ENTERPRISE PRODUCTS PARTNERS L P
Form S-3D
March 12, 2010

Table of Contents

As filed with the Securities and Exchange Commission on March 12, 2010

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-3
REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

Enterprise Products Partners L.P.
(Name of registrant as specified in its charter)

Delaware *(State or other jurisdiction of incorporation or organization)*	**76-0568219** *(I.R.S. Employer Identification Number)*
1100 Louisiana, 10th Floor **Houston, Texas 77002** **(713) 381-6500** *(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)*	**Richard H. Bachmann** **1100 Louisiana, 10th Floor** **Houston, Texas 77002** **(713) 381-6500** *(Name, address, including zip code, and telephone number, including area code, of agent for service)*

Copy to:
David C. Buck
Andrews Kurth LLP
600 Travis, Suite 4200
Houston, Texas 77002
(713) 220-4200

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box: þ

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box: o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. o

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Amount to be Registered (1)**	**Proposed Maximum Offering Price Per Unit (2)**	**Proposed Maximum Aggregate Offering Price (3)**	**Amount of Registration Fee**
Common Units of Enterprise Products Partners L.P. (4)	30,000,000	$ 33.51	$1,005,300,000	$71,677.89

(1) Pursuant to Rule 416 under the Securities Act, the common units being registered hereunder include such indeterminate number of common units as may be issuable with respect to the common units being registered hereunder as a result of unit splits, unit dividends or similar transactions.

(2) Estimated solely for the purpose of calculating the

registration fee pursuant to Rule 457(c) under the Securities Act. The proposed maximum offering price per unit is calculated based on the average of the high and low sales prices per unit of the registrant s common units as reported on The New York Stock Exchange on March 9, 2009.

(3) The proposed maximum aggregate offering price is calculated based on the number of common units to be registered and the proposed maximum offering price per unit.

(4) Pursuant to Rule 429 under the Securities Act, the Prospectus contained in this Registration Statement also applies to Registration Statement No. 333-142106. Pursuant to that Registration Statement, 3,824,321 of our common units remain available

for issuance, and a filing fee of $3,774 was previously paid with respect to such common units. In accordance with Rule 429, upon effectiveness, this Registration Statement shall constitute a post-effective amendment to Registration Statement No. 333-142106.

Table of Contents

PROSPECTUS

Enterprise Products Partners L.P.
Distribution Reinvestment Plan
33,824,321 Common Units

With this prospectus, we are offering participation in our Distribution Reinvestment Plan (the Plan) to owners of our common units. We have appointed The Bank of New York Mellon as the administrator of the Plan. The Plan provides a simple, convenient and no-cost means of investing in our common units.

Plan Highlights:

You may participate in the Plan if you currently are a unitholder of record of our common units or if you own our common units through your broker (by having your broker participate on your behalf).

You may purchase additional common units by reinvesting all or a portion of the cash distributions paid on your common units.

You may purchase our common units at a discount ranging from 0% to 5% (currently set at 5%) without paying any service fees, brokerage trading fees or other charges. (Note: If you participate in the Plan through your broker, you should consult with your broker; your broker may charge you a service fee.)

Your participation in the Plan is voluntary, and you may terminate your account at any time.

You should read carefully this prospectus before deciding to participate in the Plan. You should read the documents we have referred you to in the Where You Can Find More Information section of this prospectus for information on us and for our financial statements.

Our common units are listed on the New York Stock Exchange under the ticker symbol EPD.

Limited partnerships are inherently different from corporations. Investing in our common units involves risk. You should review carefully Risk Factors beginning on page 3 for a discussion of important risks you should consider before enrolling in the Plan. We suggest you retain this prospectus for future reference.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is March 12, 2010.

TABLE OF CONTENTS

You should rely only on the information contained or incorporated by reference into this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should not assume that the information incorporated by reference into or provided in this prospectus is accurate as of any date other than the date on the front of this prospectus.

In this prospectus, the terms we, us, our and Enterprise refer to Enterprise Products Partners L.P. and its subsidiaries, unless otherwise indicated or the context requires otherwise.

OUR COMPANY

We are a North American midstream energy company providing a wide range of services to producers and consumers of natural gas, natural gas liquids, or NGLs, crude oil, refined products and certain petrochemicals. In addition, we are an industry leader in the development of pipeline and other midstream energy infrastructure in the continental United States and Gulf of Mexico. Our midstream energy asset network links producers of natural gas, NGLs and crude oil from some of the largest supply basins in the United States, Canada and the Gulf of Mexico with domestic consumers and international markets.

Our Business Segments

We have five reportable business segments: (i) NGL Pipelines & Services; (ii) Onshore Natural Gas Pipelines & Services; (iii) Onshore Crude Oil Pipelines & Services; (iv) Offshore Pipelines & Services; and (v) Petrochemical & Refined Products Services. Our business segments are generally organized and managed according to the type of services rendered (or technologies employed) and products produced and/or sold.

NGL Pipelines & Services. Our NGL Pipelines & Services business segment includes our (i) natural gas processing business and related NGL marketing activities, (ii) NGL pipelines aggregating approximately 16,300 miles, (iii) NGL and related product storage and terminal facilities with 163.4 million barrels (MMBbls) of working storage capacity and (iv) NGL fractionation facilities. This segment also includes NGL import and export terminal operations.

Onshore Natural Gas Pipelines & Services. Our Onshore Natural Gas Pipelines & Services business segment includes approximately 19,200 miles of onshore natural gas pipeline systems that provide for the gathering and transportation of natural gas in Alabama, Colorado, Louisiana, Mississippi, New Mexico, Texas and Wyoming. We own two salt dome natural gas storage facilities located in Mississippi and lease natural gas storage facilities located in Texas and Louisiana. This segment also includes our natural gas marketing activities.

Onshore Crude Oil Pipelines & Services. Our Onshore Crude Oil Pipelines & Services business segment includes approximately 4,400 miles of onshore crude oil pipelines and 10.5 MMBbls of above-ground storage tank capacity. This segment also includes our crude oil marketing activities.

Offshore Pipelines & Services. Our Offshore Pipelines & Services business segment serves some of the most active drilling and development regions, including deepwater production fields, in the northern Gulf of Mexico offshore Texas, Louisiana, Mississippi and Alabama. This segment includes approximately 1,400 miles of offshore natural gas pipelines, approximately 1,000 miles of offshore crude oil pipelines and six offshore hub platforms.

Petrochemical & Refined Products Services. Our Petrochemical & Refined Products Services business segment consists of (i) propylene fractionation plants and related activities, (ii) butane isomerization facilities, (iii) an octane enhancement facility, (iv) refined products pipelines, including a regulated 4,700-mile products pipeline system, and related activities and (v) marine transportation and other services.

We provide the foregoing services through our subsidiaries and unconsolidated affiliates.

Our principal offices are located at 1100 Louisiana Street, 10th Floor, Houston, Texas 77002, and our telephone number is (713) 381-6500.

Table of Contents

RISK FACTORS

An investment in our common units involves risks. You should consider carefully the following risk factors relating to our Distribution Reinvestment Plan, or the Plan, together with all of the other information included in, or incorporated by reference into, this prospectus before deciding to participate in the Plan. The risks relating to the Plan are not the only risks associated with an investment in our common units. For key current (i) risks inherent in our business that may have a material impact on our results of operations and financial condition, (ii) risks inherent in an investment in us related to our common units as a result of our partnership structure, and (iii) tax risks to common unitholders, please read Item 1A Risk Factors in Part I of our most recent Annual Report on Form 10-K, and Item 1A Risk Factors in Part II of our Quarterly Reports on Form 10-Q filed for quarterly periods ending after our most recent Annual Report and our future annual and quarterly reports that are incorporated by reference into this prospectus, as such information may be amended or supplemented by any future filings with the U.S. Securities and Exchange Commission (the Commission).

This prospectus also contains or incorporates by reference forward-looking statements that involve risks and uncertainties. Please read Forward-Looking Statements. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of certain factors, including risks described in the above documents and in this prospectus. If the events or possibilities described in any of these risks occur, our business, financial position, results of operations or cash flows could be adversely affected. In that case, the trading price of our common units could decline, and you could lose all or part of your investment.

Risks Relating to the Plan

You will not know the price of the common units you are purchasing under the Plan at the time you authorize the investment or elect to have your distributions reinvested. The price of our common units may fluctuate between the time you decide to purchase common units under the Plan and the time of actual purchase. As a result, you may purchase common units at a price higher than the price you anticipated.

If you instruct the administrator to sell common units under the Plan, you will not be able to direct the time or price at which your common units are sold. The price of our common units may decline between the time you decide to sell common units and the time of actual sale.

If you decide to withdraw from the Plan and you request a certificate for whole common units credited to you under the Plan from the administrator, the market price of our common units may decline between the time you decide to withdraw and the time you receive the certificate.

Table of Contents

THE PLAN

Plan Overview

The Plan offers a simple, convenient and no-cost way for owners of our common units to invest all or a portion of their cash distributions in our common units. The Plan is designed for long-term investors who wish to invest and build their common unit ownership over time. Unlike an individual brokerage account, the timing of purchases is subject to the provisions of the Plan. The principal terms and conditions of the Plan are summarized in this prospectus under Commonly Asked Questions below.

We have appointed The Bank of New York Mellon, or the Administrator, to administer the Plan, and certain administrative support will be provided to the Administrator by its designated affiliates. Together, the Administrator and its affiliates will purchase and hold common units for Plan participants, keep records, send statements and perform other duties required by the Plan.

Only registered holders of our common units can participate directly in the Plan. If you are a beneficial owner of common units in a brokerage account and wish to reinvest your distributions, you can make arrangements with your broker or nominee to participate in the Plan on your behalf, or you can request that your common units become registered in your name.

Please read this entire prospectus for a more detailed description of the Plan. If you are a registered holder of our common units and would like to participate in the Plan, you can enroll online via Investor ServiceDirect®, or by completing the enclosed Enrollment Form and mailing it to the Administrator in the envelope provided. Please see questions number 2 and 6 below for information on how to access Investor ServiceDirect®.

Table of Contents

COMMONLY ASKED QUESTIONS

1. How can I participate in the Plan?

If you are a current holder of record, or registered holder, of our common units, you may participate directly in the Plan. If you own common units that are registered in someone else s name (for example, a bank, broker or trustee), the Plan allows you to participate through such person, should they elect to participate, without having to withdraw your common units from such bank, broker or trustee. If your broker or bank elects not to participate in the Plan on your behalf, you can participate by withdrawing your common units from such bank or broker and registering your common units in your name.

2. How do I get started?

If you are a registered holder of our common units, once you have read this prospectus, you can get started by enrolling in the Plan online through Investor ServiceDirect® at *www.bnymellon.com/shareowner/isd*, or by completing the enclosed Enrollment Form and mailing it to the Administrator in the envelope provided. Your participation will begin promptly after your authorization is received. Once you have enrolled, your participation continues automatically, as long as you wish. If you own common units that are registered in someone else s name (for example a bank, broker or trustee), then you should contact such person to arrange for them to participate in the Plan on your behalf.

3. How are distributions reinvested?

By enrolling in the Plan, you direct the Administrator to apply distributions to the purchase of additional common units in accordance with the terms and conditions of the Plan. You may elect to reinvest all or a portion of your distributions in additional common units. The Administrator will invest distributions in whole and fractional common units on the quarterly distribution payment date (the investment date). No interest will be paid on funds held by the Administrator pending investment.

If the Administrator receives your Enrollment Form on or before the record date for the payment of the next distribution, the amount of the distribution that you elect to be reinvested will be invested in additional common units for your Plan account. If the Enrollment Form is received in the period after any distribution record date, that distribution will be paid by check or automatic deposit to a bank account that you designate and your initial distribution reinvestment will commence with the following distribution.

You may change your distribution reinvestment election at any time on-line through Investor ServiceDirect®, by telephone or by notifying the Administrator in writing. To be effective with respect to a particular distribution, any such change must be received by the Administrator on or before the record date for that distribution.

4. When are distributions reinvested?

The investment date will be the distribution payment date for each quarter (generally, before the 15th calendar day of February, May, August and November). The record date for eligibility to receive distributions generally will be the last business day of the month preceding a month in which distributions are paid (generally, the last day of January, April, July and October). In the unlikely event that, due to unusual market conditions, the Administrator is unable to invest the funds within 30 days of the distribution payment date, the Administrator will return the funds to you by check or by automatic deposit to a bank account that you designate. No interest will be paid on funds held by the Administrator pending investment.

5. What is the source and price of common units purchased under the Plan?

We have the sole discretion to determine whether common units purchased under the Plan will come from our authorized but unissued common units or from common units purchased on the open market by the Administrator. We currently intend to use our authorized but unissued common units for all common units to be purchased under the Plan.

The price for authorized but unissued common units purchased with reinvested distributions will be the average of the high and low trading prices of the common units on the New York Stock Exchange Composite Transactions for the five trading days immediately preceding the investment date, less a discount ranging from 0% to 5%. The discount is initially set at 5%; therefore, the initial purchase price for authorized but unissued common units purchased with reinvested distributions will be 95% of such average trading price. (Note: If you participate in the Plan through your broker, you should consult with your broker to determine if your broker will charge you a service fee.)

The purchase price for common units purchased with reinvested distributions on the open market will be the weighted average price of all common units purchased for the Plan for the respective investment date, less a discount ranging from 0% to 5%. (Note: If you participate in the Plan through your broker, you should consult with your broker to determine if your broker will charge you a service fee.)

We will provide notice to you of any changes in the discount rate at least 30 days prior to the following record date.

6. Who is the Administrator of the Plan?

The Bank of New York Mellon is the Administrator of the Plan. Certain administrative support will be provided to the Administrator by its designated affiliates. If you have questions regarding the Plan, please write to the Administrator at the following address: The Bank of New York Mellon c/o BNY Mellon Shareowner Services, P.O. Box 358035, Pittsburgh, PA 15252-8035, or call the Administrator at 1-800-982-7649 (toll free from inside the United States or Canada) or 1-201-680-6578 (from outside the United States or Canada). An automated voice response system is available 24 hours a day, 7 days a week. Customer service representatives are available from 9:00 a.m. to 7:00 p.m., Eastern Standard Time, Monday through Friday (except holidays). Please include a reference to Enterprise Products Partners L.P. in all correspondence.

