6.5 Insurance. Each Borrower Party will, and will cause its Subsidiaries to, maintain insurance including, but not limited to, public liability, property insurance, comprehensive general liability, product liability, business interruption and fidelity coverage insurance, in such amounts and against such risks as would be customary for companies in the same industry and of comparable size as the Borrower Parties and their Subsidiaries from financially sound and reputable insurance companies having and maintaining an A.M. Best rating of "A minus" or better and being in a size category of VI or larger or otherwise acceptable to the Administrative Agent. In addition to the foregoing, each Borrower Party further agrees to maintain and pay for insurance upon all goods constituting Collateral wherever located, in storage or in transit in vehicles, vessels or aircraft, including goods evidenced by documents, covering casualty, hazard, public liability and such other risks and in such amounts as would be customary for companies in the same industry and of comparable size as the Borrower Parties, from responsible companies having and maintaining an A.M. Best rating of "A minus" or better and being in a size category of VI or larger or otherwise acceptable to the Administrative Agent to insure the Lenders' interest in such Collateral. All such property insurance policies of the Borrower Parties shall name the Administrative Agent as loss payee and all liability insurance policies shall name the Administrative Agent as additional insured. Each Borrower Party shall deliver the original certificates of insurance evidencing that the required insurance is in force together with satisfactory lender's loss payable and additional insured, as applicable, endorsements. Each policy of insurance or endorsement shall contain a clause requiring the insurer to give not less than thirty (30) days' prior written notice to the Administrative Agent in the event of cancellation or modification of the policy for any reason whatsoever and a clause that the interest of the Administrative Agent shall not be impaired or invalidated by any act or

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neglect of any Borrower Party or owner of the Collateral nor by the occupation of the premises for purposes more hazardous than are permitted by said policy. If any Borrower Party fails to provide and pay for such insurance, the Administrative Agent may, at the Borrowers' expense, procure the same, but shall not be required to do so. Each Borrower Party agrees to deliver to the Administrative Agent, promptly as rendered, true copies of all reports made in any reporting forms to insurance companies.

Section 6.6 Payment of Taxes and Claims. Each Borrower Party will, and will cause its Subsidiaries to, pay and discharge all taxes, assessments, and governmental charges or levies imposed upon it or its income or profit or upon any properties belonging to it prior to the date on which penalties attach thereto, and all lawful claims for labor, materials and supplies which have become due and payable and which by law have or may become a Lien upon any of its Property; except that, no such tax, assessment, charge, levy, or claim need

be paid which is being contested in good faith by appropriate proceedings and for which adequate reserves shall have been set aside on the appropriate books, but only so long as such tax, assessment, charge, levy, or claim does not become a Lien or charge other than a Permitted Lien and no foreclosure, distraint, sale, or similar proceedings shall have been commenced and remain unstayed for a period thirty (30) days after such commencement. Each Borrower Party shall, and shall cause its Subsidiaries to, timely file all information returns required by federal, state, or local tax authorities.

Section 6.7 Visits and Inspections. Each Borrower Party will, and will cause its Subsidiaries to, permit representatives of the Administrative Agent to (a) visit and inspect the properties of the Borrower Parties and their Subsidiaries, as applicable, during normal business hours, (b) inspect and make extracts from and copies of the Borrower Parties' and such Subsidiaries' books and records, as applicable, and (c) discuss with the Borrower Parties' and such Subsidiaries' respective principal officers, as applicable, the Borrower Parties' or such Subsidiaries' businesses, assets, liabilities, financial positions, results of operations, and business prospects relating to the Borrower Parties or such Subsidiaries, as applicable. Any other member of the Lender Group may, at its expense, accompany the Administrative Agent on any regularly scheduled visit (or during the continuance of a Default any visit regardless of whether it is regularly scheduled) to the Borrower Parties' and their Subsidiaries' properties.

Section 6.8 Conduct of Business. Each Borrower Party shall, and shall cause its Subsidiaries to, continue to engage in business of the same general type as now conducted by it.

Section 6.9 ERISA. Each Borrower Party shall at all times make, or cause to be made, prompt payment of contributions required to meet the minimum funding standards set forth in Section 302 of ERISA and Section 412 of the Code with respect to each Borrower Party's and its ERISA Affiliates' Plans that are subject to such funding requirements; furnish to the Administrative Agent, promptly upon the Administrative

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Agent's request therefor, copies of any annual report required to be filed pursuant to ERISA in connection with each such Plan of each Borrower Party and its ERISA Affiliates; notify the Administrative Agent as soon as practicable of any Reportable Event and of any additional act or condition arising in connection with any such Plan which a Borrower Party believes might constitute grounds for the termination thereof by the PBGC or for the appointment by the appropriate United States District Court of a trustee to administer such Plan; and furnish to the Administrative Agent, promptly upon the Administrative Agent's request therefor, such additional information concerning any such Plan as may be reasonably requested by the Administrative Agent.

Section 6.10 Lien Perfection. Each Borrower Party agrees to take such action as may be required to perfect or continue the perfection of the Administrative Agent's (on behalf of, and for the benefit of, the Lender Group) security interest in the Collateral. Each Borrower Party hereby authorizes the Administrative Agent to file any such financing statement on such Borrower Party's behalf describing the Collateral as "all assets of the debtor" or "all personal property of the debtor."

Section 6.11 Location of Collateral. All Collateral, other than Inventory in transit and Inventory sold in the ordinary course of business, will at all times be kept by the Borrower Parties at one or more of the business locations of the Borrower Parties set forth in Schedule 6.11. The Inventory shall not, without the prior written approval of the Administrative Agent, be moved from the locations set forth on Schedule 6.11 except as permitted in the immediately preceding sentence and prior to an Event of Default, (i) sales or other dispositions of assets permitted pursuant to Section 8.7 and (ii) the storage of Inventory at locations within the continental United States other than those specified in the first sentence of this Section 6.11 if (A) the applicable Borrower Party gives the Administrative Agent written notice of the new storage location at least thirty (30) days prior to storing Inventory at such location, (B) the Lenders' security interest in such Inventory is and continues to be a duly perfected, first priority Lien thereon, (C) neither any Borrower Party's nor the Administrative Agent's right of entry upon the premises where such Inventory is stored or its right to remove the Inventory therefrom, is in any way restricted, (D) the owner of such premises, and any bailee, warehouseman or similar party that will be in possession of such Inventory, shall have executed

and delivered to the Administrative Agent an agreement, in form and substance acceptable to the Administrative Agent, waiving any landlord's, bailee's, warehouseman's or other Lien in respect of the Inventory for unpaid rent or storage charges, and (E) all negotiable documents and receipts in respect of any Collateral maintained at such premises are promptly delivered to the Administrative Agent and any non-negotiable documents and receipts in respect of any Collateral maintained at such premises are issued to the Administrative Agent and promptly delivered to the Administrative Agent.

Section 6.12 Protection of Collateral. All insurance expenses and expenses of protecting, storing, warehousing, insuring, handling, maintaining and shipping the Collateral (including, without limitation, all rent payable by any Borrower Party to any

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landlord of any premises where any of the Collateral may be located), and any and all excise, property, sales, and use taxes imposed by any state, federal, or local authority on any of the Collateral or in respect of the sale thereof, shall be borne and paid by the Borrower Parties. If the Borrower Parties fail to promptly pay any portion thereof when due, the Lenders may, at their option, but shall not be required to, make a Base Rate Advance for such purpose and pay the same directly to the appropriate Person. The Borrowers agree to reimburse the Lenders promptly therefor with interest accruing thereon daily at the Default Rate provided in this Agreement. All sums so paid or incurred by the Lenders for any of the foregoing and all reasonable costs and expenses (including attorneys' fees, legal expenses, and court costs) which the Lenders may incur in enforcing or protecting the Lien on or rights and interest in the Collateral or any of its rights or remedies under this or any other agreement between the parties hereto or in respect of any of the transactions to be had hereunder until paid by the Borrowers to the Lenders with interest at the Default Rate, shall be considered Obligations owing by the Borrowers to the Lenders hereunder. Such Obligations shall be secured by all Collateral and by any and all other collateral, security, assets, reserves, or funds of the Borrowers in or coming into the hands or inuring to the benefit of the Lenders. Neither the Administrative Agent nor the Lenders shall be liable or responsible in any way for the safekeeping of any of the Collateral or for any loss or damage thereto (except for reasonable care in the custody thereof while any Collateral is in the Lenders' actual possession) or for any diminution in the value thereof, or for any act or default of any warehouseman, carrier, forwarding agency, or other person whomsoever, but the same shall be at the Borrower Parties' sole risk.

Section 6.13 Assignments and Records of Accounts. If so requested by the Administrative Agent following an Event of Default, each Borrower Party shall execute and deliver to the Administrative Agent, for the benefit of the Lender Group, formal written assignments of all of the Accounts daily, which shall include all Accounts that have been created since the date of the last assignment, together with copies of invoices or invoice registers related thereto. Each Borrower Party shall keep accurate and complete records of the Accounts and all payments and collections thereon.

Section 6.14 Administration of Accounts.

(a) The Administrative Agent retains the right after the occurrence and during the continuance of an Event of Default to notify the Account Debtors that the Accounts have been assigned to the Administrative Agent, for the benefit of the Lender Group, and to collect the Accounts directly in its own name and to charge the collection costs and expenses, including attorneys' fees, to the Borrowers. The Administrative Agent has no duty to protect, insure, collect or realize upon the Accounts or preserve rights in them. Each Borrower Party irrevocably makes, constitutes and appoints the Administrative Agent as such Borrower Party's true and lawful attorney and agent-in-fact to endorse such Borrower Party's name on any checks, notes, drafts or other payments relating to, the Accounts which come into the Administrative Agent's possession or under the

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Administrative Agent's control as a result of its taking any of the foregoing actions. Additionally, the Administrative Agent, for the benefit of the Lender Group, shall have the right to collect and settle or adjust all disputes and claims directly with the Account Debtor and to compromise the amount or extend the time for payment of the Accounts upon such terms and conditions as the

Administrative Agent may deem advisable, and to charge the deficiencies, reasonable costs and expenses thereof, including attorney's fees, to the Borrowers.

(b) If an Account includes a charge for any tax payable to any governmental taxing authority, the Administrative Agent on behalf of the Lenders is authorized, in its sole discretion, to pay the amount thereof to the proper taxing authority for the account of the applicable Borrower Party and to make a Base Rate Advance to the Borrowers to pay therefor. The Borrower Parties shall notify the Administrative Agent if any Account includes any tax due to any governmental taxing authority and, in the absence of such notice, the Administrative Agent shall have the right to retain the full proceeds of the Account and shall not be liable for any taxes to any governmental taxing authority that may be due by any Borrower Party by reason of the sale and delivery creating the Account.

(c) Whether or not a Default has occurred, any of the Administrative Agent's officers, employees or agents shall have the right, at any time or times hereafter, in the name of the Lenders, or any designee of the Lenders or the Borrower Parties, to verify the validity, amount or other matter relating to any Accounts by mail, telephone, telegraph or otherwise. The Borrower Parties shall cooperate fully with the Administrative Agent and the Lenders in an effort to facilitate and promptly conclude any such verification process.

Section 6.15 Account Control Agreements; Securities Account Control Agreements. As of the Agreement Date, all bank accounts and securities accounts of the Borrower Parties are listed on Schedule 6.15 and such Schedule designates which such accounts are deposit accounts. No Borrower Party shall open or maintain any deposit account or securities account other than Excluded Deposit Accounts unless the depository bank for such account or the securities intermediary for such securities account, as applicable, shall have entered into an Account Control Agreement or a Securities Account Control Agreement, as applicable. With respect to Blocked Account Agreements (as defined in the Existing Credit Agreement) in existence on the Agreement Date, the Borrower Parties may amend, restate, modify or supplement such Blocked Account Agreements, but only if such agreements are substantially in the form of Exhibit A attached hereto or in form and substance satisfactory to the Administrative Agent in its sole discretion.

Section 6.16 Further Assurances. Each Borrower Party will promptly cure, or cause to be cured, defects in the creation and issuance of any Revolving Loan Notes and the execution and delivery of the Loan Documents (including this Agreement), resulting from any act or failure to act by any Borrower Party or any employee or officer thereof.

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Each Borrower Party at its expense will promptly execute and deliver to the Administrative Agent and the Lenders, or cause to be executed and delivered to the Administrative Agent and the Lenders, all such other and further documents, agreements, and instruments in compliance with or accomplishment of the covenants and agreements of the Borrower Parties in the Loan Documents, including this Agreement, or to correct any omissions in the Loan Documents, or more fully to state the obligations set out herein or in any of the Loan Documents, or to obtain any consents, all as may be necessary or appropriate in connection therewith as may be reasonably requested.

Section 6.17 Broker's Claims. Each Borrower Party hereby indemnifies and agrees to hold the Administrative Agent and each of the Lenders harmless from and against any and all losses, liabilities, damages, costs and expenses which may be suffered or incurred by the Administrative Agent and each of the Lenders in respect of any claim, suit, action or cause of action now or hereafter asserted by a broker or any Person acting in a similar capacity arising from or in connection with the execution and delivery of this Agreement or any other Loan Document or the consummation of the transactions contemplated herein or therein.

Section 6.18 Indemnity. Each Borrower Party shall indemnify each member of the Lender Group, each Affiliate thereof and each of their respective employees, representatives, officers and directors (each an "Indemnified Person") against, and hold each Indemnified Person harmless from any and all Losses, and shall indemnify and hold harmless each Indemnified Person from all fees and time charges and disbursements for attorneys who may be employees of any Indemnified Person, incurred by any Indemnified Person or asserted against any Indemnified

Person by any third party or by any Borrower Party arising out of, in connection with, or as a result of: (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan, Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Borrower Party, and regardless of whether any Indemnified Person is a party thereto; provided that such indemnity shall not, as to any Indemnified Person, be available to the extent that such Losses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted (x) from the gross negligence or willful misconduct of such Indemnified Party or (y) from a claim brought by a Borrower Party against an Indemnified Person for breach in bad faith of such Indemnified Person's obligations hereunder or under any other Loan Document. NO INDEMNIFIED PERSON SHALL BE RESPONSIBLE OR LIABLE TO ANY OTHER PARTY TO ANY LOAN DOCUMENT, ANY SUCCESSOR, ASSIGNEE OR THIRD

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PARTY BENEFICIARY OF SUCH PERSON OR ANY OTHER PERSON ASSERTING CLAIMS DERIVATIVELY THROUGH SUCH PARTY, FOR INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES WHICH MAY BE ALLEGED AS A RESULT OF CREDIT HAVING BEEN EXTENDED, SUSPENDED OR TERMINATED UNDER ANY LOAN DOCUMENT OR AS A RESULT OF ANY OTHER TRANSACTION CONTEMPLATED HEREUNDER OR THEREUNDER. In addition, no Indemnified Person shall be liable for any damages arising from the use by unauthorized recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems that are improperly intercepted (without the consent of, or as a result of the gross negligence or willful misconduct of, such Indemnified Person) by such unauthorized recipients in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby. This Section 6.18 shall survive termination of this Agreement.

Section 6.19 Environmental Matters.

(a) Each Borrower Party shall, and shall cause its Subsidiaries to, comply in all material respects with the Environmental Laws and shall notify the Administrative Agent within thirty (30) days in the event of any discharge or discovery of any Hazardous Materials at, upon, under or within the Properties in amounts that require remediation. Each Borrower Party shall forward to the Administrative Agent copies of all documents alleging a violation of Environmental Laws, all responses thereto and all documents submitted to environmental agencies relative to remediation of Hazardous Materials on the Properties, in each case, within thirty (30) days of receipt, delivery or submission (as the case may be) of the same.

(b) Promptly upon the written request of the Administrative Agent from time to time, the Borrower Parties shall provide the Administrative Agent with an environmental site assessment or environmental audit report prepared by an environmental engineering firm acceptable to the Administrative Agent, to assess with a reasonable degree of certainty the presence or absence of any Hazardous Materials and the potential costs in connection with abatement, cleanup or removal of any Hazardous Materials found on, under, at or within the Properties. Such assessment or report shall be at Borrower Parties' expense if, in the reasonable judgment of the Administrative Agent, there is reason to believe that a violation of Environmental Laws has occurred.

(c) Each Borrower Party shall at all times indemnify and hold harmless the Lender Group against and from any and all claims, suits, actions, debts, damages, costs, losses, obligations, judgments, charges, and expenses, or any nature whatsoever under or on account of the Environmental Laws including the assertion of any lien thereunder, with respect to:

(i) any discharge of Hazardous Materials, the threat of a discharge of any Hazardous Materials or the presence of any Hazardous Materials

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affecting the Properties whether or not the same originates or emanates from the Properties or any contiguous real estate including any loss of value of the Properties as a result of any of the foregoing;

(ii) any costs of removal or remedial action incurred by the United States Government or any costs incurred by any other person or damages from injury to, destruction of, or loss of natural resources, including reasonable costs of assessing such injury, destruction or loss incurred pursuant to any Environmental Laws;

(iii) liability for personal injury or property damage arising under any statutory or common law tort theory (including without limitation damages assessed) for the maintenance of a public or private nuisance or for the carrying on of an abnormally dangerous activity at or caused by any Borrower Party or Subsidiary of a Borrower Party near the Properties; and/or

(iv) any other environmental matter affecting the Properties within the jurisdiction of the Environmental Protection Agency, any other federal agency, or any state or local environmental agency.

(d) In the event of any discharge or discovery of any Hazardous Materials at, upon, under or within the Properties in amounts that require remediation, if the applicable Borrower Party or Subsidiary fails to begin the remediation within thirty (30) days after notice to the Administrative Agent, the Administrative Agent may at its election, but without the obligation to do so, give such notices and/or cause such work to be performed at the Properties and/or take any and all other actions as the Administrative Agent shall deem necessary or advisable in order to abate the discharge of such Hazardous Material, remove such Hazardous Material or cure such Borrower Party's or Subsidiary's noncompliance.

(e) All of the representations, warranties, covenants and indemnities of this Section 6.19 shall survive the termination of this Agreement, the repayment of the Obligations and/or the release of the liens of the Mortgages from the Properties that are subject to any Mortgage and shall survive the transfer of any or all right, title and interest in and to the Properties by the Borrower Parties or any Subsidiary to any party, whether or not affiliated with the Borrower Parties.

Section 6.20 Key Man Life Insurance. Until the later of June 13, 2007 and the date all obligations of the Parent under the Viewpoint Earnout Agreement have been satisfied, the Borrowers shall timely pay all required premiums in respect of, and shall otherwise take all actions as may be required on their parts in order to maintain in full force and effect, key-man life insurance policies on the lives of S. Anthony Margolis and Lucio Dalla Gasperina, each in an aggregate face amount of not less than the face amount of such policy as in effect on December 31, 2002, and, in the event that any such policy is not renewed or is cancelled at the option of the insurer for any reason other than failure

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on the part of the Borrowers to pay the required premiums or to take any other action required to maintain such policy in full force and effect, the Borrowers shall use commercially reasonable efforts to replace such policy in an aggregate face amount of not less than the face amount of such policy as in existence on December 31, 2002; and all such key-man life insurance policies shall be assigned to the Administrative Agent, for the benefit of the Lender Group, as Collateral pursuant to the Assignment of Life Insurance Policy.

Section 6.21 Formation of Subsidiaries. At the time of the formation of any direct or indirect Subsidiary of any Borrower or the acquisition of any direct or indirect Subsidiary of any Borrower after the Agreement Date which is permitted under this Agreement Party, the Borrower Parties, as appropriate, shall (a) cause such new Domestic Subsidiary to provide to the Administrative Agent, for the benefit of the Lender Group, a joinder and supplement to this Agreement substantially in the form of Exhibit M attached hereto (each a "Guaranty Supplement"), pursuant to which such new Domestic Subsidiary shall agree to join as a Guarantor of the Obligations under Article 3, a supplement to the Security Agreement, and such other security documents (including, without limitation, Mortgages with respect to any real estate owned by such Subsidiary), together with appropriate Uniform Commercial Code financing statements, all in

form and substance reasonably satisfactory to the Administrative Agent, (b) provide to the Administrative Agent, for the benefit of the Lender Group, a pledge agreement and appropriate certificates and powers or Uniform Commercial Code financing statements, pledging all direct or beneficial ownership interest in such new Subsidiary (regardless of whether owned by a Borrower Party or a Subsidiary of a Borrower Party or a minority shareholder), in form and substance reasonably satisfactory to the Administrative Agent; provided, however, that with respect to any new Foreign Subsidiary (including US Ben Sherman Holdco), such pledge shall be limited to sixty-five percent (65%) of the Equity Interests of such Subsidiary, and (c) provide to the Administrative Agent, for the benefit of the Lender Group, all other documentation, including one or more opinions of counsel satisfactory to the Administrative Agent, which in its reasonable opinion is appropriate with respect to such formation and the execution and delivery of the applicable documentation referred to above. Any document, agreement or instrument executed or issued pursuant to this Section 6.21 shall be a "Loan Document" for purposes of this Agreement.

