

OXFORD INDUSTRIES INC

Form 8-K/A

October 13, 2004

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 8-K/A

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): July 30, 2004

Oxford Industries, Inc.

(Exact name of registrant as specified in its charter)

| | | |
|--|--|--|
| Georgia (State or other jurisdiction of incorporation) | 001-04365 (Commission File Number) | 58-0831862 (IRS Employer Identification No.) |
|--|--|--|

| | |
|---|------------------------|
| 222 Piedmont Avenue, NE, Atlanta, GA. (Address of principal executive offices) | 30308 (Zip Code) |
|---|------------------------|

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

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

INFORMATION TO BE INCLUDED IN THE REPORT

Oxford Industries, Inc., (the Company) hereby amends its Current Report on Form 8-K dated August 13, 2004 to provide the required financial statements of the Company relating to the acquisition by the Company of Ben Sherman Limited as described in such Current Report.

TABLE OF CONTENTS

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

SIGNATURE

REPORT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

CONSOLIDATED PROFIT AND LOSS ACCOUNT

CONSOLIDATED BALANCE SHEET

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

Unaudited Pro Forma Combined Statement of Earnings Year Ended May 28, 2004

Unaudited Pro Forma Combined Statement of Earnings Quarter Ended August 27, 2004

NOTES TO UNAUDITED PRO FORMA COMBINED STATEMENTS OF EARNINGS

EX-23 CONSENT OF DELOITTE & TOUCHE LLP

Table of Contents

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial statements of business acquired. The following financial statements of the Company are submitted at the end of this Amendment to Current Report on Form 8-K/A and are filed herewith and incorporated herein by reference.

| | Page |
|--|-------------|
| Ben Sherman Limited-Report and Financial Statements for the Year Ended June 30, 2004 | F-1 |

(b) Pro forma financial information.

| | |
|--|------|
| Oxford Industries, Inc.-Unaudited Pro Forma Statements of Earnings for the Year Ended May 28, 2004 and for the Quarter Ended August 27, 2004 | F-24 |
|--|------|

(c) Exhibits.

Exhibit 23. Consent of Deloitte & Touche LLP

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

OXFORD INDUSTRIES, INC.

October 13, 2004

By: */s/ J. Hicks Lanier*

*J. Hicks Lanier
Chairman and
Chief Executive Officer*

Table of Contents

Company Registration No: 3998077

BEN SHERMAN LIMITED

REPORT AND FINANCIAL STATEMENTS

June 30, 2004

F-1

Table of Contents

BEN SHERMAN LIMITED

REPORT AND FINANCIAL STATEMENTS 2004

CONTENTS

| | Page |
|---|-------------|
| Report of independent registered public accounting firm | F-3 |
| Consolidated profit and loss account | F-4 |
| Consolidated balance sheet | F-5 |
| Statement of total recognised gains and losses | F-6 |
| Cash flow statement | F-7 |
| Notes to the accounts | F-8 |

Table of Contents

BEN SHERMAN LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 30 June 2004

REPORT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Ben Sherman Limited:

We have audited the accompanying consolidated balance sheet of Ben Sherman Limited and subsidiaries as of June 30, 2004, and the related consolidated profit and loss account, statement of total recognised gains and losses, reconciliation of movements in Shareholders' funds and cash flow statement for the year then ended. 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 audit.

We conducted our audit in accordance with 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 from 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 audit provides a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Ben Sherman Limited and subsidiaries as of June 30, 2004, and the results of their operations and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United Kingdom.

Accounting principles generally accepted in the United Kingdom vary in certain significant respects from accounting principles generally accepted in the United States of America. Information relating to the nature and effect of such differences is presented in Note 23 to the consolidated financial statements.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Belfast, Northern Ireland

October 8, 2004

F-3

Table of Contents**BEN SHERMAN LIMITED****CONSOLIDATED PROFIT AND LOSS ACCOUNT****For the year ended 30 June 2004**

| | Note | Discontinued £ 000 | Continuing £ 000 | 2004 £ 000 |
|--|------|-----------------------|---------------------|-----------------|
| Turnover | 1 | 16,988 | 69,435 | 86,423 |
| Cost of sales | | (9,471) | (40,782) | (50,253) |
| | | <u>7,517</u> | <u>28,653</u> | 36,170 |
| Gross Profit | | | | 36,170 |
| Selling and distribution costs | | | | |
| - Normal selling and distribution costs | | (5,258) | (11,475) | (16,733) |
| - Exceptional distribution costs | | (1,300) | | (1,300) |
| | | <u>(6,558)</u> | <u>(11,475)</u> | (18,033) |
| Administrative expenses | | | | |
| - Amortisation of goodwill | | | (1,980) | (1,980) |
| - Other administrative expenses | | (659) | (9,527) | (10,186) |
| | | <u>(659)</u> | <u>(11,507)</u> | (12,166) |
| Other operating income | | <u>93</u> | <u>2,508</u> | 2,601 |
| Operating Profit | 2 | 393 | 8,179 | 8,572 |
| Profit on disposal of fixed assets | | | 11 | 11 |
| Interest receivable and similar income | | | 63 | 63 |
| Interest payable and similar charges: | | | | |
| Interest payable | | | (2,280) | (2,280) |
| Amortisation of costs of loan finance | | | (238) | (238) |
| | | | <u>(2,518)</u> | (2,518) |
| Profit on Ordinary Activities before Taxation | | 393 | 5,735 | 6,128 |
| Tax on profit on ordinary activities | 6 | | (2,330) | (2,330) |
| Profit on Ordinary Activities after Taxation | | 393 | 3,405 | 3,798 |

| | | | | |
|-------------------------------------|----|------------|--------------|----------------|
| Equity dividends declared | 7 | _____ | (1,381) | (1,381) |
| Retained profit for the year | 17 | 393 | 2,024 | 2,417 |

Discontinued activities relate to the USA branch of the Ben Sherman Group Limited, which was sold post year end to a direct subsidiary of Oxford Industries, Inc.

The notes to the accounts are an integral part of these consolidated financial statements.

