OXFORD INDUSTRIES INC
Form 8-K
April 28, 2003

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): APRIL 28, 2003

OXFORD INDUSTRIES, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

GEORGIA	001-04365	58-0831862
(STATE OR OTHER JURISDICTION OF INCORPORATION)	(COMMISSION FILE NO.)	(IRS EMPLOYER IDENTIFICATION NUMBER)

222 PIEDMONT AVENUE NE, ATLANTA GEORGIA 30308
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

(404) 659-2424
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

NONE
(FORMER NAME OR FORMER ADDRESS, IF CHANGED SINCE LAST REPORT.)

ITEM 5. OTHER

Oxford Industries, Inc. ("Oxford") previously announced its proposed acquisition of Viewpoint International, Inc. (which acquisition is subject to a number of conditions), and is filing the following information:

In this current report, the term "last twelve months" refers to:

- in the case of Oxford, the twelve months ended February 28, 2003;

- in the case of Viewpoint, the twelve months ended December 31, 2002; and

- in the case of our pro forma results, a combination of data derived in accordance with the preceding two bullet points.

In this current report, "comparable store sales" presented for any period includes sales by any store that has been open for at least 14 months at any time during the period presented (comparing sales for the period after such 14 months to sales during the comparable portion of the prior period).

FUTURE OPERATING RESULTS

The apparel market remains highly competitive and continues to benefit the consumer, who enjoys a wide choice of apparel at deflating prices. This high level of competition is the result of continued excess worldwide manufacturing capacity and the search by manufacturers and retailers for low-cost production sources around the globe.

Uncertainties regarding the future retail environment that may affect us include continued excessive retail floor space per customer, constant heavy discounting at the retail level, deflation in wholesale and retail apparel prices and continued growth in direct importing by retailers. Economic uncertainties, global terrorism, stock market losses, layoffs, rising consumer debt and falling consumer savings rates have taken their toll on consumer spending. It is unclear whether consumer spending can maintain its current pace.

In August 2002, President Bush signed into law the Trade Act of 2002. The Trade Act contains numerous provisions, two of which are especially relevant for the Company. First, the so called "trade promotion authority" provisions which permit the President to negotiate trade agreements that are then subject to a simple yes or no approval vote by Congress without amendment. This authority is crucial to the negotiation of any future trade agreements similar to NAFTA. The extension of this authority to the President may result in future trade agreements, such as the proposed Free Trade of the Americas Agreement, that may impact our future sourcing strategy. Second, the Trade Act includes the Andean Trade Promotion and Drug Eradication Act (ATPDEA) that provides for duty free treatment of qualifying apparel products produced in Bolivia, Colombia, Ecuador and Peru. Importantly, ATPDEA provides benefits to products made from U.S. fabrics as well as Andean fabrics. The ATPDEA is likely to enhance the competitiveness of our well-established manufacturing and sourcing operations in the Andean region.

In light of the current economic and political uncertainties as well as the sluggish and deflationary retail environment, we have approached the fourth quarter of fiscal 2003 with a measure of caution and conservatism. Compared to our strong fourth quarter in fiscal 2002, we expect sales to be moderately lower in the fourth quarter of fiscal 2003 reflecting the early shipment of Spring merchandise in the third quarter and the deferral of some transition season merchandise into the first quarter of next year. The fourth quarter of fiscal 2002 included a LIFO credit of $0.10 per share due to the liquidation of LIFO inventory layers. This credit is not expected to recur in the fourth quarter of fiscal 2003. Consequently, we expect diluted earnings per share to be modestly lower in the fourth quarter of fiscal 2003 compared to the fourth quarter of fiscal 2002.

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SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA -- OXFORD

	TWELVE MONTHS ENDED FEBRUARY 28, 2003
	(IN THOUSANDS, EXCEPT RATIOS)
PRO FORMA FINANCIAL DATA(1):	
Pro forma net sales	$1,076,544
Pro forma EBITDA	$ 97,050
Pro forma net cash provided by operating activities	$ 48.3
Ratio of pro forma net debt to pro forma EBITDA(2)	2.5x

Ratio of pro forma EBITDA to pro forma interest expense.....	4.0x

(1) The pro forma financial data give effect to the offering of $175 million of notes, borrowings under our new senior secured revolving credit facility and our acquisition of Viewpoint as if they occurred on March 2, 2002. The pro forma financial data presented have been prepared by Oxford on the same basis as the pro forma financial statements included in this current report under "Unaudited Pro Forma Consolidated Financial Information."

(2) Net debt reflects total debt at period end less cash and cash equivalents at period end.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

GENERAL

The unaudited pro forma combined statement of earnings for the year ended May 31, 2002 gives effect to the following events as if each had occurred on June 2, 2001 (with respect to Oxford) and April 1, 2001 (with respect to Viewpoint). The unaudited pro forma combined statement of earnings for the nine months ended February 28, 2003 gives effect to the following events as if each had occurred on June 1, 2002 (with respect to Oxford) and April 1, 2002 (with respect to Viewpoint). The unaudited pro forma balance sheet gives effect to the following events as if each had occurred on February 28, 2003:

- the issuance of $175 million of notes;

- the acquisition of Viewpoint;

- borrowings under our new senior secured revolving credit facility, as necessary to consummate the acquisition of Viewpoint and repay all amounts due under notes payable related to our accounts receivable securitization facility; and

- the issuance to Viewpoint stockholders of 388,200 shares of our common stock (with a market value of $10.0 million).

The acquisition of Viewpoint will be accounted for using the purchase method of accounting. The fair value of Viewpoint's assets and related liabilities are based on preliminary estimates. Additional analysis will be required to determine the fair value of Viewpoint's assets and liabilities, primarily with respect to inventory, property, plant and equipment, intangible assets and certain assumed liabilities. Viewpoint's accounts will change from the amounts shown based on the valuations. The final allocation of the acquisition consideration may result in significant differences from the pro forma amounts reflected in the unaudited pro forma combined financial statements.

The unaudited pro forma combined financial statements are based on assumptions that we believe are reasonable under the circumstances and are intended for informational purposes only. They are not necessarily indicative of our future financial position or results of operations or of the financial positions or results of operations that would have actually occurred had the acquisition of Viewpoint taken place as of the dates or for the periods presented.

UNAUDITED PRO FORMA COMBINED STATEMENT OF EARNINGS

	OXFORD YEAR ENDED MAY 31, 2002	VIEWPOINT YEAR ENDED MARCH 31, 2002	PRO FORMA ADJUSTMENTS
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)		
Net sales	$ 677,264	$284,953	$ --
Cost of goods sold	544,016	138,503	--
Gross profit	133,248	146,450	--
Licensing revenue	--	2,434	--
Selling, general and administrative	115,729	103,909	(3,051)(1)
Earnings before interest and taxes	17,519	44,975	3,051
Other expense	--	277	--
Interest expense, net	243	7,517	19,725(2)
Minority interest in net loss of subsidiaries	--	87	--
Earnings before income taxes	17,276	37,268	(16,674)
Income taxes	6,704	13,350	(6,470)(3)
Net earnings	$ 10,572	$ 23,918	$(10,204)
PRO FORMA EARNINGS PER SHARE			
Basic	$ 1.41		
Diluted	$ 1.40		
PRO FORMA SHARES OUTSTANDING			
Basic	7,493,678		459,982(4)
Diluted	7,549,277		459,982(4)

See accompanying notes to Unaudited Pro Forma Combined Financial Statements.