Section 6.22 License Agreements. As of the Agreement Date, all License Agreements of the Borrower Parties are listed on Schedule 6.22. Upon entering into any other License Agreements, the applicable Borrower Party shall deliver to the Administrative Agent a Licenser Consent Agreement.

Section 6.23 In-Transit Inventory. All In-Transit Inventory of each Borrower Party (other than In-Transit Inventory not in excess of \$6,000,000 in the aggregate at any one time) shall be the subject of a bill of lading or a cargo receipt that (A)(x) in the case of a negotiable bill of lading or negotiable cargo receipt, is consigned to the

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Administrative Agent and/or the Issuing Bank (either directly or by means of endorsement) or (y) in the case of a non-negotiable bill of lading or non-negotiable cargo receipt, is consigned to the Administrative Agent and/or the Issuing Bank (either directly or by means of endorsements) or to a Borrower Party if such bill of lading or cargo receipt shall state "[Name of applicable Borrower Party], subject to the security interest of SunTrust Bank, as agent, 303 Peachtree Street, N.E., Atlanta, Georgia 30308" thereon, (B) was issued by the carrier respecting the subject In-Transit Inventory, and (C) is in the physical possession of an Approved Freight Handler or, if applicable, an Issuing Bank. Upon the request of the Administrative Agent, the Borrower Parties shall promptly deliver to the Administrative Agent copies of all such bills of lading or cargo receipts.

Section 6.24 Holding Company Dividends. In the event the Target or any of its Foreign Subsidiaries pays any Dividend to US Ben Sherman Holdco, the Parent shall cause US Ben Sherman Holdco to distribute immediately the amount of such Dividend to the Parent.

ARTICLE 7.

INFORMATION COVENANTS

So long as any of the Obligations are outstanding and unpaid or the Borrowers have a right to borrow, or have Letters of Credit issued, hereunder (whether or not the conditions to borrowing have been or can be fulfilled) and unless the Majority Lenders shall otherwise give their prior consent in writing, the Administrative Borrower will furnish or cause to be furnished to each member of the Lender Group at their respective offices the following items; provided, however, that the Administrative Borrower, at its option, may deliver such items described in Sections 7.1, 7.2, 7.3, 7.5(c) and 7.6(h) to the Administrative Agent with instructions to post such items on "IntraLinks" or any similar website for viewing by the Lenders or to send such items to the Lenders via electronic mail and the Administrative Agent shall so post such items within a reasonable period of time after delivery thereby by the Administrative Borrower to it and such posting or sending via electronic mail shall constitute delivery of such items to the Lenders:

Section 7.1 Quarterly Financial Statements and Information. Within forty-five (45) days after the last day of each fiscal quarter in each fiscal year of the Parent (or, with respect to the last fiscal quarter in each fiscal year of the Parent, within ninety (90) days after the last day thereof), the balance sheet of the Parent as at the end of such fiscal quarter, and the related statement of income and retained earnings and related statement of cash flows for such fiscal quarter and for the fiscal year-to-date period ended with

the last day of such fiscal quarter which financial statements shall, (a) set forth in comparative form the figures for the applicable period set forth in the projections provided by the Borrower Parties pursuant to Section 4.1, as amended or superseded by projections delivered pursuant to Section 7.5(c), as modified by amendments to such projections delivered pursuant to Section 7.6(e), and (b) set forth in comparative form

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such figures as at the end of such quarter during the previous fiscal year and for such quarter during the previous fiscal year, all of which shall be on a consolidated basis. In addition, the Administrative Borrower shall deliver such financial statements with respect to the Target and its Subsidiaries as a group, Viewpoint and its Subsidiaries as a group and the Parent and its Subsidiaries (other than the Target and its Subsidiaries and Viewpoint and its Subsidiaries) as a group, together with a statement of eliminating entries between such groups. All such financial statements delivered under this Section 7.1 shall be certified by an Authorized Signatory of the Parent to be, in his or her opinion, complete and correct in all material respects and, with respect to the financial statements of the Parent and its Subsidiaries on a consolidated basis, to present fairly in accordance with GAAP the financial position of the Parent and its Subsidiaries, as at the end of such period and the results of operations for such period, and for the elapsed portion of the year ended with the last day of such period, subject only to normal year-end adjustments.

Section 7.2 Annual Financial Statements and Information; Certificate of No Default. Within ninety (90) days after the end of each fiscal year of the Parent, the audited balance sheet of the Parent as at the end of such year and the related audited statements of income and retained earnings and related audited statements of cash flows for such year, all of which shall be on a consolidated basis with the other Borrower Parties, which financial statements shall, set forth in comparative form such figures as at the end of and for the previous year, and shall be accompanied by an opinion of independent certified public accountants of recognized standing satisfactory to the Administrative Agent, stating that following an examination thereof in accordance with generally accepted auditing standards such financial statements are unqualified and prepared in all material respects in accordance with GAAP, together with a statement of such accountants of the Parent certifying that no Default under Sections 8.8, 8.9, 8.10, 8.11, 8.12 and 8.13 was detected during the examination of the Borrower Parties.

Section 7.3 Performance Certificates. At the time the financial statements are furnished pursuant to Section 7.1 and Section 7.2, a certificate of an Authorized Signatory of the Parent in the form of Exhibit N:

(a) Setting forth as at the end of such quarter or year, as the case may be, the arithmetical calculations required to establish whether or not the Borrower Parties were in compliance with the requirements of Sections 8.8, 8.9, 8.10 and 8.11 and, with respect to each fiscal year end, 8.12 and 8.13; and

(b) Stating that, to the best of his or her knowledge, no Default has occurred as at the end of such quarter or year, as the case may be, or, if a Default has occurred, disclosing each such Default and its nature, when it occurred and whether it is continuing.

Section 7.4 Access to Accountants. The Administrative Borrower hereby authorizes the Administrative Agent to communicate (and at the direction of the Majority Lenders the Administrative Agent shall initiate such communication) directly with the Borrower Parties' and their Subsidiaries' independent public accountants and authorizes

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these accountants to disclose to the Administrative Agent any and all financial statements and other supporting financial data, including matters relating to the annual audit and copies of any arrangement letter with respect to its business, financial condition and other affairs. On or before the Agreement Date, the Administrative Borrower, on behalf of all of the Borrower Parties and their Subsidiaries, shall deliver to their independent public accountants a letter authorizing them to comply with the provisions of this Section 7.4.

Section 7.5 Additional Reports.

(a) Promptly upon the request by the Administrative Agent, the Administrative Borrower shall deliver to the Administrative Agent and to any Lender requesting the same, in form acceptable to the Administrative Agent, deposit account and securities account statements, reports of sales and collections, and debit and credit adjustments, a summary of aged Accounts (or at the reasonable request of the Administrative Agent, detailed aged trial balance of all Accounts of the Borrowers existing as of the last day of the preceding fiscal month or such other date reasonably required by the Administrative Agent, specifying the names, and face value for each Account Debtor obligated on an Account so listed).

(b) Promptly upon receipt thereof, the Administrative Borrower shall deliver to the Administrative Agent and the Lenders copies of all final reports, if any, submitted to any Borrower Party or any Subsidiary of a Borrower Party by its independent public accountants in connection with any annual or interim audit of the Borrower Parties, or their Subsidiaries or any of them, including, without limitation, any final management report, as applicable, prepared in connection with the annual audit referred to in Section 7.2;

(c) On or before the date thirty (30) days following the commencement of each fiscal year, the Administrative Borrower shall deliver to the Administrative Agent and the Lenders the annual budget for the Borrower Parties and their Subsidiaries approved by the chief financial officer or treasurer of the Parent, including forecasts of the income statement, the balance sheet and a cash flow statement for such fiscal year on a month by month basis;

(d) To the extent not covered elsewhere in this Article 7, promptly after the sending thereof, the Borrower Parties shall, and shall cause their Subsidiaries to, deliver to the Administrative Agent and the Lenders copies of all financial statements, reports and other information which any Borrower Party or any Subsidiary, as applicable, sends to any holder of its Indebtedness (including the Senior Notes Debt) or its securities or which any Borrower Party or any Subsidiary files with the Securities and Exchange Commission or any national securities exchange;

(e) If there is a material change in GAAP after May 30, 2003 that affects the presentation of the financial statements referred to in Sections 7.1 and 7.2, then, in addition to delivery of such financial statements, and on the date such financial

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statements are required to be delivered, the Administrative Borrower shall furnish the adjustments and reconciliations necessary to enable the Borrowers and each Lender to determine compliance with each of the covenants set forth in Sections 8.8, 8.9, 8.10, 8.11, 8.12 and 8.13, all of which shall be determined in accordance with GAAP consistently applied;

(f) At any time that a Default exists and on and after any date of request by the Administrative Agent in its reasonable discretion, the Administrative Borrower shall provide to the Administrative Agent notice of the termination of any lease of real property where Inventory is located promptly upon termination of such lease; and

(g) From time to time and promptly upon each request the Borrower Parties shall, and shall cause their Subsidiaries to, deliver to the Administrative Agent on behalf of the Lenders such data, certificates, reports, statements, opinions of counsel, documents, or further information regarding the business, assets, liabilities, financial position, projections, results of operations, or business prospects of each of the Borrower Parties, or such Subsidiaries, or any of them, as the Administrative Agent may reasonably request.

Section 7.6 Notice of Litigation and Other Matters.

(a) Within five (5) Business Days of any Borrower Party's obtaining knowledge of the institution of, or a written threat of, any action, suit, governmental investigation or arbitration proceeding against any Borrower Party or a Subsidiary of a Borrower Party, any Property, which action, suit, governmental investigation or arbitration proceeding, if adversely determined, would expose, in such Borrower Party's or such Subsidiary's reasonable judgment, as applicable, any Borrower Party or such Subsidiary, as applicable, to liability in an aggregate amount in excess of \$7,500,000, the Administrative Borrower shall notify the Lender Group of the occurrence thereof, and the

Administrative Borrower shall provide such additional information with respect to such matters as the Lender Group may reasonably request.

(b) Promptly upon the occurrence of any default (whether or not any Borrower Party or any Subsidiary of a Borrower Party, as applicable, has received notice thereof from any other Person) on Indebtedness of any Borrower Party or any Subsidiary, as applicable, which singly, or in the aggregate exceed \$7,500,000, the Administrative Borrower shall notify the Administrative Agent and the Lenders of the occurrence thereof;

(c) Promptly upon any Borrower Party's receipt of notice or the pendency of any proceeding for the condemnation or other taking of any real property of any Borrower Party constituting Collateral, the Administrative Borrower shall notify the Administrative Agent and the Lenders of the occurrence thereof;

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(d) Promptly upon any Borrower Party's receipt of notice of any event that could reasonably be likely to result in a Materially Adverse Effect, the Administrative Borrower shall notify the Administrative Agent and the Lenders of the occurrence thereof;

(e) Promptly following any material amendment or change to the budget submitted to the Administrative Agent and the Lenders pursuant to Section 7.5(c) hereof, the Administrative Borrower shall notify the Administrative Agent and the Lenders of the occurrence thereof;

(f) Immediately following any (i) Default under any Loan Document, default by any Borrower Party under the Senior Notes Documents, or default by the Target or any of its Subsidiaries under the UK Credit Facility, or (ii) default under any other agreement (other than those referenced in clause (i) of this Section 7.6(f) above) to which any Borrower Party or a Subsidiary of a Borrower Party, as applicable, is a party or by which any Borrower Party's or any such Subsidiary's properties is bound which could reasonably be expected to have a Materially Adverse Effect, then the Administrative Borrower shall notify the Administrative Agent and the Lenders of the occurrence thereof giving in each case the details thereof and specifying the action proposed to be taken with respect thereto;

(g) Promptly but in any event within ten (10) Business Days following the occurrence of any Reportable Event or a non-exempt "prohibited transaction" (as such term is defined in Section 406 of ERISA or Section 4975 of the Code) which would subject any Borrower Party to any material penalty or tax on "prohibited transactions" imposed by Section 502 of ERISA or Section 4975 of the Code with respect to any Plan of any Borrower Party or any of its ERISA Affiliates that is subject to Title IV of ERISA or the institution or threatened institution by the PBGC of proceedings under ERISA to terminate or to partially terminate any such Plan or the commencement of any litigation regarding any such Plan, or the failure by any Borrower Party to make any required contribution to any such Plan, the Administrative Borrower shall notify the Administrative Agent and the Lenders of the occurrence thereof provided such occurrence, proceeding, litigation, or failure exposes such Borrower Party or ERISA Affiliate to liability in an aggregate amount in excess of \$7,500,000.

(h) The Administrative Borrower shall deliver updates or supplements to the following schedules (i) within forty-five days after the end of the end of each fiscal year (other than the 2004 fiscal year), as of the last day of such fiscal year: Schedule 5.1(c)-1, Schedule 5.1(c)-2, Schedule 5.1(d), Schedule 5.1(h), Schedule 5.1(m), Schedule 5.1(o) (provided that the update to Schedule 5.1(o) shall not be limited to the knowledge of the Borrower Parties), Schedule 5.1(w)-1, and Schedule 5.1(w)-2, and (ii) within forty-five days after the end of the end of each of the first and third fiscal quarters of each fiscal year (other than the first fiscal quarter of the 2005 fiscal year), as of the last day of such fiscal quarter: Schedule 6.11, Schedule 6.15 and Schedule 6.22, in each case, as may be

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required to render correct the representations and warranties contained in the applicable sections to which such schedules relate as of the last day of such fiscal quarter without giving effect to any references therein to the "Agreement Date" in each case, appropriately marked to show the changes made therein; provided that no such supplement to any such Schedules or representation shall

be deemed a waiver of any Default resulting from the matters disclosed therein, except as consented to by the Majority Lenders in writing.

ARTICLE 8.

NEGATIVE COVENANTS

So long as any of the Obligations are outstanding and unpaid or the Borrowers have a right to borrow, or have Letters of Credit issued, hereunder (whether or not the conditions to borrowing have been or can be fulfilled) and unless the Majority Lenders shall otherwise give their prior consent in writing:

Section 8.1 Indebtedness. No Borrower Party will, or will permit any of its Subsidiaries to, create, assume, incur, or otherwise become or remain obligated in respect of, or permit to be outstanding, any Indebtedness except:

(a) Indebtedness under this Agreement and the other Loan Documents;

(b) (i) The Senior Notes Debt in a principal amount not to exceed \$200,000,000; and (ii) other unsecured Indebtedness under the Senior Notes incurred after the Agreement Date pursuant to the Indenture in a principal amount not to exceed \$75,000,000 and maturing no earlier than six (6) months following the Maturity Date, provided, that after giving effect to the incurrence of such Senior Notes Debt and the application of the proceeds thereof, (A) the Total Debt to EBITDA Ratio for the four (4) fiscal quarters of the Parent ending as of the last day of the fiscal quarter immediately preceding the date of the incurrence thereof (and with respect to which the quarterly financial statements referred to in Section 7.1 have been delivered to the Administrative Agent) would have been at least 0.25 to 1.00 below the covenant level of the Total Debt to EBITDA Ratio applicable during such period under Section 8.8; (B) the Total Senior Debt to EBITDA Ratio for the four (4) fiscal quarters of the Parent ending as of the last day of the fiscal quarter immediately preceding the date of the incurrence thereof (and with respect to which the quarterly financial statements referred to in Section 7.1 have been delivered to the Administrative Agent) would have been at least 0.25 to 1.00 below the covenant level of the Total Senior Debt to EBITDA Ratio applicable during such period under Section 8.9, (C) the Borrower Parties are in compliance with the financial covenants set forth in Sections 8.10 through and including 8.12; and (D) no Default or Event of Default has occurred and is continuing or would be caused thereby;

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(c) Indebtedness of the Parent to the Viewpoint Sellers under the Viewpoint Earnout Agreement, subordinated to the Obligations pursuant to the Viewpoint Earnout Subordination Agreement;

(d) Indebtedness of the Borrowers or any Subsidiary of the Borrowers that is unsecured or secured by Permitted Liens described in clause (f) of the definition of Permitted Liens set forth in Article 1 hereof (including without limitation Capitalized Lease Obligations), collectively, not to exceed the aggregate principal amount of \$15,000,000 at any time;

(e) Guaranties permitted by Section 8.2;

(f) Obligations under Hedge Agreements not entered into for speculative purposes and not exceeding the aggregate notional amounts of \$75,000,000 with respect thereto;

(g) Unsecured Indebtedness of a Borrower Party owed to another Borrower Party;

(h) (i) Unsecured Indebtedness in an aggregate amount not to exceed \$15,000,000 at any time outstanding of the Foreign Subsidiaries owed to the Borrower Parties or US Ben Sherman Holdco and consisting of "due to/due from" transactions (other than trade accounts payable on customary terms and conditions in the ordinary course that are excluded from the definition of "Indebtedness" pursuant to clause (a) thereof) arising in the ordinary course of business and other unsecured Indebtedness incurred in the ordinary course of business, and (ii) unsecured Indebtedness in an aggregate amount not to exceed \$15,000,000 at any time outstanding of the Borrower Parties owed to the Foreign Subsidiaries and consisting of "due to/due from" transactions arising in the ordinary course of business (other than trade accounts payable on customary terms and conditions in the ordinary course that are excluded from the

definition of "Indebtedness" pursuant to clause (a) thereof);

(i) [RESERVED.]

(j) Secured Indebtedness incurred by the Target or its Subsidiaries to the Royal Bank of Scotland pursuant to the UK Credit Facility in an amount not to exceed 12,000,000 Pounds Sterling plus, if and to the extent the Loan Notes are refinanced by the Bank of Scotland, 4,000,000 Pounds Sterling at any time outstanding;

(k) Unsecured Indebtedness arising under the Loan Notes in an amount not to exceed 4,000,000 Pounds Sterling at any time outstanding; and

(l) Other unsecured Indebtedness used to finance the Acquisition of Oxford Industries (UK 3) to Oxford Industries (UK 2) and of Oxford Industries (UK 1) to US

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Ben Sherman Holdco, in each case, in an amount not to exceed 63,000,000 Pounds Sterling at any time outstanding.

Section 8.2 Guaranties. No Borrower Party will, or will permit any of its Subsidiaries to, at any time guarantee or enter into or assume any Guaranty, or be obligated with respect to, or permit to be outstanding, any Guaranty, other than (a) guaranties of the Obligations, (b) guaranties of obligations under repurchase agreements of any Borrower Party entered into in connection with the sale of products in the ordinary course of business of such Borrower Party, (c) guaranties of obligations under agreements of any Borrower Party entered into in connection with the acquisition of services, supplies, and equipment in the ordinary course of business of such Borrower Party, (d) endorsements of instruments in the ordinary course of business, (e) guaranties of the Senior Notes Debt as long as such guarantor is also a Guarantor of the Obligations; (f) guaranties by any Borrower Party of any obligation of any other Borrower Party to the extent such obligation is not prohibited hereunder; and (g) guaranties of the Target's obligations under the UK Credit Facility by the Foreign Subsidiaries of the Target.

Section 8.3 Liens. No Borrower Party will, or will permit any Subsidiary to, create, assume, incur, or permit to exist or to be created, assumed, or permitted to exist, directly or indirectly, any Lien on any of its property, real or personal, now owned or hereafter acquired, except for Permitted Liens.

Section 8.4 Restricted Payments and Purchases. No Borrower Party shall, or shall permit any Subsidiary to, directly or indirectly declare or make any Restricted Payment or Restricted Purchase, or set aside any funds for any such purpose, other than Dividends on common stock which accrue (but are not paid in cash) or are paid in kind or Dividends on preferred stock which accrue (but are not paid in cash) or are paid in kind; provided, however, that (a) any Subsidiary of the Parent may make Restricted Payments to the Parent or any other Subsidiary of the Parent that owns Equity Interests of such Subsidiary making such Restricted Payment; (b) the Parent may make regularly scheduled payments of interest due on the Senior Notes to the holders thereof, and to the extent expressly permitted by Section 2.12(b), the Parent may make prepayments or redemptions of the principal amount of the Senior Notes Debt, in each case, in accordance with the terms of the Indenture as in effect on the Agreement Date or as amended thereafter in accordance with Section 8.15 hereof; (c) the Parent may make payments to the Viewpoint Sellers to the extent permitted by the Viewpoint Earnout Subordination Agreement as it exists on the Agreement Date or as amended thereafter in accordance with Section 8.15; and (d) the Parent may make other Restricted Payments if (i) no Default has occurred and is continuing or would result from the making of such Restricted Payment, and (ii) after giving effect to such Restricted Payment, the Total Debt to EBITDA Ratio for the four (4) fiscal quarters of the Parent ending as of the last day of the fiscal quarter immediately preceding the date of such Restricted Payment (and with respect to which the quarterly financial statements referred to in Section 7.1 have been delivered to the Administrative Agent) would have been at least 0.25 to 1.00 below

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the covenant level of the Total Debt to EBITDA Ratio applicable during such period under Section 8.8 and Availability is at least 15% of the amount of the

Revolving Loan Commitments as of such date.