Table of Contents**BEN SHERMAN LIMITED****CONSOLIDATED BALANCE SHEET
June 30, 2004**

| | Note | 2004 £ 000 |
|---|-------------------|-----------------------|
| | <u> </u> | <u> </u> |
| FIXED ASSETS | | |
| Intangible assets | 8 | 32,013 |
| Tangible assets | 9 | 2,115 |
| | | <u> </u> |
| | | 34,128 |
| | | <u> </u> |
| CURRENT ASSETS | | |
| Stock | 10 | 13,524 |
| Debtors | 11 | 16,929 |
| Cash at bank and at hand | | 3,060 |
| | | <u> </u> |
| | | 33,513 |
| CREDITORS amounts falling due within one year | 12 | (28,901) |
| | | <u> </u> |
| NET CURRENT ASSETS | | 4,612 |
| | | <u> </u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 38,740 |
| CREDITORS - amounts falling due after more than one year | 13 | (34,115) |
| | | <u> </u> |
| NET ASSETS | | 4,625 |
| | | <u> </u> |
| CAPITAL AND RESERVES | | |
| Called up share capital | 14 | 68 |
| Share premium account | 17 | 3,265 |
| Profit and loss account | 17 | 1,664 |
| Currency reserve | 17 | (372) |
| | | <u> </u> |
| EQUITY SHAREHOLDERS FUNDS | 15 | 4,625 |
| | | <u> </u> |

The notes to the accounts are an integral part of these consolidated financial statements.

F-5

Table of Contents

BEN SHERMAN LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended June 30, 2004**

| | 2004 |
|---|--------------|
| | £ 000 |
| Profit attributable to the group | 3,798 |
| Foreign currency differences arising on translation of foreign currency net investments | (372) |
| | <hr/> |
| Total recognised gains and losses for the year | 3,426 |
| | <hr/> |

The notes to the accounts are an integral part of these consolidated financial statements.

Table of Contents**BEN SHERMAN LIMITED****CASH FLOW STATEMENT****For the year ended June 30, 2004**

| | Note | 2004 £ 000 |
|---|-----------------|-----------------------|
| | <u> </u> | <u> </u> |
| Net cash inflow from operating activities | 19 | 9,918 |
| | | <u> </u> |
| Returns on investments and servicing of finance: | | |
| Interest paid | | (1,147) |
| | | <u> </u> |
| Taxation: | | |
| UK Corporation tax paid | | (2,224) |
| Foreign tax paid | | (397) |
| | | <u> </u> |
| | | (2,621) |
| | | <u> </u> |
| Capital expenditure: | | |
| Payments to acquire tangible fixed assets | | (389) |
| Receipts from sales of fixed assets | | 31 |
| | | <u> </u> |
| | | (358) |
| | | <u> </u> |
| Acquisitions and disposals: | | |
| Currency translation adjustment on foreign currency net investments | | 74 |
| | | <u> </u> |
| Net cash inflow before financing | | 5,866 |
| | | <u> </u> |
| Financing: | | |
| Issue of share capital | | 117 |
| Share redemption | | (167) |
| New loans | | 167 |
| Repayment of loans | | (5,034) |
| | | <u> </u> |
| Net cash outflow from financing | | (4,917) |
| | | <u> </u> |

| | | |
|-------------------------------------|----|------------|
| Increase in cash in the year | 20 | <u>949</u> |
|-------------------------------------|----|------------|

The notes to the accounts are an integral part of these consolidated financial statements.

F-7

Table of Contents

NOTES TO THE ACCOUNTS YEAR ENDED JUNE 30, 2004

1. ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards (UK GAAP). The particular accounting policies adopted by the directors are described below.

Basis of consolidation

The Group accounts consolidate the accounts of the Company and its subsidiaries made up to the date of the Group s financial year-end. On the acquisition of a business results are included in trading results from the date control passes.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the Group net of value added tax and trade discounts.

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the leases and depreciated over the shorter of the period of the lease and the estimated useful economic lives of the assets. The finance charges are allocated over the year of the lease in proportion to the capital amount outstanding and are charged to the profit and loss account.

Operating lease rentals are charged to profit and loss in equal annual amounts over the lease term.

Depreciation

Fixed assets are stated at cost to the company less provision for any impairment. The cost is depreciated at fixed rates on a straight-line basis over the expected useful lives of the assets as follows:

| | |
|-----------------------|--------------|
| Buildings | 50 years |
| Plant and machinery | 10 years |
| Fixtures and fittings | 3 to 5 years |
| Motor vehicles | 4 years |

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

F-8

Table of Contents

NOTES TO THE ACCOUNTS YEAR ENDED JUNE 30, 2004

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

1. ACCOUNTING POLICIES (cont d)

Taxation (cont d)

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into by the subsidiary or associate.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Pension scheme

The group operates defined contribution schemes in respect of certain employees. Contributions are determined at the commencement of each financial year and are charged in full against the profit and loss account for the year.

Goodwill

On the acquisition of a business, fair values are attributed to the Group's share of net tangible assets. Where the cost of acquisition exceeds the values attributable to such net assets the difference is treated as purchased goodwill and is amortised on a systematic basis over the estimated useful economic life of the business, depending on specific circumstances.

Investments

Investments held as fixed assets are stated at cost, except where provision is required for impairment.

Foreign currencies

Foreign currency transactions in the year have been translated at the rates of exchange then ruling. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. The translation differences arising are dealt with in the profit and loss account. Foreign currency differences arising from the retranslation of the opening net investment in foreign subsidiaries and branches are transferred directly to reserves. The profit and loss accounts of foreign subsidiaries and branches are translated using average rates; foreign currency differences arising from retranslation of the profit and loss accounts at closing rates are transferred directly to reserves.

Table of Contents**NOTES TO THE ACCOUNTS YEAR ENDED JUNE 30, 2004****2. OPERATING PROFIT**

| | 2004 |
|---|--------------|
| | £ 000 |
| Operating profit is stated after charging: | |
| Auditors remuneration: | |
| Audit services | 40 |
| Non audit services | 43 |
| Depreciation - owned assets | 785 |
| Property rentals | 853 |
| Exceptional item - termination of licensing agreement | 1,300 |
| | ————— |

3. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2004 |
|--|--------------|
| | £ 000 |
| Bank loan and overdraft interest (on borrowings repayable within five years) | 2,280 |
| Amortisation of costs of loan finance | 238 |
| | ————— |
| | 2,518 |
| | ————— |

4. EMPLOYEE INFORMATION

| | 2004 |
|-----------------------|--------------|
| | £ 000 |
| Staff costs: | |
| Wages and salaries | 9,138 |
| Social security costs | 864 |
| Pension costs | 169 |
| | ————— |
| | 10,171 |
| | ————— |

**No of
Employees**

2004

The average number employed by the company (including directors) during the year:

254

5. DIRECTORS' EMOLUMENTS**2004**
£ 000

| | |
|------------------------------|-----|
| Fees | 45 |
| Aggregate emoluments | 501 |
| Pension scheme contributions | 40 |

Retirement benefits are accruing to two of the directors under the company's defined contribution scheme.