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UNAUDITED PRO FORMA COMBINED STATEMENT OF EARNINGS

	OXFORD NINE MONTHS ENDED FEBRUARY 28, 2003	VIEWPOINT NINE MONTHS ENDED DECEMBER 31, 2002	PRO FORMA ADJUSTMENTS
	(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)		
Net sales	$ 566,529	$225,454	$ --
Cost of goods sold	447,968	110,893	--
Gross profit	118,561	114,561	--
Licensing revenue	--	2,732	--
Selling, general and administrative	92,462	85,564	--

Earnings before interest and taxes.....	26,099	31,729	--
Other (income)........................	--	(385)	--
Interest expense, net.................	149	4,613	13,925(5)
Minority interest in net loss of subsidiaries........................	--	52	--
Earnings before income taxes..........	25,950	27,553	(13,925)
Income taxes..........................	10,250	9,187	(5,500)(6)
Net earnings..........................	$ 15,700	$ 18,366	$ (8,425)
PRO FORMA EARNINGS PER SHARE			
Basic.................................	$ 2.09		
Diluted...............................	$ 2.08		
PRO FORMA SHARES OUTSTANDING			
Basic.................................	7,516,526		350,140(7)
Diluted...............................	7,557,633		350,140(7)

See accompanying notes to Unaudited Pro Forma Combined Financial Statements.

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UNAUDITED PRO FORMA COMBINED BALANCE SHEET

	OXFORD FEBRUARY 28, 2003	VIEWPOINT DECEMBER 31, 2002	PRO FORMA ADJUSTMENTS	PRO COM FEBRUAR
		(DOLLARS IN THOUSANDS)		
ASSETS				
Current Assets:				
Cash and cash equivalents.....	$ 6,526	$ 7,247	$ --	$ 1
Receivables..................	149,880	27,632	--	17
Inventories..................	98,885	40,230	--	13
Other Current Assets..........	9,515	7,222	--	1
Total current assets.......	$264,806	$ 82,331	$ --	$34
Property, plant and equipment...	23,573	25,327	--	4
Other assets...................	3,897	4,622	(552)(8)	
Intangible assets, net..........	5,839	5,537	174,890(9)	18
Deferred financing costs, net...	--	696	12,325(10)	1
Total Assets..............	$298,115	$118,513	$186,663	$60
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities:				
Notes payable................	$ 10,000	$ 5,803	$(15,803)(11)	$
Senior credit facility........			84,856(12)	8
Trade accounts payable........	58,758	31,905	--	9
Current maturities of long-term debt............	128	7,589	(7,589)(13)	
Accrued compensation..........	19,208	--	--	1
Other accrued expenses........	19,231	13,460	(861)(14)	3
Total current				

liabilities.............	$107,325	$ 58,757	$ 60,603	$22
Long-term debt, less current maturities....................	29	16,427	(16,427)(15)	
Notes payable to shareholders...	--	26,114	(26,114)(16)	
Notes offered hereby............	--	--	175,000(17)	17
Other noncurrent liabilities....	4,500	2,251	(1,452)(18)	
Minority interest...............	--	17	--	
Stockholders' equity				
Common stock..................	7,520	4	428(19)	
Additional paid in capital....	14,705	29,714	(20,146)(20)	2
Retained earnings.............	164,036	85,430	(85,430)(21)	16
Treasury stock................	--	(100,201)	100,201(22)	
Total stockholders' equity......	186,261	14,947	(4,947)	19
Total Liabilities and Stockholders' Equity..........	$298,115	$118,513	$186,721	$60

See accompanying notes to Unaudited Pro Forma Combined Financial Statements.

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NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

YEAR ENDED MAY 31, 2002 UNAUDITED PRO FORMA COMBINED STATEMENT OF EARNINGS

(1) Reflects the elimination of $1.0 million of financing costs under our accounts receivable securitization facility, which will be repaid in connection with entering into our new senior secured revolving credit facility, and the elimination of $2.0 million of our goodwill to reflect the pro forma adoption on June 2, 2001 of SFAS 142. SFAS 142 requires that goodwill, including previously existing goodwill and intangible assets with indefinite useful lives not be amortized, but instead tested for impairment at the adoption and at least annually thereafter.

(2) Reflects the adjustment of interest expense to give effect to (i) borrowings under our new senior secured revolving credit facility, (ii)the issuance of $175 million of notes, (iii) amortization of debt issuance costs and (iv) the elimination of Viewpoint's interest expense. Debt issuance costs are amortized on a straight line method which approximates an effective interest method over the terms of the related debt facilities.

(3) Tax effects of the pro forma adjustments have been calculated based on our statutory rate of 38.8% during the period presented.

(4) Reflects the issuance of 459,982 shares of our common stock with a total market value of $10.0 million, based on a market price of $21.74. The price per share reflects the average high and low trading prices of our stock for the ten trading days prior to the beginning of our fiscal year ended May 31, 2002.

NINE MONTHS ENDED FEBRUARY 28, 2003 UNAUDITED PRO FORMA COMBINED STATEMENT OF EARNINGS

(5) Reflects the adjustment of interest expense to give effect to (i) borrowings under our new senior secured revolving credit facility, (ii) the issuance of $175 million of notes, (iii) amortization of debt issuance costs of $1.7 million and (iv) the elimination of Viewpoint's interest expense. Debt issuance costs are amortized on a straight line method which approximates an effective interest method over the terms of the related

debt facilities.

(6) Tax effects of the pro forma adjustments have been calculated based on our statutory rate of 39.5% during the period presented.

(7) Reflects the issuance of 350,140 shares of our common stock with a total market value of $10.0 million, based on a market price of $28.56. The price per share reflects the average high and low trading prices of our stock for the ten trading days prior to the beginning of the nine months ended February 28, 2003.

UNAUDITED PRO FORMA COMBINED BALANCE SHEET AS OF FEBRUARY 28, 2003

(8) Reflects the deferred tax effect of the pro forma adjustments.

(9) Our acquisition of Viewpoint will be accounted for by the purchase method of accounting, pursuant to which the acquisition consideration is allocated among the acquired tangible and intangible assets and assumed liabilities in accordance with their estimated fair values on the date of acquisition. The

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NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

acquisition consideration and estimated allocation of the acquisition consideration, which does not reflect up to $75.0 million of potential contingent consideration, are as follows (dollars in thousands):

Acquisition consideration:	
Cash consideration	$240,000
Estimated working capital adjustment to cash consideration	(5,700)
Fair value of shares of common stock issued	10,000
Transaction related fees	2,535
Total acquisition consideration	$246,835
Allocation of acquisition consideration:	
Net assets of Viewpoint based on historical carrying amounts as of December 31, 2002	$ 14,947
Existing Viewpoint indebtedness to be repaid by Viewpoint stockholders at closing	55,933
Accrued interest expense on Viewpoint's debt included in accrued liabilities to be funded by Viewpoint stockholders at closing (Note 14)	861
Increase (decrease) in net assets to reflect estimated fair value adjustments under the purchase method of accounting:	
Elimination of Viewpoint deferred financing costs (Note 10)	(696)
Deferred rent (Note 18)	1,452
Deferred tax effect of the pro forma adjustments (Note 8)	(552)
Elimination of Viewpoint's existing goodwill of $5.5 million and the estimated increase in intangible assets of $180.0 million related to the acquisition	174,890
	$246,835

(10) Reflects estimated financing fees and expenses related to the notes and our new senior secured revolving credit facility, which will be capitalized and amortized over their respective terms, and the elimination of $696,000 of unamortized deferred financing costs related to Viewpoint debt that will be repaid at closing from the cash consideration.

(11) To eliminate our short term debt and Viewpoint's short term debt.

(12) To reflect borrowings under our new senior secured revolving credit facility simultaneous with our acquisition of Viewpoint.

(13) To eliminate Viewpoint's current maturities of long-term debt.

(14) To eliminate the accrued interest on Viewpoint's debt.

(15) To eliminate Viewpoint's long term debt.

(16) To eliminate Viewpoint's notes payable to shareholders.

(17) To reflect the notes to be issued in this offering.

(18) To eliminate Viewpoint's deferred rent.