Section 8.5 Investments. No Borrower Party will, or will permit any of its Subsidiaries to, make any loan or advance to, or otherwise acquire for consideration evidences of Indebtedness or Equity Interests in any other Person, except that (a) any Borrower Party or any Subsidiary of a Borrower Party may purchase or otherwise acquire and own, (i) marketable, direct obligations of the United States of America and its agencies maturing within three hundred sixty-five (365) days of the date of purchase, (ii) commercial paper issued by corporations, each of which shall (A) have a consolidated net worth of at least \$250,000,000, and (B) conduct substantially all of its business in the United States of America, which commercial paper will mature within one hundred eighty (180) days from the date of the original issue thereof and is rated "P-1" or better by Moody's, or "A-1" or better by S&P, (iii) certificates of deposit maturing within three hundred sixty-five (365) days of the date of purchase and issued by a United States national or state bank having deposits totaling more than \$250,000,000, and whose short-term debt is rated "P-1" or better by Moody's or "A-1" or better by S&P, (iv) up to \$100,000 per institution and up to \$1,000,000 in the aggregate in (A) short-term obligations issued by any local commercial bank or trust company located in those areas where such Borrower Party or Subsidiary conducts its business, whose deposits are insured by the Federal Deposit Insurance Corporation, or (B) commercial bank-insured money market funds, or any combination of investments described in clauses (A) and (B), and (v) overnight investments with such financial institutions having a short term deposit rating of "P-1" or better by Moody's, or "A-1" or better by S&P; (b) any Borrower Party or Subsidiary of a Borrower Party may hold the Investments in existence on the Agreement Date and described on Schedule 5.1(1); (c) so long as no Default shall have occurred and be continuing or would result therefrom, any Borrower Party or Subsidiary of a Borrower Party may convert any of its Accounts that are in excess of ninety (90) days past due into notes or Equity Interests from the applicable Account Debtor so long as the Administrative Agent, for the benefit of the Lender Group, is granted a first priority security interest in such Equity Interests or notes held by a Borrower Party which Lien is perfected contemporaneously with the conversion of such Account to Equity Interests or notes; (d) the Borrower Parties and their Foreign Subsidiaries may hold the Equity Interests of their respective Subsidiaries in existence as of the Agreement Date and their Subsidiaries created after the Agreement Date in accordance with Section 6.21 and Section 8.7(i); (e) so long as no Default shall have occurred and be continuing or would result therefrom, the Borrower Parties and US Ben Sherman Holdco may make additional investments in their Foreign Subsidiaries in the form of loans or additional equity contributions in an aggregate amount not to exceed (including amounts owed by Foreign Subsidiaries described in Section 8.1(h)(i)) \$20,000,000 at any time outstanding; (f) any Borrower Party may make investments in another Borrower Party; (g) so long as no Default shall have occurred and be continuing or would result therefrom, the Borrower Parties and their Subsidiaries may make

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investments in joint ventures in an aggregate amount not to exceed \$10,000,000 at any time outstanding; (h) the Borrower Parties and their Subsidiaries may make loans to employees in an aggregate amount not to exceed \$500,000 at any time outstanding; (i) the Foreign Subsidiaries of the Borrower Parties may make the loans to the Borrower Parties to the extent permitted under Section 8.1(h)(ii); (j) US Ben Sherman Holdco and Oxford Industries (UK 2) may make loans to their respective direct Subsidiaries to the extent permitted under Section 8.1(1); and (l) the Parent or any of its Subsidiaries may consummate the Acquisition on or before August 13, 2004.

Section 8.6 Affiliate Transactions. No Borrower Party shall, or shall permit any of its Subsidiaries to, enter into or be a party to any agreement or transaction with any Affiliate except (a) as described on Schedule 8.6 or (b) in the ordinary course of business and upon fair and reasonable terms that are no less favorable to such Borrower Party or Subsidiary than it would obtain in a comparable arms length transaction with a Person not an Affiliate of such Borrower Party or Subsidiary and otherwise on terms consistent with the business relationship of such Borrower Party or Subsidiary and such Affiliate prior to the Agreement Date, if any.

Section 8.7 Liquidation; Change in Ownership, Name, or Year; Disposition or Acquisition of Assets; Etc. No Borrower Party shall, or shall permit any of its Subsidiaries to, at any time:

- (a) Liquidate or dissolve itself (or suffer any liquidation or

dissolution) or otherwise wind up its business (except that any Subsidiary of the Parent (other than a Borrower) may liquidate or dissolve itself in accordance with Applicable Law but only if no Default or Event of Default has occurred and is continuing and such liquidation or dissolution would not reasonably cause or reasonably be expected to cause a Material Adverse Effect);

(b) Sell, lease, abandon, transfer or otherwise dispose of, in a single transaction or a series of related transactions, any assets, property or business except for (i) the sale of Inventory in the ordinary course of business at the fair market value thereof and for cash or cash equivalents, (ii) physical assets used, consumed or otherwise disposed of in the ordinary course of business, (iii) the sale or disposal of real property, improvements and equipment with a sale value not greater than \$5,000,000 in the aggregate for all such assets that may be sold during any fiscal year if the purchase price therefor is paid solely in cash or any non-cash proceeds received by a Borrower Party are pledged to the Administrative Agent, for the benefit of the Lender Group, pursuant to the Security Agreement or other documents or agreements in form and substance reasonably satisfactory to the Administrative Agent, (iv) the termination of leases in connection with retail store closures so long as such retail stores closed do not (in the aggregate) account for more than five percent (5%) of the EBITDA of the Parent and its Subsidiaries for the four (4) fiscal quarter period ending on the last day of the fiscal quarter ended immediately prior to any such store closure (and with respect to which the quarterly

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financial statements referred to in Section 7.1 have been delivered to the Administrative Agent), (v) sales permitted under Section 8.14, and (vi) the transfer of assets from Oxford Industries (UK 3) or any of its Subsidiaries to Oxford Clothing or any other Borrower Party.

(c) Become a partner or joint venturer with any third party on or after the Agreement Date; provided, however, that, subject to the limitations set forth in Sections 8.1 and 8.5, the Borrower Parties and their Subsidiaries may enter into partnerships and joint ventures after the Agreement Date;

(d) Acquire (i) all or any substantial part of the assets, property or business of, or (ii) any assets that constitute a division or operating unit of the business of, any other Person; provided, however, that the Parent or any of its Subsidiaries may consummate the Acquisition on or before August 13, 2004; provided further, however, that Borrower Parties shall be permitted to purchase all or any substantial part of the assets, property or business of, or any assets that constitute a division or operating unit of the business of, any other Person so long as (A) no Default exists or would be caused thereby and Borrowers deliver to the Administrative Agent and the Lenders evidence satisfactory to the Administrative Agent that the Borrower Parties will be in pro forma compliance with this Agreement after giving effect to the acquisition, (B) after giving effect to such acquisition on a Pro Forma Basis, the Total Senior Debt to EBITDA Ratio for the four (4) fiscal quarters of the Parent ending as of the last day of the fiscal quarter immediately preceding the date of such acquisition (and with respect to which the quarterly financial statements referred to in Section 7.1 have been delivered to the Administrative Agent) would have been at least 0.25 to 1.00 below the covenant level of the Total Senior Debt to EBITDA Ratio applicable during such period under Section 8.9 and, after giving effect to such acquisition, the Availability is at least 15% of the amount of the Revolving Loan Commitments as of such date, and (C) the Borrower Parties execute and deliver to the Administrative Agent all documents required by Section 6.16 and 6.21 and the other Loan Documents and any opinions reasonably requested by the Administrative Agent regarding the creation and perfection of the security interests of the Administrative Agent in the Collateral;

(e) Merge or consolidate with any other Person; provided, however, that (i) any Borrower may merge into another Borrower so long as, with respect to any merger with the Parent, the Parent is the surviving entity after such merger, (ii) any Guarantor or Foreign Subsidiary may merge into any Borrower Party so long as, with respect to any merger with a Borrower, such Borrower shall be the surviving entity after such merger and, with respect to any merger by a Foreign Subsidiary with a Guarantor, such Guarantor shall be the surviving entity after such merger, and (iii) any Foreign Subsidiary may merge into another Foreign Subsidiary;

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(f) Change its corporate name without giving the Administrative Agent thirty (30) days prior written notice of its intention to do so and complying with all reasonable requirements of the Lender Group in regard thereto;

(g) Change its year-end for accounting purposes from the fiscal year ending on the Friday occurring closest to each May 31, except upon thirty (30) days prior written notice to the Administrative Agent; provided, that: (i) its new fiscal year end shall be the Friday occurring closest to any of August 31, November 30 or February 28; (ii) upon a change in its fiscal year end, the amounts set forth in Sections 8.7(b)(iii), 8.12 and 8.13 shall be prorated for the period beginning on the immediately preceding June 1 and ending on the day before the first day of the new fiscal year; and (iii) upon a change in its fiscal year end, the fiscal year end referenced in Sections 8.7(b)(iii), 8.12 and 8.13 shall be deemed to be the new fiscal year end;

(h) Acquire any real estate; provided, however, that the Borrowers and their Subsidiaries may acquire real estate so long as, in the case of an acquisition by a Borrower Party, such Borrower Party shall promptly notify the Administrative Agent of the acquisition thereof and, at the request of the Administrative Agent, shall grant to the Administrative Agent, for the benefit of the Lender Group, a first priority mortgage on such real estate in form and substance reasonably satisfactory to the Administrative Agent and deliver to the Administrative Agent such other documentation and opinions in connection with the grant of such security interest as the Administrative Agent shall request, including, without limitation, policies of title insurance, flood zone certificates, financing statements, fixture filings and environmental audits, and the Borrowers shall pay all recording costs, intangibles taxes and other fees and costs including without limitation reasonable attorneys' fees and expenses of counsel to the Administrative Agent incurred in connection therewith;

(i) Create any Subsidiary; provided, however, that (i) a Borrower Party may create wholly owned Domestic Subsidiaries so long as such Borrower Party and such Subsidiaries, as applicable, comply with Section 6.21 and (ii) any Borrower Party may create direct Foreign Subsidiaries so long as such Borrower Party and such Foreign Subsidiaries, as applicable, comply with Section 6.21; or

(j) After giving effect to the Acquisition, with respect to US Ben Sherman Holdco, incur or maintain any material liability other than intercompany Indebtedness permitted hereunder or own any material assets or engage in any material activity or business, except its ownership of the Equity Interests of Oxford Industries (UK 1) and the intercompany Indebtedness permitted hereunder that is owed to it.

Section 8.8 Total Debt to EBITDA Ratio. The Borrower Parties shall not permit as of each fiscal quarter end, commencing with the fiscal quarter ending closest to August 31, 2004, the Total Debt to EBITDA Ratio for the immediately preceding four (4) fiscal quarter period, to be greater than the amount hereinbelow specified for such period:

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Quarters Ending Closest To: -----	Total Debt/EBITDA Ratio: -----
August 31, 2004	4.00 to 1.00
November 30, 2004 through February 28, 2005	4.25 to 1.00
May 31, 2005 through February 28, 2006	4.00 to 1.00
May 31, 2006 through May 31, 2007	3.50 to 1.00
August 31, 2007 through May 31, 2008	3.25 to 1.00
August 31, 2008 and thereafter	3.00 to 1.00

Section 8.9 Total Senior Debt to EBITDA Ratio. The Borrower Parties shall not permit for each fiscal quarter end, commencing with the fiscal quarter ending closest to August 31, 2004, the Total Senior Debt to EBITDA Ratio for the immediately preceding four (4) fiscal quarter period to be greater than the amount hereinbelow specified for such period:

Quarters Ending Closest To:

Ratio:

August 31, 2004	2.25 to 1.00
November 30, 2004 through February 28, 2005	2.50 to 1.00
May 31, 2005 through February 28, 2006	2.25 to 1.00
May 31, 2006 and thereafter	2.00 to 1.00

Section 8.10 Fixed Charge Coverage Ratio. The Borrower Parties shall not permit for each fiscal quarter end, commencing with the fiscal quarter ending closest to August 31, 2004, the Fixed Charge Coverage Ratio for the immediately preceding four (4) fiscal quarter period to be less than the amount hereinbelow specified for such period:

Quarters Ending Closest To:

Ratio:

August 31, 2004 through May 31, 2006	1.50 to 1.00
August 31, 2006 and thereafter	1.75 to 1.00

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Section 8.11 Interest Coverage Ratio. The Borrower Parties shall not permit for each fiscal quarter, commencing with the fiscal quarter ending August 31, 2004, the Interest Coverage Ratio for the immediately preceding four (4) fiscal quarters to be less than 3.00 to 1.00.

Section 8.12 Capital Expenditures. The Borrower Parties shall not, nor shall they permit their Subsidiaries to, make or incur in the aggregate any Capital Expenditures in any fiscal year in excess of \$30,000,000; provided, however, that in the event that the Borrower Parties make Capital Expenditures less than such amounts in any fiscal year, up to \$10,000,000 of the unused available Capital Expenditures amount may be carried forward to increase the Capital Expenditures limitation for the next succeeding fiscal year.

Section 8.13 Limitation on Leases. The Borrower Parties shall not, and shall not permit their Subsidiaries to, create, incur, assume or suffer to exist, any obligation for the payment of rent or hire for property or assets of any kind whatsoever, whether real or personal, under leases or lease agreements (other than Capitalized Lease Obligations) which would cause the aggregate amount of all such payments made by the Borrower Parties pursuant to such lease or lease agreements during any fiscal year to be increased from the amount of all of such payments made by the Borrower Parties in the prior fiscal year by more than the amount set forth below:

Fiscal Year Ending Closest To:

Maximum Increase:

May 31, 2005	\$10,000,000
May 31, 2006	\$10,000,000
May 31, 2007 and thereafter	\$10,000,000

provided, however, that in the event that such lease payments increase by an amount less than such amount set forth in the table above in any fiscal year, up to fifty percent (50%) of the unused increase amount may be carried forward to increase the limitation for increases in lease payments for the next succeeding fiscal year.

Section 8.14 Sales and Leasebacks. No Borrower Party shall, or shall permit any of its Subsidiaries to, enter into any arrangement, directly or indirectly, with any third party whereby such Borrower Party shall sell or transfer any property, real or personal, whether now owned or hereafter acquired, and whereby such Borrower Party or such Subsidiary shall then or thereafter rent or lease as lessee such property or any part thereof or other property which such Borrower Party or such Subsidiary intends to use for

substantially the same purpose or purposes as the property sold or transferred which

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would result in the sale or transfer of assets of the Borrower Parties and their Subsidiaries in an aggregate amount exceeding \$15,000,000 during the term of the Agreement.

Section 8.15 Amendment and Waiver. No Borrower Party shall, or shall permit any of its Subsidiaries to, enter into any amendment of or supplement to, or agree to or accept any waiver, which would adversely affect the rights of such Borrower Party or Subsidiary, or the Lender Group, or any of them, of (a) its articles or certificate of incorporation or formation, by-laws or other governing documents, (b) the Indenture or any of the other Senior Notes Documents, (c) the Viewpoint Earnout Subordination Agreement, (d) the Acquisition Documents or (e) the UK Credit Facility Documents.

Section 8.16 ERISA Liability. No Borrower Party shall fail to meet all of the applicable minimum funding requirements of ERISA and the Code, without regard to any waivers thereof, and, to the extent that the assets of any of their Plans would be less (by \$1,000,000 or more) than an amount sufficient to provide all accrued benefits payable under such Plans, the Borrower Parties shall make the maximum deductible contributions allowable under the Code (based on the Borrowers' current actuarial assumptions). No Borrower Party shall become a participant in any Multiemployer Plan.

Section 8.17 Prepayments. No Borrower Party shall, or shall permit any of its Subsidiaries to, prepay, redeem, defease or purchase in any manner, or deposit or set aside funds for the purpose of any of the foregoing, make any payment in respect of principal of, or make any payment in respect of interest on, (a) any Indebtedness (other than Indebtedness under the Viewpoint Earnout Agreement and the UK Credit Facility), except the Borrowers may (i) make regularly scheduled payments of principal or interest required in accordance with the terms of the instruments governing any Indebtedness permitted hereunder, (ii) redeem all or a part of the Senior Notes Debt by reborrowing amounts previously prepaid with the Net Cash Proceeds from an issuance of Equity Interests by the Parent, to the extent, and in the manner, permitted by the second sentence of Section 2.12(b), and (iii) make payments, including prepayments permitted or required hereunder, (x) with respect to the Obligations and (y) as expressly permitted by Section 8.4(b), or (b) the Indebtedness under the Viewpoint Earnout Agreement except to the extent permitted by the Viewpoint Earnout Subordination Agreement.

Section 8.18 Negative Pledge. No Borrower Party shall, or shall permit any of its Subsidiaries to, directly or indirectly, enter into any agreement (other than the Loan Documents) with any Person that prohibits or restricts or limits the ability of any Borrower Party or Subsidiary to create, incur, pledge, or suffer to exist any Lien upon any of its respective assets except as set forth in the Indenture and the UK Credit Facility Documents, as amended in accordance with Section 8.15 hereof, or restricts the ability of any Subsidiary of the Borrowers to pay Dividends to the Borrowers.

Section 8.19 Inconsistent Agreements. No Borrower Party shall, or shall permit any of its Subsidiaries to, enter into any contract or agreement which would violate the terms hereof or any other Loan Document.

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ARTICLE 9.

DEFAULT

Section 9.1 Events of Default. Each of the following shall constitute an Event of Default, whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule, or regulation of any governmental or non-governmental body:

(a) Any representation or warranty made under this Agreement or in any Security Document or in any Hedge Agreement shall prove incorrect or misleading in any material respect when made or deemed to have been made pursuant to Section 5.4;

(b) (i) Any payment of any principal hereunder, or any reimbursement obligations with respect to any Letter of Credit shall not be received by the Administrative Agent on the date such payment is due, or (ii) any payment of any interest hereunder or any fees payable hereunder or under the other Loan Documents shall not be received by the Administrative Agent within one (1) Business Day from the date on which such payment is due;

(c) (i) Any Borrower Party shall default in the performance or observance of any agreement or covenant contained in Section 2.12, 4.4, 6.1, 6.5, or 6.15 or in Article 7 or Article 8 or shall default in the performance or observance of any material covenant in any Security Document (including, without limitation, any covenant as to the perfection of the Administrative Agent's security interest in the Collateral); or (ii) any Borrower Party shall default in the performance or observance of any agreement or covenant contained in Sections 6.7 or 6.21, and such default, if curable, shall not be cured to the Majority Lenders' satisfaction within the earlier of (i) a period of five (5) days from the date that such Borrower Party knew or should have known of the occurrence of such default, or (ii) a period of five (5) days after written notice of such default is given to such Borrower Party;

(d) Any Borrower Party shall default in the performance or observance of any other agreement or covenant contained in this Agreement not specifically referred to elsewhere in this Section 9.1, and such default, if curable, shall not be cured to the Majority Lenders' satisfaction within the earlier of (i) a period of twenty (20) days from the date that such Borrower Party knew or should have known of the occurrence of such default, or (ii) a period of twenty (20) days after written notice of such default is given to such Borrower Party;

(e) There shall occur any default in the performance or observance of any agreement or covenant or breach of any representation or warranty contained in any of the other Loan Documents or any Hedge Agreement (other than this Agreement or the Security Documents) or as otherwise provided in this Section 9.1) which shall not be

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cured to the Majority Lenders' satisfaction within the applicable cure period, if any, provided for in such Loan Document, or, if there is no applicable cure period set forth in such Loan Document, within the earlier of (i) a period of twenty (20) days from the date that any Borrower Party knew of the occurrence of such default, or (ii) a period of twenty (20) days after written notice of such default is given to the Borrower Parties;

(f) There shall occur any Change of Control;

(g) (i) There shall be entered a decree or order for relief in respect of any Borrower Party or any Subsidiary of Borrower Party under the Bankruptcy Code, or any other applicable federal or state bankruptcy law or other similar law, or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator, or similar official of any Borrower Party or any Subsidiary of Borrower Party or of any substantial part of its properties, or ordering the winding-up or liquidation of the affairs of any Borrower Party, or (ii) an involuntary petition shall be filed against any Borrower Party or any Subsidiary of Borrower Party and a temporary stay entered and (A) such petition and stay shall not be diligently contested, or (B) any such petition and stay shall continue undismissed for a period of sixty (60) consecutive days;

(h) Any Borrower Party or any Subsidiary of Borrower Party shall commence an Insolvency Proceeding, or a Borrower Party or any Subsidiary of Borrower Party shall consent to the institution of an Insolvency Proceeding or to the appointment or taking of possession of a receiver, liquidator, assignee, trustee, custodian, sequestrator, or other similar official of such Borrower Party or any Subsidiary of Borrower Party or of any substantial part of its properties, or any Borrower Party or any Subsidiary of Borrower Party shall fail generally to pay their respective debts as they become due, or any Borrower Party or any Subsidiary of Borrower Party shall take any action in furtherance of any such action;