2004
£ 000

| | |
|------------------------------|-----|
| Highest paid director: | |
| Aggregate emoluments | 231 |
| Pension scheme contributions | 27 |

F-10

Table of Contents**NOTES TO THE ACCOUNTS YEAR ENDED JUNE 30, 2004****6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

(i) Analysis of tax charge on ordinary activities:

| | 2004 |
|--|--|
| | £ 000 |
| <i>Current tax:</i> | |
| United Kingdom corporation tax at 30% for the year | 2,697 |
| Foreign tax paid/payable | 196 |
| Double tax relief | (150) |
| Adjustment in respect of prior years: | |
| UK corporation tax | (307) |
| Foreign tax paid | 246 |
| Double tax relief | (246) |
| | <hr/> |
| | 2,436 |
| <i>Deferred tax:</i> | |
| Timing differences, origination and reversal | (106) |
| | <hr/> |
| Tax charge for the year | 2,330 |
| | <hr style="border-top: 3px solid black;"/> |

(ii) Factors affecting the tax charge for the period

The tax assessed for the period is more than the standard rate of corporation tax in the UK (30%). The differences are explained below:

| | 2004 |
|---|--|
| | £ 000 |
| Profit on ordinary activities before tax | 6,128 |
| | <hr style="border-top: 3px solid black;"/> |
| Tax at 30% thereon | 1,838 |
| Effects of: | |
| Goodwill amortisation | 594 |
| Overseas losses (brought)/carried forward | |
| Non-qualifying depreciation | 14 |
| Other | 297 |
| Adjustment in respect of prior years | (307) |
| | <hr/> |
| | 2,436 |
| | <hr style="border-top: 3px solid black;"/> |

(iii) Movement on deferred taxation balance in the year:

| | 2004 |
|---------------------------------------|--------------|
| | £ 000 |
| As at 1 July | 86 |
| Credit to the profit and loss account | 106 |
| | <hr/> |
| As at 30 June note 11 | 192 |
| | <hr/> |

F-11

Table of Contents**NOTES TO THE ACCOUNTS YEAR ENDED JUNE 30, 2004****6. TAX ON PROFIT ON ORDINARY ACTIVITIES (cont d)**

(iv) Analysis of deferred taxation balance:

| | 2004 |
|--------------------------------|--------------|
| | £ 000 |
| Accelerated capital allowances | 122 |
| Short term timing differences | 70 |
| | <hr/> |
| Total asset | 192 |
| | <hr/> |

7. EQUITY DIVIDENDS

| | 2004 |
|--|--------------|
| | £ 000 |
| A Ordinary Shares Fixed Dividend | 194 |
| B Ordinary Shares Fixed Dividend | 52 |
| A Ordinary Shares Participating Dividend | 913 |
| B Ordinary Shares Participating Dividend | 222 |
| | <hr/> |
| | 1,381 |
| | <hr/> |

8. INTANGIBLE ASSETS

Goodwill

| | 2004 |
|---------------------------|--------------|
| | £ 000 |
| Opening balance | 33,993 |
| Amortised during the year | (1,980) |
| | <hr/> |
| At end of year | 32,013 |
| | <hr/> |

Goodwill arising on the acquisition of subsidiary undertakings is being amortised over 20 years which reflects the economic life of the acquired goodwill.

Table of Contents**NOTES TO THE ACCOUNTS YEAR ENDED JUNE 30, 2004****9. TANGIBLE ASSETS**

| | Leasehold land and buildings £ 000 | Plant and machinery £ 000 | Fixtures and fittings £ 000 | Motor vehicles £ 000 | Total £ 000 |
|------------------------------------|---|--|--|-------------------------------------|------------------------|
| Cost | | | | | |
| At 1 July 2003 | 1,285 | 318 | 3,500 | 106 | 5,209 |
| Additions | | | 389 | | 389 |
| Disposals | (83) | (18) | (1,611) | (55) | (1,767) |
| Transfers | | (272) | 272 | | |
| Currency translation adjustment | (9) | | (64) | | (73) |
| | <u>1,193</u> | <u>28</u> | <u>2,486</u> | <u>51</u> | <u>3,758</u> |
| At 30 June 2004 | | | | | |
| Depreciation | | | | | |
| At 1 July 2003 | 247 | 310 | 1,992 | 90 | 2,639 |
| Charge for year | 67 | 2 | 709 | 7 | 785 |
| Disposals | (82) | (15) | (1,604) | (46) | (1,747) |
| Transfers | | (269) | 269 | | |
| Currency translation adjustment | (4) | | (30) | | (34) |
| | <u>228</u> | <u>28</u> | <u>1,336</u> | <u>51</u> | <u>1,643</u> |
| At 30 June 2004 | | | | | |
| Net Book Value | | | | | |
| At 30 June 2004 | <u>965</u> | <u>28</u> | <u>1,150</u> | <u>51</u> | <u>2,115</u> |
| At 1 July 2003 | <u>1,038</u> | <u>8</u> | <u>1,508</u> | <u>16</u> | <u>2,570</u> |

The net book value of leasehold land and buildings comprises:

| | |
|-------------------|-----------------------|
| | 2004 £ 000 |
| Short term leases | |
| Long term leases | 965 |
| | <u> </u> |

965

10. STOCK

| | 2004 |
|----------------|--------------|
| | £ 000 |
| Finished goods | 13,524 |

There is no material difference between the replacement cost of stocks and their balance sheet values.