(19) To eliminate Viewpoint's common stock and to record the issuance of 431,648 shares of Oxford's common stock based on a market price of $23.167 per share at $1 par value and the associated paid in capital. The price per share reflects the average high and low trading prices of our stock for the ten days prior to the beginning of the nine months ended February 28, 2003.

(20) To eliminate Viewpoint's additional paid in capital of $29.7 million and to record $9.6 million in paid in capital for the issuance of 431,648 shares of our common stock.

(21) To eliminate the retained earnings of Viewpoint.

(22) To eliminate Viewpoint's treasury stock.

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SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

OXFORD

The following selected consolidated financial data as of and for the fiscal years ended May 29, 1998, May 28, 1999, June 2, 2000, June 1, 2001 and May 31, 2002 have been derived from our audited consolidated financial statements, which have been audited by Arthur Andersen LLP as of and for the fiscal years ended May 29, 1998, May 28, 1999, June 2, 2000 and June 1, 2001 and by Ernst & Young LLP as of and for the fiscal year ended May 31, 2002. The selected consolidated financial data for the nine months ended March 1, 2002 and February 28, 2003 and the twelve months ended February 28, 2003 have been derived from our unaudited consolidated financial statements and, in our opinion, reflect all adjustments, consisting of normal accruals, necessary for a fair presentation of the data for those periods. Our results of operations for the nine months ended February 28, 2003 may not be indicative of results that may be expected for the full year. In addition, our results of operations for the twelve months ended February 28, 2003 are not indicative of our results for fiscal 2003 (in particular, we expect our fiscal 2003 results to be moderately lower than our last twelve months results). You should read the information set forth below in conjunction with "Future Operating Results" above and "Unaudited Pro Forma Consolidated Financial Information" included elsewhere in this current report, as well as our consolidated financial statements and related notes.

	FISCAL YEAR					NINE MONTHS	
	1998	1999	2000	2001	2002	MARCH 1, 2002	FEB
	(IN THOUSANDS, EXCEPT RATIOS)						
STATEMENT OF INCOME DATA:							
Net sales..............	$774,518	$862,435	$839,533	$812,495	$677,264	$485,553	$
Cost of goods sold.....	619,690	698,170	685,841	663,484	544,016	392,776	
Selling, general and administrative expenses............	111,041	116,284	112,056	119,390	115,729	84,724	
Interest expense, net..................	3,421	4,713	3,827	4,870	243	77	
Earnings before income taxes................	40,366	43,268	37,809	24,751	17,276	7,976	
Income taxes...........	15,743	16,875	14,368	9,405	6,704	3,031	
Net earnings...........	24,623	26,393	23,441	15,346	10,572	4,945	
BALANCE SHEET DATA (AT PERIOD END):							
Cash and cash equivalents..........	$ 10,069	$ 11,077	$ 8,625	$ 10,185	$ 17,591	$ 4,610	$
Total assets...........	311,490	335,322	336,566	263,240(1)	250,513	268,880	
Total debt, including current maturities...	53,377	74,040	59,218	662(1)	394	26,993	
Stockholders' equity...	159,769	154,351	164,314	168,940	175,201	171,103	
OTHER FINANCIAL DATA:							
Capital expenditures...	$ 8,801	$ 7,063	$ 5,927	$ 4,332	$ 1,528	$ 981	$
Depreciation and amortization.........	8,107	8,933	9,393	9,249	8,888	6,445	
Net cash provided by (used in) operating activities..........	16,157	39,493	34,618	74,393(1)	12,387(1)	(28,395)(1)	
EBITDA(2)..............	51,894	56,914	51,029	38,870	26,407	14,498	
Ratio of earnings to fixed charges(3).....	8.2x	6.8x	6.8x	4.3x	6.4x	4.0x	

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(1) Net cash provided by (used in) operating activities was impacted by the previous off-balance sheet treatment of our accounts receivable securitization facility. Upon creation of the $90 million accounts receivable securitization facility in May 2001, approximately $131.4 million of receivables were sold or contributed to a non-consolidated subsidiary. In January 2002, we amended the facility in order to consolidate the subsidiary on-balance sheet. If the accounts receivable securitization facility had not been treated as off-balance sheet, each of total assets and total debt would have increased by $56.0 million at June 1, 2001 to $319.2 million and $56.7 million, respectively, and net cash provided by operating activities would have decreased by $56.0 million to $18.4 million for fiscal 2001. Net cash

provided by operating activities would have increased by $56.0 million to $68.4 million for fiscal 2002 and $27.6 million for the nine months ended March 1, 2002.

(2) EBITDA represents net earnings plus net interest expense, income taxes, depreciation and amortization. We have presented EBITDA, a non-GAAP measure, because we believe that it is a widely accepted financial indicator of a company's ability to service indebtedness and is used by investors and analysts to evaluate companies in our industry. EBITDA will also be used as a measure for certain covenants under our new senior secured revolving credit facility and the indenture governing the notes. However, EBITDA:

- is not a measure of operating performance computed in accordance with GAAP;

- does not represent net income or cash flow from operations as defined by GAAP;

- should not be considered as an alternative to operating income, net income, cash flows from operating activities prepared in conformity with GAAP;

- is not necessarily indicative of cash available to fund our cash flow needs; and

- should not be construed as a measure of our operating performance, profitability or liquidity.

EBITDA as calculated by us may not be necessarily comparable to similarly titled measures reported by other companies.

The following table reconciles EBITDA to our statement of earnings for the periods presented:

	FISCAL YEAR					NINE MONTH	
	1998	1999	2000	2001	2002	MARCH 1, 2002	FE
				(IN THOUSANDS)			
Net earnings............	$24,623	$26,393	$23,441	$15,346	$10,572	$ 4,945	
Interest expense, net...	3,421	4,713	3,827	4,870	243	77	
Income taxes............	15,743	16,875	14,368	9,405	6,704	3,031	
Depreciation and amortization..........	8,107	8,933	9,393	9,249	8,888	6,445	
EBITDA..................	$51,894	$56,914	$51,029	$38,870	$26,407	$14,498	

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The following table sets forth certain charges and costs incurred by us during the periods presented:

NINE MONTHS

	FISCAL YEAR						
	1998	1999	2000	2001	2002	MARCH 1, 2002	FEBR
	(IN THOUSANDS)						
Plant closures(a)	$ --	$ --	$401	$ 237	$2,609	$2,230	$
Write-off of Kmart receivables	--	--	--	--	2,401	1,701	
Charitable donation of product	--	--	--	1,556	--	--	
Interest on accounts receivable securitization facility(b)	--	--	--	--	1,030	1,030	
Viewpoint acquisition expenses	--	--	--	--	--	--	
Total	$ --	$ --	$401	$1,793	$6,040	$4,961	$

(a) Oxford has additional plants which it may choose to close in the future.

(b) Under the accounting treatment for our accounts receivable securitization facility, a portion of the interest expense was included in selling, general and administrative expenses.

(3) For purposes of calculating the ratio of earnings to fixed charges, earnings consist of income before income taxes plus fixed charges. Fixed charges include:

- interest expense, whether expensed or capitalized;

- amortization of debt issuance cost; and

- the portion of rental expense representative of the interest factor.

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SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

VIEWPOINT

The following selected consolidated financial data of Viewpoint as of and for the fiscal years ended March 31, 1998, 1999, 2000, 2001 and 2002 have been derived from its audited consolidated financial statements, which have been audited by Mahoney Cohen & Company, CPA, P.C. The selected consolidated financial data for the nine months ended December 31, 2001 and December 31, 2002 and for the twelve months ended December 31, 2002 have been derived from Viewpoint's unaudited consolidated financial statements and, in Viewpoint's opinion, reflect all adjustments, consisting of normal accruals, necessary for a fair presentation of the data for those periods. Viewpoint's results of operations for the nine months ended December 31, 2002 and for the twelve months ended December 31, 2002 may not be indicative of results that may be expected for the fiscal year ended March 31, 2003. You should read the information set forth below in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Viewpoint," Viewpoint's consolidated financial statements and related notes and "Unaudited Pro Forma Consolidated Financial Information" included elsewhere in this current report.