(i) A final judgment (other than a money judgment or judgments fully covered (except for customary deductibles or copayments not to exceed \$7,500,000 in the aggregate) by insurance as to which the insurance company has acknowledged coverage) shall be entered by any court against any Borrower Party or any Subsidiary of a Borrower Party for the payment of money which exceeds

\$7,500,000, or a warrant of attachment or execution or similar process shall be issued or levied against property of any Borrower Party or any Subsidiary of a Borrower Party pursuant to a final judgment which, together with all other such property of any Borrower Party or any Subsidiary of a Borrower Party, as applicable, subject to other such process, exceeds in value \$7,500,000 in the aggregate, and if, within thirty (30) days after the entry, issue, or levy thereof, such judgment, warrant, or process shall not have been paid or discharged or stayed pending appeal, or if, after the expiration of any such stay, such judgment, warrant, or process shall not have been paid or discharged;

(j) (i) There shall be at any time any "accumulated funding deficiency," as defined in Section 3.02 of ERISA or in Section 412 of the Code, with respect to any Plan

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maintained by any Borrower Party or any ERISA Affiliate of a Borrower Party, or to which any Borrower Party or any of its ERISA Affiliates has any liabilities, or any trust created thereunder; or (ii) a trustee shall be appointed by a United States District Court to administer any such Plan; or (iii) the PBGC shall institute proceedings to terminate any such Plan; or (iv) any Borrower Party or any ERISA Affiliate of any Borrower Party shall incur any liability to the PBGC in connection with the termination of any such Plan; or (v) any Plan or trust created under any Plan of any Borrower Party or any ERISA Affiliate of any Borrower Party shall engage in a non-exempt "prohibited transaction" (as such term is defined in Section 406 of ERISA or Section 4975 of the Code) which would subject any such Plan, any trust created thereunder, any trustee or administrator thereof, or any party dealing with any such Plan or trust to any material tax or penalty on "prohibited transactions" imposed by Section 502 of ERISA or Section 4975 of the Code; or (vi) any Borrower Party or any ERISA Affiliate of any Borrower Party shall enter into or become obligated to contribute to a Multiemployer Plan in an aggregate amount which, together with any liabilities in any of the foregoing clauses (i), (ii), (iii) (iv) or (v) of this Section 9.1(j) is in excess of \$7,500,000;

(k) There shall occur any default (after the expiration of any applicable cure period) under the Senior Notes Documents, the UK Credit Facility Documents, the Viewpoint Earnout Agreement (other than arising as a result of a payment block pursuant to the Viewpoint Earnout Subordination Agreement) or any other indenture, agreement, or instrument evidencing Indebtedness of any Borrower Party or any Subsidiary of a Borrower Party in an aggregate principal amount exceeding \$7,500,000 (determined singly or in the aggregate with other Indebtedness);

(l) All or any portion of any Loan Document or of any Hedge Agreement shall at any time and for any reason be declared to be null and void, or a proceeding shall be commenced by any Borrower Party or any Affiliate thereof, or by any governmental authority having jurisdiction over any Borrower Party any Affiliate of any Borrower Party, seeking to establish the invalidity or unenforceability thereof (exclusive of questions of interpretation of any provision thereof), or any Borrower Party or any Affiliate of a Borrower Party shall deny that it has any liability or obligation for the payment of any Obligation purported to be created under any Loan Document or any Hedge Agreement; or

(m) There shall occur any default by any party under the Viewpoint Acquisition Agreement, the Acquisition Agreement or any other document or instrument delivered in connection therewith (other than the Viewpoint Earnout Agreement), or any such document shall cease to be in full force and effect (except pursuant to its terms) or shall be declared null and void, or any party thereto shall deny it has any further liability or obligation thereunder (except pursuant to its terms), which in any such case could reasonably be expected to expose the Parent to a claim, loss or liability in an aggregate amount in excess of \$7,500,000.

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Section 9.2 Remedies. If an Event of Default shall have occurred and shall be continuing, in addition to the rights and remedies set forth elsewhere in this Agreement and the Loan Documents and in any Hedge Agreements:

(a) With the exception of an Event of Default specified in Section 9.1(g) or (h), the Administrative Agent, at the direction of the Majority

Lenders, shall (i) terminate the Revolving Loan Commitments and the Letter of Credit Commitment, or (ii) declare the principal of and interest on the Loans and all other Obligations (other than any obligations as existing from time to time of any Borrower Party to the Administrative Agent (or an affiliate of the Administrative Agent) or any Lender (or an affiliate of a Lender) arising from or in connection with any Hedge Agreements) to be forthwith due and payable without presentment, demand, protest, or notice of any kind, all of which are hereby expressly waived, anything in this Agreement or in any Revolving Loan Notes to the contrary notwithstanding.

(b) Upon the occurrence and continuance of an Event of Default specified in Sections 9.1(g) or (h), such principal, interest, and other Obligations (other than any obligations as existing from time to time of any Borrower Party to the Administrative Agent (or an affiliate of the Administrative Agent) arising from or in connection with any Hedge Agreements) shall thereupon and concurrently therewith become due and payable, and the Revolving Loan Commitments and the Letter of Credit Commitment, shall forthwith terminate, all without any action by the Lender Group, or any of them, or the Majority Lenders and without presentment, demand, protest, or other notice of any kind, all of which are expressly waived, anything in this Agreement or in any Revolving Loan Notes to the contrary notwithstanding.

(c) The Administrative Agent, with the concurrence of the Majority Lenders, shall exercise all of the post-default rights granted to it and to them under the Loan Documents or under Applicable Law. The Administrative Agent, for the benefit of the Lender Group, shall have the right to the appointment of a receiver for the Property of the Borrower Parties, and the Borrower Parties hereby consent to such rights and such appointment and hereby waive any objection the Borrower Parties may have thereto or the right to have a bond or other security posted by the Lender Group or any of them in connection therewith.

(d) In regard to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of any acceleration of the Obligations pursuant to the provisions of this Section 9.2 or, upon the request of the Administrative Agent, after the occurrence of an Event of Default and prior to acceleration, the Borrowers shall promptly upon demand by the Administrative Agent deposit in a Letter of Credit Reserve Account opened by Administrative Agent for the benefit of the applicable Issuing Bank an amount equal to one hundred and five percent (105%) of the aggregate then undrawn and unexpired amount of such Letter of Credit Obligations. Amounts held in such Letter of Credit Reserve Account shall be applied by the Administrative Agent to the payment

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of drafts drawn under such Letters of Credit, and the unused portion thereof after such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other Obligations in the manner set forth in Section 2.11. Pending the application of such deposit to the payment of the Reimbursement Obligations, the Administrative Agent shall, to the extent reasonably practicable, invest such deposit in an interest bearing open account or similar available savings deposit account and all interest accrued thereon shall be held with such deposit as additional security for the Obligations. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied, and all other Obligations shall have been paid in full, the balance, if any, in such Letter of Credit Reserve Account shall be returned to the Borrowers. Except as expressly provided hereinabove, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrowers.

(e) The rights and remedies of the Lender Group hereunder shall be cumulative, and not exclusive.

ARTICLE 10.

THE ADMINISTRATIVE AGENT

Section 10.1 Appointment and Authorization. Each Lender hereby irrevocably appoints and authorizes, and hereby agrees that it will require any transferee of any of its interest in its Revolving Loans and in any Revolving Loan Notes irrevocably to appoint and authorize, the Administrative Agent to take such actions as its agent on its behalf and to exercise such powers hereunder and under the other Loan Documents as are delegated by the terms hereof and thereof,

together with such powers as are reasonably incidental thereto. Without limiting the foregoing, each Lender hereby authorizes the Administrative Agent to execute and deliver each Loan Document to which the Administrative Agent is, or is required to be, a party. Neither the Administrative Agent nor any of its directors, officers, employees, or agents shall be liable for any action taken or omitted to be taken by it hereunder or in connection herewith, except for its own gross negligence or willful misconduct as determined by a final non-appealable order of a court of competent jurisdiction. Except as expressly otherwise provided in this Agreement, the Administrative Agent shall have and may use its sole discretion with respect to exercising or refraining from exercising any discretionary rights or taking or refraining from taking any actions which the Administrative Agent is expressly entitled to take or assert under this Agreement and the other Loan Documents, including the exercise of remedies pursuant to Section 9.2, and any action so taken or not taken shall be deemed consented to by the Lenders.

Section 10.2 Interest Holders. The Administrative Agent may treat each Lender, or the Person designated in the last notice filed with the Administrative Agent under this Section 10.2, as the holder of all of the interests of such Lender in its Revolving Loans and in any Revolving Loan Notes issued to it until written notice of

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transfer, signed by such Lender (or the Person designated in the last notice filed with the Administrative Agent) and by the Person designated in such written notice of transfer, in form and substance satisfactory to the Administrative Agent, shall have been filed with the Administrative Agent.

Section 10.3 Consultation with Counsel. The Administrative Agent may consult with legal counsel selected by it and shall not be liable to any Lender or any Issuing Bank for any action taken or suffered by it in good faith in reliance on the advice of such counsel.

Section 10.4 Documents. The Administrative Agent shall not be under any duty to examine, inquire into, or pass upon the validity, effectiveness, or genuineness of this Agreement, any Revolving Loan Note, or any instrument, document, or communication furnished pursuant hereto or in connection herewith, and the Administrative Agent shall be entitled to assume that they are valid, effective, and genuine, have been signed or sent by the proper parties, and are what they purport to be.

Section 10.5 Administrative Agent and Affiliates. With respect to the Revolving Loan Commitments and Loans, the Administrative Agent shall have the same rights and powers hereunder as any other Lender, and the Administrative Agent and its affiliates may accept deposits from, lend money to, and generally engage in any kind of business with the Borrower Parties or any Affiliates of, or Persons doing business with, the Borrower Parties, as if it were not the Administrative Agent or affiliated with the Administrative Agent and without any obligation to account therefor. The Lenders and the Issuing Banks acknowledge that the Administrative Agent and its affiliates have other lending and investment relationships with the Borrower Parties and their Affiliates and in the future may enter into additional such relationships.

Section 10.6 Responsibility of the Administrative Agent. The duties and obligations of the Administrative Agent under this Agreement are only those expressly set forth in this Agreement. The Administrative Agent shall be entitled to assume that no Default has occurred and is continuing unless it has actual knowledge, or has been notified by the any Borrower Party, of such fact, or has been notified by a Lender that such Lender considers that a Default or an Event of Default has occurred and is continuing, and such Lender shall specify in detail the nature thereof in writing. The Administrative Agent shall provide each Lender with copies of such documents received from any Borrower Party as such Lender may reasonably request.

Section 10.7 Action by Administrative Agent.

(a) The Administrative Agent shall be entitled to use its discretion with respect to exercising or refraining from exercising any rights which may be vested in it by, and with respect to taking or refraining from taking any action or actions which it may be able to take under or in respect of, this Agreement, unless the Administrative Agent shall have been instructed by the Majority Lenders to exercise or refrain from

exercising such rights or to take or refrain from taking such action, provided that the Administrative Agent shall not exercise any rights under Section 9.2(a) or 9.2(c) of this Agreement without the approval of the Majority Lenders. The Administrative Agent shall incur no liability under or in respect of this Agreement with respect to anything which it may do or refrain from doing in the reasonable exercise of its judgment or which may seem to it to be necessary or desirable in the circumstances.

(b) The Administrative Agent shall not be liable to the Lenders or the Issuing Banks or any of them in acting or refraining from acting under this Agreement in accordance with the instructions of the Majority Lenders (or all Lenders if required by Section 11.12), and any action taken or failure to act pursuant to such instructions shall be binding on all Lenders and the Issuing Banks.

Section 10.8 Notice of Default. In the event that the Administrative Agent or any Lender shall acquire actual knowledge, or shall have been notified in writing, of any Default, the Administrative Agent or such Lender shall promptly notify the Lenders and the Administrative Agent, and the Administrative Agent shall take such action and assert such rights under this Agreement as the Majority Lenders shall request in writing, and the Administrative Agent shall not be subject to any liability by reason of its acting pursuant to any such request. If the Majority Lenders shall fail to request the Administrative Agent to take action or to assert rights under this Agreement in respect of any Default within ten (10) days after their receipt of the notice of any Default from the Administrative Agent or any Lender, or shall request inconsistent action with respect to such Default, the Administrative Agent may, but shall not be required to, take such action and assert such rights (other than rights under Article 9) as it deems in its discretion to be advisable for the protection of the Lender Group, except that, if the Majority Lenders have instructed the Administrative Agent not to take such action or assert such right, in no event shall the Administrative Agent act contrary to such instructions.

Section 10.9 Responsibility Disclaimed. The Administrative Agent shall not be under any liability or responsibility whatsoever as Administrative Agent:

(a) To any Borrower Party or any other Person or entity as a consequence of any failure or delay in performance by or any breach by, any Lender or Lenders of any of its or their obligations under this Agreement;

(b) To any Lender or Lenders, as a consequence of any failure or delay in performance by, or any breach by, any Borrower Party or any other obligor of any of its obligations under this Agreement or any Revolving Loan Notes or any other Loan Document; or

(c) To any Lender or Lenders for any statements, representations, or warranties in this Agreement, or any other document contemplated by this Agreement or any information provided pursuant to this Agreement, any other Loan Document, or any other document contemplated by this Agreement, or for the validity, effectiveness,

enforceability, or sufficiency of this Agreement, any Revolving Loan Notes or any other Loan Document, or any other document contemplated by this Agreement.

Section 10.10 Indemnification. The Lenders agree to indemnify the Administrative Agent, its Affiliates and its employees, representatives, officers and directors (each, an "Agent Indemnified Person") (to the extent not reimbursed by the Borrower Parties) pro rata in accordance with their Revolving Commitment Ratios against, and hold each Agent Indemnified Person harmless from any and all Losses, and shall indemnify and hold harmless each Agent Indemnified Person from all fees and time charges and disbursements for attorneys who may be employees of any Agent Indemnified Person, incurred by any Agent Indemnified Person or asserted against any Agent Indemnified Person by any third party or Borrower Party arising out of, in connection with, or as a result of: (i) the execution or delivery of this Agreement, or any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby; (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom

(including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Borrower Party or any of its Subsidiaries, or any Environmental Liability related in any way to any Borrower Party or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Borrower Party, and regardless of whether any Agent Indemnified Person is a party thereto, provided that such indemnity shall not, as to any Agent Indemnified Person, be available to the extent that such Losses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted (x) from the gross negligence or willful misconduct of such Agent Indemnified Person or (y) from a claim brought by a Lender against an Agent Indemnified Person for breach in bad faith of such Agent Indemnified Person's obligations hereunder or under any other Loan Document. This provision is for the benefit of the Administrative Agent and shall not in any way limit the obligations of the Borrower Parties under Section 6.18. The provisions of this Section 10.10 shall survive the termination of this Agreement.

Section 10.11 Credit Decision. Each Lender represents and warrants to each other and to the Administrative Agent that:

(a) In making its decision to enter into this Agreement and to make its Advances it has independently taken whatever steps it considers necessary to evaluate the financial condition and affairs of the Borrower Parties and that it has made an independent credit judgment, and that it has not relied upon information provided by the Administrative Agent; and

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(b) So long as any portion of the Obligations remains outstanding, it will continue to make its own independent evaluation of the financial condition and affairs of the Borrower Parties.

Section 10.12 Successor Administrative Agent. Subject to the appointment and acceptance of a successor Administrative Agent as provided below, the Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrowers. Upon any such resignation, the Majority Lenders shall have the right to appoint a successor Administrative Agent (with the consent of the Borrowers if no Event of Default then exists). If no successor Administrative Agent shall have been so appointed by the Majority Lenders, and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent which shall be any Lender or a commercial bank organized under the laws of the United States of America or any political subdivision thereof which has combined capital and reserves in excess of \$500,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges, duties, and obligations of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article 10.12 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Administrative Agent.

Section 10.13 Administrative Agent May File Proofs of Claim. The Administrative Agent may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent, its agents, financial advisors and counsel), the Lenders and the Issuing Banks allowed in any judicial proceedings relative to any Borrower Party, or any of their respective creditors or property, and shall be entitled and empowered to collect, receive and distribute any monies, securities or other property payable or deliverable on any such claims and any custodian in any such judicial proceedings is hereby authorized by each Lender and Issuing Bank to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the Issuing Banks, to pay to the Administrative Agent any amount due to the Administrative Agent for the reasonable compensation, expenses, disbursements

and advances of the Administrative Agent, its agents, financial advisors and counsel, and any other amounts due the Administrative Agent under Section 11.2. Nothing contained in this Agreement or the other Loan Documents shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or any Issuing Bank any plan of reorganization, arrangement, adjustment or composition affecting this

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Agreement, any Revolving Loan Notes, the Letters of Credit or the rights of any holder thereof, or to authorize the Administrative Agent to vote in respect of the claim of any Lender or any Issuing Bank in any such proceeding.

Section 10.14 Collateral. The Administrative Agent is hereby authorized to hold all Collateral pledged pursuant to any Loan Document and to act on behalf of the Lender Group, in its own capacity and through other agents appointed by it, under the Security Documents; provided, that the Administrative Agent shall not agree to the release of any Collateral except in accordance with the terms of this Agreement. The Lender Group acknowledges that the Loans, all Obligations with respect to Bank Products Documents and all interest, fees and expenses hereunder constitute one Indebtedness, secured by all of the Collateral. The Administrative Agent hereby appoints each Lender and each Issuing Bank as its agent (and each Lender and Issuing Bank hereby accepts such appointment) for the purpose of perfecting the Administrative Agent's Liens in assets which, in accordance with the UCC, can be perfected by possession. Should any Lender or Issuing Bank obtain possession of any such Collateral, subject to the limitations set forth in the Account Control Agreements and Securities Account Control Agreements, promptly upon the Administrative Agent's request therefor shall deliver such Collateral to the Administrative Agent or in accordance with the Administrative Agent's instructions.

Section 10.15 Release of Collateral.

(a) Each Lender and each Issuing Bank hereby directs, in accordance with the terms of this Agreement, the Administrative Agent to release any Lien held by the Administrative Agent for the benefit of the Lender Group:

(i) against all of the Collateral, upon final and indefeasible payment in full of the Obligations and termination of this Agreement; or

(ii) against any part of the Collateral sold or disposed of by the Borrower Parties if such sale or disposition is permitted by Section 8.7 or is otherwise consented to by the requisite Lenders for such release as set forth in Section 11.12, as certified to the Administrative Agent by the Administrative Borrower in a certificate of an Authorized Signatory of the Administrative Borrower.

(b) Each Lender and each Issuing Bank hereby directs the Administrative Agent to execute and deliver or file or authorize the filing of such termination and partial release statements and do such other things as are necessary to release Liens to be released pursuant to this Section 10.15 promptly upon the effectiveness of any such release. Upon request by the Administrative Agent at any time, the Lenders and the Issuing Banks will confirm in writing the Administrative Agent's authority to release particular types or items of Collateral pursuant to this Section 10.15.

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Section 10.16 Additional Agents. None of the Lenders or other entities identified on the facing page of this Agreement as a "Lead Arranger", "Co-Syndication Agents", or "Documentation Agent" shall have any right, power, obligation, liability, responsibility or duty under this Agreement or any other Loan Document other than those applicable to all Lenders as such if such entity is also a Lender. Without limiting the foregoing, none of the Lenders or other entities so identified shall have or be deemed to have any fiduciary relationship with any other Lender. Each Lender acknowledges that it has not relied, and will not rely, on any of the Lenders or other entities so identified in deciding to enter into this Agreement or any other Loan Document or in taking or not taking action hereunder or thereunder.

ARTICLE 11.

MISCELLANEOUS

Section 11.1 Notices.

(a) All notices and other communications under this Agreement shall be in writing and shall be deemed to have been given five (5) days after deposit in the mail, designated as certified mail, return receipt requested, post-prepaid, or one (1) day after being entrusted to a reputable commercial overnight delivery service, or when delivered to the telegraph office or sent out by telex or telecopy (or to the extent specifically permitted under Article 7 only, by electronic means) addressed to the party to which such notice is directed at its address determined as in this Section 11.1. All notices and other communications under this Agreement shall be given to the parties hereto at the following addresses:

(i) If to any Borrower Party, to such Borrower Party in care of the Administrative Borrower at:

Oxford Industries, Inc.
222 Piedmont Avenue
Atlanta, Georgia 30308-3391
Attn: Dominic C. Mazzone
Telecopy No.: (404) 653-1545

with a copy to:

King & Spalding LLP
191 Peachtree Street, N.E.
Atlanta, Georgia 30303-1763
Attn: Russell B. Richards
Telecopy No.: (404) 572-5100

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(ii) If to the Administrative Agent, to it at:

SunTrust Bank
303 Peachtree Street, Third Floor
Atlanta, Georgia 30308
Attn: Patrick Stevens
Telecopy No.: (404) 575-2693
Electronic Mail: patrick.stevens@suntrust.com

with a copy to:

SunTrust Robinson Humphrey, a
division of SunTrust Capital Markets, Inc.
303 Peachtree Street, 25th Floor
Mail Code ATL 7662
Atlanta, Georgia 30308
Attn: Horst Kisch
Director - Agency Services
Telecopy No: (404) 724-3879
Electronic Mail: horst.kisch@suntrust.com

with a copy to:

Chris D. Molen, Esq.
Paul, Hastings, Janofsky & Walker LLP
600 Peachtree Street, N.E.
Suite 2400
Atlanta, Georgia 30308
Telecopy No.: (404) 815-2424

(iii) If to the Lenders, to them at the addresses set forth on the signature pages of this Agreement.