In addition, you may visit the Administrator s website at *www.bnymellon.com/shareowner/isd*. At this website, if you are a registered holder of our common units, you can enroll in the Plan, obtain information, and perform certain transactions on your Plan account by accessing Investor ServiceDirect®. To gain access, you will need to use the Investor Identification Number (IID) which can be found in a bolded box on your check stub, statement, or advice to establish your PIN. In order to access your account through ISD, you will be required to complete an account activation process. This one-time authentication process will be used to validate your identity in addition to your IID and self-assigned PIN. Once you have gained access into your account, you may be requested to certify your tax ID number. The system will ask you a series of questions and, based on your response, will redirect you to the appropriate IRS tax form to be completed. If you do not certify your tax ID number, the Administration will withhold taxes on distributions paid to you.

7. What is the cost of participating in the Plan?

There is no fee for reinvesting distributions through the Plan. You may be responsible for certain charges if you withdraw from the Plan. Additionally, if you are a beneficial owner of our common units and are participating in the Plan through your broker, you should consult with your broker; you may be charged a fee by your broker for participating in the Plan on your behalf.

8. How many common units will be purchased for my account?

If you are a registered holder of our common units and are directly participating in the Plan, the number of common units, including fractional common units, purchased under the Plan will depend on the amount of your cash distribution you elect to reinvest and the price of the common units determined as provided above. Common units purchased under the Plan, including fractional common units, will be credited to your account. Both whole and fractional common units will be purchased. Fractional common units will be computed to four decimal places.

If you are a beneficial owner and are participating in the Plan through your broker, you should contact your broker for the details of how the number of common units you purchase will be determined.

This prospectus relates to 33,824,321 of our common units registered for sale under the Plan. We cannot assure you there will be enough common units to meet the requirements under the Plan. If we do not have a sufficient number of authorized but unissued common units to meet the Plan requirements during any quarter, and if the Administrator is unable to purchase a sufficient number of common units in the open market, any reinvested distributions received by the Administrator but not invested in our common units under the Plan will be returned to participants without interest.

9. What are the tax consequences of purchasing common units under the Plan?

Your cost basis for tax purposes in the common units you purchase under the Plan will be equal to the amount of the distributions used to purchase those common units. Purchasing common units pursuant to the Plan will not affect the tax obligations associated with the common units you currently own. Participation in the Plan will reduce the amount of cash distributions available to you to satisfy any tax obligations associated with owning common units. Please read Material Tax Consequences for information relevant to holders of common units generally.

10. How can I withdraw from the Plan?

If you are a registered holder of our common units, you may discontinue the reinvestment of your distributions at any time by providing notice to the Administrator. In addition, you may change your distribution election on-line under the Administrator s account management service, as described above. To be effective for a particular distribution payment, the Administrator must receive notice on or before the record date for that distribution. In addition, you may request that all or part of your common units be sold. When your common units are sold through the Administrator, you will receive the proceeds less a handling charge of $15.00 and any brokerage trading fees, currently $0.12 per share.

If you are a beneficial owner of our common units and you are participating in the Plan through your broker, you should direct your broker to discontinue participation in the Plan on your behalf.

If you dispose of all the common units registered in your name, but do not give notice of withdrawal to the Administrator, the Administrator will continue to reinvest the cash distributions on any common units held in your account under the Plan until the Administrator is notified otherwise.

Generally, an owner of common units may again become a participant in the Plan. However, we reserve the right to reject the enrollment of a previous participant in the Plan on grounds of excessive joining and termination. This reservation is intended to minimize administrative expense and to encourage use of the Plan as a long-term investment service.

11. How will my common units be held under the Plan?

If you are a registered holder of our common units and you are directly participating in the Plan, the common units that you acquire under the Plan will be maintained in your Plan account in non-certificated form for safekeeping. Safekeeping protects your common units against physical loss, theft or accidental destruction and also provides a convenient way for you to keep track of your common units. Only common units held in safekeeping may be sold through the Plan.

If you own common units in certificated form, you may deposit your certificates for those common units with the Administrator, free of charge. The Administrator will provide mail loss insurance coverage for certificates with a value not exceeding $100,000 in any one shipping package. Certificates should be delivered to the Administrator at 520 Ross Street, Room 0645, Pittsburgh, PA 15262 by United States Post Office registered mail, a national courier service or other receipted delivery service. Please note that mail loss insurance covers only the replacement of common units and in no way protects against any loss resulting from fluctuations in the value of our common units.

You may request a certificate for all or a portion of the whole common units in your Plan account from the Administrator. Upon request, the Administrator will mail a certificate to you at no cost within two business days. Please allow an additional five to seven business days for delivery of your certificate.

If you are a beneficial owner of our common units and you are participating in the Plan through your broker, the common units that are purchased on your behalf under the Plan will be maintained in your account with your broker.

12. How do I sell common units held under the Plan?

If you are a registered holder of our common units and you are directly participating in the Plan, you can sell your Plan common units at any time by contacting the Administrator. Your sale request will be processed, and your common units will, subject to market conditions and other facts, generally be sold within 24 hours of receipt and processing of your request. Please note that the Administrator cannot and does not guarantee the actual sale date or price, nor can it stop or cancel any outstanding sale or issuance requests. All requests are final. The Administrator will mail a check to you (less applicable sales fees) on the settlement date, which is three business days after your common units have been sold. Please allow an additional five to seven business days from the settlement date to receive your check.

Alternatively, you may choose to withdraw your common units from your Plan account and sell them through a broker of your choice, in which case you would have to request that the Administrator electronically transfer your common units to your broker through the Direct Registration System. Or, you may request a certificate for your common units from the Administrator for delivery to your broker prior to such sale.

If you are a beneficial owner of our common units and you are participating in the Plan through your broker, you should contact your broker to sell your common units.

If you are an employee of Enterprise Products Company (formerly EPCO, Inc.) working in our Houston headquarters offices or if you are one of our officers having a title of Vice President or higher, any sale by you of Plan common units is subject to the Trading Window restriction contained in our insider trading policy. Those persons are allowed to sell Plan common units only during the 60-day period beginning on the second business day following each public announcement of the Partnership s financial results. Sales of Plan common units by our executive officers are also subject to Section 16 of the Securities Exchange Act of 1934, as amended (the Exchange Act).

13. How will I keep track of my investments?

If you are a registered holder of our common units and you are directly participating in the Plan, the Administrator will send you a transaction notice confirming the details of each transaction that you make and a quarterly statement of your account.

If you are a beneficial owner of our common units and you are participating in the Plan through your broker, the details of the reinvestment transactions will be maintained by your broker. You should contact your broker to determine how this information will be provided to you.

14. Can the Plan be suspended, modified or terminated?

We reserve the right to suspend, modify or terminate the Plan at any time. Participants will be notified of any suspension, modification or termination of the Plan. If you are a registered holder of our common units and you are directly participating in the Plan, upon our termination of the Plan, a certificate will be issued to you for the number of whole common units in your account. Any fractional common unit in your Plan account will be converted to cash and remitted to you by check.

15. What would be the effect of any unit splits, unit distributions or other distributions?

Any common units we distribute as a distribution on common units (including fractional common units) that are credited to your account under the Plan, or upon any split of such common units, will be credited to your account. Distributions or splits distributed on all other common units held by you and registered in your own name will be mailed directly to you. In a rights offering, your entitlement will be based upon your total holdings, including those credited to your account under the Plan. Rights applicable to common units credited to your account under the Plan will be sold by the Administrator and the proceeds will be credited to your account under the Plan and applied to the purchase of common units on the next investment date.

If you want to exercise, transfer or sell any portion of the rights applicable to the common units credited to your account under the Plan, you must request, at least two days prior to the record date for the issuance of any such rights, that a portion of the common units credited to your account be transferred from your account and registered in your name.

Table of Contents

Responsibilities Under the Plan

We, the Administrator and any agent will not be liable in administering the Plan for any act done in good faith, or for any omission to act in good faith, including, without limitation, any claim of liability arising out of failure to terminate a participant s account upon that participant s death prior to the receipt of notice in writing of such death. Since we have delegated all responsibility for administering the Plan to the Administrator, we specifically disclaim any responsibility for any of its actions or inactions in connection with the administration of the Plan.

You should recognize that neither we, the Administrator, nor any agent can assure you of a profit or protect you against an economic loss on common units purchased under the Plan.

USE OF PROCEEDS

We do not know either the number of common units that will be purchased under the Plan or the prices at which common units will be sold to participants. In connection with purchases of authorized but unissued common units under the Plan, our general partner is entitled to make, but is not obligated to make, a capital contribution in order to maintain its general partner interest in us, which is currently 2%. The net proceeds we realize from sales of our authorized but unissued common units pursuant to the Plan, including our general partner s proportionate capital contribution, if any, will be used for general partnership purposes.

DESCRIPTION OF OUR COMMON UNITS

Generally, our common units represent limited partner interests that entitle the holders to participate in our cash distributions and to exercise the rights and privileges available to limited partners under our partnership agreement. For a description of the relative rights and preferences of holders of common units and our general partner in and to cash distributions, please read Cash Distribution Policy elsewhere in this prospectus.

Our outstanding common units are listed on the New York Stock Exchange (the NYSE) under the symbol EPD. Any additional common units we issue will also be listed on the NYSE.

The transfer agent and registrar for our common units is Mellon Investor Services LLC.

Meetings/Voting

Each holder of common units is entitled to one vote for each common unit on all matters submitted to a vote of the unitholders.

Status as Limited Partner or Assignee

Except as described below under Limited Liability, the common units will be fully paid, and unitholders will not be required to make additional capital contributions to us.

Each purchaser of our common units must execute a transfer application whereby the purchaser requests admission as a substituted limited partner and makes representations and agrees to provisions stated in the transfer application. If this action is not taken, a purchaser will not be registered as a record holder of common units on the books of our transfer agent or issued a common unit certificate. Purchasers may hold common units in nominee accounts.

An assignee, pending its admission as a substituted limited partner, is entitled to an interest in us equivalent to that of a limited partner with respect to the right to share in allocations and distributions, including liquidating distributions. Our general partner will vote and exercise other powers attributable to common units owned by an assignee who has not become a substituted limited partner at the written direction of the assignee. Transferees who do not execute and deliver transfer applications will be treated neither as assignees nor as record holders of common units and will not receive distributions, federal income tax allocations or reports furnished to record holders of common units. The only right the transferees will have is the right to admission as a substituted limited partner in respect of the transferred common units upon execution of a transfer application in respect of the common units. A nominee or broker who has executed a transfer application with respect to common units held in street name or nominee accounts will receive distributions and reports pertaining to its common units.

Limited Liability

Assuming that a limited partner does not participate in the control of our business within the meaning of the Delaware Revised Uniform Limited Partnership Act (the Delaware Act) and that he otherwise acts in conformity with the provisions of our partnership agreement, his liability under the Delaware Act will be limited, subject to some possible exceptions, generally to the amount of capital he is obligated to contribute to us in respect of his units plus his share of any undistributed profits and assets.

Under the Delaware Act, a limited partnership may not make a distribution to a partner to the extent that at the time of the distribution, after giving effect to the distribution, all liabilities of the partnership, other than liabilities to partners on account of their partnership interests and liabilities for which the recourse of creditors is limited to specific property of the partnership, exceed the fair value of the assets of the limited partnership.

For the purposes of determining the fair value of the assets of a limited partnership, the Delaware Act provides that the fair value of the property subject to liability of which recourse of creditors is limited shall be included in the assets of the limited partnership only to the extent that the fair value of that property exceeds the nonrecourse liability. The Delaware Act provides that a limited partner who receives a distribution and knew at the time of the distribution that the distribution was in violation of the Delaware Act is liable to the limited partnership for the amount of the distribution for three years from the date of the distribution.

Table of Contents

Reports and Records

As soon as practicable, but in no event later than 120 days after the close of each fiscal year, our general partner will mail or furnish to each unitholder of record (as of a record date selected by our general partner) an annual report containing our audited financial statements for the past fiscal year. These financial statements will be prepared in accordance with United States generally accepted accounting principles. In addition, no later than 90 days after the close of each quarter (except the fourth quarter), our general partner will mail or furnish to each unitholder of record (as of a record date selected by our general partner) a report containing our unaudited financial statements and any other information required by law.

Our general partner will use all reasonable efforts to furnish each unitholder of record information reasonably required for tax reporting purposes within 90 days after the close of each fiscal year. Our general partner s ability to furnish this summary tax information will depend on the cooperation of unitholders in supplying information to our general partner. Each unitholder will receive information to assist him in determining his U.S. federal and state and Canadian federal and provincial tax liability and filing his U.S. federal and state and Canadian federal and provincial income tax returns.

A limited partner can, for a purpose reasonably related to the limited partner s interest as a limited partner, upon reasonable demand and at his own expense, have furnished to him:

- a current list of the name and last known address of each partner;
- a copy of our tax returns;
- information as to the amount of cash and a description and statement of the agreed value of any other property or services, contributed or to be contributed by each partner and the date on which each became a partner;
- copies of our partnership agreement, our certificate of limited partnership, amendments to either of them and powers of attorney which have been executed under our partnership agreement;
- information regarding the status of our business and financial condition; and
- any other information regarding our affairs as is just and reasonable.

Our general partner may, and intends to, keep confidential from the limited partners trade secrets and other information the disclosure of which our general partner believes in good faith is not in our best interest or which we are required by law or by agreements with third parties to keep confidential.

CASH DISTRIBUTION POLICY

Distributions of Available Cash

General. Within approximately 45 days after the end of each quarter, we will distribute all of our available cash to unitholders of record on the applicable record date.