F-13

Table of Contents**NOTES TO THE ACCOUNTS YEAR ENDED JUNE 30, 2004****11. DEBTORS**

Amounts falling due within one year:

| | 2004 |
|------------------------------------|--------------|
| | £ 000 |
| Trade debtors | 15,302 |
| Amounts owed by group undertakings | |
| Other debtors | 658 |
| Prepayments | 777 |
| Deferred tax asset note 6 | 192 |
| | <hr/> |
| | 16,929 |
| | <hr/> |

12. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2004 |
|-------------------------------------|--------------|
| | £ 000 |
| Bank loans and overdrafts (note 13) | 7,966 |
| Other loans (note 13) | 3,689 |
| Trade creditors | 1,303 |
| Other creditors | 301 |
| Corporation tax | 1,474 |
| Other taxes and social security | 1,370 |
| Accruals and deferred income | 9,641 |
| Dividend payable | 3,157 |
| | <hr/> |
| | 28,901 |
| | <hr/> |

13. CREDITORS AMOUNTS FALLING DUE AFTER ONE YEAR

| | 2004 |
|--|--------------|
| | £ 000 |
| Bank loans | 2,733 |
| Other loans | 31,382 |
| | <hr/> |
| | 34,115 |
| | <hr/> |
| Less: unamortised cost of loan finance | |
| | <hr/> |

Table of Contents**NOTES TO THE ACCOUNTS YEAR ENDED JUNE 30, 2004****13. CREDITORS - amounts falling due after more than one year (cont d)**

| | 2004 |
|--|--------------|
| | £ 000 |
| Analysis of loan repayment and overdrafts | |
| Bank overdraft | 2,966 |
| Bank loans: | |
| - within one year | 5,000 |
| - between one and two years | 2,733 |
| - between two and five years | |
| Other loans: | |
| - within one year | 3,689 |
| - between one and two years | 5,689 |
| - between two and five years | 25,693 |
| - after more than five years | |
| | <hr/> |
| | 45,770 |
| | <hr/> |

The Group's bank borrowings and other loans are secured by fixed and floating charges over the assets of the Group.

Term loans by Bank of Scotland are secured using debentures by Ben Sherman Limited, dated 22 August 2000 and registered 30 August 2000 and debentures by Ben Sherman Group Limited (formerly Sherman Cooper Limited) and Sherman Cooper Marketing Limited dated 22 August 2000 and registered 4 September 2000 incorporating a fixed charge over 18-20 Portadown Road, Lurgan, Craigavon.

Table of Contents**NOTES TO THE ACCOUNTS YEAR ENDED JUNE 30, 2004****14. SHARE CAPITAL**

| | 2004 |
|---|-------------|
| | £ |
| Authorised: | |
| 66,667 (2002: 66,667) £1 Ordinary Shares | 66,667 |
| A Ordinary Shares 228,033 at 1p | 2,280 |
| B Ordinary Shares 55,300 at 1p | 553 |
| | <hr/> |
| | 69,500 |
| | <hr/> |
| Called up, allotted and fully paid: | |
| 66,667 (2003: 54,999) £1 Ordinary Shares | 66,667 |
| A Ordinary Shares 76,586 (2003: 90,000) at 1p | 766 |
| B Ordinary Shares 52,047(2003: 55,300) at 1p | 520 |
| | <hr/> |
| | 67,953 |
| | <hr/> |

Holders of A Ordinary Shares are entitled to a fixed dividend of £2.533 per share and, for each financial year of the company up to 30 June 2003, 12.072% of net profit and, for each financial year of the company following 30 June 2003, 16.096% of net profit.

Holders of B Ordinary Shares are entitled to a fixed dividend of £1 per share and, for each financial year of the company up to 30 June 2003, 2.928% of net profit and, for each financial year of the company following 30 June 2003, 3.904% of net profit.

On a winding up, holders of A Ordinary Shares and B Ordinary Shares have equal first priority over the £1 Ordinary Share capital and are entitled to the balance of any assets.

During the year 11,668 £1 Ordinary shares were issued for £10 per share. 13,414 A Ordinary shares and 3,253 B Ordinary shares were cancelled during the year.

15. RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS FUNDS

| | 2004 |
|---|--------------|
| | £ 000 |
| Profit for the financial period | 3,798 |
| Dividends | (1,381) |
| Currency adjustments for the financial year | (372) |
| | <hr/> |

| | |
|---------------------------------|-------|
| | 2,045 |
| Opening shareholders funds | 2,630 |
| Shares issued in the period: | |
| Nominal value | 12 |
| Share premium | 105 |
| Shares cancelled in the period: | |
| Nominal value | |
| Share premium | (167) |
| | <hr/> |
| Closing shareholders funds | 4,625 |
| | <hr/> |

F-16

Table of Contents**NOTES TO THE ACCOUNTS YEAR ENDED JUNE 30, 2004****16. COMMITMENTS AND CONTINGENCIES**

- (i) At June 30, 2004 the group was committed to making the following payments during the next year in respect of operating leases:

| | 2004 | 2004 |
|--------------------------------|-----------------|--------------|
| | Property | Other |
| | £ 000 | £ 000 |
| Operating Leases which expire: | | |
| In less than one year | 266 | 6 |
| Between one and two years | 34 | 32 |
| Between two and five years | 27 | 41 |
| After five years | 555 | 4 |
| | — | — |

- (ii) The group has entered into cross guarantees in favour of the Bank of Scotland to secure the respective liabilities of all group companies and is committed to letters of credit for £734k.

17. RESERVES

| | Currency | Group | Share |
|---|-----------------|------------------------|----------------|
| | reserve | profit and loss | premium |
| | £ 000 | account | £ 000 |
| | | £ 000 | |
| At 30 June 2003 | | (753) | 3,327 |
| Shares issued | | | 105 |
| Shares cancelled | | | (167) |
| Profit for the year | | 2,417 | |
| Currency translation adjustments for the year | (372) | | |
| | — | — | — |
| Balance at the end of year | (372) | 1,664 | 3,265 |
| | — | — | — |

18. PENSION SCHEME

The group operates a defined contribution scheme, by providing contributions to the personal pension plans of certain individuals. The assets of the Scheme are held separately from those of the group and are invested with insurance companies. The charge for the year was £169k (2003: £116k) representing the contributions paid during the year.

19. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 2004 |
|---|--------------|
| | £ 000 |
| Operating profit | 8,572 |
| Goodwill amortisation | 1,980 |
| Depreciation | 785 |
| Decrease in debtors | 234 |
| (Decrease in creditors) | (212) |
| Increase in stock | (1,048) |
| Currency translation adjustment | (393) |
| | <hr/> |
| Net cash inflow from operating activities | 9,918 |
| | <hr/> |

F-17

Table of Contents**NOTES TO THE ACCOUNTS YEAR ENDED JUNE 30, 2004****20. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

| | 2004 |
|---|--------------|
| | £ 000 |
| Increase in cash in the year | 949 |
| Cash inflow from decrease in debt and lease financing | 4,867 |
| | <hr/> |
| Changes in net debt resulting from cashflows | 5,816 |
| Currency translation adjustment | (14) |
| | <hr/> |
| | 5,802 |
| Net debt at start of year | (48,274) |
| Amortisation of cost of loan finance | (238) |
| | <hr/> |
| | (42,710) |
| | <hr/> |

21. ANALYSIS OF NET DEBT

| | At | | | At |
|-----------------------------------|----------------------|--------------|--------------|----------------------|
| | June 30, 2003 | Cash | Other | June 30, 2004 |
| | £ 000 | flow | £ 000 | £ 000 |
| | | £ 000 | £ 000 | |
| Cash at bank | 1,449 | 1,611 | | 3,060 |
| Overdrafts | (2,290) | (676) | | (2,966) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | (841) | 935 | | 94 |
| Debt due after more than one year | (42,399) | (167) | 8,451 | (34,115) |
| Debt due within one year | (5,034) | 5,034 | (8,689) | (8,689) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | (48,274) | 5,802 | (238) | (42,710) |
| | <hr/> | <hr/> | <hr/> | <hr/> |

22. POST BALANCE SHEET EVENT

Since the year-end, the entire issued share capital of the Company has been acquired by Oxford Industries, Inc. The Group's USA business, a branch of Ben Sherman Group Limited, has been sold to a direct subsidiary of Oxford Industries, Inc.

As a result of the former event the Company's bank borrowings, as shown in notes 12 and 13 above, became repayable on demand from the date of change of ownership.

F-18

Table of Contents**NOTES TO THE ACCOUNTS YEAR ENDED JUNE 30, 2004****23. RECONCILIATION TO US GAAP**

The Consolidated Financial Statements have been prepared in accordance with UK GAAP. UK GAAP varies in certain significant respects from accounting principles generally accepted in the United States of America (US GAAP).

The following is a summary of the adjustments to net income and stockholders' equity that would be required if US GAAP had been fully applied, rather than UK GAAP.

| RECONCILIATION OF NET INCOME TO US GAAP | Notes | 2004 £ 000 |
|---|--------------|-----------------------|
| Net income as reported in the consolidated profit and loss account in accordance with UK GAAP | | 3,798 |
| Reversal of goodwill amortisation | (a) | 1,980 |
| Foreign exchange movement on stock (reversal of hedge accounting) | (b) | 193 |
| Fair value movements in respect of forward exchange contracts | (b) | (452) |
| Vacation pay accrual | (c) | (13) |
| Income tax | (d) | 82 |
| Stock compensation | (e) | (540) |
| | | <hr/> |
| Net income according to US GAAP | | 5,048 |
| | | <hr/> |
| | | |
| RECONCILIATION OF STOCKHOLDERS' EQUITY TO US GAAP | Notes | 2004 £ 000 |
| Stockholders' equity as reported in the consolidated balance sheet in accordance with UK GAAP | | 4,625 |
| Reclassification of intangible assets / goodwill (decreasing shareholders equity - the excess of purchase price over predecessor basis (book value) of net assets acquired) | (a) | (32,013) |
| Foreign exchange movement on stock (reversal of hedge accounting) | (b) | (191) |
| Fair value movements in respect of forward exchange contracts | (b) | (749) |
| Vacation pay accrual (increasing current liabilities) | (c) | (128) |
| Income tax | (d) | 320 |
| | | <hr/> |
| Stockholders' deficit according to US GAAP | | (28,136) |
| | | <hr/> |

Table of Contents

NOTES TO THE ACCOUNTS YEAR ENDED JUNE 30, 2004

23. RECONCILIATION TO US GAAP (cont d)

(a) Goodwill capitalization and amortization

Under UK GAAP, goodwill is capitalised as an asset in business combinations that meet the requirements of Financial Reporting Standard (FRS) 7, Fair Values in Acquisition Accounting. If goodwill is regarded as having a limited useful life, it is amortised over that useful live which is generally presumed not to exceed 20 years.

On 22 August 2000 Ben Sherman Limited (NEWCO) acquired 100% of the share capital of Sherman Cooper (OLDSCO) and all of its subsidiaries (except for Sherman Cooper Marketing, where 90% of the share capital was purchased, the remaining 10% being acquired on 31 December 2000) for an amount of £53,650,000. The purchase consideration was settled through the issuance of shareholder loans to the value of £48,532,000 and cash of £5,118,000.

Under UK GAAP, the transaction was accounted for as a business combination; goodwill of £39,105,000 was recognized as part of the transaction, on the basis that 100% of OLDSCO had been sold to NEWCO at fair value.

Under US GAAP, Emerging Issues Task Force Abstract Issue No. 88-16, Basis in Leveraged Buyout Transactions (EITF 88-16) requires that before applying purchase accounting, one should consider whether a change in control has occurred, and therefore whether a change in accounting basis is appropriate. Under EITF 88-16, this transaction was assessed as being a financial restructuring-recapitalization, with a change in shareholding between management shareholders that did not hold a controlling interest. Consequently, for US GAAP purposes the,assets and liabilities should be carried forward on predecessor basis. No goodwill arises.

This adjustment:

therefore eliminates the goodwill recognized under UK GAAP and instead reflects the excess of purchase price over predecessor basis (book value) of net assets acquired, as a reduction of shareholders equity; and

reverses the UK GAAP goodwill amortization.

(b) Derivative financial instruments and hedging

The Group has historically entered into foreign exchange forward contracts to hedge its exposure to fluctuations in foreign currency rates primarily on the import of stock.

Under UK GAAP, there is no authoritative literature regarding the recognition and measurement of derivative instruments other than in the financial sector. The Group applied hedge accounting, for UK GAAP purposes, as follows: For a forward contract to be treated as a hedge the instrument must be related to actual foreign currency assets or liabilities or to a probable commitment. It must involve the same currencies or similar currencies as the hedged item and must also reduce the risk of foreign exchange movements on the group s operations. Gains and losses arising on these contracts are only recognised in the profit and loss account when the hedged transaction itself has been reflected in the Group s accounts.