(iv) If to the Issuing Banks, at the addresses set forth on the signature pages of this Agreement.

Copies shall be provided to Persons other than parties hereto only in the case of notices under Article 9.

(b) Any party hereto may change the address to which notices shall be

directed under this Section 11.1 by giving ten (10) days' written notice of such change to the other parties.

Section 11.2 Expenses. The Borrowers agree to promptly pay or reimburse:

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(a) All out-of-pocket expenses of the Administrative Agent in connection with the preparation, negotiation, execution, delivery and syndication of this Agreement and the other Loan Documents and any Bank Products, the transactions contemplated hereunder and thereunder, and the making of the initial Advance hereunder, including, but not limited to, the reasonable fees and disbursements of counsel for the Administrative Agent and allocated costs for services of internal counsel for the Administrative Agent;

(b) All out-of-pocket expenses of the Administrative Agent in connection with the administration of the transactions contemplated in this Agreement or the other Loan Documents or any Bank Products, and the preparation, negotiation, execution, and delivery of any waiver, amendment, or consent by the Lenders relating to this Agreement or the other Loan Documents or any Bank Products, including, but not limited to, (i) all reasonable fees, expenses and disbursements of any law firm or other counsel engaged by the Administrative Agent, and the reasonable allocated costs and expenses of internal legal services of the Administrative Agent; (ii) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) for any amendment, supplement, waiver, consent, or subsequent closing in connection with the Loan Documents or in respect of any Bank Products and the transactions contemplated thereby; (iii) costs and expenses of lien and title searches and title insurance; (iv) taxes, fees and other charges for recording any mortgages, filing financing statements and continuations, and other actions to perfect, protect, and continue the Administrative Agent's Liens (including costs and expenses paid or incurred by the Administrative Agent in connection with the consummation of this Agreement); (v) sums paid or incurred to pay any amount or take any action required of the Borrower Parties under the Loan Documents or in respect of any Bank Products that the Borrower Parties fail to pay or take; (vi) costs of appraisals, inspections, and verifications of the Collateral and other due diligence, including reasonable out-of-pocket expenses for travel, lodging, and meals for inspections of the Collateral and the Borrower Parties' operations by the Administrative Agent plus the Administrative Agent's then generally-applicable and customary charge for field examinations and audits or any reappraisals and the preparation of reports thereof; provided, however, that notwithstanding anything to the contrary contained herein, absent the existence and continuance of an Event of Default, the Borrowers shall be obligated to pay such reasonable costs and expenses with respect to only one (1) appraisal and one (1) inspection or field audit during any twelve (12) month period; and (vii) costs and expenses of forwarding loan proceeds, collecting checks and other items of payment and costs and expenses of preserving and protecting the Collateral;

(c) All out-of-pocket costs and expenses of the Administrative Agent in connection with any restructuring, refinancing, or "work out" of the transactions contemplated by this Agreement, and of obtaining performance under this Agreement or the other Loan Documents or in respect of any Hedge Agreements, and all out-of-pocket costs and expenses of collection of the Administrative Agent if default is made in the payment of the Obligations, which in each case shall include fees and out-of-pocket

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expenses of counsel for Administrative Agent, and the fees and out-of-pocket expenses of any experts of the Administrative Agent, or consultants of the Administrative Agent, including, in each case, but without in any way limiting the generality of the foregoing, allocated costs for service of internal counsel for the Administrative Agent. In addition to the foregoing, upon the occurrence and during the continuance of an Event of Default, the Borrower Parties shall reimburse the other members of the Lender Group for the out of pocket costs and expenses of one counsel for the Lender Group (in addition to the Administrative Agent's counsel referred to above); and

(d) All taxes, assessments, general or special, and other charges levied on, or assessed, placed or made against any of the Collateral, any Revolving Notes or the Obligations.

Section 11.3 Waivers. The rights and remedies of the Administrative Agent and the Lenders under this Agreement and the other Loan Documents shall be cumulative and not exclusive of any rights or remedies which they would otherwise have. No failure or delay by the Lender Group, or any of them, or the Majority Lenders in exercising any right shall operate as a waiver of such right. The Lender Group expressly reserves the right to require strict compliance with the terms of this Agreement in connection with any funding of a request for an Advance. In the event the Lenders decide to fund a request for an Advance at a time when the Borrowers are not in strict compliance with the terms of this Agreement, such decision by the Lenders shall not be deemed to constitute an undertaking by the Lenders to fund any further requests for Advances or preclude the Lenders from exercising any rights available to the Lenders under the Loan Documents or at law or equity. Any waiver or indulgence granted by the Lenders or by the Majority Lenders shall not constitute a modification of this Agreement, except to the extent expressly provided in such waiver or indulgence, or constitute a course of dealing by the Lenders at variance with the terms of the Agreement such as to require further notice by the Lenders of the Lenders' intent to require strict adherence to the terms of the Agreement in the future. Any such actions shall not in any way affect the ability of the Lenders, in their discretion, to exercise any rights available to them under this Agreement or under any other agreement, whether or not the Lenders are party, relating to the Borrowers.

Section 11.4 Set-Off. In addition to any rights now or hereafter granted under Applicable Law and not by way of limitation of any such rights, except to the extent limited by Applicable Law, upon the occurrence of an Event of Default and during the continuation thereof, the Lenders and any subsequent holder or holders of the Obligations are hereby authorized by the Borrower Parties at any time or from time to time, without notice to any Borrower Party or to any other Person, any such notice being hereby expressly waived, to set-off and to appropriate and apply any and all deposits (general or special, time or demand, including, but not limited to, Indebtedness evidenced by certificates of deposit, in each case whether matured or unmatured, but not including any amounts held by the Administrative Agent or any of its Affiliates in any escrow account)

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and any other Indebtedness at any time held or owing by the Lenders or such holder to or for the credit or the account of any Borrower Party, against and on account of the obligations and liabilities of the Borrower Party, to the Lenders or such holder under this Agreement, any Revolving Loan Notes, and any other Loan Document, and any Bank Products Documents, including, but not limited to, all claims of any nature or description arising out of or connected with this Agreement, any Revolving Loan Notes, or any other Loan Document, or any Bank Products Documents, irrespective of whether or not (a) the Lenders or the holder of the Obligations shall have made any demand hereunder or (b) the Lenders shall have declared the principal of and interest on the Loans and any Revolving Loan Notes and other amounts due hereunder to be due and payable as permitted by Section 9.2 and although said obligations and liabilities, or any of them, shall be contingent or unmatured. Any sums obtained by any Lender or by any subsequent holder of the Obligations shall be subject to the application of payments provisions of Article 2.

Section 11.5 Assignment.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Borrower Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by any Borrower Party without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Affiliates of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender may assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Revolving Loan Commitment and the Revolving Loans at the time owing to it); provided that (i) except in the case of an assignment of the entire remaining amount of the assigning Lender's Revolving Loan Commitment and the Revolving Loans at the time owing to it or in the case of an assignment to a

Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Revolving Loan Commitment of the assigning Lender subject to each such assignment, (determined as of the date the Assignment and Assumption Agreement with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$1,000,000, unless each of the Administrative Agent and, so long as no Default has occurred and is continuing, the Administrative Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed), and (ii) the parties (but no Borrower Party) to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption Agreement, together with a processing and recordation fee of \$1,000 (which fee shall not be required in the case of an assignment to an Affiliate of a member of the Lender

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Group), and the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire. Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption Agreement, the Eligible Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption Agreement, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption Agreement, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption Agreement covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.8(b), 2.9, 6.18, 6.19(c), 12.3 and 12.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section.

(c) The Administrative Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption Agreement delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Revolving Loan Commitments of, and principal amount of the Revolving Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrowers, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Any Lender may, without the consent of, or notice to, the Administrative Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Revolving Loan Commitment and/or the Revolving Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrowers and the Lender Group shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 11.12(a) (i) that affects such Participant. Subject to paragraph (e) of

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this Section, the Borrowers agree that each Participant shall be entitled to the benefits of Sections 2.8(b), 2.9, 6.18, 6.19(c) and 12.3 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.4 as though it were a Lender, provided such Participant agrees to be subject to Section 2.10(b) as though it were a Lender.

(e) A Participant shall not be entitled to receive any greater payment under Section 2.8(b) or Section 12.3 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Administrative Borrower's prior written consent. A Participant shall not be entitled to the benefits of Section 2.8(b) unless the Administrative Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrowers, to comply with Section 2.8(b) as though it were a Lender.

(f) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation (i) any pledge or assignment to secure obligations to a Federal Reserve Bank and (ii) in the case of any Lender that is a Fund, any pledge or assignment of all or any portion of such Lender's rights under this Agreement to any holders of obligations owed, or securities issued, by such Lender as security for such obligations or securities, or to any trustee for, or any other representative of, such holders, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 11.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument. In proving this Agreement or any other Loan Document in any judicial proceedings, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom such enforcement is sought. Any signatures delivered by a party by facsimile transmission shall be deemed an original signature hereto.

Section 11.7 Governing Law. This Agreement and the Loan Documents shall be construed in accordance with and governed by the laws of the State of New York, without regard to the conflict of laws principles thereof, except to the extent otherwise provided in the Loan Documents.

Section 11.8 Severability. Any provision of this Agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

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Section 11.9 Headings. Headings used in this Agreement are for convenience only and shall not be used in connection with the interpretation of any provision hereof.

Section 11.10 Source of Funds. Notwithstanding the use by the Lenders of the Base Rate and the Eurodollar Rate as reference rates for the determination of interest on the Loans, the Lenders shall be under no obligation to obtain funds from any particular source in order to charge interest to the Borrowers at interest rates tied to such reference rates.

Section 11.11 Entire Agreement. THIS WRITTEN AGREEMENT, TOGETHER WITH THE OTHER LOAN DOCUMENTS, REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. Each Borrower represents and warrants to the Lender Group that it has read the provisions of this Section 11.11 and discussed the provisions of this Section 11.11 and the rest of this Loan Agreement with counsel for such Borrower, and such Borrower acknowledges and agrees that the Lender Group is expressly relying upon such representations and warranties of such Borrower (as well as the other representations and warranties of such Borrower set forth in Section 5.1) in entering into this Agreement.

Section 11.12 Amendments and Waivers

(a) Neither this Agreement, any other Loan Document nor any term hereof or thereof may be amended orally, nor may any provision hereof be waived orally but only by an instrument in writing signed by the Majority Lenders, or in the case of Loan Documents executed by the Administrative Agent, signed by the

Administrative Agent and approved by, Majority Lenders and, in the case of an amendment, also by the Borrowers, except that (i) the consent of each of the Lenders and, in the case of an amendment, the Borrowers shall be required for (A) any sale or release of, or the subordination of the Administrative Agent's security interest in, any material Collateral except in conjunction with sales or transfers of Collateral permitted hereunder, or any release of any guarantor of the Obligations, (B) any extensions, postponements or delays of the Maturity Date, the scheduled date of payment of interest or principal or fees, or any reduction of principal (without a corresponding payment with respect thereto), or any reduction in the rate of interest or fees due to the Lenders hereunder or under any other Loan Document, (C) any amendment of this Section 11.12 or of the definition of "Majority Lenders," or any other provision of the Loan Documents specifying the number or percentage of Lenders required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder; (D) any amendment to the definitions of "Availability" or "Bank Products," (E) any amendment to Section 2.11 of this Agreement, or (F) any increase in the Revolving Loan Commitments in excess of the amount permitted under Section 2.17 (it being understood

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and agreed that a waiver of any Default or a modification of any of the defined terms contained herein (other than those defined terms specifically addressed in this Section 11.12) shall not constitute a change in the terms of the Revolving Loan Commitment of any Lender), (ii) the consent of any affected Lender, the Administrative Agent and the Borrowers shall be required for any amendment increasing the Revolving Loan Commitment of such Lender pursuant to Section 2.17; (iii) the consent of the Administrative Agent, the Majority Lenders and the Borrowers shall be required for any amendment to Article 10; (iv) the consent of the Issuing Banks, the Majority Lenders and the Borrowers shall be required for any amendment to Section 2.15 and (v) the consent of the Guarantors and the Majority Lenders shall be required for any amendment to Article 3; provided, however, that Schedule 1(a) hereto (Revolving Commitment Ratios) may be amended from time to time by the Administrative Agent alone to reflect assignments of Revolving Loan Commitments in accordance herewith.

(b) Each Lender grants to the Administrative Agent the right to purchase all (but not less than all) of such Lender's Revolving Loan Commitment, Letter of Credit Commitment, the Loans and Letter of Credit Obligations owing to it and any Revolving Loan Notes held by it and all of its rights and obligations hereunder and under the other Loan Documents at a price equal to the outstanding principal amount of the Loans payable to such Lender plus any accrued but unpaid interest on such Loans and accrued but unpaid commitment fees and letter of credit fees owing to such Lender plus the amount necessary to cash collateralize any Letters of Credit issued by such Lender, which right may be exercised by the Administrative Agent if such Lender refuses to execute any amendment, waiver or consent which requires its written consent so long as such right is exercised within ninety (90) days of the date any approval for such amendment, waiver or consent was due. Each Lender agrees that if the Administrative Agent exercises its option hereunder, it shall promptly execute and deliver an Assignment and Assumption Agreement and other agreements and documentation necessary to effectuate such assignment. The Administrative Agent may assign its purchase rights hereunder to any assignee if such assignment complies with the requirements of Section 11.5(b).

(c) If any fees are paid to the Lenders as consideration for amendments, waivers or consents with respect to this Agreement, at Administrative Agent's election, such fees may be paid only to those Lenders that agree to such amendments, waivers or consents within the time specified for submission thereof.

Section 11.13 Other Relationships. No relationship created hereunder or under any other Loan Document shall in any way affect the ability of the Administrative Agent, each Issuing Bank and each Lender to enter into or maintain business relationships with the Borrowers, or any of their respective Affiliates, beyond the relationships specifically contemplated by this Agreement and the other Loan Documents.

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Section 11.14 Pronouns. The pronouns used herein shall include, when appropriate, either gender and both singular and plural, and the grammatical construction of sentences shall conform thereto.

Section 11.15 Disclosure. The Borrower Parties agree that the Administrative Agent shall have the right, with the consent of the Administrative Borrower, to issue press releases regarding the making of the Loans to the Borrowers pursuant to the terms of this Agreement.

Section 11.16 Replacement of Lender. In the event that a Replacement Event (as defined below) occurs and is continuing with respect to any Lender, the Borrowers may designate another financial institution (such financial institution being herein called a "Replacement Lender") acceptable to the Administrative Agent, and which is not a Borrower or an Affiliate of the Borrowers, to assume such Lender's Revolving Loan Commitment hereunder, to purchase the Loans and participations of such Lender and such Lender's rights hereunder and (if such Lender is an Issuing Bank) to issue Letters of Credit in substitution for all outstanding Letters of Credit issued by such Lender, without recourse to or representation or warranty by, or expense to, such Lender for a purchase price equal to the outstanding principal amount of the Loans payable to such Lender plus any accrued but unpaid interest on such Loans and accrued but unpaid commitment fees and letter of credit fees owing to such Lender, and upon such assumption, purchase and substitution, and subject to the execution and delivery to the Administrative Agent by the Replacement Lender of documentation satisfactory to the Administrative Agent (pursuant to which such Replacement Lender shall assume the obligations of such original Lender under this Agreement), the Replacement Lender shall succeed to the rights and obligations of such Lender hereunder and such Lender shall no longer be a party hereto or have any rights hereunder provided that the obligations of the Borrowers to indemnify such Lender with respect to any event occurring or obligations arising before such replacement shall survive such replacement. "Replacement Event" means, with respect to any Lender, (a) the commencement of or the taking of possession by, a receiver, custodian, conservator, trustee or liquidator of such Lender, or the declaration by the appropriate regulatory authority that such Lender is insolvent or (b) the making of any claim by any Lender under Section 2.8(b), 12.3 or 12.5, unless the changing of the lending office by such Lender would obviate the need of such Lender to make future claims under such Sections.

Section 11.17 Confidentiality. No member of the Lender Group shall disclose any Confidential Information to any other Person without the consent of the Administrative Borrower, other than (i) to such member of the Lender Group's Affiliates and their officers, directors, employees, agents and advisors, to other members of the Lender Group and, as contemplated by Section 11.5, to actual or prospective assignees and participants, and then only on a confidential basis, (ii) as required by any law, rule or regulation or judicial process, (iii) to any rating agency when required by it, provided, that, prior to any such disclosure, such rating agency shall undertake to preserve the

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confidentiality of any Confidential Information relating to the Borrower Parties received by it from such member of the Lender Group, (iv) as requested or required by any state, federal or foreign authority or examiner regulating banks or banking, and (v) in connection with the exercise of any remedy hereunder or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder.

Section 11.18 Assignment as of the Agreement Date.

(a) In accordance with the terms and conditions of Section 11.5, each of SunTrust Bank, JPMorgan Chase Bank and Shanghai Commercial Bank Ltd. (collectively, the "Assignors" and each an "Assignor") hereby sells and assigns to each of the other Lenders party hereto (collectively, the "Assignees" and each an "Assignee"), and each Assignee hereby irrevocably purchases and assumes from each Assignor, that interest in and to each Assignor's rights and obligations under the Loan Documents as of the date hereof with respect to each Assignor's Revolving Loan Commitment and the assigned portion of such Revolving Loan Commitment set forth in Section 11.18(f) (as to each Assignee, the "Assigned Interest" and collectively, the "Assigned Interests"). After giving effect to such sale and assignment, each Assignee's and Assignor's Revolving Loan Commitment will be set forth in Section 11.18(f). Such sale and assignment is without recourse to each Assignor and, except as expressly provided in this Section 11.18, without representation or warranty by the Assignors.

(b) Each Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of its Assigned Interest, and (ii) its Assigned Interest is

free and clear of any lien, encumbrance or other adverse claim and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with this Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any Collateral thereunder, (iii) the financial condition of the Borrowers, any of their respective Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrowers, any of their respective Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

(c) Each Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and to consummate the transactions contemplated hereby and to become a Lender hereunder, (ii) it meets all requirements of an Eligible Assignee hereunder (subject to receipt of such consents as may be required hereunder), (iii) from and after the Agreement Date, it shall be bound by the provisions of this Agreement as a Lender hereunder and, to the extent of its Assigned Interest, shall have the obligations of a Lender hereunder, (iv) it has received a copy of this Agreement, together with copies of the most recent financial statements delivered pursuant to Sections 7.1 and 7.2, as applicable, and such other documents and

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information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement and to purchase its Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Lender that is organized in a jurisdiction other than the United States or a political subdivision thereof, it has delivered to the Administrative Agent any documentation required to be delivered by it pursuant to the terms of this Agreement including, without limitation, under Section 2.8(b), duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignors or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

(d) The effective date of the assignment provided for in this Section 11.18 shall be the Agreement Date. The Administrative Agent hereby waives payment of the processing fee with respect to each assignment provided for under this Section 11.18.

(e) As of the Agreement Date (i) each Assignee shall be a party to this Agreement and, to the extent of the interest assigned pursuant to this Agreement, have the rights and obligations of a Lender hereunder and under the other Loan Documents, and (ii) each Assignor shall, to the extent of the interest assigned pursuant to this Section 11.18, relinquish its rights and be released from its obligations under this Agreement and the other Loan Documents.

(f) From and after the Agreement Date, the Administrative Agent shall make all payments in respect of each Assigned Interest (including payments of principal, interest, fees and other amounts) to the applicable Assignee whether such amounts have accrued prior to, on or after the Agreement Date. On the Agreement Date, each Assignee shall pay to the Administrative Agent, for the benefit of the Assignors, its Revolving Commitment Ratio (as set forth in Section 11.18(f)) of the principal amount of any outstanding Revolving Loans under this Agreement and the other Loan Documents. The Assignors and each Assignee shall make all appropriate adjustments in payments under this Agreement and the other Loan Documents for periods prior to the Agreement Date directly between themselves on the Agreement Date.