	FISCAL YEAR					NINE M
						DECEMBER 31
	1998	1999	2000	2001	2002	2001
					(IN THOUSANDS)	
STATEMENT OF INCOME DATA:						
Net sales	$ 53,792	$82,371	$147,599	$254,466	$284,953	$192,103
Cost of goods sold	34,551	47,076	79,354	134,789	138,503	92,524
Licensing income	0	0	536	1,234	2,434	1,682
Operating expenses	16,150	26,312	47,442	79,097	103,909	74,615
Interest expense, net	785	962	1,535	2,725	7,517	5,816
Other expenses (income)	(23)	16	(116)	(112)	277	192
Income before income taxes and minority interests	2,329	8,005	19,920	39,201	37,181	20,638
Income taxes	1,050	3,437	6,553	14,665	13,350	7,242
Minority interests in net loss (income) of subsidiaries	(79)	(552)	(893)	(512)	87	55
Net income	1,200	4,016	12,474	24,024	23,918	13,451
BALANCE SHEET DATA (AT PERIOD END):						
Cash and cash equivalents	$ 1,504	$ 162	$ 7,186	$ 6,093	$ 2,620	$ 3,331
Total assets	24,763	43,747	77,953	122,454	116,100	97,613
Total debt, including current maturities	12,357	19,562	27,146	108,032	88,188	80,033
Stockholders' equity (deficiency)	4,520	8,536	21,010	(24,723)	(3,419)	(13,886)
OTHER FINANCIAL DATA:						
Capital expenditures	$ 715	$ 7,053	$ 2,714	$ 9,517	$ 6,118	$ 5,342
Depreciation and amortization	584	1,103	1,716	2,739	3,841	2,830
Net cash provided by (used in) operating activities	(10,018)	(2,449)	719	23,142	20,475	27,429
EBITDA(1)	3,619	9,518	22,278	44,153	48,626	29,339

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(1) EBITDA represents net income plus net interest expense, income taxes, depreciation and amortization. We have presented EBITDA, a non-GAAP measure, because we believe that it is a widely accepted financial indicator of a company's ability to service indebtedness, and is used by investors and analysts to evaluate companies in Viewpoint's industry. EBITDA will also be used as a measure for certain covenants under our new senior secured revolving credit facility and the indenture governing the notes. However, EBITDA:

- is not a measure of operating performance computed in accordance with GAAP;

- does not represent net income or cash flow from operations as defined by GAAP;

- should not be considered as an alternative to operating income, net income, cash flows from operating activities prepared in conformity with GAAP;

- is not necessarily indicative of cash available to fund Viewpoint's cash flow needs; and

- should not be construed as a measure of Viewpoint's operating performance, profitability or liquidity.

EBITDA as calculated by Viewpoint may not be necessarily comparable to similarly titled measures reported by other companies.

The following table reconciles EBITDA on a consolidated basis to Viewpoint's statement of income data for the periods presented in the table above:

	FISCAL YEAR					NINE MONTHS ENDE	
	1998	1999	2000	2001	2002	DECEMBER 31, 2001	DECEMB 20
					(IN THOUSANDS)		
Net income............	$1,200	$4,016	$12,474	$24,024	$23,918	$13,451	$18,
Interest expense, net.................	785	962	1,535	2,725	7,517	5,816	4,
Income taxes..........	1,050	3,437	6,553	14,665	13,350	7,242	9,
Depreciation and amortization.........	584	1,103	1,716	2,739	3,841	2,830	3,
EBITDA................	$3,619	$9,518	$22,278	$44,153	$48,626	$29,339	$35,

The following table sets forth certain charges and costs incurred by Viewpoint during the periods presented:

	FISCAL YEAR					NINE MONTHS ENDE	
	1998	1999	2000	2001	2002	DECEMBER 31, 2001	DECEMB 20
					(IN THOUSANDS)		
Recapitalization expenses............	$ --	$ --	$ --	$ 3,320	$ 156	$ 135	$ 1,
SKM monitoring fee.....	--	--	--	50	396	225	
Total.................	$ --	$ --	$ --	$ 3,370	$ 552	$ 360	$ 1,

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS -- VIEWPOINT

You should read the following discussion and analysis of Viewpoint's results of operations and financial condition in conjunction with the consolidated financial statements and related notes of Viewpoint, as well as the information contained in "Unaudited Pro Forma Consolidated Financial Information."

OVERVIEW

On April 26, 2003, Oxford signed a definitive agreement to purchase Viewpoint for $240 million in cash and $10 million (388,200 shares) of our common stock. In addition, Oxford has agreed to make up to $75 million in contingent payments to the selling stockholders of Viewpoint over the next four years, subject to the achievement by Viewpoint of certain performance targets. As a result, following the acquisition, Viewpoint will be operated as a subsidiary of Oxford.

Viewpoint is a leading wholesaler and retailer of premium men's and women's sportswear and related accessories and products primarily under the Tommy Bahama brand. Viewpoint began its operations in 1992 primarily focused on building its Tommy Bahama brand as a lifestyle men's brand distributed through leading department stores and upscale independent specialty retailers. Since that time, Viewpoint has experienced rapid growth as it has expanded the Tommy Bahama lifestyle brand to reach both men and women through approximately 1,450 customers through approximately 2,100 doors, added additional Tommy Bahama lifestyle accessories and other products through selective licensing relationships, and rolled out Tommy Bahama retail locations. After opening its first Tommy Bahama retail and restaurant compound in 1996 in Naples, Florida, Viewpoint's retail operations have grown to include 24 retail stores (including three outlets) and six compounds in ten states.

Viewpoint's wholesale operation designs and imports men's and women's sportswear that is sold to third party retail stores primarily in the United States and Tommy Bahama stores. Viewpoint's wholesale operation markets product under the Tommy Bahama brand, and a number of secondary brands and administers the licensing of the Tommy Bahama brand for several product categories.

Viewpoint's retail operation manages three types of stores -- stand alone retail stores, stand alone outlet stores and compounds (retail stores with an attached restaurant). The Tommy Bahama stores and compounds sell products by and promote the Tommy Bahama brand. The retail stores are located in resort destination shopping areas and higher-end malls. The compounds are located in resort destination shopping areas and the outlet stores are located in outlet malls. All of these stores are in the United States. See Note 14 to Viewpoint's audited consolidated financial statements and Note 5 to Viewpoint's unaudited consolidated financial statements for a discussion of Viewpoint's historical segments.

Viewpoint's retail operation purchases the majority of its products from its wholesale operation at prices equivalent to those its wholesale operation charges its third party customers. The outlets purchase from the wholesale operation at approximately wholesale cost. Within Viewpoint's wholesale group is a corporate retail department that oversees the operations of the individual retail stores. All intercompany sales and purchases between the wholesale and retail segments are eliminated in consolidation. In addition, any intercompany profit in the beginning and ending inventories are eliminated from the wholesale operation's gross profit. See the notes to Viewpoint's consolidated financial statements included elsewhere in this offering memorandum.