Definition of Available Cash. Available cash is defined in our partnership agreement and generally means, with respect to any calendar quarter, all cash on hand at the end of such quarter:

less the amount of cash reserves that is necessary or appropriate in the reasonable discretion of the general partner to:

- provide for the proper conduct of our business;
- comply with applicable law or any debt instrument or other agreement (including reserves for future capital expenditures and for our future credit needs); or
- provide funds for distributions to unitholders and our general partner in respect of any one or more of the next four quarters;

plus all cash on hand on the date of determination of available cash for the quarter resulting from working capital borrowings made after the end of the quarter. Working capital borrowings are generally borrowings that are made under our credit facilities and in all cases are used solely for working capital purposes or to pay distributions to partners.

Operating Surplus and Capital Surplus

General. Cash distributions are characterized as distributions from either operating surplus or capital surplus. We distribute available cash from operating surplus differently than available cash from capital surplus.

Definition of Operating Surplus. Operating surplus is defined in the partnership agreement and generally means:

- our cash balance on July 31, 1998, the closing date of our initial public offering of common units (excluding $46.5 million to fund certain capital commitments existing at such closing date); plus
- all of our cash receipts since the closing of our initial public offering, excluding cash from interim capital transactions such as borrowings that are not working capital borrowings, sales of equity and debt securities and sales or other disposition of assets for cash, other than inventory, accounts receivable and other assets sold in the ordinary course of business or as part of normal retirements or replacements of assets; plus
- up to $60.0 million of cash from interim capital transactions; plus
- working capital borrowings made after the end of a quarter but before the date of determination of operating surplus for the quarter; less
- all of our operating expenditures since the closing of our initial public offering, including the repayment of working capital borrowings, but not the repayment of other borrowings, and including maintenance capital expenditures; less
- the amount of cash reserved that we deem necessary or advisable to provide funds for future operating expenditures.

Definition of Capital Surplus. Capital surplus is generally generated only by borrowings (other than borrowings for working capital purposes), sales of debt and equity securities and sales or other dispositions of assets for cash (other than inventory, accounts receivable and other assets disposed of in the ordinary course of business).

Characterization of Cash Distributions. To avoid the difficulty of trying to determine whether available cash we distribute is from operating surplus or from capital surplus, all available cash we distribute from any source will be treated as distributed from operating surplus until the sum of all available cash distributed since July 31, 1998 equals the operating surplus as of the end of the quarter prior to such distribution. Any available cash in excess of such amount (irrespective of its source) will be deemed to be from capital surplus and distributed accordingly.

If available cash from capital surplus is distributed in respect of each common unit in an aggregate amount per common unit equal to the $11.00 initial public offering price of the common units, the distinction between operating surplus and capital surplus will cease, and all distributions of available cash will be treated as if they were from operating surplus. We do not anticipate that there will be significant distributions from capital surplus.

Distributions of Available Cash from Operating Surplus

We will make distributions of available cash from operating surplus with respect to any quarter in the following manner:

first, 98% to all common unitholders, pro rata, and 2% to the general partner, until there has been distributed in respect of each unit an amount equal to the minimum quarterly distribution of $0.225; and

thereafter, in the manner described in Incentive Distributions below.

Incentive Distributions

Incentive distributions represent the right to receive an increasing percentage of quarterly distributions of available cash from operating surplus after the minimum quarterly distribution and the target distribution levels have been achieved. For any quarter for which available cash from operating surplus is distributed to the common unitholders in an amount equal to the minimum quarterly distribution of $0.225 per unit on all units, then any additional available cash from operating surplus in respect of such quarter will be distributed among the common unitholders and the general partner in the following manner:

first, 98% to all common unitholders, pro rata, and 2% to the general partner, until the common unitholders have received a total of $0.253 for such quarter in respect of each outstanding unit (the First Target Distribution);

second, 85% to all common unitholders, pro rata, and 15% to the general partner, until the unitholders have received a total of $0.3085 for such quarter in respect of each outstanding unit (the Second Target Distribution); and

thereafter, 75% to all common unitholders, pro rata, and 25% to the general partner.

Distributions of Available Cash from Capital Surplus

How Distributions from Capital Surplus Will Be Made. We will make distributions of available cash from capital surplus in the following manner:

first, 98% to all common unitholders, pro rata, and 2% to the general partner, until we have distributed, in respect of each outstanding common unit issued in our initial public offering, available cash from capital surplus in an aggregate amount per common unit equal to the initial unit price of $11.00; and

thereafter, all distributions of available cash from capital surplus will be distributed as if they were from operating surplus.

Effect of a Distribution from Capital Surplus. Our partnership agreement treats a distribution of capital surplus on a common unit as the repayment of the common unit price from its initial public offering, which is a return of capital. The initial public offering price less any distributions of capital surplus per common unit is referred to as the unrecovered initial common unit price. Each time a distribution of capital surplus is made on a common unit, the minimum quarterly distribution and the target distribution levels for all units will be reduced in the same proportion as the corresponding reduction in the unrecovered initial common unit price. Because distributions of capital surplus will reduce the minimum quarterly distribution, after any of these distributions are made, it may be easier for our general partner to receive incentive distributions. However, any distribution by us of capital surplus before the unrecovered initial common unit price is reduced to zero cannot be applied to the payment of the minimum quarterly distribution.

Once we distribute capital surplus on a common unit in any amount equal to the unrecovered initial common unit price, it will reduce the minimum quarterly distribution and the target distribution levels to zero and it will make all future distributions of available cash from operating surplus, with 25% being paid to the holders of units, as applicable, and 75% to our general partner.

Adjustment to the Minimum Quarterly Distribution and Target Distribution Levels

In addition to reductions of the minimum quarterly distribution and target distribution levels made upon a distribution of available cash from capital surplus, if we combine our common units into fewer units or subdivide our common units into a greater number of common units, we will proportionately adjust:

- the minimum quarterly distribution;
- the target distribution levels; and
- the unrecovered initial common unit price.

For example, in the event of a two-for-one split of the common units (assuming no prior adjustments), the minimum quarterly distribution, each of the target distribution levels and the unrecovered capital of the common units would each be reduced to 50% of its initial level.

In addition, if legislation is enacted or if existing law is modified or interpreted in a manner that causes us to become taxable as a corporation or otherwise subject to taxation as an entity for federal, state or local income tax purposes, then we will reduce the minimum quarterly distribution and the target distribution levels by multiplying the same by one minus the sum of the highest effective federal corporate income tax rate that could apply and any increase in the effective overall state and local income tax rates. For example, if we became subject to a maximum effective federal, state and local income tax rate of 35%, then the minimum quarterly distribution and the target distribution levels would each be reduced to 65% of their previous levels.

Distributions of Cash upon Liquidation

If we dissolve in accordance with the partnership agreement, we will sell or otherwise dispose of our assets in a process called a liquidation. We will first apply the proceeds of liquidation to the payment of our creditors in the order of priority provided in the partnership agreement and by law and, thereafter, we will distribute any remaining proceeds to the common unitholders and our general partner in accordance with their respective capital account balances as so adjusted.

Manner of Adjustments for Gain. The manner of the adjustment is set forth in the partnership agreement. Upon our liquidation, we will allocate any net gain (or unrealized gain attributable to assets distributed in kind to the partners) as follows:

- *first*, to the general partner and the holders of common units having negative balances in their capital accounts to the extent of and in proportion to such negative balances:
- *second*, 98% to the holders of common units, pro rata, and 2% to the general partner, until the capital account for each common unit is equal to the sum of:
  - the unrecovered capital in respect of such common unit; plus
  - the amount of the minimum quarterly distribution for the quarter during which our liquidation occurs.
- *third*, 98% to all common unitholders, pro rata, and 2% to the general partner, until there has been allocated under this paragraph third an amount per unit equal to:
  - the sum of the excess of the First Target Distribution per unit over the minimum quarterly distribution per unit for each quarter of our existence; less
  - the cumulative amount per unit of any distributions of available cash from operating surplus in excess of the minimum quarterly distribution per unit that were distributed 98% to the unitholders, pro rata, and 2% to the general partner for each quarter of our existence;
- *fourth*, 85% to all common unitholders, pro rata, and 15% to the general partner, until there has been allocated under this paragraph fourth an amount per unit equal to:
  - the sum of the excess of the Second Target Distribution per unit over the First Target Distribution per unit for each quarter of our existence; less

Table of Contents

the cumulative amount per unit of any distributions of available cash from operating surplus in excess of the First Target Distribution per unit that were distributed 85% to the unitholders, pro rata, and 15% to the general partner for each quarter of our existence; and

thereafter, 75% to all common unitholders, pro rata, and 25% to the general partner.

Manner of Adjustments for Losses. Upon our liquidation, any loss will generally be allocated to the general partner and the unitholders as follows:

first, 98% to the holders of common units in proportion to the positive balances in their respective capital accounts and 2% to the general partner, until the capital accounts of the common unitholders have been reduced to zero; and

thereafter, 100% to the general partner.

Adjustments to Capital Accounts. In addition, interim adjustments to capital accounts will be made at the time we issue additional partnership interests or make distributions of property. Such adjustments will be based on the fair market value of the partnership interests or the property distributed and any gain or loss resulting therefrom will be allocated to the common unitholders and the general partner in the same manner as gain or loss is allocated upon liquidation. In the event that positive interim adjustments are made to the capital accounts, any subsequent negative adjustments to the capital accounts resulting from the issuance of additional partnership interests in us, distributions of property by us, or upon our liquidation, will be allocated in a manner which results, to the extent possible, in the capital account balances of the general partner equaling the amount that would have been the general partner s capital account balances if no prior positive adjustments to the capital accounts had been made.

Table of Contents

DESCRIPTION OF OUR PARTNERSHIP AGREEMENT

The following is a summary of the material provisions of our partnership agreement. Our amended and restated partnership agreement has been filed with the Commission. The following provisions of our partnership agreement are summarized elsewhere in this prospectus:

- distributions of our available cash are described under Cash Distribution Policy ;
- rights of holders of common units are described under Description of Our Common Units ; and
- allocations of taxable income and other matters are described under Material Tax Consequences.

Purpose

Our purpose under our partnership agreement is to serve as a partner of Enterprise Products Operating LLC, and to engage in any business activities that may be engaged in by Enterprise Products Operating LLC or that are approved by our general partner. The limited liability company agreement of Enterprise Products Operating LLC provides that it may engage in any activity that was engaged in by our predecessors at the time of our initial public offering or reasonably related thereto and any other activity approved by our general partner.

Power of Attorney

Each limited partner, and each person who acquires a unit from a unitholder and executes and delivers a transfer application, grants to our general partner and, if appointed, a liquidator, a power of attorney to, among other things, execute and file documents required for our qualification, continuance or dissolution. The power of attorney also grants the authority for the amendment of, and to make consents and waivers under, our partnership agreement.

Voting Rights

Unitholders will not have voting rights except with respect to the following matters, for which our partnership agreement requires the approval of the holders of a majority of the units, unless otherwise indicated:

- the merger of our partnership or a sale, exchange or other disposition of all or substantially all of our assets;
- the removal of our general partner (requires 60% of the outstanding units, including units held by our general partner and its affiliates);
- the election of a successor general partner;
- the dissolution of our partnership or the reconstitution of our partnership upon dissolution;
- approval of certain actions of our general partner (including the transfer by the general partner of its general partner interest under certain circumstances); and
- certain amendments to the partnership agreement, including any amendment that would cause us to be treated as an association taxable as a corporation.

Under the partnership agreement, our general partner generally will be permitted to effect, without the approval of unitholders, amendments to the partnership agreement that do not adversely affect unitholders.

Reimbursements of Our General Partner

Our general partner does not receive any compensation for its services as our general partner. It is, however, entitled to be reimbursed for all of its costs incurred in managing and operating our business. Our partnership agreement provides that our general partner will determine the expenses that are allocable to us in any reasonable manner determined by our general partner in its sole discretion.

Issuance of Additional Securities

Our partnership agreement authorizes us to issue an unlimited number of additional limited partner interests and other equity securities that are equal in rank with or junior to our common units on terms and conditions established by our general partner in its sole discretion without the approval of any limited partners.

It is possible that we will fund acquisitions through the issuance of additional common units or other equity securities. Holders of any additional common units we issue will be entitled to share equally with the then-existing holders of common units in our cash distributions. In addition, the issuance of additional partnership interests may dilute the value of the interests of the then-existing holders of common units in our net assets.

In accordance with Delaware law and the provisions of our partnership agreement, we may also issue additional partnership interests that, in the sole discretion of our general partner, may have special voting rights to which common units are not entitled.

Our general partner has the right, which it may from time to time assign in whole or in part to any of its affiliates, to purchase common units or other equity securities whenever, and on the same terms that, we issue those securities to persons other than our general partner and its affiliates, to the extent necessary to maintain their percentage interests in us that existed immediately prior to the issuance. The holders of common units will not have preemptive rights to acquire additional common units or other partnership interests in us.

On October 26, 2009, we entered into Amendment No. 4 (the Fourth Amendment) to our partnership agreement. The Fourth Amendment authorizes a series of our Class B units. The Class B units will not be entitled to regular quarterly cash distributions for the first sixteen quarters following the closing of a merger that occurred on October 26, 2009. The Class B units will convert automatically into the same number of Enterprise common units on the date immediately following the payment date of the sixteenth quarterly distribution following October 26, 2009 and holders of such converted units will thereafter be entitled to receive distributions of available cash. Prior to the payment date of the sixteenth quarterly distribution following October 26, 2009, the Class B units will be entitled to vote with our common unitholders as a single class on all matters that our common unitholders are entitled to vote on. Holders of the Class B units will be entitled to vote as a separate class on any matter that adversely affects the rights or preference of such class in relation to other classes of partnership interests. The approval of a majority of the Class B units will be required to approve any matter for which the Class B unitholders are entitled to vote as a separate class.