(i) Each Assignor's Revolving Loan Commitment and Revolving Commitment Ratio immediately prior to the assignment contemplated by this Section 11.18:

SunTrust Bank:	\$108,000,000/39.272727%
JPMorgan Chase Bank:	\$26,000,000/9.454545%

Shanghai Commercial Bank Ltd.: \$26,000,000/9.454545%

(ii) Each Assignee's Revolving Loan Commitment and Revolving Commitment Ratio immediately prior to the assignment contemplated by this Section 11.18:

The CIT Group/Commercial Services, Inc.: \$26,000,000/9.454545%

General Electric Capital Corporation: \$26,000,000/9.454545%

Bank of America, N.A.: \$26,000,000/9.454545%

Wachovia Bank, National Association: \$26,000,000/9.454545%

HSBC Business Credit (USA) Inc.: \$11,000,000/4.000000%

(iii) Each Assignee's Revolving Loan Commitment and Revolving Commitment Ratio immediately after the assignment contemplated by this Section 11.18:

The CIT Group/Commercial Services, Inc.: \$40,000,000/14.285714%

General Electric Capital Corporation: \$40,000,000/14.285714%

Bank of America, N.A.: \$40,000,000/14.285714%

Wachovia Bank, National Association: \$40,000,000/14.285714%

HSBC Business Credit (USA) Inc.: \$30,000,000/10.714286%

(iv) Each Assignor's Revolving Loan Commitment and Revolving Commitment Ratio immediately after the assignment to Assignees contemplated by this Section 11.18:

SunTrust Bank: \$60,000,000/21.428572%

JPMorgan Chase Bank: \$20,000,000/7.142857%

Shanghai Commercial Bank Ltd. \$10,000,000/3.571429%

Section 11.19 Amendment and Restatement.

(a) Each Borrower Party acknowledges and agrees that the security interests and Liens (as defined in the Existing Credit Agreement) granted to the Administrative Agent pursuant to the Existing Credit Agreement and the other Security Documents (as defined in the Existing Credit Agreement), shall remain outstanding and in full force and

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effect, without interruption or impairment of any kind, in accordance with the Existing Credit Agreement and shall continue to secure the Obligations.

(b) Each Borrower Party acknowledges and agrees that (i) the Obligations represent, among other things, the amendment, restatement, renewal, extension, consolidation and modification of the Obligations (as defined in the Existing Credit Agreement) arising in connection with the Existing Credit Agreement and other Loan Documents (as defined in the Existing Credit Agreement) executed in connection therewith; (ii) the Borrower Parties intend that the Existing Credit Agreement and the other Loan Documents (as defined in the Existing Credit Agreement) executed in connection therewith and the collateral pledged thereunder shall secure, without interruption or impairment of any kind, all existing Obligations (as defined in the Existing Credit Agreement) under the Existing Credit Agreement and the other Loan Documents (as defined in the Existing Credit Agreement) executed in connection therewith, as they may be amended, restated, renewed, extended, consolidated and modified hereunder, together with all other obligations hereunder; (iii) all Liens (as defined in the Existing Credit Agreement) evidenced by the Loan Documents (as defined in the Existing Credit Agreement) executed in connection therewith are hereby ratified, confirmed and continued; and (iv) the Loan Documents are intended to restate, renew, extend, consolidate, amend and modify the Existing Credit Agreement and the other Loan Documents (as defined in the Existing Credit Agreement) executed in connection therewith. Notwithstanding the foregoing, the

Borrower Parties and the Lender Group acknowledge and agree that US Ben Sherman Holdco shall not be a Guarantor and shall not be a party to the Security Agreement, Pledge Agreement or Intellectual Property Security Agreement, and the Parent shall be required to pledge only 65% of its Equity Interest in US Ben Sherman Holdco under the Pledge Agreement.

(c) Each Borrower Party intends that (i) the provisions of the Existing Credit Agreement and the other Loan Documents (as defined in the Existing Credit Agreement) executed in connection therewith, to the extent restated, renewed, extended, consolidated, amended and modified hereby and by the other Loan Documents, be hereby superseded and replaced by the provisions hereof and of the other Loan Documents; (ii) the Revolving Loan Notes restate, renew, extend, consolidate, amend, modify, replace, are substituted for and supersede in their entirety, but do not extinguish, the Obligations (as defined in the Existing Credit Agreement) arising under the Revolving Loan Notes (as defined in the Existing Credit Agreement) issued pursuant to the Existing Credit Agreement; and (iii) by entering into and performing their respective obligations hereunder, this transaction shall not constitute a novation.

Section 11.20 USA Patriot Act Notice. Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies each Borrower Party that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies each

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Borrower Party, which information includes the name and address of such Borrower Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify such Borrower Party in accordance with the Act.

ARTICLE 12.

YIELD PROTECTION

Section 12.1 Eurodollar Rate Basis Determination. Notwithstanding anything contained herein which may be construed to the contrary, if with respect to any proposed Eurodollar Advance for any Eurodollar Advance Period, the Administrative Agent determines that deposits in Dollars (in the applicable amount) are not being offered by leading banks in the London interbank market for such Eurodollar Advance Period, the Administrative Agent shall forthwith give notice thereof to the Borrowers and the Lenders, whereupon until the Administrative Agent notifies the Borrowers that the circumstances giving rise to such situation no longer exist, the obligations of the Lenders to make Eurodollar Advances shall be suspended.

Section 12.2 Illegality. If any change in Applicable Law, any change in the interpretation or administration of any Applicable Law by any governmental authority, central bank, or comparable agency charged with the interpretation or administration thereof, or any change in compliance with Applicable Law as a result of compliance by any Lender with any request or directive (whether or not having the force of law) of any such authority, central bank, or comparable agency after the Agreement Date, shall make it unlawful or impossible for any Lender to make, maintain, or fund its Eurodollar Advances, such Lender shall so notify the Administrative Agent, and the Administrative Agent shall forthwith give notice thereof to the other Lenders and the Administrative Borrower. Before giving any notice to the Administrative Agent pursuant to this Section 12.2, such Lender shall designate a different lending office if such designation will avoid the need for giving such notice and will not, in the judgment of such Lender, be otherwise disadvantageous to such Lender. Upon receipt of such notice, notwithstanding anything contained in Article 2, the Borrowers shall repay in full the then outstanding principal amount of each affected Eurodollar Advance of such Lender, together with accrued interest thereon, either (a) on the last day of the then current Eurodollar Advance Period applicable to such Eurodollar Advance if such Lender may lawfully continue to maintain and fund such Eurodollar Advance to such day or (b) immediately if such Lender may not lawfully continue to fund and maintain such Eurodollar Advance to such day. Concurrently with repaying each affected Eurodollar Advance of such Lender, notwithstanding anything contained in Article 2, the Borrowers shall borrow a Base Rate Advance from such Lender, and such Lender shall make such Advance in an amount such that the outstanding principal amount of the Revolving Loans held by such Lender shall equal the outstanding principal amount of such Revolving

Loans immediately prior to such repayment.

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Section 12.3 Increased Costs.

(a) If any change in Applicable Law, any change in the interpretation or administration of any Applicable Law by any governmental authority, central bank, or comparable agency charged with the interpretation or administration thereof or any change in compliance with Applicable Law as a result of any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency after the Agreement Date:

(i) Shall subject any Lender to any tax, duty, or other charge with respect to its obligation to make Eurodollar Advances, or its Eurodollar Advances, or shall change the basis of taxation of payments to any Lender of the principal of or interest on its Eurodollar Advances or in respect of any other amounts due under this Agreement in respect of its Eurodollar Advances or its obligation to make Eurodollar Advances (except for changes in the rate of tax on the overall net income of such Lender); or

(ii) Shall impose, modify, or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System, but excluding any included in an applicable Eurodollar Reserve Percentage), special deposit, assessment, or other requirement or condition against assets of, deposits (other than as described in Section 12.5) with or for the account of, or commitments or credit extended by any Lender, or shall impose on any Lender or the eurodollar interbank borrowing market any other condition affecting its obligation to make such Eurodollar Advances or its Eurodollar Advances; and the result of any of the foregoing is to increase the cost to such Lender of making or maintaining any such Eurodollar Advances, or to reduce the amount of any sum received or receivable by the Lender under this Agreement or under any Revolving Loan Notes with respect thereto, and such increase is not given effect in the determination of the Eurodollar Rate then,

(iii) Shall subject any Issuing Bank or any Lender to any tax, duty or other charge with respect to the obligation to issue Letters of Credit, maintain Letters of Credit or participate in Letters of Credit, or shall change the basis of taxation of payments to any Issuing Bank or any Lender in respect of amounts drawn under Letters of Credit or in respect of any other amounts due under this Agreement in respect of Letters of Credit or the obligation of the Issuing Banks to issue Letters of Credit, maintain Letters of Credit or participate in Letters of Credit (except for changes in the rate of tax on the overall net income of such Issuing Bank); or

(iv) Shall impose, modify, or deem applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit, assessment, or other requirement or condition against assets of, deposits (other than as described in Section 12.5) with

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or for the account of, or commitments or credit extended by any Issuing Bank, or shall impose on any Issuing Bank or Lender any other condition affecting the obligation to issue Letters of Credit, maintain Letters of Credit or participate in Letters of Credit; and the result of any of the foregoing is to increase the cost to such Issuing Bank or Lender of issuing, maintaining or participating in any such Letters of Credit or to reduce the amount of any sum received or receivable by the Issuing Bank or any Lender under this Agreement with respect thereto,

promptly upon demand by such Lender or Issuing Bank on the Maturity Date, the Borrowers agree to pay, without duplication of amounts due under Section 2.8(b), to such Lender or Issuing Bank such additional amount or amounts as will compensate such Lender or Issuing Bank for such increased costs. Each Lender or such Issuing Bank will promptly notify the Borrowers and the Administrative Agent of any event of which it has knowledge, occurring after the Agreement Date, which will entitle such Lender or Issuing Bank to compensation pursuant to

this Section 12.3 and will designate a different lending office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the sole judgment of such Lender or Issuing Bank, be otherwise disadvantageous to such Lender or Issuing Bank.

(b) A certificate of any Lender or Issuing Bank claiming compensation under this Section 12.3 and setting forth the additional amount or amounts to be paid to it hereunder and calculations therefor shall be conclusive in the absence of manifest error. In determining such amount, such Lender or Issuing Bank may use any reasonable averaging and attribution methods. If any Lender or Issuing Bank demands compensation under this Section 12.3, the Borrowers may at any time, upon at least five (5) Business Days' prior notice to such Lender, prepay in full the then outstanding affected Eurodollar Advances of such Lender, together with accrued interest thereon to the date of prepayment, along with any reimbursement required under Section 2.9. Concurrently with prepaying such Eurodollar Advances the Borrowers shall borrow a Base Rate Advance, or a Eurodollar Advance not so affected, from such Lender, and such Lender shall make such Advance in an amount such that the outstanding principal amount of the Revolving Loans held by such Lender shall equal the outstanding principal amount of such Revolving Loans immediately prior to such prepayment.

Section 12.4 Effect On Other Advances. If notice has been given pursuant to Section 12.1, 12.2 or 12.3 suspending the obligation of any Lender to make any Eurodollar Advance, or requiring Eurodollar Advances of any Lender to be repaid or prepaid, then, unless and until such Lender (or, in the case of Section 12.1, the Administrative Agent) notifies the Administrative Borrower that the circumstances giving rise to such repayment no longer apply, all Advances which would otherwise be made by such Lender as the Eurodollar Advances affected shall, at the option of the Borrowers, be made instead as Base Rate Advances.

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Section 12.5 Capital Adequacy. If after the Agreement Date, any Lender or Issuing Bank (or any affiliate of the foregoing) shall have reasonably determined that the adoption of any applicable law, governmental rule, regulation or order regarding the capital adequacy of banks or bank holding companies, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by such Lender or Issuing Bank (or any affiliate of the foregoing) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such governmental authority, central bank or comparable agency (but only if such adoption, change, request or directive occurs after the Agreement Date), has or would have the effect of reducing the rate of return on such Lender's or Issuing Bank's (or any affiliate of the foregoing) capital as a consequence of such Lender's or Issuing Bank's Commitment or obligations hereunder to a level below that which it could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or Issuing Bank's (or any affiliate of the foregoing) policies with respect to capital adequacy immediately before such adoption, change or compliance and assuming that such Lender's or Issuing Bank's (or any affiliate of the foregoing) capital was fully utilized prior to such adoption, change or compliance), then, promptly upon demand by such Lender or Issuing Bank, the Borrowers shall immediately pay to such Lender or Issuing Bank such additional amounts as shall be sufficient to compensate such Lender or Issuing Bank for any such reduction actually suffered; provided, however, that there shall be no duplication of amounts paid to a Lender pursuant to this sentence and Section 12.3 hereof. A certificate of such Lender or Issuing Bank setting forth the amount to be paid to such Lender or Issuing Bank by the Borrowers as a result of any event referred to in this paragraph shall, absent manifest error, be conclusive.

ARTICLE 13.

JURISDICTION, VENUE AND WAIVER OF JURY TRIAL; ADMINISTRATIVE BORROWER; JOINT AND SEVERAL OBLIGATIONS

Section 13.1 Jurisdiction and Service of Process. FOR PURPOSES OF ANY LEGAL ACTION OR PROCEEDING BROUGHT BY ANY MEMBER OF THE LENDER GROUP WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR ANY BANK PRODUCT DOCUMENTS, EACH BORROWER PARTY HEREBY IRREVOCABLY SUBMITS TO THE PERSONAL JURISDICTION OF THE FEDERAL AND STATE COURTS SITTING IN THE COUNTY OF NEW YORK, STATE OF NEW YORK. THE CONSENT TO JURISDICTION HEREIN SHALL NOT BE EXCLUSIVE.

EACH BORROWER PARTY FURTHER IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL TO SUCH BORROWER PARTY AT THE ADDRESS SET FORTH ABOVE, SUCH SERVICE TO BECOME EFFECTIVE THREE (3) BUSINESS DAYS AFTER SUCH MAILING. IN THE EVENT THAT,

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FOR ANY REASON, SERVICE OF LEGAL PROCESS CANNOT BE MADE IN THE MANNER DESCRIBED ABOVE, SUCH SERVICE MAY BE MADE IN SUCH MANNER AS PERMITTED BY LAW.

Section 13.2 Consent to Venue. EACH BORROWER PARTY HEREBY IRREVOCABLY WAIVES ANY OBJECTION IT WOULD MAKE NOW OR HEREAFTER FOR THE LAYING OF VENUE OF ANY SUIT, ACTION, OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT BROUGHT IN THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA SITTING IN NEW YORK, NEW YORK, AND HEREBY IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH SUIT, ACTION, OR PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

Section 13.3 Waiver of Jury Trial. EACH BORROWER PARTY AND EACH MEMBER OF THE LENDER GROUP TO THE EXTENT PERMITTED BY APPLICABLE LAW WAIVE, AND OTHERWISE AGREE NOT TO REQUEST, A TRIAL BY JURY IN ANY COURT AND IN ANY ACTION, PROCEEDING OR COUNTERCLAIM OF ANY TYPE IN WHICH ANY BORROWER PARTY, ANY MEMBER OF THE LENDER GROUP, OR ANY OF THEIR RESPECTIVE SUCCESSORS OR ASSIGNS IS A PARTY, AS TO ALL MATTERS AND THINGS ARISING DIRECTLY OR INDIRECTLY OUT OF THIS AGREEMENT, ANY REVOLVING LOAN NOTES OR THE OTHER LOAN DOCUMENTS AND THE RELATIONS AMONG THE PARTIES LISTED IN THIS ARTICLE 13.

Section 13.4 The Administrative Borrower. Each Borrower hereby irrevocably appoints Oxford Industries, Inc., as the borrowing agent and attorney-in-fact for all Borrowers (the "Administrative Borrower"), which appointment shall remain in full force and effect unless and until the Administrative Agent shall have received prior written notice signed by each Borrower that such appointment has been revoked and that another Borrower has been appointed the Administrative Borrower. Each Borrower hereby irrevocably appoints and authorizes the Administrative Borrower (i) to provide the Administrative Agent with all notices with respect to Revolving Loans, Swing Loans, and Letters of Credit obtained for the benefit of any Borrower and all other notices and instructions under this Agreement and (ii) to take such action as the Administrative Borrower deems appropriate on its behalf to obtain Revolving Loans, Swing Loans and Letters of Credit and to exercise such other powers as are reasonably incidental thereto to carry out the purposes of this Agreement.

Section 13.5 All Obligations to Constitute Joint and Several Obligations.

(a) All Obligations shall constitute joint and several obligations of the Borrowers and shall be secured by the Administrative Agent's Lien upon all of the Collateral, and by all other Liens heretofore, now or at any time hereafter granted by each Borrower to the Administrative Agent, for the benefit of the Lender Group, to the extent

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provided in the Loan Documents or Bank Product Documents under which such Lien arises. Each Borrower expressly represents and acknowledges that it is part of a common enterprise with the other Borrowers and that any financial accommodations by the Administrative Agent, and the other members of the Lender Group to any other Borrower hereunder and under the other Loan Documents and the Bank Product Documents are and will be of direct and indirect interest, benefit and advantage to all Borrowers. Each Borrower acknowledges that any Request for Advance, Notice of Conversion/Continuation or other notice or request given by the Administrative Borrower (including the Administrative Borrower) to the Administrative Agent shall bind all Borrowers, and that any notice given by the Administrative Agent or any other member of the Lender Group to any Borrower shall be effective with respect to all Borrowers. Each Borrower acknowledges and agrees that each Borrower shall be liable, on a joint and several basis, for all of the Loans and other Obligations, regardless of which Borrower actually may have received the proceeds of any of the Loans or other extensions of credit or have had Letters of Credit issued hereunder or the amount of such Loans received, Letters of Credit issued or the manner in which the Administrative Agent or any other member of the Lender Group accounts among the Borrowers for such Loans, Letters of Credit or other extensions of credit on its books and records, and further acknowledges and agrees that Loans and other extensions of

credit to any Borrower inure to the mutual benefit of all of the Borrowers and that the Administrative Agent and the other members of the Lender Group are relying on the joint and several liability of the Borrowers in extending the Loans and other financial accommodations hereunder. Each Borrower shall be entitled to subrogation and contribution rights from and against the other Borrowers to the extent any Borrower is required to pay to any member of the Lender Group any amount in excess of the Loans advanced directly to, or other Obligations incurred directly by, such Borrower or as otherwise available under Applicable Law; provided, however, that such subrogation and contribution rights are and shall be subject to the terms and conditions of this Section 13.5.

(b) It is the intent of the Borrowers, the Administrative Agent and other members of the Lender Group and any other Person holding any of the Obligations that each Borrower's maximum obligations hereunder (such Borrower's "Maximum Borrower Liability") in any case or proceeding referred to below (but only in such a case or proceeding) shall not be in excess of:

(i) in a case or proceeding commenced by or against such Borrower under the Bankruptcy Code on or within one (1) year from the date on which any of the Obligations of such Borrower are incurred, the maximum amount that would not otherwise cause the Obligations of such Borrower hereunder (or any other Obligations of such Borrower to the Administrative Agent and other members of the Lender Group and any other Person holding any of the Obligations) to be avoidable or unenforceable against such Borrower under (A) Section 548 of the Bankruptcy Code or (B) any state fraudulent transfer or

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fraudulent conveyance act or statute applied in such case or proceeding by virtue of Section 544 of the Bankruptcy Code; or

(ii) in a case or proceeding commenced by or against such Borrower under the Bankruptcy Code subsequent to one (1) year from the date on which any of the Obligations of such Borrower are incurred, the maximum amount that would not otherwise cause the Obligations of such Borrower hereunder (or any other Obligations of such Borrower to the Administrative Agent and other members of the Lender Group and any other Person holding any of the Obligations) to be avoidable or unenforceable against such Borrower under any state fraudulent transfer or fraudulent conveyance act or statute applied in any such case or proceeding by virtue of Section 544 of the Bankruptcy Code; or

(iii) in a case or proceeding commenced by or against such Borrower under any law, statute or regulation other than the Bankruptcy Code relating to dissolution, liquidation, conservatorship, bankruptcy, moratorium, readjustment of debt, compromise, rearrangement, receivership, insolvency, reorganization or similar debtor relief from time to time in effect affecting the rights of creditors generally (collectively, "Other Debtor Relief Law"), the maximum amount that would not otherwise cause the Obligations of such Borrower hereunder (or any other Obligations of such Borrower to the Administrative Agent and other members of the Lender Group and any other Person holding any of the Obligations) to be avoidable or unenforceable against such Borrower under such Other Debtor Relief Law, including, without limitation, any state fraudulent transfer or fraudulent conveyance act or statute applied in any such case or proceeding. (The substantive state or federal laws under which the possible avoidance or unenforceability of the Obligations of any Borrower hereunder (or any other Obligations of such Borrower to the Administrative Agent and any other member of the Lender Group and any other Person holding any of the Obligations) shall be determined in any such case or proceeding shall hereinafter be referred to as the "Avoidance Provisions").