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The following tables set forth net sales and operating income, as well as percentage changes in those items, for the periods presented:

	NET SALES				
				NINE MONTHS ENDED	
	FISCAL 2000	FISCAL 2001	FISCAL 2002	DECEMBER 31, 2001	DECEMBER 31,
	(IN THOUSANDS)				
Wholesale Operation..........	$106,755	$189,657	$189,879	$123,399	$140,900
Retail Operation.............	40,844	64,809	95,074	68,704	84,554
Total........................	$147,599	$254,466	$284,953	$192,103	$225,454

	OPERATING INCOME				
				NINE MONTHS ENDED(1)	
	FISCAL 2000	FISCAL 2001	FISCAL 2002	DECEMBER 31, 2001	DECEMBER 31,
	(IN THOUSANDS)				
Wholesale Operation.............	$16,548	$39,117	$40,138	$23,629	$28,009
Retail Operation................	4,791	2,697	4,837	3,017	3,720
Total...........................	$21,339	$41,814	$44,975	$26,646	$31,729

	NET SALES			OPERATING INC	
	PERCENT CHANGE				
	FISCAL 2001 VS. FISCAL 2000	FISCAL 2002 VS. FISCAL 2001	NINE MONTHS 2002 VS. NINE MONTHS 2001	FISCAL 2001 VS. FISCAL 2000	FISCAL 2002 VS. FISCAL 2001
Wholesale Operation.............	77.7%	0.1%	14.2%	136.4%	2.6%
Retail Operation................	58.7%	46.7%	23.1%	(43.7)%	79.3%
Total...........................	72.4%	12.0%	17.4%	96.0%	7.6%

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(1) Prior to the beginning of fiscal 2003, costs incurred in Viewpoint's corporate retail department were included in wholesale operations and none of these expenses were allocated to retail operations. Beginning in fiscal 2003, the corporate retail department and a portion of finance, human resources and information systems have been allocated to Viewpoint's retail operations. The costs allocated to Viewpoint's retail operations during the nine months ended December 31, 2002 were approximately $4.9 million.

Viewpoint's results of operations were negatively impacted by the events of September 11, 2001 and the general economic downturn. Viewpoint's retail stores experienced an immediate decline in sales in the months following September 11, 2001, while Viewpoint's wholesale operations experienced a longer delay in terms of the drop in orders (as there is a several month lag time between orders and delivery/recognition of sales -- leading to a drop in wholesale orders in the Spring of 2002). However, in many cases, Viewpoint's products sold out during the Fall season of fiscal 2003 (May-August 2002). In addition, many of Viewpoint's smaller upscale independent specialty retailers were severely impacted by the events of September 11, 2001 and the general economic downturn, with about 100 of Viewpoint's accounts going out of business. Although Viewpoint has now replaced many of these accounts, newer accounts generally purchase lower volumes of Viewpoint products.

In light of economic conditions, Viewpoint made a number of changes to the operation and financial management of its retail stores in the latter part of fiscal 2002. In particular, store managers' compensation was changed to be more closely tied to management of costs, rather than solely to net sales. Partly as a result, labor costs dropped from 18% of total retail sales in fiscal 2002 to 15% of total retail sales in the nine months ended December 31, 2002.

Viewpoint's results of operations and financial condition in any period are impacted by its new store opening schedule and the maturation of existing stores. At December 31, 2002, March 31, 2002, March 31, 2001 and March 31, 2000, Viewpoint had 30, 20, 15 and six stores, respectively.

In fiscal 2001, Viewpoint began to increase its focus on licensing its brand names as a way to increase revenue with limited costs and enhance the brand image. Viewpoint entered into four licensing arrangements in each of fiscal 2001 and fiscal 2002 and terminated one and two in fiscal 2001 and fiscal 2002, respectively and has increased licensing revenue to $2.7 million for the nine months ended December 31, 2002. Viewpoint intends to seek to continue to grow this line of revenue in the future.

Viewpoint's margins are impacted by the mix of products sold. Viewpoint's private label merchandise generally generates lower gross margins than its branded business. In addition, Viewpoint's womenswear products generally generate higher gross margins than Viewpoint's menswear products. Viewpoint's retail operation generally has higher gross margins than its wholesale operation.

To date, Viewpoint has not been subject to the price deflation that has impacted most of the apparel industry.

RECENT DEVELOPMENTS

Viewpoint's fiscal 2003 ended on March 31, 2003. Although final results for the year are not yet available, Viewpoint believes that its net sales for fiscal 2003 will be approximately $330 million. In addition, Viewpoint currently expects its cash flow provided by operating activities and EBITDA for fiscal 2003 to be at least $22 million and $53 million, respectively.

RESULTS OF OPERATIONS

The following tables set forth the line items in the consolidated statements of earnings data both in dollars and as a percent of net sales. The table also sets forth the percentage change of the data as compared to the prior year.

	FISCAL 2000	FISCAL 2001	FISCAL 2002	NINE MONTHS ENDED DECEMBER 31, 2001	DECEMBER 3 2002
	(IN THOUSANDS)				
Net sales	$147,599	$254,466	$284,953	$192,103	$225,454
Cost of goods sold	79,354	134,789	138,503	92,524	110,893
Gross profit	68,245	119,677	146,450	99,579	114,561
Licensing income	(536)	(1,234)	(2,434)	(1,682)	(2,732
Total gross profit and other revenues	68,781	120,911	148,884	101,261	117,293
Operating expenses	47,442	79,097	103,909	74,615	85,564
Operating income	21,339	41,814	44,975	26,646	31,729
Interest, net	1,535	2,725	7,517	5,816	4,613
Other expenses (income)	(116)	(112)	277	192	(385
Income before income taxes and minority interests in net loss (income) of subsidiaries	19,920	39,201	37,181	20,638	27,501
Provision for income taxes	6,553	14,665	13,350	7,242	9,187
Minority interests in net loss (income) of subsidiaries	(893)	(512)	87	55	52
Net income	$ 12,474	$ 24,024	$ 23,918	$ 13,451	$ 18,366

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	PERCENT OF NET SALES					
	FISCAL 2000	FISCAL 2001	FISCAL 2002	NINE MONTHS ENDED DECEMBER 31, 2001	DECEMBER 31, 2002	FISCAL 2001 VS. FISCAL 2000
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	72.4%
Cost of goods sold	53.8%	53.0%	48.6%	48.2%	49.2%	69.9%
Gross profit	46.2%	47.0%	51.4%	51.8%	50.8%	75.4%
Licensing income	0.4%	0.5%	0.9%	0.9%	1.2%	130.2%
Total gross profit and other revenues	46.6%	47.5%	52.2%	52.7%	52.0%	75.8%
Operating expenses	32.1%	31.1%	36.5%	38.8%	38.0%	66.7%
Operating income	14.5%	16.4%	15.8%	13.9%	14.1%	96.0%
Interest, net	1.0%	1.1%	2.6%	3.0%	2.0%	77.5%
Other expenses (income)	(0.1)%	0.0%	0.1%	0.1%	(0.2)%	(3.5)%

Income before income taxes and minority interests in net loss (income) of subsidiaries...............	13.5%	15.4%	13.1%	10.7%	12.2%	96.8%
Provision for income taxes...	4.4%	5.8%	4.7%	3.8%	4.1%	123.8%
Minority interests in net loss (income) of subsidiaries...............	(0.6)%	(0.2)%	0.0%	0.0%	0.0%	(42.7)%
Net income...................	8.5%	9.4%	8.4%	7.0%	8.1%	92.6%

NINE MONTHS ENDED DECEMBER 31, 2002 COMPARED TO NINE MONTHS ENDED DECEMBER 31, 2001

Net sales for the nine months ended December 31, 2002 were $225.5 million, an increase of $33.4 million, or 17.4%, from net sales of $192.1 million for the nine months ended December 31, 2001. Viewpoint's wholesale operation had a net sales increase of 14.2% from $123.4 million for the nine months ended December 31, 2001 to $140.9 million for the nine months ended December 31, 2002. The net sales increase for the wholesale operation was primarily attributable to an increased number of units sold to existing doors within existing upscale department stores and the opening of new doors within existing upscale department stores and the addition of new upscale independent specialty store customers. Within the wholesale operation, sales in men's products and private label products increased and sales in women's products decreased during the nine months ended December 31, 2002. Viewpoint's retail operation had a net sales increase of 23.1% from $68.7 million for the nine months ended December 31, 2001 to $84.6 million for the nine months ended December 31, 2002. The net sales increase for the retail operation was primarily attributable to the opening of ten new Tommy Bahama stores during the nine months ended December 31, 2002, and a full nine months' sales from stores that were open for only a portion of the nine months ended December 31, 2001. This growth partially resulted from a 1.1% increase in comparable store sales during the nine months ended December 31, 2002 as compared to the nine months ended December 31, 2001. The ten stores that were opened during the nine months ended December 31, 2002 included nine retail stores and one outlet store. At December 31, 2002, Viewpoint operated 24 retail stores (including three outlets) and six compounds.