Amendments to Our Partnership Agreement

Amendments to our partnership agreement may be proposed only by our general partner. Any amendment that materially and adversely affects the rights or preferences of any type or class of limited partner interests in relation to other types or classes of limited partner interests or our general partner interest will require the approval of at least a majority of the type or class of limited partner interests or general partner interests so affected. However, in some circumstances, more particularly described in our partnership agreement, our general partner may make amendments to our partnership agreement without the approval of our limited partners or assignees to reflect:

- a change in our names, the location of our principal place of business, our registered agent or our registered office;
- the admission, substitution, withdrawal or removal of partners;
- a change to qualify or continue our qualification as a limited partnership or a partnership in which our limited partners have limited liability under the laws of any state or to ensure that neither we, Enterprise Products Operating LLC, nor any of our subsidiaries will be treated as an association taxable as a corporation or otherwise taxed as an entity for federal income tax purposes;
- a change that does not adversely affect our limited partners in any material respect;
- a change to (i) satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state statute or (ii) facilitate the trading of our limited partner interests or comply with any rule, regulation, guideline or requirement of any national securities exchange on which our limited partner interests are or will be listed for trading;

a change in our fiscal year or taxable year and any changes that are necessary or advisable as a result of a change in our fiscal year or taxable year;

an amendment that is necessary to prevent us, or our general partner or its directors, officers, trustees or agents from being subjected to the provisions of the Investment Company Act of 1940, as amended, the

Investment Advisors Act of 1940, as amended, or plan asset regulations adopted under the Employee Retirement Income Security Act of 1974, as amended;

an amendment that is necessary or advisable in connection with the authorization or issuance of any class or series of our securities;

any amendment expressly permitted in our partnership agreement to be made by our general partner acting alone;

an amendment effected, necessitated or contemplated by a merger agreement approved in accordance with our partnership agreement;

an amendment that is necessary or advisable to reflect, account for and deal with appropriately our formation of, or investment in, any corporation, partnership, joint venture, limited liability company or other entity other than Enterprise Products Operating LLC, in connection with our conduct of activities permitted by our partnership agreement;

a merger or conveyance to effect a change in our legal form; or

any other amendments substantially similar to the foregoing.

Withdrawal or Removal of Our General Partner

Our general partner may withdraw as general partner without first obtaining approval of any unitholder by giving 90 days written notice, and that withdrawal will not constitute a violation of our partnership agreement. In addition, our general partner may withdraw without unitholder approval upon 90 days notice to our limited partners if at least 50% of our outstanding common units are held or controlled by one person and its affiliates other than our general partner and its affiliates.

Upon the voluntary withdrawal of our general partner, the holders of a majority of our outstanding common units, excluding the common units held by the withdrawing general partner and its affiliates, may elect a successor to the withdrawing general partner. If a successor is not elected, or is elected but an opinion of counsel regarding limited liability and tax matters cannot be obtained, we will be dissolved, wound up and liquidated, unless within 90 days after that withdrawal, the holders of a majority of our outstanding units, excluding the common units held by the withdrawing general partner and its affiliates, agree to continue our business and to appoint a successor general partner.

Our general partner may not be removed unless that removal is approved by the vote of the holders of not less than 60% of our outstanding units, including units held by our general partner and its affiliates, and we receive an opinion of counsel regarding limited liability and tax matters. In addition, if our general partner is removed as our general partner under circumstances where cause does not exist and common units held by our general partner and its affiliates are not voted in favor of such removal, our general partner will have the right to convert its general partner interest into common units or to receive cash in exchange for such interests. Cause is narrowly defined to mean that a court of competent jurisdiction has entered a final, non-appealable judgment finding the general partner liable for actual fraud, gross negligence or willful or wanton misconduct in its capacity as our general partner. Any removal of this kind is also subject to the approval of a successor general partner by the vote of the holders of a majority of our outstanding common units, including those held by our general partner and its affiliates.

While our partnership agreement limits the ability of our general partner to withdraw, it allows the general partner interest to be transferred to an affiliate or to a third party in conjunction with a merger or sale of all or substantially all of the assets of our general partner. In addition, our partnership agreement expressly permits the sale, in whole or in part, of the ownership of our general partner. Our general partner may also transfer, in whole or in part, the common units it owns.

Liquidation and Distribution of Proceeds

Upon our dissolution, unless we are reconstituted and continued as a new limited partnership, the person authorized to wind up our affairs (the liquidator) will, acting with all the powers of our general partner that the liquidator deems necessary or desirable in its good faith judgment, liquidate our assets. The proceeds of the liquidation will be applied as follows:

first, towards the payment of all of our creditors and the creation of a reserve for contingent liabilities; and

then, to all partners in accordance with the positive balance in the respective capital accounts.

Under some circumstances and subject to some limitations, the liquidator may defer liquidation or distribution of our assets for a reasonable period of time. If the liquidator determines that a sale would be impractical or would cause a loss to our partners, our general partner may distribute assets in kind to our partners.

Transfer of Ownership Interests in Our General Partner

At any time, the owners of our general partner may sell or transfer all or part of their ownership interests in the general partner without the approval of the unitholders.

The U.S. Revolving Credit Agreement generally is scheduled to mature on August 15, 2013 as compared to the Prior Credit Agreement which had a maturity date of July 28, 2009.

The above description of the U.S. Revolving Credit Agreement is not complete and is qualified in its entirety by the actual terms of the U.S. Revolving Credit Agreement and the related Amended and Restated Pledge and Security Agreement, attached as Exhibits 10.1 and 10.2, respectively, to our Form 8-K filed with the SEC on August 19, 2008. As a result of amending and restating the Prior Credit Agreement, during the third quarter of fiscal 2008 we anticipate writing off approximately $0.9 million of unamortized financing costs incurred in connection with the Prior Credit Agreement.

8. **Consolidating Financial Data of Subsidiary Guarantors:** Our $200 million Senior Unsecured Notes (Senior Unsecured Notes) are guaranteed by our wholly owned domestic subsidiaries (Subsidiary Guarantors). All guarantees are full and unconditional. For consolidated financial reporting purposes, non-guarantors consist of our subsidiaries which are organized outside of the United States. We use the equity method with respect to investments in subsidiaries included in other non-current assets in our condensed consolidating financial statements. Set forth below are our unaudited condensed consolidating balance sheets as of August 2, 2008, February 2, 2008, and August 3, 2007; our unaudited condensed consolidating statements of earnings for the second quarter of fiscal 2008, the first six months of fiscal 2008, the three months ended August 3, 2007 and the six months ended August 3, 2007; and our unaudited condensed consolidating statements of cash flows for the first six months of fiscal 2008 and the six months ended August 3, 2007 (in thousands).

OXFORD INDUSTRIES, INC.
UNAUDITED CONDENSED CONSOLIDATING BALANCE SHEETS
August 2, 2008

	Oxford Industries (Parent)	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Total
		ASSETS			
Cash and cash equivalents	$ 2,640	$ 1,373	$ 1,230	$	$ 5,243
Receivables, net	39,955	31,826	33,262	(8,580)	96,463
Inventories	56,114	54,002	21,333	(1,545)	129,904
Prepaid expenses	9,185	8,560	4,281		22,026
Total current assets	107,894	95,761	60,106	(10,125)	253,636
Property, plant and equipment, net	8,580	79,579	6,312		94,471
Goodwill, net	1,847	168,932	86,920		257,699
Intangible assets, net	85	131,869	93,658		225,612
Other non-current assets, net	836,301	150,366	35,507	(994,308)	27,866
Total Assets	$954,707	$ 626,507	$ 282,503	$(1,004,433)	$859,284
		LIABILITIES AND SHAREHOLDERS EQUITY			
Current liabilities	$ 41,424	$ 43,492	$ 38,843	$ (8,292)	$115,467
Long-term debt, less current portion	218,604				218,604
Non-current liabilities	285,500	(233,353)	110,001	(109,424)	52,724
Non-current deferred income taxes	(4,264)	37,010	26,012	288	59,046
Total shareholders /invested equity	413,443	779,358	107,647	(887,005)	413,443
Total Liabilities and Shareholders Equity	$954,707	$ 626,507	$ 282,503	$(1,004,433)	$859,284

Table of Contents

OXFORD INDUSTRIES, INC.
UNAUDITED CONDENSED CONSOLIDATING BALANCE SHEETS
February 2, 2008

	Oxford Industries (Parent)	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Total
		ASSETS			
Cash and cash equivalents	$ 2,100	$ 1,050	$ 11,762	$	$ 14,912
Receivables, net	52,599	38,244	20,763	(6,045)	105,561
Inventories	64,896	76,462	18,826	(1,259)	158,925
Prepaid expenses	6,595	8,475	3,631		18,701
Total current assets	126,190	124,231	54,982	(7,304)	298,099
Property, plant and equipment, net	7,933	77,652	6,917		92,502
Goodwill, net	1,847	168,932	87,142		257,921
Intangible assets, net	1,235	134,846	94,852		230,933
Other non-current assets, net	825,252	150,142	70,673	(1,015,250)	30,817
Total Assets	$962,457	$ 655,803	$ 314,566	$(1,022,554)	$910,272
		LIABILITIES AND SHAREHOLDERS EQUITY			
Current liabilities	$ 78,518	$ 54,268	$ 29,066	$ (5,435)	$156,417
Long-term debt, less current portion	234,414				234,414
Non-current liabilities	246,261	(197,557)	111,564	(109,359)	50,909
Non-current deferred income taxes	(4,284)	38,910	26,358		60,984
Total shareholders /invested equity	407,548	760,182	147,578	(907,760)	407,548
Total Liabilities and Shareholders Equity	$962,457	$ 655,803	$ 314,566	$(1,022,554)	$910,272

14

Table of Contents

OXFORD INDUSTRIES, INC.
UNAUDITED CONDENSED CONSOLIDATING BALANCE SHEETS
August 3, 2007

	Oxford Industries (Parent)	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Total
ASSETS					
Cash and cash equivalents	$ 37,016	$ 1,077	$ 18,920	$ (1)	$ 57,012
Receivables, net	42,071	38,263	25,596	(6,727)	99,203
Inventories	81,210	59,449	17,282	(1,083)	156,858
Prepaid expenses	10,107	9,559	4,616		24,282
Total current assets	170,404	108,348	66,414	(7,811)	337,355
Property, plant and equipment, net	9,040	70,873	9,181		89,094
Goodwill, net	1,847	168,932	53,217		223,996
Intangible assets, net	1,320	135,989	98,922		236,231
Other non-current assets, net	775,808	150,463	1,374	(897,747)	29,898
Total Assets	$958,419	$ 634,605	$ 229,108	$(905,558)	$916,574
LIABILITIES AND SHAREHOLDERS EQUITY					
Current liabilities	$ 59,854	$ 56,770	$ 31,933	$ (6,269)	$142,288
Long-term debt, less current portion	199,325				199,325
Non-current liabilities	246,970	(201,516)	113,410	(109,148)	49,716
Non-current deferred income taxes	(4,199)	43,604	29,371		68,776
Total shareholders /invested equity	456,469	735,747	54,394	(790,141)	456,469
Total Liabilities and Shareholders Equity	$958,419	$ 634,605	$ 229,108	$(905,558)	$916,574

15

OXFORD INDUSTRIES, INC.
UNAUDITED CONDENSED CONSOLIDATING STATEMENTS OF EARNINGS
Second Quarter Fiscal 2008

	Oxford Industries (Parent)	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Total
Net sales	$85,018	$120,331	$ 33,847	$ (8,676)	$230,520
Cost of goods sold	68,419	52,921	15,559	(3,050)	133,849
Gross profit	16,599	67,410	18,288	(5,626)	96,671
Selling, general and administrative	18,677	61,102	19,319	(6,068)	93,030
Royalties and other income	508	3,023	1,479	(659)	4,351
Operating income	(1,570)	9,331	448	(217)	7,992
Interest (income) expense, net	6,502	(3,052)	2,535		5,985
Income from equity investment	7,395			(7,395)	
Earnings before income taxes	(677)	12,383	(2,087)	(7,612)	2,007
Income taxes (benefit)	(2,292)	3,010	(108)	(76)	534
Net earnings	$ 1,615	$ 9,373	$ (1,979)	$ (7,536)	$ 1,473

First Six Months Fiscal 2008

	Oxford Industries (Parent)	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Total
Net sales	$190,394	$259,108	$ 74,253	$(20,293)	$503,462
Cost of goods sold	151,681	114,851	32,109	(8,159)	290,482
Gross profit	38,713	144,257	42,144	(12,134)	212,980
Selling, general and administrative	38,676	127,842	39,904	(12,970)	193,452
Royalties and other income	537	5,934	3,189	(1,121)	8,539
Operating income	574	22,349	5,429	(285)	28,067
Interest (income) expense, net	13,518	(6,061)	4,860		12,317
Income from equity investment	20,521			(20,521)	
Earnings before income taxes	7,577	28,410	569	(20,806)	15,750
Income taxes (benefit)	(3,598)	7,993	465	(100)	4,760
Net earnings	$ 11,175	$ 20,417	$ 104	$(20,706)	$ 10,990

Table of Contents

OXFORD INDUSTRIES, INC.
UNAUDITED CONDENSED CONSOLIDATING STATEMENTS OF EARNINGS
Three Months Ended August 3, 2007

	Oxford Industries (Parent)	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Total
Net sales	$91,734	$126,021	$ 37,077	$(10,222)	$244,610
Cost of goods sold	71,082	57,051	15,845	(2,413)	141,565
Gross profit	20,652	68,970	21,232	(7,809)	103,045
Selling, general and administrative	21,549	54,244	22,254	(7,770)	90,277
Royalties and other income	38	2,970	1,239	(418)	3,829
Operating income	(859)	17,696	217	(457)	16,597
Interest (income) expense, net	6,098	(3,320)	2,277	23	5,078
Income from equity investment	15,304	(2)		(15,302)	
Earnings before income taxes	8,347	21,014	(2,060)	(15,782)	11,519
Income taxes (benefit)	(707)	6,153	(2,500)	(165)	2,781
Net earnings	$ 9,054	$ 14,861	$ 440	$(15,617)	$ 8,738

Six Months Ended August 3, 2007

	Oxford Industries (Parent)	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Total
Net sales	$209,282	$271,159	$ 75,886	$(19,320)	$537,007
Cost of goods sold	162,166	122,029	33,479	(4,238)	313,436
Gross profit	47,116	149,130	42,407	(15,082)	223,571
Selling, general and administrative	45,034	114,250	41,724	(15,498)	185,510
Royalties and other income	2,147	5,664	2,510	(844)	9,477
Operating income	4,229	40,544	3,193	(428)	47,538
Interest (income) expense, net	12,445	(6,465)	4,450	46	10,476
Income from equity investment	33,172	(2)		(33,170)	
Earnings before income taxes	24,956	47,007	(1,257)	(33,644)	37,062
Income taxes (benefit)	(1,189)	14,545	(1,964)	(161)	11,231
Net earnings	$ 26,145	$ 32,462	$ 707	$(33,483)	$ 25,831