Notwithstanding the foregoing, no provision of this Section 13.5(b) shall limit any Borrower's liability for Loans advanced directly or indirectly to it under this Agreement.

(c) To the extent set forth in Section 13.5(b) hereof, but only to the extent that the Obligations of any Borrower hereunder, or the transfers made by such Borrower under any Loan Document or under any Bank Product Documents, would otherwise be subject to avoidance under any Avoidance Provisions if such Borrower is not deemed to have received valuable consideration, fair value, fair consideration or reasonably equivalent value for such transfers or obligations, or if such transfers or obligations of any Borrower hereunder would render such

Borrower insolvent, or leave such Borrower with an unreasonably small capital or unreasonably small assets to conduct its business, or cause such Borrower to have incurred debts (or to have intended to have incurred

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debts) beyond its ability to pay such debts as they mature, in each case as of the time any of the obligations of such Borrower are deemed to have been incurred and transfers made under such Avoidance Provisions, then the obligations of such Borrower hereunder shall be reduced to that amount which, after giving effect thereto, would not cause the Obligations of such Borrower hereunder (or any other Obligations of such Borrower to the Administrative Agent and any other member of the Lender Group or any other Person holding any of the Obligations), as so reduced, to be subject to avoidance under such Avoidance Provisions. This Section 13.5(c) is intended solely to preserve the rights hereunder of the Administrative Agent and other members of the Lender Group and any other Person holding any of the Obligations to the maximum extent that would not cause the obligations of the Borrowers hereunder to be subject to avoidance under any Avoidance Provisions, and none of the Borrowers nor any other Person shall have any right, defense, offset, or claim under this Section 13.5(c) as against the Administrative Agent and other members of the Lender Group or any other Person holding any of the Obligations that would not otherwise be available to such Person under the Avoidance Provisions.

(d) Each Borrower agrees that the Obligations may at any time and from time to time exceed the Maximum Borrower Liability of such Borrower, and may exceed the aggregate Maximum Borrower Liability of all Borrowers hereunder, without impairing this Agreement or any provision contained herein or affecting the rights and remedies of the Lender Group hereunder.

(e) In the event any Borrower (a "Funding Borrower") shall make any payment or payments under this Agreement or shall suffer any loss as a result of any realization upon any collateral granted by it to secure its obligations hereunder, each other Borrower (each, a "Contributing Borrower") shall contribute to such Funding Borrower an amount equal to such payment or payments made, or losses suffered, by such Funding Borrower determined as of the date on which such payment or loss was made multiplied by the ratio of (i) the Maximum Borrower Liability of such Contributing Borrower (without giving effect to any right to receive any contribution or other obligation to make any contribution hereunder), to (ii) the aggregate Maximum Borrower Liability of all Borrowers (including the Funding Borrowers) hereunder (without giving effect to any right to receive, or obligation to make, any contribution hereunder). Nothing in this Section 13.5(e) shall affect any Borrower's joint and several liability to the Lender Group for the entire amount of its Obligations. Each Borrower covenants and agrees that its right to receive any contribution hereunder from a Contributing Borrower shall be subordinate and junior in right of payment to all obligations of the Borrowers to the Lender Group hereunder.

(f) No Borrower will exercise any rights that it may acquire by way of subrogation hereunder or under any other Loan Document or any Bank Product Document or at law by any payment made hereunder or otherwise, nor shall any Borrower seek or be entitled to seek any contribution or reimbursement from any other

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Borrower in respect of payments made by such Borrower hereunder or under any other Loan Document or under any Bank Products Documents, until all amounts owing to the Lender Group on account of the Obligations are paid in full in cash (or, with respect to Letters of Credit, are either cash collateralized or supported by a letter of credit acceptable to the Administrative Agent in an amount equal to 105% of the face amount of the outstanding Letters of Credit) and the Revolving Loan Commitments are terminated. If any amounts shall be paid to any Borrower on account of such subrogation or contribution rights at any time when all of the Obligations shall not have been paid in full, such amount shall be held by such Borrower in trust for the Lender Group segregated from other funds of such Borrower, and shall, forthwith upon receipt by such Borrower, be turned over to the Administrative Agent in the exact form received by such Borrower (duly endorsed by such Borrower to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, as provided for herein.

Section 13.6 Revival and Reinstatement of Obligations. If the incurrence

or payment of the Obligations by any Borrower or any Guarantor or the transfer to the Lender Group of any property should for any reason subsequently be declared to be void or voidable under any state or federal law relating to creditors' rights, including provisions of the Bankruptcy Code relating to fraudulent conveyances, preferences, or other voidable or recoverable payments of money or transfers of property (collectively, a "Voidable Transfer"), and if the Lender Group is required to repay or restore, in whole or in part, any such Voidable Transfer, or elects to do so upon the reasonable advice of its counsel, then, as to any such Voidable Transfer, or the amount thereof that the Lender Group is required or elects to repay or restore, and as to all reasonable costs, expenses, and attorneys fees of the Lender Group related thereto, the liability of Borrowers or such Guarantor automatically shall be revived, reinstated, and restored and shall exist as though such Voidable Transfer had never been made.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under seal by their duly authorized officers in Atlanta, Georgia, all as of the day and year first above written.

BORROWERS:

OXFORD INDUSTRIES, INC., as a Borrower,

By: /s/ J. Reese Lanier, Jr.

Name: J. Reese Lanier, Jr.
Title: Vice President

Attest: /s/ Dominic C. Mazzone

Name: Dominic C. Mazzone
Title: Secretary

OXFORD OF SOUTH CAROLINA, INC., as a
Borrower

By: /s/ J. Reese Lanier, Jr.

Name: J. Reese Lanier, Jr.
Title: Vice President

Attest: /s/ Dominic C. Mazzone

Name: Dominic C. Mazzone
Title: Secretary

VIEWPOINT INTERNATIONAL, INC., as a
Borrower

By: /s/ Dominic C. Mazzone

Name: Dominic C. Mazzone
Title: Secretary

CREDIT AGREEMENT

GUARANTORS:

LIONSHEAD CLOTHING COMPANY, a Delaware
corporation

By: /s/ J. Reese Lanier, Jr.

Name: J. Reese Lanier, Jr.
Title: Vice President

Attest: /s/ Dominic C. Mazzone

Name: Dominic C. Mazzone
Title: Secretary

MERONA INDUSTRIES, INC., a Delaware
corporation

By: /s/ J. Reese Lanier, Jr.

Name: J. Reese Lanier, Jr.
Title: Vice President

Attest: /s/ Dominic C. Mazzone

Name: Dominic C. Mazzone
Title: Secretary

OXFORD CARIBBEAN, INC., a Delaware corporation

By: /s/ J. Reese Lanier, Jr.

Name: J. Reese Lanier, Jr.
Title: Vice President

Attest: /s/ Dominic C. Mazzone

Name: Dominic C. Mazzone
Title: Secretary

CREDIT AGREEMENT

OXFORD CLOTHING CORPORATION, a Georgia corporation, to be known as BEN SHERMAN CLOTHING, INC., a Georgia corporation immediately following consummation of the Acquisition

By: /s/ J. Reese Lanier, Jr.

Name: J. Reese Lanier, Jr.
Title: Vice President

Attest: /s/ Dominic C. Mazzone

Name: Dominic C. Mazzone
Title: Secretary

OXFORD GARMENT, INC. a Delaware corporation

By: /s/ J. Reese Lanier, Jr.

Name: J. Reese Lanier, Jr.
Title: Vice President

Attest: /s/ Dominic C. Mazzone

Name: Dominic C. Mazzone
Title: Secretary

OXFORD INTERNATIONAL, INC., a Georgia corporation

By: /s/ J. Reese Lanier, Jr.

Name: J. Reese Lanier, Jr.
Title: Vice President

Attest: /s/ Dominic C. Mazzone

Name: Dominic C. Mazzone
Title: Secretary

CREDIT AGREEMENT

TOMMY BAHAMA R&R HOLDINGS, INC., a Delaware corporation

By: /s/ J. Reese Lanier, Jr.

Name: J. Reese Lanier, Jr.

Title: Vice President

INDIGO PALM FASHION ISLAND LLC, a
Delaware limited liability company,
INDIGO PALMS LV FORUM LLC, a Delaware
limited liability company,
INDIGO PALMS SANTANA ROW, LLC, a
Delaware limited liability company,
TOMMY BAHAMA ALA MOANA LLC,
a Delaware limited liability company,
TOMMY BAHAMA ATLANTIC CITY, LLC,
a Delaware limited liability company,
TOMMY BAHAMA BILTMORE, LLC,
a Delaware limited liability company,
TOMMY BAHAMA BIRMINGHAM, LLC,
a Delaware limited liability company,
TOMMY BAHAMA BOCA RATON, LLC,
a Delaware limited liability company,
TOMMY BAHAMA CAFE EMPORIUM, LLC, a
Delaware limited liability company,
TOMMY BAHAMA CHARLESTON, LLC, a
Delaware limited liability company,
TOMMY BAHAMA CHERRY CREEK, LLC,
a Delaware limited liability company,
TOMMY BAHAMA CHICAGO, LLC,
a Delaware limited liability company,
TOMMY BAHAMA CORAL GABLES, LLC,
a Delaware limited liability company,
TOMMY BAHAMA FARMERS MARKET, LLC,
a Delaware limited liability company,
TOMMY BAHAMA KANSAS CITY, LLC,
a Delaware limited liability company,
TOMMY BAHAMA LA JOLLA, LLC,
a Delaware limited liability company,
TOMMY BAHAMA LAS OLAS LLC, a Delaware
limited liability company,

CREDIT AGREEMENT

TOMMY BAHAMA LAS VEGAS, LLC,
a Delaware limited liability company,
TOMMY BAHAMA LAS VEGAS FASHION SHOW, LLC, a
Delaware limited liability company,
TOMMY BAHAMA LV FORUM, LLC, a
Delaware limited liability company,
TOMMY BAHAMA MANHATTAN VILLAGE, LLC, a
Delaware limited liability company,
TOMMY BAHAMA MAUNA LANI, LLC,
a Delaware limited liability company,
TOMMY BAHAMA MISSION VIEJO, LLC, a
Delaware limited liability company,
TOMMY BAHAMA MYRTLE BEACH, LLC,
a Delaware limited liability company,
TOMMY BAHAMA NEWPORT BEACH LLC,
a Delaware limited liability company,
TOMMY BAHAMA NORTH SCOTTSDALE, LLC, a
Delaware limited liability company,
TOMMY BAHAMA ORLANDO, LLC,
a Delaware limited liability company,
TOMMY BAHAMA PALM BEACH GARDENS, LLC, a
Delaware limited liability company,
TOMMY BAHAMA PALM DESERT, LLC, a
Delaware limited liability company,
TOMMY BAHAMA PALO ALTO, LLC,
a Delaware limited liability company,
TOMMY BAHAMA PASADENA, LLC, a
Delaware limited liability company,
TOMMY BAHAMA PHIPPS PLAZA, LLC, a
Delaware limited liability company,

TOMMY BAHAMA PRIMM, LLC,
a Delaware limited liability company,
TOMMY BAHAMA SAN DIEGO FASHION VALLEY, LLC,
a Delaware limited liability company,
TOMMY BAHAMA SAN JOSE, LLC,
a Delaware limited liability company,
TOMMY BAHAMA SARASOTA, LLC, a
Delaware limited liability company,
TOMMY BAHAMA SOUTH PARK NC, LLC, a
Delaware limited liability company,
TOMMY BAHAMA ST. AUGUSTINE, LLC,
a Delaware limited liability company,

CREDIT AGREEMENT

TOMMY BAHAMA TAMPA, LLC,
a Delaware limited liability company,
TOMMY BAHAMA TROY, LLC, a Delaware
limited liability company,
TOMMY BAHAMA TUCSON, LLC,
a Delaware limited liability company,
TOMMY BAHAMA TYSONS GALLERIA, LLC,
a Delaware limited liability company,
TOMMY BAHAMA WAILEA, LLC,
a Delaware limited liability company,
TOMMY BAHAMA WALNUT CREEK, LLC,
a Delaware limited liability company,
TOMMY BAHAMA WEST PALM, LLC,
a Delaware limited liability company,
TOMMY BAHAMA WHALERS VILLAGE, LLC,
a Delaware limited liability company,
TOMMY BAHAMA WOODBURY COMMON, LLC, a
Delaware limited liability company,
TOMMY BAHAMA WOODLANDS, LLC, a
Delaware limited liability company,

Tommy Bahama R&R Holdings, Inc., as sole
member of each of the above-named limited
liability companies

By: /s/ J. Reese Lanier, Jr.

Name: J. Reese Lanier, Jr.
Title: Vice President

TOMMY BAHAMA R&R TEXAS, INC., a Texas
corporation

By: /s/ J. Reese Lanier, Jr.

Name: J. Reese Lanier, Jr.
Title: Vice President

CREDIT AGREEMENT

TOMMY BAHAMA AUSTIN, L.P., a Texas
limited partnership,
TOMMY BAHAMA DALLAS, L.P., a Texas
limited partnership,

TOMMY BAHAMA R&R TEXAS, INC., as general
partner of each of the above-named limited
partnerships

By: /s/ J. Reese Lanier, Jr.

Name: J. Reese Lanier, Jr.
Title: Vice President

PIEDMONT APPAREL CORPORATION, a Delaware
corporation

By: /s/ J. Reese Lanier, Jr.

Name: J. Reese Lanier, Jr.
Title: Vice President

Attest: /s/ Dominic C. Mazzone

Name: Dominic C. Mazzone
Title: Secretary

CREDIT AGREEMENT

LENDER GROUP: SUNTRUST BANK, as the Administrative Agent,
an Issuing Bank and a Lender

By: /s/ E. Donald Besch, Jr.

Name: E. Donald Besch, Jr.
Title: Managing Director

CREDIT AGREEMENT

BANK OF AMERICA, N.A., as a Lender and an
Issuing Bank

By: /s/ Douglas J. Bolt

Name: Douglas J. Bolt
Title: Vice President

Credit Notice Address:

Doug Bolt
Vice President
100 N. Tryon Street
Charlotte, North Carolina 28255
Telephone No.: (704) 388-7227
Telecopy No.: (704) 388-8268
Email: doug.j.bolt@bankofamerica.com
Administrative/Operations Notice Address:

G K. Lapitan
CSR II-Officer
1850 Gateway Boulevard, Fifth Floor
Concord, California 94520
Telephone No.: (925) 675-8205
Telecopy No.: (888) 969-9170
g_k.lapitan@bankofamerica.com

CREDIT AGREEMENT

GENERAL ELECTRIC CAPITAL CORPORATION,
as a Lender

By: /s/ C. Mark Smith

Name: C. Mark Smith
Title: Duly Authorized Signatory

Credit Notice Address:

Carter Burton
Associate
1100 Abernathy Road, Suite 900
Atlanta, Georgia 30328
Telephone No.: (678) 320-8934
Telecopy No.: (678) 320-8902
Email: carter.burton@ge.com

Administrative/Operations Notice Address:

Gayani Crawford
Credit Administrator
201 Merritt 7, P.O. Box 5201
Norwalk, Connecticut 06851
Telephone No.: (203) 229-5716
Telecopy No.: (203) 229-5792
gayani.crawford@ge.com

CREDIT AGREEMENT

HSBC BUSINESS CREDIT (USA) INC., as a
Lender

By: /s/ Dan Bueno

Name: Dan Bueno
Title: Vice President

Credit Notice Address:

Dan Bueno
Vice President
452 Fifth Avenue, 5th Floor
New York, New York 10018
Telephone No.: (212) 525-2518
Telecopy No.: (212) 525-2520
Email: dan.r.bueno@us.hsbc.com

Administrative/Operations Notice Address:

Antoinette Starr
Vice President
1 HSBC Center
Buffalo, New York 14203
Telephone No.: (716) 841-6469
Telecopy No.: (716) 841-5878
Email: antoinette.starr@us.hsbc.com

CREDIT AGREEMENT

JPMORGAN CHASE BANK,
as a Lender

By: /s/ James A. Knight

Name: James A. Knight
Title: Vice President

Credit Notice Address:

James A. Knight
Vice President
1411 Broadway, 5th Floor
New York, New York 10018
Telephone No.: (212) 391-7679
Telecopy No.: (212) 391-2102
Email: james.alan.knight@jpmorgan.com

Administrative/Operations Notice Address:

Henrietta Chambers
CSP
1411 Broadway, 5th Floor
Melville, New York 10018
Telephone No.: (212) 391-4052
Telecopy No.: (212) 391-7283
Email: Henrietta.chambers@jpmorgan.com

CREDIT AGREEMENT

SHANGHAI COMMERCIAL BANK LTD., as a
Lender and an Issuing Bank

By: /s/ Timothy Chan

Name: Timothy Chan
Title: Vice President & Manager

By: /s/ Amy Leung

Name: Amy Leung
Title: Vice President

Credit Notice Address:

Timothy Chan
Vice President and Manager
125 East 56th Street
New York, New York 10022
Telephone No.: (212) 699-2800, Ext. 228
Telecopy No.: (212) 699-2819
Email: scbny@shacombank.com

Administrative/Operations Notice Address:

Pearl Kong
Assistant Vice President
125 East 56th Street
New York, New York 10022
Telephone No.: (212) 699-2800, Ext. 216
Telecopy No.: (212) 699-2818
Email: scbny@shacombank.com

CREDIT AGREEMENT

THE CIT GROUP/COMMERCIAL SERVICES, INC.,
as a Lender

By: /s/ M. Kim Carpenter

Name: M. Kim Carpenter
Title: Vice President

Credit Notice Address:

William Johannesen
Vice President
Two Wachovia Center
301 South Tryon Street
Charlotte, North Carolina 28202
Telephone No.: (704) 339-2901
Telecopy No.: (704) 339-2910
Email: william.johannesen@cit.com

Administrative/Operations Notice Address:

Kathryn Cooney
Assistant Vice President
Two Wachovia Center
301 South Tryon Street
Charlotte, North Carolina 28202
Telephone No.: (704) 339-2937
Telecopy No.: (704) 339-2210
Email: Kathryn.cooney@cit.com

CREDIT AGREEMENT

WACHOVIA BANK, NATIONAL ASSOCIATION,
as a Lender and an Issuing Bank

By: /s/ Shelly Rogers

Name: Shelly Rogers
Title: Vice President

Credit Notice Address:

Shelley Rogers
Vice President
3414 Peachtree Road, Suite 500
Atlanta, Georgia 30326
Telephone No.: (404) 240-2585
Telecopy No.: (404) 240-2589
Shelley.rogers@wachovia.com

Administrative/Operations Notice Address:

Valessa Davis
201 South College Street, CP-9
Charlotte, North Carolina 28288-1183
Telephone No.: (704) 715-8103
Telecopy No.: (704) 715-0099
Valessa.Davis@wachovia.com

CREDIT AGREEMENT

HSBC BANK USA, NATIONAL ASSOCIATION
(formerly HSBC Bank USA), as an Issuing Bank

By: /s/ Barbara Baltar

Name: Barbara Baltar
Title: First Vice President

Notice Address:

1441 Brickell Avenue
16th Floor
Miami, Florida 33131
Attn: Ms. Barbara Baltar
Telephone No.: (305) 539-4946
Telecopy No.: (305) 539-4930
Email: Barbara.baltar@us.hsbc.com

CREDIT AGREEMENT

SIGNIFICANT SUBSIDIARIES

Viewpoint International, Inc., a Delaware corporation

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements of Oxford Industries, Inc. and subsidiaries and in the related Prospectuses of our report dated July 23, 2004, with respect to the consolidated financial statements of Oxford Industries, Inc. and subsidiaries included in this Annual Report (Form 10-K) for the year ended May 28, 2004.

REGISTRATION STATEMENT NO. -----	FORM -----	DESCRIPTION -----
33-7231	S-8	Oxford Industries, Inc. 1992 Stock Option Plan
33-64097	S-8	Oxford Industries, Inc. 1992 Stock Option Plan
333-59409	S-8	Oxford Industries, Inc. 1997 Restricted Option Plan
333-59411	S-8	Oxford Industries, Inc. 1997 Stock Option Plan
333-113000	S-8	Oxford Industries, Inc. 1997 Stock Option Plan
333-110598	S-3	Registration of 776,400 shares of Oxford Industries, Inc. Common Stock

/s/ Ernst & Young LLP

Atlanta, Georgia
August 9, 2004

POWER OF ATTORNEY

The undersigned, a director of Oxford Industries, Inc. (the "Company"), does hereby constitute and appoint Dominic C. Mazzone, Mary Margaret Heaton and Tiffany Easton his true and lawful attorneys-in-fact and agents, with full power of substitution and re-substitution, for him and in his name, place and stead, to sign the Company's Form 10-K Annual Report pursuant to Section 13 of the Securities Exchange Act of 1934 for the fiscal year ended May 28, 2004 and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto the attorney-in-fact full power and authority to sign such document on behalf of the undersigned and to make such filing, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that the attorney-in-fact, or his substitutes, may lawfully do or cause to be done by virtue hereof. In addition, each such attorney-in-fact shall have full power and authority to execute on his behalf, in his capacity as an officer and/or director of Oxford Industries, Inc. (the "Company") subject to the reporting requirements of the Securities Exchange Act of 1934 (the "Act"), all Forms required to be filed by me under such Act, including Forms 3, 4 and 5, in accordance with the Act and the rules and regulations promulgated thereunder. In addition, each such attorney-in-fact shall have full power and authority to do and perform any and all acts on his behalf which may be necessary or desirable to complete, execute and timely file any such Forms with the United States Securities and Exchange Commission and any stock exchange or similar authority.