Under US GAAP, hedge accounting is permitted only for certain hedging instruments and hedged items, only if the hedging relationship is highly effective and only prospectively from the date a hedging relationship is documented formally.

The accounting for changes in the fair value of a derivative (that is, gains and losses) depends on the intended use of the derivative and the resulting designation.

F-20

Table of Contents

NOTES TO THE ACCOUNTS YEAR ENDED JUNE 30, 2004

23. RECONCILIATION TO US GAAP (cont d)

For a derivative designated as hedging the exposure to changes in the fair value of a recognized asset or liability or a firm commitment (referred to as a fair value hedge), the gain or loss is recognized in earnings in the period of change together with the offsetting loss or gain on the hedged item attributable to the risk being hedged. The effect of that accounting is to reflect in earnings the extent to which the hedge is not effective in achieving offsetting changes in fair value.

For a derivative designated as hedging the exposure to variable cash flows of a forecasted transaction (referred to as a cash flow hedge), the effective portion of the derivative's gain or loss is initially reported as a component of other comprehensive income (outside earnings) and subsequently reclassified into earnings when the forecasted transaction affects earnings. The ineffective portion of the gain or loss is reported in earnings immediately.

The Group did not qualify for the application of hedge accounting under US GAAP in respect of its derivatives, as it did not meet the criteria of formally documenting the hedging relationship or evaluating effectiveness of the hedge.

US GAAP requires that all derivative instruments be recorded in the balance sheet as either an asset or liability measured at fair value and that changes in fair value be recognised currently in earnings, when specific hedge accounting criteria are not met.

This adjustment recognizes under US GAAP all derivatives on the balance sheet, and records the movement in fair values between the opening and closing balance sheet in the income statement.

This adjustment also reverses the effect of hedge accounting under UK GAAP on stock, which does not qualify for hedge accounting under US GAAP.

(c) Vacation pay accrual

Under UK GAAP, there is no requirement to accrue for vacation pay or other compensated absences during the same accounting period.

Under US GAAP, in accordance with Statements of Financial Accounting Standards No. 43, Accounting for compensated absences, an employer should accrue a liability for employees' compensation for future absences if all of the following conditions are met:

the employer's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered;

the obligation relates to rights that vest or accumulate;

payment of the compensation is probable; and

the amount can be reasonably estimated.

This adjustment recognizes under US GAAP, the vacation accrual at the balance sheet date as well as the effect on net income of the movement therein for the year.

(d) Deferred taxation

This represents the tax effect of the US GAAP adjustments based on the enacted tax rate of 30%.

F-21

Table of Contents

NOTES TO THE ACCOUNTS YEAR ENDED JUNE 30, 2004

23. RECONCILIATION TO US GAAP (cont d)

(e) Employee stock compensation

Under UK GAAP, the accounting rules related to stock compensation are largely contained within *UITF Abstract 17 Employee share schemes* and *UITF Abstract 13 Accounting for ESOP trusts* .

Abstract 17 addresses the debit, or charge, to the profit and loss account. It requires that the market price of the shares on grant date less the exercise price of the share benefits to be expensed over the period of performance. Under UK GAAP there is no authoritative literature or guidance addressing stock compensation or the determination of market price in the context of privately held companies.

Under US GAAP, companies may elect to follow the accounting prescribed by either Accounting Principles Board Opinion 25, *Accounting for Stock Issued to Employees*, (APB 25) or SFAS No. 123, *Accounting for Stock Based Compensation* (SFAS 123) as amended by SFAS No. 148 *Accounting for Stock Based Compensation Transition and Disclosure*. Compensation is recorded for the cost of providing the stock options or share awards to the employee over the relevant service period. The costs can be determined based on either the intrinsic value method (APB 25) or the fair value method (SFAS 123). The Group has elected to follow the accounting prescribed under APB 25.

Under the intrinsic value method, compensation for services that a corporation receives as consideration for stock issued through employee stock option, purchase, and award plans should be measured by the quoted market price of the stock at the measurement date less the amount, if any, that the employee is required to pay. If a quoted market price is unavailable, the best estimate of the market value of the stock should be used to measure compensation.

US GAAP is more prescriptive in its guidance on how to determine the best estimate of market value for the purposes of accounting for stock compensation in a private company, including the recently issued *AICPA Practice Aid, Valuation of Privately-Held-Company Equity Securities Issued as Compensation*.

Consequently, the reconciliation includes a difference in this area between US GAAP and reported UK GAAP.

Other differences between UK GAAP and US GAAP not affecting the determination of shareholders equity or net income for the period presented.

Revenue Recognition

Under UK GAAP, turnover represents the invoiced value of goods and services supplied by the Group net of value added tax and trade discounts.

US GAAP has a number of specific pronouncements relating to aspects of revenue recognition in general.

The SEC Staff has issued Staff Accounting Bulletin No. 101, *Revenue Recognition in Financial Statements* (SAB 101) as amended by SAB 104. Under SAB 101 revenue is recognised when the following four criteria are all met:

- (i) persuasive evidence of an arrangement exists,

- (ii) delivery has occurred or services have been rendered,
- (iii) the sales price to the buyer is fixed or determinable, and
- (iv) collectibility is reasonably assured.

F-22

Table of Contents

NOTES TO THE ACCOUNTS YEAR ENDED JUNE 30, 2004

23. RECONCILIATION TO US GAAP (cont d)

Under UK GAAP, settlement discounts and retrospective turnover rebates are debited to cost of sales.

Under US GAAP, in accordance with *EITF 01-9 Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)*, settlement discounts and turnover rebates should be characterized as a reduction of revenue, and not as cost of sales or finance costs.

The treatment of settlement discounts and retrospective turnover rebates gives rise to a classification difference between UK GAAP and US GAAP. There is however, no impact on the calculation of net income under US GAAP.

The Group has no material GAAP differences with respect to the timing of revenue recognition.

Stock

Under UK GAAP, stock is valued at the lower of cost or net realizable value. Under US GAAP, inventory is valued at the lower of cost and market value. No material difference results.