Table of Contents

OXFORD INDUSTRIES, INC.
UNAUDITED CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
First Six Months Fiscal 2008

	Oxford Industries (Parent)	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Total
Cash Flows From Operating Activities:					
Net cash (used in) provided by operating activities	$ 18,446	$ 49,576	$ (5,942)	$ 64	$ 62,144
Cash Flows from Investing Activities:					
Investment in unconsolidated entity		(408)	(38)		(446)
Purchases of property, plant and equipment	(1,658)	(10,297)	(325)		(12,280)
Proceeds from sale of property, plant and equipment	4				4
Net cash (used in) provided by investing activities	(1,654)	(10,705)	(363)		(12,722)
Cash Flows from Financing Activities:					
Change in debt	(53,799)	(1)	3,045		(50,755)
Proceeds from issuance of common stock	53				53
Change in inter-company payable	40,237	(38,547)	(1,626)	(64)	
Dividends on common stock	(2,743)		(5,958)		(8,701)
Net cash (used in) provided by financing activities	(16,252)	(38,548)	(4,539)	(64)	(59,403)
Net change in Cash and Cash Equivalents	540	323	(10,844)		(9,981)
Effect of foreign currency translation			312		312
Cash and Cash Equivalents at the Beginning of Period	2,100	1,050	11,762		14,912
Cash and Cash Equivalents at the End of Period	$ 2,640	$ 1,373	$ 1,230	$	$ 5,243

OXFORD INDUSTRIES, INC.
UNAUDITED CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
Six Months Ended August 3, 2007

	Oxford Industries (Parent)	Subsidiary Guarantors	Subsidiary Non-Guarantors	Consolidating Adjustments	Consolidated Total
Cash Flows From Operating Activities:					
Net cash (used in) provided by operating activities	$(12,574)	$ 54,799	$ 2,521	$ (266)	$ 44,480
Cash Flows from Investing Activities:					
Investment in unconsolidated entity		(356)			(356)
Purchases of property, plant and equipment	(471)	(15,798)	(860)		(17,129)
Proceeds from sale of property, plant and equipment	2,906				2,906
Net cash (used in) provided by investing activities	2,435	(16,154)	(860)		(14,579)
Cash Flows from Financing Activities:					
Change in debt		(8)			(8)
Proceeds from issuance of common stock	2,609				2,609
Change in inter-company payable	26,280	(38,258)	9,624	2,354	
Dividends on common stock	(6,416)				(6,416)
Net cash (used in) provided by financing activities	22,473	(38,266)	9,624	2,354	(3,815)
Net change in Cash and Cash Equivalents	12,334	379	11,285	2,088	26,086
Effect of foreign currency translation			464		464
Cash and Cash Equivalents at the Beginning of Period	24,682	698	7,171	(2,089)	30,462
Cash and Cash Equivalents at the End of Period	$ 37,016	$ 1,077	$ 18,920	$ (1)	$ 57,012

ITEM 2. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our unaudited condensed consolidated financial statements and the notes to the unaudited condensed consolidated financial statements contained in this report and the consolidated financial statements, notes to consolidated financial statements and Management s Discussion and Analysis of Financial Condition and Results of Operations contained in our Form 10-KT for the eight-month transition period ended February 2, 2008.

OVERVIEW

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

The first six months of fiscal 2008 was a challenging time for the retail and apparel industry as a result of the weak economic conditions which began in the second half of the 2007 calendar year and have continued through the second quarter of fiscal 2008. These conditions impacted each of our operating groups, and we expect that these challenging economic conditions will continue in the near-term. Therefore, we have continued to plan inventory purchases conservatively, which will limit our sales growth opportunities for the remainder of fiscal 2008. This strategy, however, will also mitigate inventory markdown risk and promotional pressures. At the same time, we continue to invest in our Tommy Bahama® and Ben Sherman® brands through store openings and new marketing initiatives and focus our Lanier Clothes and Oxford Apparel businesses on key product categories and lines of business.

During the second quarter of fiscal 2008, we incurred approximately $8.9 million of charges related to the impact of restructuring in our Lanier Clothes and Oxford Apparel operating groups, as discussed below. We anticipate an additional $0.6 million of restructuring charges in the third quarter of fiscal 2008. Diluted net earnings per common share were $0.09 in the second quarter of fiscal 2008 and $0.49 in the three months ended August 3, 2007. The most significant factors impacting our results during the second quarter of fiscal 2008 were the restructuring charges and other items discussed below:

Tommy Bahama reported a $2.8 million, or 13.4%, decrease in operating income during the second quarter of fiscal 2008, compared to the three months ended August 3, 2007. The decrease was primarily due to higher selling, general and administrative expenses associated with operating additional retail stores as well as the impact of the current economic conditions on sales at our existing retail stores and in our wholesale business, which was partially offset by the sales at the 11 retail stores opened on or after May 5, 2007, which was the first day of the three months ended August 3, 2007.

Ben Sherman reported a $0.6 million, or 37.9%, increase in operating loss during the second quarter of fiscal 2008, compared to the three months ended August 3, 2007. The increase in operating loss was primarily due to lower sales in our United Kingdom wholesale business as we continued our efforts to reposition the brand and our United States wholesale business as the three months ended August 3, 2007 included higher levels of off-price sales. These planned decreases were partially offset by increased sales at our retail stores, which are located in the United Kingdom and United States, and in wholesale operations in markets outside of the United Kingdom and United States.

Lanier Clothes reported a $9.2 million, or 418.5%, increase in operating loss during the second quarter of fiscal 2008, compared to the three months ended August 3, 2007. This increase in operating loss is primarily attributable to approximately $9.2 million of restructuring charges associated with our decision to exit the Nautica and O Oscar licensed businesses and the restructuring of our Arnold Brant business. The restructuring charges included costs associated with the disposal of inventory, payments related to license termination, impairment of intangible assets associated with the Arnold Brant business, severance costs and the impairment of certain fixed assets. Lanier Clothes continued to feel the impact of weak demand in the branded tailored clothing market during the second quarter of fiscal 2008.

Oxford Apparel reported a $0.7 million, or 21.7%, increase in operating income during the second quarter of fiscal 2008, compared to the three months ended August 3, 2007. As we continue to focus on key product categories and lines of business, net sales decreased during the quarter. However, SG&A declined by an amount greater than the decrease in gross profit caused by the lower sales. During the second quarter of fiscal 2008, we recognized approximately $1.6 million of charges associated with our decision to exit the Solitude business. The operating results for the quarter also included the benefit of approximately $1.2 million attributable to the resolution of a contingent liability and the sale of a trademark, which were partially offset by an increase in our bad debt reserve due to certain customers bankruptcy filings.

Corporate and Other reported a $3.2 million, or 85.9%, decrease in operating loss in the second quarter of fiscal 2008, compared to the three months ended August 3, 2007. This decrease in operating loss was primarily due to the impact of LIFO accounting, including a $1.9 million reversal of certain restructuring charges recognized in Lanier Clothes, and lower SG&A during the second quarter of fiscal 2008.

On May 22, 2008, at the conclusion of our accelerated share repurchase program which we entered into in November 2007, we received an additional 0.6 million shares of our common stock, bringing the total number of shares received pursuant to the program to 2.5 million. This accelerated share repurchase program is complete and we will not receive any additional shares in the future pursuant to this program. For further information regarding our $60 million accelerated share repurchase program, see Note 5 to our unaudited condensed consolidated financial statements included in this report.

RESULTS OF OPERATIONS

The following table sets forth the line items in our consolidated statements of earnings (in thousands) and the percentage change during the second quarter of fiscal 2008 as compared to the three months ended August 3, 2007 and the first six months of fiscal 2008 compared to the six months ended August 3, 2007. Individual line items of our consolidated statements of earnings may not be directly comparable to those of our competitors, as statement of earnings classification of certain expenses may vary by company.

	Second Quarter Fiscal 2008	Three Months Ended August 3, 2007	Percent Change	First Six Months Fiscal 2008	Six Months Ended August 3, 2007	Percent Change
Net sales	$230,520	$244,610	(5.8%)	$503,462	$537,007	(6.2%)
Cost of goods sold	133,849	141,565	(5.5%)	290,482	313,436	(7.3%)
Gross profit	96,671	103,045	(6.2%)	212,980	223,571	(4.7%)
Selling, general and administrative expenses	88,972	88,959	0.0%	188,606	182,497	3.3%
Amortization of intangible assets	4,058	1,318	207.9%	4,846	3,013	60.8%
Royalties and other operating income	4,351	3,829	13.6%	8,539	9,477	(9.9%)
Operating income	7,992	16,597	(51.8%)	28,067	47,538	(41.0%)
Interest expense, net	5,985	5,078	17.9%	12,317	10,476	17.6%

Earnings before income taxes	2,007	11,519	(82.6%)	15,750	37,062	(57.5%)
Income taxes	534	2,781	(80.8%)	4,760	11,231	(57.6%)
Net earnings	$ 1,473	$ 8,738	(83.1%)	$ 10,990	$ 25,831	(57.5%)

The following table sets forth the line items in our consolidated statements of earnings as a percentage of net sales. We have calculated all percentages based on actual data, but columns may not add due to rounding.

	Percent of Net Sales			
	Second Quarter Fiscal 2008	Three Months Ended August 3, 2007	First Six Months Fiscal 2008	Six Months Ended August 3, 2007
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	58.1%	57.9%	57.7%	58.4%
Gross profit	41.9%	42.1%	42.3%	41.6%
Selling, general and administrative expenses	38.6%	36.4%	37.5%	34.0%
Amortization of intangible assets	1.8%	0.5%	1.0%	0.6%
Royalties and other operating income	1.9%	1.6%	1.7%	1.8%
Operating income	3.5%	6.8%	5.6%	8.9%
Interest expense, net	2.6%	2.1%	2.4%	2.0%
Earnings before income taxes	0.9%	4.7%	3.1%	6.9%
Income taxes	0.2%	1.1%	0.9%	2.1%
Net earnings	0.6%	3.6%	2.2%	4.8%

OPERATING GROUP INFORMATION

Our business is operated through our four operating groups: Tommy Bahama, Ben Sherman, Lanier Clothes and Oxford Apparel. We identify our operating groups based on the way our management organizes the components of our business for purposes of allocating resources and assessing performance. The leader of each operating group reports directly to our Chief Executive Officer.

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

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

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

Oxford Apparel produces branded and private label dress shirts, suited separates, sport shirts, casual slacks, outerwear, sweaters, jeans, swimwear, westernwear and golf apparel. We design and source certain private label programs for several customers, including programs for Men s Wearhouse, Lands End, Target, Macy s Inc. and Sears. Significant owned brands of Oxford Apparel include Oxford Golf®, Ely®, Cattleman® and Cumberland Outfitters®. Oxford Apparel also owns a two-thirds interest in the entity that owns the Hathaway® trademark in the United States and several other countries. Additionally, Oxford Apparel licenses from third parties the right to use the Tommy Hilfiger®, Dockers and United States Polo Association® trademarks for certain apparel products. Our Oxford Apparel products are sold to a variety of department stores, mass merchants, specialty catalog retailers, discount retailers, specialty stores, green grass golf merchants and Internet retailers throughout the United States.

Corporate and Other is a reconciling category for reporting purposes and includes our corporate offices, substantially all financing activities, LIFO inventory accounting adjustments and other costs that are not allocated to the operating groups. LIFO inventory calculations are made on a legal entity basis which does not correspond to our operating group definitions, as portions of Lanier Clothes and Oxford Apparel are on the LIFO basis of accounting. Therefore, LIFO inventory accounting adjustments are not allocated to operating groups.

The tables below present net sales and operating income information about our operating groups (dollars in thousands).

	Second Quarter Fiscal 2008	Three Months Ended August 3, 2007	Percent Change	First Six Months Fiscal 2008	Six Months Ended August 3, 2007	Percent Change
Net Sales						
Tommy Bahama	$112,007	$114,361	(2.1%)	$241,265	$246,126	(2.0%)
Ben Sherman	32,495	36,493	(11.0%)	69,082	75,750	(8.8%)
Lanier Clothes	28,184	31,558	(10.7%)	66,871	74,218	(9.9%)
Oxford Apparel	58,024	61,047	(5.0%)	126,708	139,453	(9.1%)
Corporate and Other	(190)	1,151	(116.5%)	(464)	1,460	(131.8%)
Total	$230,520	$244,610	(5.8%)	$503,462	$537,007	(6.2%)
Operating Income						
Tommy Bahama	$ 18,143	$ 20,945	(13.4%)	$ 37,626	$ 47,440	(20.7%)
Ben Sherman	(2,002)	(1,452)	(37.9%)	(1,747)	230	(859.6%)
Lanier Clothes	(11,355)	(2,190)	(418.5%)	(11,376)	(753)	(1410.8%)
Oxford Apparel	3,738	3,072	21.7%	9,063	10,334	(12.3%)
Corporate and Other	(532)	(3,778)	85.9%	(5,499)	(9,713)	43.4%
Total	$ 7,992	$ 16,597	(51.8%)	$ 28,067	$ 47,538	(41.0%)

For further information regarding our operating groups, see Note 4 to our unaudited condensed consolidated financial statements included in this report and Part I, Item 1. Business in our Form 10-KT for the eight-month transition period ended February 2, 2008.

SECOND QUARTER OF FISCAL 2008 COMPARED TO THREE MONTHS ENDED AUGUST 3, 2007

The discussion below compares our operating results for the second quarter of fiscal 2008 to the three months ended August 3, 2007. Each percentage change provided below reflects the change between these periods unless indicated otherwise.

Net sales decreased $14.1 million, or 5.8%, in the second quarter of fiscal 2008 compared to the three months ended August 3, 2007 primarily as a result of the changes discussed below.