/s/ Ben B. Blount, Jr.

Ben B. Blount, Jr.

Date: August 3, 2004

State of: Georgia
 County of: Fulton
 On this 3rd day of August,
 2004, before me personally appeared Ben B.
 Blount, Jr., known to me to be the person
 named in this instrument, and acknowledged
 that he executed the same as his free act
 and deed.

/s/ Sandra Gilbert

Notary Public

My Commission expires: May 19, 2006

[NOTARY SEAL]

POWER OF ATTORNEY

The undersigned, a director of Oxford Industries, Inc. (the "Company"), does hereby constitute and appoint Dominic C. Mazzone, Mary Margaret Heaton and Tiffany Easton his true and lawful attorneys-in-fact and agents, with full power of substitution and re-substitution, for him and in his name, place and stead, to sign the Company's Form 10-K Annual Report pursuant to Section 13 of the Securities Exchange Act of 1934 for the fiscal year ended May 28, 2004 and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto the attorney-in-fact full power and authority to sign such document on behalf of the undersigned and to make such filing, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that the attorney-in-fact, or his substitutes, may lawfully do or cause to be done by virtue hereof. In addition, each such attorney-in-fact shall have full power and authority to execute on his behalf, in his capacity as an officer and/or director of Oxford Industries, Inc. (the "Company") subject to the reporting requirements of the Securities Exchange Act of 1934 (the "Act"), all Forms required to be filed by me under such Act, including Forms 3, 4 and 5, in accordance with the Act and the rules and regulations promulgated thereunder. In addition, each such attorney-in-fact shall have full power and authority to do

and perform any and all acts on his behalf which may be necessary or desirable to complete, execute and timely file any such Forms with the United States Securities and Exchange Commission and any stock exchange or similar authority.

/s/ J. Hicks Lanier

J. Hicks Lanier

Date: July 30, 2004

State of: Georgia
County of: Fulton

On this 30th day of July,
2004, before me personally appeared J.
Hicks Lanier, known to me to be the
person named in this instrument, and
acknowledged that he executed the same
as his free act and deed.

/s/ Sandra Gilbert

Notary Public

My Commission expires: May 19, 2006

[NOTARY SEAL]

POWER OF ATTORNEY

The undersigned, a director of Oxford Industries, Inc. (the "Company"), does hereby constitute and appoint Dominic C. Mazzone, Mary Margaret Heaton and Tiffany Easton his true and lawful attorneys-in-fact and agents, with full power of substitution and re-substitution, for him and in his name, place and stead, to sign the Company's Form 10-K Annual Report pursuant to Section 13 of the Securities Exchange Act of 1934 for the fiscal year ended May 28, 2004 and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto the attorney-in-fact full power and authority to sign such document on behalf of the undersigned and to make such filing, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that the attorney-in-fact, or his substitutes, may lawfully do or cause to be done by virtue hereof. In addition, each such attorney-in-fact shall have full power and authority to execute on his behalf, in his capacity as an officer and/or director of Oxford Industries, Inc. (the "Company") subject to the reporting requirements of the Securities Exchange Act of 1934 (the "Act"), all Forms required to be filed by me under such Act, including Forms 3, 4 and 5, in accordance with the Act and the rules and regulations promulgated thereunder. In addition, each such attorney-in-fact shall have full power and authority to do and perform any and all acts on his behalf which may be necessary or desirable to complete, execute and timely file any such Forms with the United States Securities and Exchange Commission and any stock exchange or similar authority.

/s/ Knowlton J. O'Reilly

Knowlton J. O'Reilly

Date: August 3, 2004

State of: New York

County of: New York

On this 8th day of August,
2004, before me personally appeared
Knowlton J. O'Reilly, known to me to be
the person named in this instrument, and
acknowledged that he executed the same
as his free act and deed.

/s/ Sol Pearlman

Notary Public

My Commission expires: March 9, 2007

[NOTARY SEAL]

POWER OF ATTORNEY

The undersigned, a director of Oxford Industries, Inc. (the "Company"), does hereby constitute and appoint Dominic C. Mazzone, Mary Margaret Heaton and Tiffany Easton his true and lawful attorneys-in-fact and agents, with full power of substitution and re-substitution, for him and in his name, place and stead, to sign the Company's Form 10-K Annual Report pursuant to Section 13 of the Securities Exchange Act of 1934 for the fiscal year ended May 28, 2004 and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto the attorney-in-fact full power and authority to sign such document on behalf of the undersigned and to make such filing, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that the attorney-in-fact, or his substitutes, may lawfully do or cause to be done by virtue hereof. In addition, each such attorney-in-fact shall have full power and authority to execute on his behalf, in his capacity as an officer and/or director of Oxford Industries, Inc. (the "Company") subject to the reporting requirements of the Securities Exchange Act of 1934 (the "Act"), all Forms required to be filed by me under such Act, including Forms 3, 4 and 5, in accordance with the Act and the rules and regulations promulgated thereunder. In addition, each such attorney-in-fact shall have full power and authority to do and perform any and all acts on his behalf which may be necessary or desirable to complete, execute and timely file any such Forms with the United States Securities and Exchange Commission and any stock exchange or similar authority.

/s/ Cecil D. Conlee

Cecil D. Conlee

Date: August 5, 2004

State of: Georgia

County of: Fulton

On this 5th day of August, 2004,
before me personally appeared
Cecil D. Conlee, known to me to be the
person named in this instrument, and
acknowledged that he executed the same
as his free act and deed.

/s/ Ann Yearin

Notary Public

My Commission expires: September 4, 2004

[NOTARY SEAL]

POWER OF ATTORNEY

The undersigned, a director of Oxford Industries, Inc. (the "Company"), does hereby constitute and appoint Dominic C. Mazzone, Mary Margaret Heaton and Tiffany Easton his true and lawful attorneys-in-fact and agents, with full power of substitution and re-substitution, for him and in his name, place and stead, to sign the Company's Form 10-K Annual Report pursuant to Section 13 of the Securities Exchange Act of 1934 for the fiscal year ended May 28, 2004 and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto the attorney-in-fact full power and authority to sign such document on behalf of the undersigned and to make such filing, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that the attorney-in-fact, or his substitutes, may lawfully do or cause to be

done by virtue hereof. In addition, each such attorney-in-fact shall have full power and authority to execute on his behalf, in his capacity as an officer and/or director of Oxford Industries, Inc. (the "Company") subject to the reporting requirements of the Securities Exchange Act of 1934 (the "Act"), all Forms required to be filed by me under such Act, including Forms 3, 4 and 5, in accordance with the Act and the rules and regulations promulgated thereunder. In addition, each such attorney-in-fact shall have full power and authority to do and perform any and all acts on his behalf which may be necessary or desirable to complete, execute and timely file any such Forms with the United States Securities and Exchange Commission and any stock exchange or similar authority.

/s/ Thomas Gallagher

Thomas Gallagher

Date: July 30, 2004

State of: Georgia

County of: Cherokee

On this 30th day of July, 2004,
before me personally appeared
Thomas Gallagher, known to me to be the
person named in this instrument, and
acknowledged that he executed the same
as his free act and deed.

/s/ Cleo C Durham

Notary Public

My Commission expires: November 8, 2004

[NOTARY SEAL]

POWER OF ATTORNEY

The undersigned, a director of Oxford Industries, Inc. (the "Company"), does hereby constitute and appoint Dominic C. Mazzone, Mary Margaret Heaton and Tiffany Easton his true and lawful attorneys-in-fact and agents, with full power of substitution and re-substitution, for him and in his name, place and stead, to sign the Company's Form 10-K Annual Report pursuant to Section 13 of the Securities Exchange Act of 1934 for the fiscal year ended May 28, 2004 and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto the attorney-in-fact full power and authority to sign such document on behalf of the undersigned and to make such filing, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that the attorney-in-fact, or his substitutes, may lawfully do or cause to be done by virtue hereof. In addition, each such attorney-in-fact shall have full power and authority to execute on his behalf, in his capacity as an officer and/or director of Oxford Industries, Inc. (the "Company") subject to the reporting requirements of the Securities Exchange Act of 1934 (the "Act"), all Forms required to be filed by me under such Act, including Forms 3, 4 and 5, in accordance with the Act and the rules and regulations promulgated thereunder. In addition, each such attorney-in-fact shall have full power and authority to do and perform any and all acts on his behalf which may be necessary or desirable to complete, execute and timely file any such Forms with the United States Securities and Exchange Commission and any stock exchange or similar authority.

/s/ S. Anthony Margolis

S. Anthony Margolis

Date: August 4, 2004

State of: Georgia

County of: Fulton

On this 4th day of August, 2004,
before me personally appeared S.
Anthony Margolis, known to me to be the
person named in this instrument, and
acknowledged that he executed the same
as his free act and deed.

/s/ Sandra Gilbert

Notary Public

My Commission expires: May 19, 2006

[NOTARY SEAL]

POWER OF ATTORNEY

The undersigned, a director of Oxford Industries, Inc. (the "Company"), does hereby constitute and appoint Dominic C. Mazzone, Mary Margaret Heaton and Tiffany Easton his true and lawful attorneys-in-fact and agents, with full power of substitution and re-substitution, for him and in his name, place and stead, to sign the Company's Form 10-K Annual Report pursuant to Section 13 of the Securities Exchange Act of 1934 for the fiscal year ended May 28, 2004 and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto the attorney-in-fact full power and authority to sign such document on behalf of the undersigned and to make such filing, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that the attorney-in-fact, or his substitutes, may lawfully do or cause to be done by virtue hereof. In addition, each such attorney-in-fact shall have full power and authority to execute on his behalf, in his capacity as an officer and/or director of Oxford Industries, Inc. (the "Company") subject to the reporting requirements of the Securities Exchange Act of 1934 (the "Act"), all Forms required to be filed by me under such Act, including Forms 3, 4 and 5, in accordance with the Act and the rules and regulations promulgated thereunder. In addition, each such attorney-in-fact shall have full power and authority to do and perform any and all acts on his behalf which may be necessary or desirable to complete, execute and timely file any such Forms with the United States Securities and Exchange Commission and any stock exchange or similar authority.

/s/ J. Reese Lanier

J. Reese Lanier

Date: July 30, 2004

State of: Georgia

County of: Fulton

On this 30th day of July, 2004,
before me personally appeared
J. Reese Lanier, known to me to be the
person named in this instrument, and
acknowledged that he executed the same
as his free act and deed.

/s/ Sandra Gilbert

Notary Public

My Commission expires: May 19, 2006

[NOTARY SEAL]

POWER OF ATTORNEY

The undersigned, a director of Oxford Industries, Inc. (the "Company"),

does hereby constitute and appoint Dominic C. Mazzone, Mary Margaret Heaton and Tiffany Easton his true and lawful attorneys-in-fact and agents, with full power of substitution and re-substitution, for him and in his name, place and stead, to sign the Company's Form 10-K Annual Report pursuant to Section 13 of the Securities Exchange Act of 1934 for the fiscal year ended May 28, 2004 and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto the attorney-in-fact full power and authority to sign such document on behalf of the undersigned and to make such filing, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that the attorney-in-fact, or his substitutes, may lawfully do or cause to be done by virtue hereof. In addition, each such attorney-in-fact shall have full power and authority to execute on his behalf, in his capacity as an officer and/or director of Oxford Industries, Inc. (the "Company") subject to the reporting requirements of the Securities Exchange Act of 1934 (the "Act"), all Forms required to be filed by me under such Act, including Forms 3, 4 and 5, in accordance with the Act and the rules and regulations promulgated thereunder. In addition, each such attorney-in-fact shall have full power and authority to do and perform any and all acts on his behalf which may be necessary or desirable to complete, execute and timely file any such Forms with the United States Securities and Exchange Commission and any stock exchange or similar authority.

/s/ Clarence B. Rogers, Jr.

Clarence B. Rogers, Jr.

Date: August 3, 2004

State of: Georgia

County of: Fulton

On this 3rd day of August, 2004,
before me personally appeared
Clarence B. Rogers, Jr., known to me to
be the person named in this instrument,
and acknowledged that he executed the
same as his free act and deed.

/s/ Sandra Gilbert

Notary Public

My Commission expires: May 19, 2006

[NOTARY SEAL]

POWER OF ATTORNEY

The undersigned, a director of Oxford Industries, Inc. (the "Company"), does hereby constitute and appoint Dominic C. Mazzone, Mary Margaret Heaton and Tiffany Easton his true and lawful attorneys-in-fact and agents, with full power of substitution and re-substitution, for him and in his name, place and stead, to sign the Company's Form 10-K Annual Report pursuant to Section 13 of the Securities Exchange Act of 1934 for the fiscal year ended May 28, 2004 and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto the attorney-in-fact full power and authority to sign such document on behalf of the undersigned and to make such filing, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that the attorney-in-fact, or his substitutes, may lawfully do or cause to be done by virtue hereof. In addition, each such attorney-in-fact shall have full power and authority to execute on his behalf, in his capacity as an officer and/or director of Oxford Industries, Inc. (the "Company") subject to the reporting requirements of the Securities Exchange Act of 1934 (the "Act"), all Forms required to be filed by me under such Act, including Forms 3, 4 and 5, in accordance with the Act and the rules and regulations promulgated thereunder. In addition, each such attorney-in-fact shall have full power and authority to do and perform any and all acts on his behalf which may be necessary or desirable to complete, execute and timely file any such Forms with the United States Securities and Exchange Commission and any stock exchange or similar authority.

/s/ Robert E. Shaw

Robert E. Shaw

Date: August 2, 2004

State of: Georgia

County of: Whitfield

On this 2nd day of August, 2004,
before me personally appeared
Robert E. Shaw, known to me to be the
person named in this instrument, and
acknowledged that he executed the same
as his free act and deed.

/s/ Carin Williams

Notary Public

My Commission expires: September 5, 2006

[NOTARY SEAL]

POWER OF ATTORNEY

The undersigned, a director of Oxford Industries, Inc. (the "Company"), does hereby constitute and appoint Dominic C. Mazzone, Mary Margaret Heaton and Tiffany Easton his true and lawful attorneys-in-fact and agents, with full power of substitution and re-substitution, for him and in his name, place and stead, to sign the Company's Form 10-K Annual Report pursuant to Section 13 of the Securities Exchange Act of 1934 for the fiscal year ended May 28, 2004 and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto the attorney-in-fact full power and authority to sign such document on behalf of the undersigned and to make such filing, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that the attorney-in-fact, or his substitutes, may lawfully do or cause to be done by virtue hereof. In addition, each such attorney-in-fact shall have full power and authority to execute on his behalf, in his capacity as an officer and/or director of Oxford Industries, Inc. (the "Company") subject to the reporting requirements of the Securities Exchange Act of 1934 (the "Act"), all Forms required to be filed by me under such Act, including Forms 3, 4 and 5, in accordance with the Act and the rules and regulations promulgated thereunder. In addition, each such attorney-in-fact shall have full power and authority to do and perform any and all acts on his behalf which may be necessary or desirable to complete, execute and timely file any such Forms with the United States Securities and Exchange Commission and any stock exchange or similar authority.

/s/ Clarence H. Smith

Clarence H. Smith

Date: August 3, 2004

State of: Georgia

County of: Fulton

On this 3rd day of August, 2004,
before me personally appeared
Clarence H. Smith, known to me to be
the person named in this instrument,
and acknowledged that he executed the
same as his free act and deed.

/s/ Valori S. Harris

Notary Public

My Commission expires: January 6, 2007

[NOTARY SEAL]

POWER OF ATTORNEY

The undersigned, a director of Oxford Industries, Inc. (the "Company"), does hereby constitute and appoint Dominic C. Mazzone, Mary Margaret Heaton and Tiffany Easton his true and lawful attorneys-in-fact and agents, with full power of substitution and re-substitution, for him and in his name, place and stead, to sign the Company's Form 10-K Annual Report pursuant to Section 13 of the Securities Exchange Act of 1934 for the fiscal year ended May 28, 2004 and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto the attorney-in-fact full power and authority to sign such document on behalf of the undersigned and to make such filing, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that the attorney-in-fact, or his substitutes, may lawfully do or cause to be done by virtue hereof. In addition, each such attorney-in-fact shall have full power and authority to execute on his behalf, in his capacity as an officer and/or director of Oxford Industries, Inc. (the "Company") subject to the reporting requirements of the Securities Exchange Act of 1934 (the "Act"), all Forms required to be filed by me under such Act, including Forms 3, 4 and 5, in accordance with the Act and the rules and regulations promulgated thereunder. In addition, each such attorney-in-fact shall have full power and authority to do and perform any and all acts on his behalf which may be necessary or desirable to complete, execute and timely file any such Forms with the United States Securities and Exchange Commission and any stock exchange or similar authority.

/s/ E. Jenner Wood III

E. Jenner Wood III

Date: July 29, 2004

State of: Georgia

County of: Fulton

On this 29th day of July, 2004,
before me personally appeared E.
Jenner Wood III, known to me to be
the person named in this instrument,
and acknowledged that he executed the
same as his free act and deed.

/s/ Janet E. Mayes

Notary Public

My Commission expires: April 4, 2005

[NOTARY SEAL]

POWER OF ATTORNEY

The undersigned, a director of Oxford Industries, Inc. (the "Company"), does hereby constitute and appoint Dominic C. Mazzone, Mary Margaret Heaton and Tiffany Easton her true and lawful attorneys-in-fact and agents, with full power of substitution and re-substitution, for her and in her name, place and stead, to sign the Company's Form 10-K Annual Report pursuant to Section 13 of the Securities Exchange Act of 1934 for the fiscal year ended May 28, 2004 and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto the attorney-in-fact full power and authority to sign such document on behalf of the undersigned and to make such filing, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that the attorney-in-fact, or her substitutes, may lawfully do or cause to be done by virtue hereof. In addition, each such attorney-in-fact shall have full

power and authority to execute on her behalf, in her capacity as an officer and/or director of Oxford Industries, Inc. (the "Company") subject to the reporting requirements of the Securities Exchange Act of 1934 (the "Act"), all Forms required to be filed by me under such Act, including Forms 3, 4 and 5, in accordance with the Act and the rules and regulations promulgated thereunder. In addition, each such attorney-in-fact shall have full power and authority to do and perform any and all acts on her behalf which may be necessary or desirable to complete, execute and timely file any such Forms with the United States Securities and Exchange Commission and any stock exchange or similar authority.

/s/ Helen B. Weeks

Helen B. Weeks

Date: August 6, 2004

State of: Georgia

County of: Fulton

On this 9th day of August, 2004,
before me personally appeared
Helen B. Weeks, known to me to be
the person named in this instrument,
and acknowledged that he executed the
same as his free act and deed.

/s/ Zoe Mooreman-Keller

Notary Public

My Commission expires: April 15, 2008

[NOTARY SEAL]

CERTIFICATION

I, J. Hicks Lanier, certify that:

1. I have reviewed this annual report on Form 10-K of Oxford Industries, Inc.;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 10, 2004

/s/ J. Hicks Lanier

J. Hicks Lanier

Chairman and Chief Executive Officer

CERTIFICATION

I, Ben B. Blount, Jr., certify that:

1. I have reviewed this annual report on Form 10-K of Oxford Industries, Inc.;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 10, 2004

/s/ Ben B. Blount, Jr.

Ben B. Blount, Jr.
Executive Vice President and
Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 *

In connection with the Annual Report of Oxford Industries, Inc. (the "Company") on Form 10-K ("Form 10-K") for the 2003-2004 fiscal year as filed with the Securities and Exchange Commission on the date hereof, I, J. Hicks Lanier, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) To my knowledge the Form 10-K fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ J. Hicks Lanier

J. Hicks Lanier
Chairman and Chief Executive Officer
August 10, 2004

* A signed original of this written statement required by Section 906 has been provided to Oxford Industries, Inc. and will be retained by Oxford Industries, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 *

In connection with the Annual Report of Oxford Industries, Inc. (the "Company") on Form 10-K ("Form 10-K") for the 2003-2004 fiscal year as filed with the Securities and Exchange Commission on the date hereof, I, Ben B. Blount, Jr., Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) To my knowledge the Form 10-K fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ben B. Blount, Jr.

Ben B. Blount, Jr.
Executive Vice President and
Chief Financial Officer
August 10, 2004

* A signed original of this written statement required by Section 906 has been provided to Oxford Industries, Inc. and will be retained by Oxford Industries, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.