Licensing income for the nine months ended December 31, 2002 was $2.7 million, an increase of $1.0 million, or 62.4%, from licensing income of $1.7 million for the nine months ended December 31, 2001. The increase in licensing income was primarily attributable to increased sales by existing licensees. At December 31, 2002, Viewpoint had 11 licensing agreements in effect.

Cost of goods sold for the nine months ended December 31, 2002 was $110.9 million, or 49.2% of net sales, compared to $92.5 million, or 48.2% of net sales, for the nine months ended December 31, 2001. The increase in cost of goods sold percentage was primarily due to differences in product mix. Viewpoint sold a

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higher percentage of private label products during the nine months ended December 31, 2002. This was offset by higher sales of women's products and by the fact that a higher percentage of Viewpoint's sales consisted of retail sales during nine months ended December 31, 2002.

Operating expenses for the nine months ended December 31, 2002 were $85.6 million, an increase of $11.0 million, or 14.7%, from $74.6 million for the nine months ended December 31, 2001. The increase was primarily due to expenses related to strengthening the infrastructure of Viewpoint to manage the growth of its operations and the additional expenses related to new store openings.

Interest expense for the nine months ended December 31, 2002 was $4.6 million, a decrease of $1.2 million from $5.8 million for the nine months ended December 31, 2001. This decrease was due to lower weighted average borrowings and interest rates during the nine months ended December 31, 2002 as compared to the nine months ended December 31, 2001.

Wholesale operating income increased by $4.4 million, or 18.5%, from $23.6 million to $28.0 million. The primary driver of the increased wholesale operating income was the net sales increase and a leveraging of expenses over a larger sales base.

Retail operating income increase by 23.3% from $3.0 million to $3.7 million. The increase in sales was the primary driver behind the increase in retail operating income.

The effective tax rate was 33.3% for the nine months ended December 31, 2002 compared to 35.0% for the nine months ended December 31, 2001. The decrease was primarily attributable to timing differences between book and tax accounting methods and to the fluctuation of income in various taxing jurisdictions to which Viewpoint's income is subject.

FISCAL 2002 COMPARED TO FISCAL 2001

Net sales for fiscal 2002 were $285.0 million, an increase of $30.5 million, or 12.0%, from net sales of $254.5 million in fiscal 2001. Viewpoint's wholesale operation had a net sales increase of 0.1% from $189.7 million in fiscal 2001 to $189.9 million in fiscal 2002. Growth of upscale department store sales were offset by the loss of small upscale independent specialty stores that went out of business as a result of September 11, 2001. Prior to September 11, 2001, sales to upscale department stores were up. Overall for fiscal 2002, sales to upscale department stores were flat. Within the wholesale operation, sales of menswear increased by approximately $2.8 million and sales of womenswear increased by approximately $1.0 million, while private label sales decreased by approximately $4.4 million. Viewpoint's retail operation reported a net sales increase of 46.7% from $64.8 million in fiscal 2001 to $95.1 million in fiscal 2002. The retail operation sales increase was primarily attributable to the opening of five new retail stores (including one outlet) during fiscal 2002 and a full year's sales from stores that were open for only a portion of fiscal 2001. Although prior to September 11, 2001, comparable store sales were up approximately 8%, for the full year of fiscal 2002, comparable store sales were up approximately 1%. The five stores that were opened during fiscal 2002 included four retail stores and one outlet. At the end of fiscal 2002, Viewpoint operated 14 retail stores (including two outlets) and six compounds. Growing brand recognition of Tommy Bahama and a broader product line contributed to the overall increased sales volume.

Licensing income for fiscal 2002 was $2.4 million, an increase of $1.2 million, or 97.2%, from licensing income of $1.2 million in fiscal 2001. The increase is attributable to increases in net sales by licensees of Tommy Bahama licensed products. Viewpoint also added four new licensees and terminated two licensees during fiscal 2002. At the end of fiscal 2002, Viewpoint had 11 licensing agreements in effect.

Cost of goods sold for fiscal 2002 was $138.5 million, or 48.6% of net sales, compared to $134.8 million, or 53.0% of net sales, in fiscal 2001. The decrease in cost of goods sold percentage was primarily due to increases in sales at Viewpoint's retail stores and compounds, which generally have higher margins, decreases in private label sales, which generally have lower margins and a reversal of inventory reserves that led to a $2.0 million reduction in cost of goods sold.

Operating expenses in fiscal 2002 were $103.9 million, an increase of $24.8 million, or 31.4%, from $79.1 million in fiscal 2001. The increase was primarily due to expenses related to strengthening Viewpoint's infrastructure, as discussed above. The increase was also due to the opening of five new retail stores (including one outlet) during fiscal 2002 in addition to the increase in expenses for stores opened a full year in fiscal 2002 that were open for only a portion of fiscal 2001.

Interest expense in fiscal 2002 was $7.5 million, an increase of $4.8 million from $2.7 million in fiscal 2001. This increase was due to the recapitalization of Viewpoint described below, which resulted in higher debt levels for Viewpoint.

Wholesale operating income increased 2.6%, from $39.1 million to $40.1 million. The primary driver of the increased wholesale operating income was the net sales increase and a leveraging of expenses over a larger sales base.

Retail operating income increased by 79.3% from $2.7 million to $4.8 million. The increase in sales was the primary driver behind the increase in operating income.

The effective tax rate was 35.8% in fiscal 2002 compared to 37.9% in fiscal 2001. The decrease was primarily attributable to timing differences between book and tax accounting methods and to the fluctuation of income in various taxing jurisdictions to which Viewpoint's income is subject.

FISCAL 2001 COMPARED TO FISCAL 2000

Net sales for fiscal 2001 were $254.5 million, an increase of $106.9 million, or 72.4%, from net sales of $147.6 million in fiscal 2000. Viewpoint's wholesale operation reported a net sales increase of 77.7% from $106.8 million in fiscal 2000 to $189.7 million in fiscal 2001. The sales increase for the wholesale operation was primarily attributable to an increased number of units sold to existing doors and the opening of new doors both within existing upscale specialty department store accounts and new upscale independent specialty store customers. Within the wholesale operation, sales in men's products, private label products and women's products increased by $38 million, $24 million and $20 million, respectively. Viewpoint's retail operation reported a net sales increase of 58.7% from $40.8 million in fiscal 2000 to $64.8 million in fiscal 2001. The retail operation sales increase was primarily attributable to the opening of seven new Tommy Bahama stores, and two compounds during fiscal 2001 and a full year's sales from stores that were open for only a portion of fiscal 2000. This growth was partially a result of a 21.0% increase in comparable store sales. The seven stores that were opened during fiscal 2001 included six retail stores and one outlet. At the end of fiscal 2001, Viewpoint operated eight retail stores, six compounds and one outlet. Growing brand recognition of Tommy Bahama and the introduction of a broader women's line to wholesale customers and in the retail stores contributed to the overall increased sales volume.

Licensing income for fiscal 2001 was $1.2 million, an increase of $0.7 million, or 130.2%, from licensing revenue of $0.5 million in fiscal 2000. The increase is attributable to increases in net sales by licensees of Tommy Bahama licensed products. Viewpoint also added four new licensees and terminated one licensee during fiscal 2001. At the end of fiscal 2001, Viewpoint had nine licensing agreements in effect.