Tommy Bahama reported a decrease in net sales of $2.4 million, or 2.1%. The decrease was primarily due to a reduction in net sales at wholesale and in our existing owned retail stores resulting from the difficult retail environment. This decrease in wholesale sales and our existing store retail sales was partially offset by retail sales at our 11 retail stores opened on or after May 5, 2007, which was the first day of the three months ended August 3, 2007, and e-commerce sales which commenced in October 2007. We operated 78 Tommy Bahama retail stores on August 2, 2008 compared to 69 retail stores on August 3, 2007. Unit sales decreased 6.0% due to the difficult retail environment at our own retail stores and our wholesale customers stores during the second quarter of fiscal 2008. The average selling price per unit increased by 2.6%, as sales at our retail stores and our e-commerce sales, both of which have higher average sales prices than wholesale sales, represented a greater proportion of total Tommy Bahama sales. We expect the difficult retail environment to continue through the end of fiscal 2008.

Ben Sherman reported a decrease in net sales of $4.0 million, or 11.0%. The decrease in net sales was primarily due to lower sales in our United Kingdom wholesale business as we continue to reposition the brand in fiscal 2008 and lower sales in our United States wholesale business due to reduced off-price sales and our exit from the Evisu apparel business in the prior year. These declines were partially offset by increased sales at our retail stores, which are located in the United Kingdom and United States, and increased sales in markets outside of the United Kingdom and United States. During the second quarter of fiscal 2008, unit sales for Ben Sherman declined 16.2% due primarily to the decline in the United Kingdom and United States wholesale businesses partially offset by increased sales in our retail operations and in markets outside of the United Kingdom and United States. The average selling price per unit increased 6.3%, primarily due to a larger percentage of total Ben Sherman sales being sales at our retail stores rather than wholesale sales, a lower level of off-price sales in the current year and higher price points in the United Kingdom business. For the remainder of fiscal 2008, we anticipate that sales in our Ben Sherman wholesale business in the United Kingdom will decline compared to the same periods in the prior year as we continue to reposition the brand, but we expect that this decline will be partially offset by sales increases in our retail operations and in our operations outside of the United Kingdom and United States.

Lanier Clothes reported a decrease in net sales of $3.4 million, or 10.7%. The decrease was primarily due to the weak demand in the tailored clothing market. This weak demand resulted in lower unit sales and lower average selling price per unit in the second quarter of fiscal 2008. We expect that this sluggish market will continue through the end of fiscal 2008.

Oxford Apparel reported a decrease in net sales of $3.0 million, or 5.0%. The decrease in net sales was anticipated in connection with the strategy we implemented in the latter part of fiscal 2007 to focus on key product categories and exit underperforming lines of business. Unit sales increased by 0.9% and the average selling price per unit decreased by 5.8% due to changes in product mix as we focused on key product categories. We anticipate that sales in the remainder of fiscal 2008 will be lower than the prior year as we continue to focus on key product categories and exit certain lines of business.

Gross profit decreased 6.2% in the second quarter of fiscal 2008. The decrease was due to lower sales, as described above and lower gross margins. Gross margins decreased to 41.9% of net sales during the second quarter of fiscal 2008 from 42.1% in the prior period. The decrease in gross margins was primarily due to the restructuring charges impacting net sales and cost of goods sold in Lanier Clothes, Oxford Apparel and Corporate and Other totaling approximately $3.1 million, partially offset by the increased proportion of Tommy Bahama and Ben Sherman sales, which generally have higher gross margins than our Lanier Clothes and Oxford Apparel businesses. Gross margins for Tommy Bahama and Ben Sherman improved compared to the three months ended August 3, 2007.

Our gross profit may not be directly comparable to those of our competitors, as statement of earnings classifications of certain expenses may vary by company.

SG&A, expenses were flat in the second quarter of fiscal 2008. SG&A was 38.6% of net sales in the second quarter of fiscal 2008 compared to 36.4% in the three months ended August 3, 2007. Restructuring charges included in SG&A of approximately $2.5 million in Lanier Clothes and increased expenses associated with operating additional Tommy Bahama and Ben Sherman retail stores were offset by

Table of Contents

reductions in employment and other costs and the resolution of a contingent liability. The increase in SG&A as a percentage of net sales was due to the reduction in net sales, as discussed above.

Amortization of intangible assets increased $2.7 million or 207.9% in the second quarter of fiscal 2008. The increase was due to $3.3 million of impairment charges related to the Arnold Brant and Solitude intangible assets in Lanier Clothes and Oxford Apparel, respectively. These charges were partially offset by a decrease in amortization expense as amortization is typically greater in the earlier periods following an acquisition.

Royalties and other operating income increased 13.6% in the second quarter of fiscal 2008. The increase was primarily due to the sale of a trademark by Oxford Apparel during the second quarter of fiscal 2008.

Operating income decreased 51.8% in the second quarter of fiscal 2008 primarily due to the changes discussed below.

Tommy Bahama reported a $2.8 million, or 13.4%, decrease in operating income. The decrease was primarily due to the higher SG&A expenses associated with operating additional retail stores in the second quarter of fiscal 2008 and an increase in marketing and advertising costs of approximately $0.7 million as well as the lower sales resulting from the impact of the current economic conditions.

Ben Sherman reported a $0.6 million, or 37.9%, increase in operating loss. The increase in operating loss was primarily due to lower sales in our United Kingdom and United States wholesale businesses in the second quarter of fiscal 2008, as discussed above. The decline in sales in the United Kingdom and the United States wholesale businesses were partially offset by increased earnings in markets outside of the United Kingdom and United States.

Lanier Clothes reported a $9.2 million, or 418.5%, increase in operating loss. The increase in operating loss was primarily due to the $9.2 million of restructuring charges associated with our decision to exit the Nautica and O Oscar licensed businesses and the restructuring of our Arnold Brant business. These charges include costs associated with the disposal of inventory, payments related to license termination, the impairment of the intangible assets associated with the Arnold Brant business, severance costs and the impairment of certain property, plant and equipment. Approximately $1.9 million of inventory charges for Lanier Clothes were reversed in Corporate & Other as part of LIFO accounting.

Oxford Apparel reported a $0.7 million, or 21.7%, increase in operating income. The increase was attributable to decreased employment costs and the resolution of a contingent liability partially offset by decreased gross profit and the impairment charge for the Solitude intangible assets and certain inventory disposal costs associated with exiting the Solitude business. The decrease in gross profit was due to the decrease in sales as we continue to focus on key product categories and exit certain lines of business.

The Corporate and Other operating loss decreased 85.9%. The decrease in the operating loss was primarily due to the impact of LIFO accounting, including a $1.9 million reversal of certain restructuring charges recognized in Lanier Clothes, and lower corporate SG&A.

Interest expense, net increased 17.9% in the second quarter of fiscal 2008. The increase in interest expense was primarily due to a higher average debt outstanding during the period. The higher average debt outstanding was primarily a result of our $60 million accelerated share repurchase program which was funded in November 2007, our final earn-out payment in August 2007 for the Tommy Bahama acquisition and our acquisition of Tommy Bahama s third-party buying agent on February 1, 2008, each of which was funded through borrowings under our Prior Credit Agreement. These borrowings were partially offset by cash flow from operating activities and reductions in working capital subsequent to August 3, 2007.

Income taxes were at an effective tax rate of 27% for the second quarter of fiscal 2008 compared to 24% for the three months ended August 3, 2007. The rates for both periods were impacted by certain discrete items which may not be present in future periods. The second quarter of fiscal 2008 was impacted by lower projected earnings for the year resulting from the restructuring charges recognized in the second quarter of fiscal 2008 while the three months ended August 3, 2007 benefited from the reversal of a deferred tax liability in association with a change in our assertion regarding our initial investment in a foreign subsidiary which is now considered permanently reinvested. We believe that our annual effective tax rate for fiscal 2008, before the impact of any discrete items, will be approximately 32%. However, that rate may change as the impact of certain permanent items on our tax rate will change if net earnings vary from our expectations.

Diluted net earnings per common share decreased to $0.09 in the second quarter of fiscal 2008 from $0.49, primarily due to the restructuring charges and other unusual items discussed above and the continued impact of the current economic conditions. Diluted net earnings per common share was also impacted by the reduction in the weighted average shares outstanding during the period as a result of our receipt of approximately 1.9 million and 0.6 million shares of our common stock in November 2007 and May 2008, respectively.

FIRST SIX MONTHS OF FISCAL 2008 COMPARED TO SIX MONTHS ENDED AUGUST 3, 2007

The discussion below compares our operating results for the first six months of fiscal 2008 to the six months ended August 3, 2007. Each percentage change provided below reflects the change between these periods unless indicated otherwise.

Net sales decreased $33.5 million, or 6.2%, in the first six months of fiscal 2008 compared to the six months ended August 3, 2007 primarily as a result of the changes discussed below.

Tommy Bahama reported a decrease in net sales of $4.9 million, or 2.0%. The decrease was primarily due to a reduction in net sales at wholesale and in our existing owned retail stores resulting from the difficult retail environment. This decrease in wholesale sales and existing store retail sales was partially offset by increased retail sales at our retail stores opened on or after February 3, 2007, which was the first day of the six months ended August 3, 2007, and sales through Tommy Bahama s e-commerce website which commenced in October 2007. Unit sales decreased 7.1% due to the difficult retail environment at our own retail stores and our wholesale customers stores during the first half of fiscal 2008. The average selling price per unit increased by 4.5%, as sales at our retail stores and our e-commerce sales, both of which have higher sales prices than wholesale, represented a greater proportion of total Tommy Bahama sales.

Ben Sherman reported a decrease in net sales of $6.7 million, or 8.8%. The decrease in net sales was primarily due to lower sales in our United Kingdom wholesale business as we continue to reposition the brand in fiscal 2008 and in our United States wholesale business partially due to reduced off-price sales and our exit from the Evisu apparel business. These declines were partially offset by increased sales at our retail stores and increased sales in markets outside of the United Kingdom and United States. During the first half of fiscal 2008, unit sales for Ben Sherman declined by 9.3% due primarily to the decline in the United Kingdom and United States wholesale businesses. The average selling price per unit increased 0.5%, resulting primarily from a larger percentage of total Ben Sherman sales being sales at our retail stores partially offset by a decrease in the average selling price per unit in the United States wholesale business due to the three months ended August 3, 2007 including higher average price per unit Evisu sales.

Lanier Clothes reported a decrease in net sales of $7.3 million, or 9.9%. The decrease was primarily due to weak demand in the tailored clothing market. This weak demand resulted in a decrease in unit sales of 8.7% and a decrease in the average selling price per unit of 1.3% during the first half of fiscal 2008.

Oxford Apparel reported a decrease in net sales of $12.7 million, or 9.1%. The decrease in net sales was anticipated in connection with the strategy we implemented in the latter part of fiscal 2007 to focus on key product categories and exit underperforming lines of business. Unit sales decreased by 6.3% as a result of the exit of certain lines of business, and the average selling price per unit decreased by 3.1% due to changes in product mix.

Gross profit decreased 4.7% in the first six months of fiscal 2008. The decrease was due to lower sales, as described above, partially offset by higher gross margins. Gross margins increased to 42.3% of net sales during the first half of fiscal 2008 from 41.6% in the six months ended August 3, 2007. The increase was primarily due to the increased proportion of Tommy Bahama and Ben Sherman sales, which generally have higher gross margins than our Lanier Clothes and Oxford Apparel businesses partially offset by the $3.1 million of restructuring charges in

Lanier Clothes, Oxford Apparel and Corporate and Other. Gross margins for Tommy Bahama and Ben Sherman improved compared to the six months ended August 3, 2007.

Our gross profit may not be directly comparable to those of our competitors, as income statement of earnings classifications of certain expenses may vary by company.

SG&A, increased 3.3% in the first six months of fiscal 2008. SG&A was 37.5% of net sales in the first six months of fiscal 2008 compared to 34.0% in the six months ended August 3, 2007. The increase in SG&A was primarily due to the expenses associated with operating additional Tommy Bahama and Ben Sherman retail stores, approximately $3.0 million of additional marketing costs in Tommy Bahama, approximately $0.8 million of additional pre-opening costs primarily related to two new Tommy Bahama café emporiums, and restructuring charges of approximately $2.5 million in Lanier Clothes. These increased costs were partially offset by reductions in employment costs and the resolution of a contingent liability. The increase in SG&A as a percentage of net sales was due to the increase in total SG&A and the reduction in net sales, as discussed above.

Amortization of intangible assets increased 60.8% in the first six months of fiscal 2008. The increase was due to $3.3 million of impairment charges related to the Arnold Brant and Solitude intangible assets in Lanier Clothes and Oxford Apparel, respectively. These charges were partially offset by a decrease in amortization expense as amortization is typically greater in the earlier periods following an acquisition.

Royalties and other operating income decreased 9.9% in the first six months of fiscal 2008. The decrease was primarily due to the six months ended August 3, 2007 including a $2.0 million gain related to the sale of our Monroe, Georgia facility by the Oxford Apparel Group. This decrease was partially offset by an increase in royalty income for our brands during the first six months of fiscal 2008 and the sale of a trademark in the second quarter of fiscal 2008.

Operating income decreased 41.0% in the first six months of fiscal 2008 primarily due to the changes discussed below.

Tommy Bahama reported a $9.8 million, or 20.7%, decrease in operating income. The decrease was primarily due to reduced sales, as discussed above, and higher SG&A expenses due to operating costs of additional retail stores, additional marketing costs and additional pre-opening costs primarily associated with two new Tommy Bahama café emporiums.

Ben Sherman reported a $2.0 million, or 859.6%, decrease in operating income. The decrease was primarily due to lower sales in our United Kingdom and United States wholesale businesses, as discussed above. These lower sales in the United Kingdom and the United States wholesale businesses were partially offset by increased earnings in markets outside of the United Kingdom and United States.