Lease classification

Under UK GAAP, a lease is classified as a finance lease if the risks and rewards of ownership lie with the lessee. There is a rebuttable presumption that if the present value of the minimum lease payments discounted at the interest rate implicit in the lease is greater than 90 percent of the fair value of the asset at the inception of the lease then the risks and rewards of ownership have passed to the lessee.

Under US GAAP, if any one of the following four criteria applies to a lease agreement, then the lease must be classified as capital by the lessee:

- (a) The lease transfers ownership of the leased assets to the lessee at the end of the lease term.
- (b) The lease contains a bargain purchase option.
- (c) The lease term is greater than or equal to 75 percent of the economic useful life of the leased asset.
- (d) The present value of the minimum lease payments is greater than or equal to 90 percent of the fair value of the leased asset.

The Group has no material GAAP difference in this respect

Discontinued Operations

The profit and loss account under UK GAAP shows the Group's US operations as a discontinued activity in accordance with FRS No 3, Reporting Financial Performance. Under US GAAP, the Group's US operations do not qualify as a discontinued operation in accordance with SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, as the Group does not meet the criteria that the entity will not have any significant continuing involvement in the operations of the component after the disposal transaction nor did the US operations

meet the criteria for being classified as held for sale in the period. This GAAP difference is a disclosure difference and does not have an impact on net income or shareholders' equity.

F-23

Table of Contents

OXFORD INDUSTRIES, INC

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

On July 30, 2004, Oxford Industries, Inc. completed its previously announced acquisition of Ben Sherman Limited. The purchase price was approximately \$145 million plus transaction costs. The purchase price was funded by cash on hand, a draw on our senior revolver cash on hand, and seller financed notes.

This unaudited pro forma information should be read in conjunction with the consolidated financial statements of Oxford Industries, Inc. included in our annual report filed on Form 10-K for the year ended May 28, 2004 and our quarterly report filed on Form 10-Q for the three months ended August 27, 2004 filed on October 6, 2004. In addition, this pro forma information should be read in conjunction with the financial statements for Ben Sherman Limited for the year ended June 30, 2004, included within this report which are presented in pounds sterling and prepared in accordance with accounting principles generally accepted in the United Kingdom.

The following unaudited pro forma statement of earnings for the year ended May 28, 2004 has been prepared in accordance with accounting principles generally accepted in the United States to give effect to the July 30, 2004 acquisition of Ben Sherman Limited as if the transaction occurred on May 31, 2003. Such pro forma statement of earnings combines the results of operations of Oxford Industries, Inc. for the year ended May 28, 2004 with the results of operations of Ben Sherman Limited for the year ended June 30, 2004. Such information has been converted from pounds sterling to U.S. dollars. Adjustments to apply accounting principles generally accepted in the United States for differences from accounting principles generally accepted in the United Kingdom are also reflected. Additionally, the pro forma statement of earnings is also adjusted to reflect the results of operations for Viewpoint International, Inc. (Tommy Bahama) as if the June 13, 2003 acquisition (as previously disclosed) had occurred on May 31, 2003.

The following unaudited pro forma statement of earnings for the three months ended August 27, 2004 has been prepared in accordance with accounting principles generally accepted in the United States to give effect to the July 30, 2004 acquisition of Ben Sherman Limited as if the transaction occurred on May 31, 2003. Such pro forma statement of earnings combines the results of operations of Oxford Industries, Inc. for the quarter ended August 27, 2004 with the results of operations of Ben Sherman Limited for the portion of such quarter that Ben Sherman was not owned by Oxford Industries, Inc. (May 29, 2004 through July 30, 2004) converted from pounds sterling to U.S. dollars. Adjustments to apply accounting principles generally accepted in the United States for differences from accounting principles generally accepted in the United Kingdom are also reflected.

No pro forma balance sheet or schedule of allocation of purchase price has been presented as the effect of the acquisition of Ben Sherman Limited has been reflected in the consolidated balance sheet of Oxford Industries, Inc. as of August 27, 2004, which is included in the Company's Form 10-Q for the three months ended August 27, 2004. Additional analysis will be required to determine the fair value of acquired assets and liabilities as reflected in the August 27, 2004 balance sheet. Thus, the purchase price allocation may be adjusted in the future upon finalization of the preliminary estimates.

These unaudited pro forma financial statements are prepared for informational purposes only and are not necessarily indicative of future results or of actual results that would have been achieved had the acquisition of Ben Sherman Limited been consummated as of the dates specified above.

Table of Contents

Unaudited Pro Forma Combined Statement of Earnings
Year Ended May 28, 2004

| | (1) Oxford Industries Historical Year Ended May 28, 2004 | (2) Ben Sherman Historical Year Ended June 30, 2004 | (3) UK to U.S. GAAP Adjustments | (4) Pro Forma/ Purchase Accounting Adjustments B Sherman | (5) (I) Pro Forma/ Purchase Accounting Adjustments T Bahama | Pro Forma Combined Year Ended May 28, 2004 |
|---|---|--|--|---|--|---|
| Net Sales | \$ 1,116,552 | \$ 151,240 | \$(3,056) (A) | \$ | \$ 11,732 | \$ 1,276,468 |
| Cost of Goods Sold | 776,108 | 87,943 | (338) (B) | | 5,497 | 869,210 |
| Gross Profit | 340,444 | 63,297 | (2,718) | | 6,235 | 407,258 |
| Selling, general and administrative | 251,836 | 49,254 | (1,297) (C) | | 5,261 | 305,054 |
| Amortization of intangibles | 6,709 | 3,465 | (3,465) (D) | 3,628 (F) | | 10,337 |
| Royalties and other operating income | 285,545 | 52,719 | (4,762) | 3,628 | 5,261 | 315,391 |
| | 5,114 | 4,552 | | | 203 | 9,869 |
| Operating income | 87,013 | 15,130 | 2,044 | (3,628) | 1,177 | 101,736 |
| Interest expense, net | 23,913 | 4,407 | | 5,017 (G) | 236 | 33,573 |
| Earnings before income taxes | 63,100 | 10,723 | 2,044 | (8,645) | 941 | 68,163 |
| Income taxes | 23,384 | 4,078 | (144) (E) | (2,174) (H) | 358 | 25,502 |
| Net earnings | \$ 39,716 | \$ 6,645 | \$ 2,188 | \$(6,471) | \$ 583 | \$ 42,661 |
| Pro Forma earnings per share | | | | | | |
| Basic | \$ 2.47 | | | | | \$ 2.64 |
| Diluted | \$ 2.38 | | | | | \$ 2.55 |
| Pro Forma shares outstanding | | | | | | |
| Basic | 16,099,851 | | | | 29,862 (J) | 16,129,713 |
| Diluted | 16,698,744 | | | | 29,862 (J) | 16,728,606 |

See accompanying notes to Unaudited Pro Forma Combined Statements of Earnings.