Cost of goods sold for fiscal 2001 was $134.8 million, or 53.0% of net sales, compared to $79.4 million, or 53.8% of net sales, in fiscal 2000. The decrease in cost of sales percentage was primarily due to differences in product mix within each segment and the respective percentages that wholesale operations and retail operations net sales comprised of Viewpoint's net sales.

Operating expenses in fiscal 2001 were $79.1 million, an increase of $31.7 million, or 66.7% from $47.4 million in fiscal 2000. The increase was primarily due to expenses related to strengthening Viewpoint's infrastructure, as discussed above. The increase was also due to the opening of seven Tommy Bahama stores and two compounds in addition to the increase in expenses for stores opened a full year in fiscal 2002 that were open for only a portion of fiscal 2001.

Interest expense in fiscal 2001 was $2.7 million, an increase of $1.2 million from $1.5 million in fiscal 2000. This increase was due to additional borrowing required to fund the growth of Viewpoint.

Wholesale operating income increased by $22.6 million or 136.4% from $16.5 million to $39.1 million. The primary driver of the increased wholesale operating income was the net sales increase and a leveraging of expenses over a larger sales base.

Retail operating income decreased by 43.7% from $4.8 million to $2.7 million. Increased expenses as a result of the opening of seven new Tommy Bahama stores and two compounds, without the benefit of a full year of sales, was the primary driver behind the decrease in retail operating income.

The effective tax rate was 37.9% in fiscal 2001 compared to 34.4% in fiscal 2000. The increase was primarily attributable to timing differences between book and tax accounting methods and to the fluctuation of income in various taxing jurisdictions to which Viewpoint's income is subject.

LIQUIDITY AND CAPITAL RESOURCES

Operating activities generated $0.7 million, $23.1 million, $20.5 million, $27.4 million and $39.8 million in cash in fiscal 2000, fiscal 2001, fiscal 2002, the nine months ended December 31, 2001 and the nine months ended December 31, 2002, respectively. The increase in cash flow from fiscal 2000 to fiscal 2001 was primarily attributable to the increase in earnings of $11.6 million and the receipt of amounts due from vendor of $8.3 million. Other fluctuations in cash flow from operating activities were generally attributable to changes in accounts receivable, accounts payable, inventory and payments of income taxes.

Investing activities used $3.0 million, $17.0 million, $7.0 million, $5.9 million and $10.1 million in cash in fiscal 2000, fiscal 2001, fiscal 2002, the nine months ended December 31, 2001 and the nine months ended December 31, 2002, respectively. Investing activities in all periods primarily consist of purchases and sales of property and equipment, and in fiscal 2001 also consisted of a purchase of a minority interest of $7.4 million.

Financing activities generated (used) $9.3 million, $(7.3) million, $(17.0) million, $(24.3) million and $(25.0) million in cash in fiscal 2000, fiscal 2001, fiscal 2002, the nine months ended December 31, 2001 and the nine months ended December 31, 2002, respectively. The cash used in financing activities in fiscal 2001 included a $82.6 million purchase of common stock in connection with the recapitalization described below. Cash used in financing activities in fiscal 2002 and the nine months ended December 31, 2001 and December 31, 2002 related primarily to repayment of debt.

Capital expenditures were $2.7 million, $9.5 million, $6.1 million, $5.3 million and $9.7 million in fiscal 2000, fiscal 2001, fiscal 2002, the nine months ended December 31, 2001 and the nine months ended December 31, 2002, respectively. Expenditures for fiscal 2000 were primarily for the build out of one retail store that opened during fiscal 2000 and various other projects. Expenditures for fiscal 2001 were primarily for the build out of seven retail stores and two compounds that opened during fiscal 2001 and various other projects. Expenditures for fiscal 2002 were primarily for the build out of five retail stores that opened during fiscal 2002, the remodeling of one existing compound and various other projects. We expect our fiscal 2003 capital expenditures to be $13.4 million and our fiscal 2004 capital expenditures to be $13.8 million.

Viewpoint entered into a credit facility on January 26, 2001, which provided for a $90 million term loan and a revolving line of credit. The credit facility contains restrictive covenants that, limit among other things, mergers and acquisitions. In addition, Viewpoint must maintain a minimum leverage ratio and minimum consolidated tangible net worth. Viewpoint is also subject to a liquidity test and an annual capital expenditure limitation. The term loan matures on February 28, 2006 and is payable in equal monthly installments plus interest. The interest rate is based on the 3-month LIBOR rate plus 3%. The revolving line of credit is subject to various sub-limits and a borrowing base calculation (as defined) and is renewable on an annual basis through March 31, 2006 provided that on each renewal date Viewpoint is not in default of any of the terms of the agreement. The interest rate is based on the 4-month LIBOR rate plus 2.75%.

On February 9, 2001, Viewpoint repurchased 18,278,591 shares of its Class A common stock from various shareholders for an aggregate purchase price of $94.1 million, which was adjusted in November 2001 for an additional $2.6 million. In connection with this purchase, Viewpoint issued subordinated notes payable on March 31, 2006 in the amount of $15 million with related parties on February 9, 2001. These notes

bear annual interest at 16%. The notes are subordinated to the credit facility. Cash interest is payable quarterly at a 13% annual rate and the remaining 3% accrues and is due upon maturity. The notes include various covenants and restrictions. Additionally, on September 9, 2001, Viewpoint repurchased 675,000 shares of its Class B Common Stock from a shareholder for $3.5 million.

In conjunction with the recapitalization in fiscal 2001, Viewpoint issued 102,222 warrants at $.01 per share to one of its shareholders. The warrants are exercisable anytime after August 9, 2002 and expire on February 9, 2008.

The credit facility and the subordinated notes will be paid off and/or terminated at the time of the Viewpoint acquisition. In the Viewpoint acquisition, Oxford will be purchasing all outstanding shares of Viewpoint's capital stock and any outstanding warrants. Following the Viewpoint acquisition, Viewpoint's liquidity needs will be serviced as part of Oxford's overall liquidity.

Viewpoint leases office, showroom, store space and equipment under operating leases expiring in various years through 2019. The rental payments under store facility leases are based upon a minimum rental plus a percentage of the stores' sales in excess of stipulated amounts. Only the minimum rental portions are included in future commitments. As of March 31, 2003, Viewpoint had minimum annual rental commitments under non-cancelable leases of $11.0 million, $11.2 million, $9.6 million, $9.0 million and $9.0 million in fiscal 2004, fiscal 2005, fiscal 2006, fiscal 2007 and fiscal 2008, respectively. As of that date, Viewpoint had minimum annual rental commitments under non-cancelable leases of $45.0 million in years after fiscal 2008.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Financial Reporting Release No. 60, which was released by the SEC, requires all companies to include a discussion of critical accounting policies or methods used in the preparation of financial statements. A detailed summary of significant accounting policies is included in Viewpoint's audited consolidated financial statements included elsewhere in this offering memorandum. The following is a brief discussion of the more significant accounting policies and methods Viewpoint uses.

INVENTORIES

Substantially all inventories are finished goods and are stated at the lower of cost (first-in, first-out method) or market. Inventory reserves are calculated based on the age of the inventory and based on other factors that, in the judgment of management, could potentially impair the market value of the inventory.

PROPERTY AND EQUIPMENT

Property and equipment is recorded at cost. Expenditures for major additions and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. Depreciation of property and equipment is computed by both the straight-line and accelerated methods over the assets' estimated lives ranging from three to seven years. Leasehold improvements are amortized over the lesser of the lease terms or the assets' useful lives. Upon sale or retirement of equipment, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is reflected in operations.

GOODWILL

Goodwill represents the aggregate excess of the acquired cost of the minority interest in two retail stores over the fair value of their net assets on the date of acquisition. Commencing April 1, 2001, with Viewpoint's adoption of SFAS 142, goodwill is no longer amortized and Viewpoint is required to complete a test for impairment of goodwill annually, as well as a transitional goodwill impairment test within six months

from the date of adoption. Viewpoint has concluded its testing, on an individual store basis, as required by SFAS 142. The results of these tests did not indicate any impairment of Viewpoint's recorded goodwill. SFAS 142 also requires disclosure of what net income would have been in all periods presented had SFAS 142 been in effect.