Lanier Clothes reported a $10.6 million increase in operating loss. The increase in operating loss was primarily due to restructuring charges and lower sales. The $9.2 million of restructuring charges were associated with the decision to exit the Nautica and O Oscar licensed businesses and the restructuring of our Arnold Brant business. The restructuring charges include costs associated with disposal of inventory, license termination fees, the impairment of the intangible assets associated with the Arnold Brant business, severance costs and the impairment of certain property, plant and equipment. Approximately $1.9 million of inventory charges for Lanier Clothes were reversed in Corporate & Other as part of LIFO accounting. The lower sales were primarily due to the weak demand for tailored clothing.

Oxford Apparel reported a $1.3 million, or 12.3%, decrease in operating income. The decrease was primarily attributable to the six months ended August 3, 2007 including a $2.0 million gain related to the sale of our Monroe, Georgia facility by the Oxford Apparel Group in April 2007 and the fiscal 2008 impairment of the Solitude trademark and certain other costs associated with exiting the Solitude business. The current year charges were partially offset by lower employment cost and the resolution of a contingent liability.

The Corporate and Other operating loss decreased 43.4%. The decrease in the operating loss was primarily due to the impact of LIFO accounting, including a $1.9 million reversal of certain restructuring charges recognized in Lanier Clothes, and lower compensation costs in the current year.

Interest expense, net increased 17.6% in the first six months of fiscal 2008. The increase in interest expense was primarily due to a higher average debt outstanding during the period. The higher average debt outstanding was primarily a result of our $60 million accelerated share repurchase program which was funded in November 2007, our final earn-out payment in August 2007 for the Tommy Bahama acquisition and our acquisition of Tommy Bahama s third-party buying agent on February 1, 2008, each of which was funded through borrowings under our Prior Credit Agreement. These borrowings were partially offset by cash flow from operating activities and reductions in working capital subsequent to August 3, 2007.

Income taxes were at an effective tax rate of 30% for the first six months of fiscal 2008 and for the six months ended August 3, 2007. The rates for both periods were impacted by certain discrete items which may not be present in future periods. The first six months of fiscal 2008 benefited from changes in certain contingency reserves while the six months ended August 3, 2007 benefited from the reversal of a deferred tax liability in association with a change in our assertion regarding our initial investment in a foreign subsidiary which is now considered permanently reinvested. We believe our annual effective tax rate for fiscal 2008, before the impact of any discrete events, will be approximately 32%. However, that rate may change as the impact of certain permanent items on our tax rate will change if net earnings vary from our expectations.

Diluted net earnings per common share decreased to $0.69 in the first six months of fiscal 2008 from $1.44 in the six months ended August 3, 2007, primarily due to the restructuring charges discussed above and the continued impact of the current economic conditions. This decline in net earnings was partially offset by the reduction in the weighted average shares outstanding during the period as a result of our receipt of approximately 1.9 million and 0.6 million shares of our common stock in November 2007 and May 2008, respectively.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Our primary source of revenue and cash flow is our operating activities in the United States and, to a lesser extent, the United Kingdom. When cash inflows are less than cash outflows, subject to their terms, we also have access to amounts under our U.S. Revolving Credit Agreement (or the Prior Credit Agreement before August 15, 2008) and U.K. Revolving Credit Agreement, each of which are described below. We may seek to finance future capital investment programs through various methods, including, but not limited to, cash flow from operations, borrowings under our current or additional credit facilities and sales of debt or equity securities.

Our liquidity requirements arise from the funding of our working capital needs, which include inventory, other operating expenses and accounts receivable, funding of capital expenditures, payment of quarterly dividends, repayment of our indebtedness and acquisitions, if any. Our product purchases are often acquired through trade letters of credit which are drawn against our lines of credit at the time of shipment of the products and which reduce the amounts available under our lines of credit when issued.

Cash and cash equivalents on hand was $5.2 million at August 2, 2008 and $57.0 million at August 3, 2007.

Operating Activities

During the first six months of fiscal 2008 and the six months ended August 3, 2007, our operations generated $62.1 million and $44.5 million of cash, respectively. The operating cash flows were primarily the result of earnings for the period, adjusted for non-cash activities such as depreciation, amortization and stock compensation expense and changes in our working capital accounts. In the first six months of fiscal 2008 the significant changes in working capital from February 2, 2008 were a decrease in inventory levels and accounts receivable, as discussed below. In the six months ended August 3, 2007, the significant changes in working capital from February 2, 2007 were decreases in inventory and accounts receivables and an increase in other non-current liabilities which were partially offset by a decrease in current liabilities, each as discussed below.

Our working capital ratio, which is calculated by dividing total current assets by total current liabilities, was 2.2:1 and 2.4:1 at August 2, 2008 and August 3, 2007, respectively. The change from August 3, 2007 was primarily due to the significant reductions in cash and inventory, which was partially offset by the lack of an earn-out being payable at August 2, 2008.

Receivables were $96.5 million and $99.2 million at August 2, 2008 and August 3, 2007, respectively, representing a decrease of 3%. Days sales outstanding for our wholesale accounts receivable was 53 days and 54 days at August 2, 2008 and August 3, 2007, respectively.

Inventories were $129.9 million and $156.9 million at August 2, 2008 and August 3, 2007, respectively, representing a decrease of 17%. Inventory for Tommy Bahama was comparable to the prior year, even with the additional owned retail stores. Ben Sherman inventory increased due to the timing of in-transit inventory for the fall season. Lanier Clothes inventory decreased significantly in the current year as we have reduced the amount of excess inventories from prior year levels. Inventory levels for Oxford Apparel decreased compared to the prior year, primarily due to inventory reductions in replenishment programs and the exit of certain programs which were partially offset by inventory increases due to new initiatives in our dress shirt business and other key product categories. Our days supply of inventory on hand, using FIFO basis, was 105 days and 114 days as of August 2, 2008 and August 3, 2007, respectively, primarily due to the changes in the operating group inventories discussed above.

Prepaid expenses were $22.0 million and $24.3 million at August 2, 2008 and August 3, 2007, respectively. The decrease in prepaid expenses was primarily due to the timing of payments for certain operating expenses and changes in deferred income taxes resulting from certain timing differences related to employee compensation amounts.

Current liabilities were $115.5 million and $142.3 million at August 2, 2008 and August 3, 2007, respectively. The decrease in current liabilities was primarily due to August 3, 2007 including an accrual for additional acquisition cost payable of $22.4 million related to the 2003 Tommy Bahama acquisition which was paid in August 2007 as well as decreases in income taxes payable, dividends payable and incentive compensation.

Other non-current liabilities, which primarily consist of deferred rent and deferred compensation amounts, were $52.7 million and $49.7 million at August 2, 2008 and August 3, 2007, respectively. The increase was primarily due to recognition of additional deferred rent amounts during the 12 months subsequent to August 3, 2007.

Non-current deferred income taxes were $59.0 million and $69.8 million at August 2, 2008 and August 3, 2007, respectively. The change resulted from the impact of changes in book to tax differences for depreciation, deferred compensation and amortization of intangible assets, the impact of a change in the enacted tax rate in the United Kingdom in 2007 and a distribution from a foreign subsidiary in January 2008.

Investing Activities

During the first six months of fiscal 2008 investing activities used $12.7 million of cash including $12.3 million for capital expenditures, primarily related to new retail stores and costs associated with our implementation of new integrated financial systems which is currently in process. During the six months ended August 3, 2007, investing activities used $14.6 million of cash. These investing activities included $17.1 million of capital expenditures primarily related to new retail stores, which were partially offset by $2.5 million of proceeds from the sale of our Monroe, Georgia facility in April 2007.

*Non-current asset*s, including property, plant and equipment, goodwill, intangible assets and other non-current assets, increased from August 3, 2007 to August 2, 2008 primarily as a result of our acquisition of Tommy Bahama s third-party buying agent on February 1, 2008 for approximately $35 million and capital expenditures for our new retail stores. These increases were partially offset by depreciation related to our property, plant and equipment, impairment, amortization of certain intangible assets and amortization of deferred financing costs subsequent to August 3, 2007.

Financing Activities

During the first six months of fiscal 2008, financing activities used $59.4 million of cash. The cash flow provided by our operating activities in excess of cash flows used in investing activities and the three quarterly dividends paid totaling $8.7 million were used to repay amounts outstanding under our U.S. Revolver.

During the six months ended August 3, 2007, financing activities used $3.8 million of cash. We paid two quarterly dividends totaling $6.4 million during the six month period which was partially offset by cash received related to the exercise of employee stock options during the six month period totaling $2.6 million.

On September 8, 2008, our board of directors approved a cash dividend of $0.18 per share payable on October 31, 2008 to shareholders of record as of the close of business on October 15, 2008. As we have for each quarter since we became a public company in July 1960, we expect to pay dividends in future quarters. However, we may discontinue or modify dividend payments at any time if we determine that other uses of our capital, including but not limited to, payment of outstanding debt, repurchases of outstanding shares or funding of future acquisitions, may be in our best interest; if our expectations of future cash flows and future cash needs outweigh the ability to pay a dividend; or if the terms of our credit facilities or other debt instruments limit our ability to pay dividends. We may borrow to fund dividends in the short-term based on our expectation of operating cash flows in future periods subject to the terms and conditions of our credit facilities and other debt instruments. All cash flow from operations will not necessarily be paid out as dividends in all periods.

Debt, including short term debt was $221.6 million and $199.7 million as of August 2, 2008 and August 3, 2007, respectively. The increase was primarily due to the borrowings under our Prior Credit Agreement to fund our $60 million share repurchase program, the payment in August 2007 of the final earn-out payment of approximately $22 million related to the 2003 Tommy Bahama acquisition and our acquisition of Tommy Bahama s third-party buying agent on February 1, 2008 for approximately $35 million. These increases in borrowings were partially offset by cash flow from operating activities subsequent to August 3, 2007.

Liquidity and Capital Resources

The table below provides a description of our significant financing arrangements and the amounts outstanding under these financing arrangements (in thousands) as of August 2, 2008:

	August 2, 2008
$280 million U.S. Secured Revolving Credit Facility (Prior Credit Agreement), which accrues interest (5.0% at August 2, 2008), unused line fees and letter of credit fees based upon a pricing grid which is tied to certain debt ratios, requires interest payments monthly with principal due at maturity (July 2009) and is collateralized by substantially all of the assets of Oxford Industries, Inc. and its consolidated domestic subsidiaries(1)	$ 19,100
£12 million Senior Secured Revolving Credit Facility (U.K. Revolving Credit Agreement), which accrues interest at the bank s base rate plus 1.00% (6.00% at August 2, 2008), requires interest payments monthly with principal payable on demand or at maturity (July 2008) and is collateralized by substantially all of the United Kingdom assets of Ben Sherman (2)	3,027
$200 million Senior Unsecured Notes (Senior Unsecured Notes), which accrue interest at 8.875% (effective interest rate of 9.0%) and require interest payments semi-annually on June 1 and December 1 of each year, require payment of principal at maturity (June 2011), are subject to certain prepayment penalties and are guaranteed by our consolidated domestic subsidiaries	200,000
Unamortized discount on Senior Unsecured Notes	(496)
Total debt	221,631

Short-term debt and current maturities of long-term debt	(3,027)
Long-term debt, less short-term debt and current maturities of long-term debt	$ 218,604

(1) $19.1 million of the amount outstanding under the Prior Credit Agreement was classified as long-term debt. The amount classified as long-term debt represents the minimum amount we anticipate being

Table of Contents

outstanding under the Prior Credit Agreement or subsequent to August 15, 2008 the U.S. Revolving Credit Agreement during fiscal 2008.

(2) In August 2008, the U.K. Revolving Credit Agreement was extended until August 2009, which increased the interest rate to base rate plus 1.35% with all other terms remaining consistent with the previous agreement.

U.S. Revolving Credit Agreement

Subsequent to the end of the second quarter of fiscal 2008, on August 15, 2008, we entered into a Second Amended and Restated Credit Agreement (the U.S. Revolving Credit Agreement). The parties to the U.S. Revolving Credit Agreement are Oxford Industries, Inc. and Tommy Bahama Group, Inc., as the borrowers (the Borrowers), certain of our subsidiaries as guarantors (the Guarantors), the financial institutions party thereto as lenders, the financial institutions party thereto as issuing banks, and SunTrust Bank as administrative agent (the Administrative Agent). The U.S. Revolving Credit Agreement amends and restates our Amended and Restated Credit Agreement, dated as of July 28, 2004, as amended (the Prior Credit Agreement), among Oxford Industries, Inc., certain of our domestic subsidiaries as borrowers or guarantors, certain financial institutions party thereto as lenders, certain financial institutions party thereto as the issuing banks and SunTrust Bank, as administrative agent.

The U.S. Revolving Credit Agreement provides for a revolving credit facility which may be used to refinance existing funded debt, to fund working capital, to fund future acquisitions and for general corporate purposes. The material terms of the U.S. Revolving Credit Agreement are as follows:

The U.S. Revolving Credit Agreement provides for a revolving credit facility of up to $175 million, which may be increased by up to $100 million by us subject to certain conditions. The Prior Credit Agreement provided for a revolving credit facility of up to $280 million.

The total amount of availability under the U.S. Revolving Credit Agreement is limited to a borrowing base consisting of specified percentages of eligible categories of assets. The Administrative Agent has certain discretion to determine eligibility and to establish reserves with respect to the calculation of borrowing base availability.

We may request base rate advances or LIBOR advances. Base rate advances accrue interest at floating rates equal to the higher of (i) SunTrust Bank s prime lending rate or (ii) the federal funds rate plus 50 basis points. LIBOR advances accrue interest at LIBOR plus an applicable margin. We are also charged fees for letters of credit which are issued under the U.S. Revolving Credit Agreement. The applicable margin on LIBOR advances and the letter of credit fees are determined from a pricing grid which is based on the average unused availability under the U.S. Revolving Credit Agreement. Interest rate margins on LIBOR advances and standby letter of credit fees range from 175 basis points to 225 basis points, while the letter of credit fees for trade letters of credit range from 100 basis points to 150 basis points. Unused line fees are calculated at a per annum rate of 30 basis points.