F-25

Table of Contents

**Unaudited Pro Forma Combined Statement of Earnings
Quarter Ended August 27, 2004**

| | (6) Oxford Industries Historical Quarter Ended August 27, 2004 | (7) Pro Forma Adjustments | Pro Forma Combined Quarter Ended August 27, 2004 |
|--------------------------------------|--|---|---|
| Net Sales | \$ 264,790 | \$30,480 (K) | \$ 295,270 |
| Cost of Goods Sold | 179,868 | 19,846 (K) | 199,714 |
| | <hr/> | <hr/> | <hr/> |
| Gross Profit | 84,922 | 10,634 | 95,556 |
| Selling, general and administrative | 67,554 | 6,528 (K) | 74,082 |
| Amortization of intangibles | 1,712 | 604 (K) | 2,316 |
| | <hr/> | <hr/> | <hr/> |
| | 69,266 | 7,132 | 76,398 |
| Royalties and other operating income | 1,753 | 941 (K) | 2,694 |
| | <hr/> | <hr/> | <hr/> |
| Operating income | 17,409 | 4,443 | 21,852 |
| Interest expense, net | 7,921 | 520 (L) | 8,441 |
| | <hr/> | <hr/> | <hr/> |
| Earnings before income taxes | 9,488 | 3,923 | 13,411 |
| Income taxes | 3,320 | 1,139 (M) | 4,459 |
| | <hr/> | <hr/> | <hr/> |
| Net earnings | \$ 6,168 | \$ 2,784 | \$ 8,952 |
| | <hr/> | <hr/> | <hr/> |
| Pro Forma earnings per share | | | |
| Basic | \$ 0.37 | | \$ 0.54 |
| Diluted | \$ 0.36 | | \$ 0.52 |
| Pro Forma shares outstanding | | | |
| Basic | 16,712,800 | | 16,712,800 |
| Diluted | 17,203,323 | | 17,203,323 |

See accompanying notes to Unaudited Pro Forma Combined Statements of Earnings.

Table of Contents

OXFORD INDUSTRIES, INC.

NOTES TO UNAUDITED PRO FORMA COMBINED STATEMENTS OF EARNINGS

NOTE 1. PRO FORMA STATEMENTS

The following are descriptions of the various columns of data, labeled (1) through (7), which have been reflected in the accompanying Unaudited Pro Forma Combined Statements of Earnings.

Year Ended May 28, 2004 Unaudited Pro Forma Combined Statement of Earnings

1. Represents Oxford Industries, Inc.'s (Oxford's) historical financial statements as previously reported.
2. Represents Ben Sherman Limited's financial statements, reported in pounds sterling and in accordance with accounting principles generally accepted in the United Kingdom included elsewhere in this report, classified in conformity with Oxford's presentation and converted to U. S. dollars at an average exchange rate of \$1.75 per £1.00.
3. Represents adjustments from accounting principles generally accepted in the United Kingdom to generally accepted accounting principles in the United States (US GAAP).
4. Represents pro forma and purchase accounting adjustments relating to the Ben Sherman acquisition as if the acquisition had occurred on May 31, 2003.
5. Pro forma adjustments for the results of operations of Tommy Bahama for the period from May 31, 2003 through June 13, 2003 (prior to the acquisition of Viewpoint International, Inc. on June 13, 2003).

Quarter Ended August 27, 2004 Unaudited Pro Forma Combined Statement of Earnings

6. Represents Oxford Industries, Inc.'s historical financial statements as previously reported.
7. Represents pro forma and purchase accounting adjustments relating to the Ben Sherman acquisition as if the acquisition had occurred on May 29, 2004.

NOTE 2. PRO FORMA ADJUSTMENTS

The following are descriptions for adjustments to apply accounting principles generally accepted in the United States for differences from accounting principles generally accepted in the United Kingdom, pro forma purchase accounting and other acquisition related adjustments which have been presented in the accompanying Unaudited Pro Forma Combined Statements of Earnings:

F-27

Table of Contents

Year Ended May 28, 2004 Unaudited Pro Forma Combined Statements of Earnings

- (A) Adjustment to reclassify customer discounts from SG&A to Net Sales.
- (B) Adjustment to write-down inventory to reverse hedge accounting on foreign exchange contracts.
- (C) Adjustments to record reclassification of customer discounts from SG&A to Net Sales, mark to market with respect to forward exchange contracts, record accrued vacation and record stock based compensation.
- (D) Eliminate amortization of goodwill.
- (E) Tax effect of adjustments, excluding nondeductible stock based compensation and goodwill amortization, has been calculated based on Ben Sherman's statutory rate of 30.0%.
- (F) Pro forma adjustment to record amortization of intangible assets.
- (G) Pro forma adjustment to reverse interest on Ben Sherman's debt repaid in connection with the acquisition and to record interest on Oxford's acquisition debt.
- (H) Tax effect of adjustments excluding amortization of intangible assets has been calculated based on Ben Sherman's statutory rate of 30.0% and Oxford's statutory rate of 37.1%.
- (I) Pro forma adjustments related to the Oxford acquisition of Tommy Bahama on June 13, 2003 as if the acquisition had occurred on May 31, 2003.
- (J) Reflects the dilution of shares issued in connection with the Tommy Bahama acquisition.

Quarter Ended August 27, 2004 Unaudited Pro Forma Combined Statement of Earnings

- (K) Ben Sherman results of operations for the months of June and July 2004 (prior to acquisition) adjusted to US GAAP.
- (L) Pro forma adjustment to reverse interest on Ben Sherman's debt repaid in connection with the acquisition and to record interest on Oxford's acquisition debt.
- (M) Tax effect of pro forma adjustments has been calculated based on Ben Sherman's statutory rate of 30.0% and Oxford's statutory rate of 37.1%.

F-28