Our obligations under the U.S. Revolving Credit Agreement are secured by a first priority security interest in the Borrowers and the Guarantors accounts receivable (other than royalty payments in respect of trademark licenses), inventory, investment property (including the equity interests of certain subsidiaries), general intangibles (other than trademarks, trade names and related rights), deposit accounts, inter-company obligations, equipment, goods, documents, contracts, books and records and other personal property.

The U.S. Revolving Credit Facility contains a financial covenant that applies only if unused availability under the U.S. Revolving Credit Agreement is less than the greater of (i) $26.25 million or (ii) 15% of the total revolving commitments for three consecutive business days. In such case, our fixed charge coverage ratio for the immediately preceding twelve fiscal months for which financial statements have been delivered may not be less than 1.0 to 1.0. This financial covenant continues to apply until we have maintained unused availability under the U.S. Revolving Credit Agreement of more than the greater of (i) $26.25 million or (ii) 15% of the total revolving commitments for thirty consecutive days.

The U.S. Revolving Credit Agreement contains a number of customary affirmative covenants regarding, among other things, the delivery of financial and other information to the Administrative Agent and other lenders, maintenance of records, compliance with law, maintenance of property and insurance and conduct of business.

The U.S. Revolving Credit Agreement also contains certain negative covenants, including, among other things, covenants that limit our ability to (i) incur debt, (ii) guaranty certain obligations, (iii) incur liens, (iv) pay dividends to shareholders or repurchase shares of our common stock, (v) make investments, (vi) sell assets or stock of subsidiaries, (vii) acquire assets or businesses, (viii) merge or consolidate with other companies, or (ix) prepay, retire, repurchase or redeem debt.

The U.S. Revolving Credit Agreement generally is scheduled to mature on August 15, 2013 as compared to the Prior Credit Agreement which had a maturity date of July 28, 2009.

The above description of the U.S. Revolving Credit Agreement is not complete and is qualified in its entirety by the actual terms of the U.S. Revolving Credit Agreement and the related Amended and Restated Pledge and Security Agreement, attached as Exhibits 10.1 and 10.2, respectively, to our Form 8-K filed with the SEC on August 19, 2008.

On August 15, 2008, we had approximately $102 million in unused availability under the U.S. Revolving Credit Agreement. As a result of amending and restating the Prior Credit Agreement, during the third quarter of fiscal 2008 we anticipate writing off approximately $0.9 million of unamortized financing costs incurred in connection with the Prior Credit Agreement.

Our credit facilities are used to finance trade letters of credit and standby letters of credit, as well as to provide funding for other operating activities and acquisitions. As of August 2, 2008, approximately $28.4 million of trade letters of credit and other limitations on availability were outstanding against our Prior Credit Agreement and U.K. Revolving Credit Agreement.

Our Prior Credit Agreement included and our Senior Unsecured Notes include certain debt covenant restrictions requiring us or our subsidiaries to maintain certain financial ratios that we believe are customary for similar facilities. As of August 2, 2008, we were compliant with all financial covenants related to our debt agreements.

Pursuant to the indenture governing our Senior Unsecured Notes, we may make certain Restricted Payments, as defined in the indenture, to the extent that the sum of the Restricted Payments does not exceed the allowable amount described in the indenture. Restricted Payments include the payment of dividends, the repurchase of our common shares, repayment of certain debt, the payment of amounts pursuant to earn-out agreements and certain investments. The allowable amount includes 50% of GAAP net income, as adjusted, cash proceeds from the issuance of shares of our common stock including stock options and restricted stock awards, and certain other items.

The Senior Unsecured Notes are subject to redemption at any time, at our option, in whole or in part, on not less than 30 nor more than 60 days prior notice. During the period from June 1, 2008 through May 31, 2009, the amount paid at redemption would be equal to 102.219% of the aggregate principal amount of the Senior Unsecured Notes to be redeemed together with accrued and unpaid interest, if any, to the date of redemption. Subsequent to June 1, 2009, the amount paid at redemption would be equal to 100.000% of the aggregate principal amount of the Senior Unsecured Notes to be redeemed together with accrued and unpaid interest, if any, to the date of redemption. Additionally, if we determine that the market price of the Senior Unsecured Notes is appropriate and we have sufficient availability under our U.S. Revolving Credit Agreement, we may repurchase a portion of the Senior Unsecured Notes on the open market.

Our debt-to-total-capitalization ratio was 35%, 40% and 30% at August 2, 2008, February 2, 2008 and August 3, 2007, respectively. The change in this ratio from August 3, 2007 was primarily a result of increased borrowings to fund our $60 million share repurchase program, the payment of the final earn-out for the 2003 Tommy Bahama acquisition in August 2007 and our acquisition of Tommy Bahama s third-party buying agent on February 1, 2008 as well as the reduction in total capital as a result of the $60 million share repurchase program. Our debt level and ratio of debt-to- total-capitalization in future years may not be comparable to historical amounts as we continuously assess and periodically make changes to our capital structure and may make additional acquisitions, investments, changes to our debt facilities or repurchases of shares in the future. On September 8, 2008, our board of directors authorized the repurchase by us of up to 0.5 million shares of our common stock.

We anticipate that we will be able to satisfy our ongoing cash requirements, which generally consist of working capital needs, capital expenditures (primarily for the opening of additional Tommy Bahama and Ben Sherman retail stores and the implementation of new integrated financial systems) and interest payments on our debt during the remainder of fiscal 2008, primarily from cash flow from operations supplemented by borrowings under our lines of credit, if necessary. Our need for working capital is typically seasonal with the greatest requirements generally existing in the fall and spring of each year. Our capital needs will depend on many factors including our growth rate, the need to finance inventory levels and the success of our various products.

If appropriate investment opportunities arise that exceed the availability under our existing credit facilities, we believe that we will be able to fund such acquisitions through additional or refinanced debt facilities or the issuance of additional equity. However, our ability to obtain additional borrowings or refinance our credit facilities will depend on many factors, including the prevailing market conditions, our financial condition and our ability to negotiate favorable terms and conditions. There is no assurance that financing would be available on terms that are acceptable or favorable to us, if at all. At maturity of the U.S. Revolving Credit Agreement, the U.K. Revolving Credit Agreement and the Senior Unsecured Notes, we anticipate that we will be able to refinance the facilities and debt with terms available in the market at that time.

Our contractual obligations as of August 2, 2008 have not changed significantly from the contractual obligations outstanding at February 2, 2008 other than the amendment to the Prior Credit Agreement, changes in the amounts outstanding under our credit facilities, amounts outstanding pursuant to letters of credit (each as discussed above) and new leases entered into for additional retail stores, none of which occurred outside the ordinary course of business.

Our anticipated capital expenditures for fiscal 2008 are expected to be approximately $25 million, including $12.3 million incurred during the first six months of fiscal 2008. These expenditures primarily relate to the continued expansion of our Tommy Bahama and Ben Sherman retail operations and the implementation of new integrated financial systems.

Off Balance Sheet Arrangements

We have not entered into agreements which meet the SEC s definition of an off balance sheet financing arrangement, other than operating leases, and have made no financial commitments to, or guarantees with respect to any unconsolidated subsidiaries or special purpose entities.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The discussion and analysis of our financial condition and results of operations are based upon our unaudited condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses and related disclosures of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including those related to bad debts, inventories, intangible assets, income taxes, stock compensation expense, contingencies and litigation and certain other accrued expenses. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Our critical accounting policies and estimates are discussed in Part II, Item 7, Management s Discussion and Analysis of Financial Condition and Results of Operations in our Form 10-KT for the eight-month transition period ended February 2, 2008. There have not been any significant changes to the application of our critical accounting policies and estimates during fiscal 2008.

SEASONALITY

Although our various product lines are sold on a year-round basis, the demand for specific products or styles may be seasonal. For example, the demand for Tommy Bahama and golf products is higher in the spring and summer seasons. Generally, our products are sold to our wholesale customers prior to each of the retail selling seasons, including spring, summer, fall and holiday. As the timing of product shipments and other events affecting retail businesses may vary, results for any particular quarter may not be indicative of results for the full year. The percentage of net sales by quarter for the twelve months ended February 2, 2008 was 27%, 23%, 26% and 24%, respectively, and the percentage of earnings before income taxes by quarter for the twelve months ended February 2, 2008 was 40%, 18%, 28% and 14%, respectively. We do not believe this distribution is indicative of the distribution in future years, as the last three quarters of the twelve months ended February 2, 2008 were impacted by the weak economic environment which has continued in fiscal 2008.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to certain interest rate, foreign currency, trade policy, commodity and inflation risks as discussed in Part II. Item 7A. Quantitative and Qualitative Disclosures About Market Risk in our Form 10-KT for the eight-month transition period ended February 2, 2008. There have not been any significant changes in our exposure to these risks during fiscal 2008.

ITEM 4. CONTROLS AND PROCEDURES

Our Principal Executive Officer and Principal Financial Officer have evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, our Principal Executive Officer and Principal Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in our Securities Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms, and that such information is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

There have not been any changes in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act) during the second quarter of fiscal 2008 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Table of Contents

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In the ordinary course of business, we may become subject to litigation or claims. We are not currently a party to any litigation or regulatory action that we believe could reasonably be expected to have a material adverse effect on our financial position, results of operations or cash flows.

ITEM 1A. RISK FACTORS

We believe that an investor should carefully consider the factors discussed in Part I. Item 1A. Risk Factors in our Form 10-KT for the eight-month transition period ended February 2, 2008, which are not the only risks facing our company. During fiscal 2008, there have been no material changes to the risk factors described in our Form 10-KT for the eight-month transition period ended February 2, 2008. If any of the risks described in our Form 10-KT, or other risks or uncertainties not currently known to us or that we currently deem to be immaterial, actually occur, our business, financial condition or operating results could suffer.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a) During the second quarter of fiscal 2008, we did not make any unregistered sales of our securities.

(c) The table below summarizes our stock repurchases during the second quarter of fiscal 2008.

Fiscal Month	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet be Purchased Under the Plans or Programs
May (5/4/08-5/31/08) (1)	558,400	$ 24.03		
June (6/1/08-7/5/08) (2)	14,875	$ 25.76		
July (7/6/08-8/2/08)				
Total	573,275	$ 24.07		

(1) On November 8, 2007, we entered into a $60 million capped accelerated share repurchase agreement with Bank of America, N.A.,

an unrelated third party. On November 8, 2007 we made a payment of $60 million to Bank of America that was funded by borrowings under our U.S. Revolver. We received an initial delivery of approximately 1.9 million shares in November 2007 pursuant to the repurchase agreement. We received an additional 558,000 shares in May 2007 pursuant to the repurchase agreement upon completion of the program. The average price paid per shares for the 2.5 million shares purchased pursuant to the program was $24.03. We will not receive any additional shares in the future pursuant to this share repurchase program.

(2) We have certain stock incentive plans as

described in Note 7 to our consolidated financial statements included Form 10-KT for the eight month transition period ended February 2, 2008, all of which are publicly announced plans. Under the plans, we can repurchase shares from employees to cover the employee tax liabilities related to the exercise of stock options or the vesting of previously restricted shares. All shares repurchased in June 2008 were purchased pursuant to these stock incentive plans.

On September 8, 2008, our board of directors authorized the repurchase by us of up to 0.5 million shares of our common stock.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Our 2008 annual meeting of shareholders was held on June 16, 2008. A total of 14,888,295 of our shares were represented in person or by proxy at the meeting. This represented 90.74% of our 16,408,324 shares issued, outstanding and entitled to vote at such meeting. At our 2008 annual meeting of shareholders:

a. The shareholders elected each of Cecil D. Conlee, J. Reese Lanier and Dennis M. Love as a Class I director to hold office until the annual meeting of shareholders held in 2011 and until his successor is elected and qualified. The vote tabulation for individual directors was as follows:

Director	For	Against	Abstain
Cecil D. Conlee	14,565,480	314,400	8,415
J. Reese Lanier	14,524,301	357,789	6,205
Dennis M. Love	14,654,040	225,320	8,935

In addition to the Class I directors noted above, J. Hicks Lanier and Clarence H. Smith will continue as Class II directors who will hold office until our annual meeting of shareholders in 2009 and until their respective successors are elected and qualified and George C. Guynn, Helen B. Weeks and E. Jenner Wood III will continue as Class III directors who will hold office until our annual meeting of shareholders in 2010 and until their respective successors are elected and qualified.

b. The shareholders re-approved the Oxford Industries, Inc. Executive Performance Incentive Plan and ratified the appointment of Ernst & Young LLP as our independent registered public accounting firm. The vote tabulation for each of these proposals was as follows:

Proposal		For	Against	Abstain	Broker Non-Vote
2	Re-Approval of the Oxford Industries, Inc. Executive Performance Incentive Plan	14,600,677	259,906	27,712	N/A
3	Ratification of Appointment of Independent Registered Public Accounting Firm	14,849,712	21,070	17,513	N/A

The text of the above proposals is incorporated by reference to Proposals 2 and 3, respectively, of our definitive proxy statement, dated May 9, 2008, filed with the SEC on May 13, 2008.

ITEM 5. OTHER INFORMATION

None

36

ITEM 6. EXHIBITS

3(a)	Restated Articles of Incorporation of Oxford Industries, Inc. Incorporated by reference to Exhibit 3.1 to the Oxford Industries, Inc. Form 10-Q for the fiscal quarter ended August 29, 2003.
3(b)	Bylaws of Oxford Industries, Inc., as amended. Incorporated by reference to Exhibit 3(b) to the Oxford Industries, Inc. Form 10-KT filed on April 1, 2008.
10(a)	Employment Offer Letter to Terry R. Pillow.* +
31.1	Section 302 Certification by Principal Executive Officer.*
31.2	Section 302 Certification by Principal Financial Officer.*
32	Section 906 Certification by Principal Executive Officer and Principal Financial Officer.*

* Filed herewith.

\+ Exhibit is a management contract or compensatory plan or arrangement.

SIGNATURES

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

September 10, 2008

OXFORD INDUSTRIES, INC.
(Registrant)

/s/ K. Scott Grassmyer
K. Scott Grassmyer
Senior Vice President, Chief Financial Officer and Controller
(Authorized Signatory and Principal Financial Officer)