REVENUE RECOGNITION

Net sales from wholesale products are recognized upon transfer of title and risk of ownership to customers. Net sales from retail and restaurant sales are recognized when payment is tendered at the point of sale. Revenue is recorded net of discounts, as well as provisions for estimated returns, allowances and doubtful accounts. Licensing revenue is recognized as earned.

SHIPPING AND HANDLING COSTS

Viewpoint includes shipping and handling costs in selling and shipping expense.

ADVERTISING EXPENSES

Advertising expenses are charged to operations in the period in which they are incurred.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Viewpoint estimates the carrying value of its financial instruments approximates the fair value at the balance sheet date except for its $25 million of subordinated notes payable to shareholders. The estimated fair value of these notes was approximately $28 million at March 31, 2002 based upon Viewpoint's best estimate of interest rates that would be available to Viewpoint for similar debt obligations.

SEASONALITY

Viewpoint's business segments are cyclical and subject to certain seasonal demand cycles. A significant portion of the Wholesale operation's net sales and income is realized in the fourth fiscal quarter, corresponding to the Spring selling season. See Note 15 to Viewpoint's audited consolidated financial statements.

NEW ACCOUNTING PRONOUNCEMENTS

In June 2001, the FASB issued SFAS 143, which requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the entity capitalizes the cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, the entity either settles the obligation for the amount recorded or incurs a gain or loss. SFAS 143 is effective for fiscal years beginning after June 15, 2002. Viewpoint believes that the adoption of this statement will not have a material effect on Viewpoint's future results of operations.

In August 2001, the FASB issued SFAS 144, which supersedes SFAS 121 and Opinion 30. The FASB issued SFAS 144 to establish a single accounting model, based on the framework established in SFAS 121, for long-lived assets to be disposed of by sale. SFAS 144 broadens the presentation of discontinued operations in the income statement to include a component of an entity (rather than a segment of a business). A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity. SFAS 144 also requires that discontinued operations be measured at the lower of the carrying amount or fair value less cost to sell. Viewpoint adopted SFAS 144 on April 1, 2002. The provisions of this statement for assets held for sale or other disposal generally are required to be applied prospectively after the adoption date to newly initiated disposal activities and, therefore, will depend on future actions initiated by management. As a result, Viewpoint cannot determine the potential effects that adoption of SFAS 144 will have on its consolidated financial statements with respect to future disposal decisions, if any.

In April 2002, the FASB issued SFAS 145, which clarifies the criteria under which extinguishment of debt can be considered as extraordinary and rescinds the related Statement Nos. 4 and 64 in addition to Statement No. 44 and also makes technical corrections to other Statements of Financial Standards. Viewpoint adopted SFAS 145 in January 2003. The adoption of this statement had no immediate impact on Viewpoint.

In June 2002, the FASB issued SFAS 146, which is effective for exit or disposal activities that are initiated after December 31, 2002, with earlier application encouraged. This statement addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies EITF 94-3. The provisions of SFAS 146 are to be applied prospectively from the date of adoption. Viewpoint has not yet assessed any potential impact the issuance of this standard may have on its financial position or future results of operations.

BUSINESS -- VIEWPOINT

Viewpoint owns the Tommy Bahama brand, a complete lifestyle brand that includes men's and women's sportswear, all with a laid-back but sophisticated island attitude. Viewpoint also licenses the Tommy Bahama brand to third parties for the sale of certain types of footwear, bags, indoor and outdoor furniture and women's swimwear, among others. Viewpoint also markets its products under the names Indigo Palms, Island Soft, Original Island Sport and Bungalow Brand. Viewpoint's target customers are upscale men and women ages 35 to 65 who embrace a relaxed and casual approach to daily living. Viewpoint sells its products through upscale independent specialty retail stores, upscale department stores, resorts and hotels, spas and golf pro shops and through its own retail stores and retail/restaurant compounds. The Tommy Bahama compounds combine a full-service, white linen Tommy Bahama Tropical Cafe with a retail store selling Tommy Bahama apparel and accessories. Located in resort destination locations, compounds market and enhance the overall brand image and serve as a showcase for the Tommy Bahama lifestyle. Viewpoint's first compound opened in Naples, Florida in 1996 and has been followed by five additional compounds. In 1999, Viewpoint opened its first retail-only store in Fort Lauderdale, Florida and, following its success, began a more aggressive new unit roll-out of additional units. Viewpoint currently operates 24 retail stores (including three outlets) and six compounds. In its wholesale channel, Viewpoint has sought to protect the integrity of the Tommy Bahama brand by being selective in choosing upscale customers which sell its products.

VIEWPOINT'S PRODUCTS

TOMMY BAHAMA

Viewpoint markets the Tommy Bahama brand as the "purveyor of island lifestyles." We believe Viewpoint has created an aspirational lifestyle brand by developing successful men's and women's sportswear and accessories lines. Viewpoint designs products suitable for both casual and professional environments and for all types of climates.

Viewpoint introduced its original product line in 1992 with island-themed sportswear for men and then added a women's line several years later. While Tommy Bahama may be best known for its tropical themed shirts, it has built a brand based on attention to comfort, fit and detail. Tommy Bahama apparel is made of fine fabrics including silk, linen, tencel, cotton twill and canvas and silk/linen, silk/cotton and silk/tencel blends. The fabrics are treated with various washes to create clothing with a vintage look and a comfortable and luxurious feel, Tommy Bahama products include signature details such as coconut buttons, embroidery, taped seams and textured knit collars.

TOMMY BAHAMA MEN'S SPORTSWEAR

In men's tops, Viewpoint currently sells:

- woven shirts in a variety of fabrics in prints and solids;

- knit shirts in textured silk and cotton;

- sweaters; and

- outerwear.

Men's bottoms, which make up approximately 30% of Tommy Bahama men's overall sales, consist of shorts and pants in linen, heavyweight silk, tencel and cotton twill and canvas. Viewpoint also makes men's swim trunks in prints and solids.

TOMMY BAHAMA WOMEN'S SPORTSWEAR

As part of the Tommy Bahama women's line, Viewpoint makes dresses in tropical prints and muted solids as well as sarong and wrap skirts. The Tommy Bahama women's line also includes:

- silk pants and shorts;

- drawstring pants;

- canvas jeans and cotton trousers;

- dresses;

- blouses and camp shirts;

- tank tops

- knits and sweaters; and

- casual bags and totes.

INDIGO PALMS

Viewpoint introduced its Indigo Palms sub-brand in the Fall of 2001. Indigo Palms builds on the success of the Tommy Bahama brand by delivering a relaxed, yet elegant collection of denim and sportswear for men and women. Appealing to a modern, sophisticated, quality conscious customer, Indigo Palms offers the finest fabrics, treatments and styling. The Indigo Palms men's and women's collections are targeted toward upscale department and upscale independent specialty stores.

ISLAND SOFT

Viewpoint introduced the Island Soft line in the Fall of 2001. Island Soft targets the luxury market with higher price points and margins and is positioned to fill the dressier needs of the Tommy Bahama consumer. The Island Soft sub-brand is comprised of more structured clothing including soft suitings, sport coats, knits, fine shirtwraps, sweaters and outerwear. The Island Soft men's collection is targeted toward upscale department and upscale independent specialty stores.

BUNGALOW BRAND AND ORIGINAL ISLAND SPORT

Viewpoint markets the Bungalow Brand and Original Island Sport line as distinct brands, not associated with the Tommy Bahama brand. These brands provide consumers with a casual line of men's clothing with lower price points than Tommy Bahama branded apparel, targeted at the moderate price category.

LICENSED PRODUCTS

Viewpoint licenses the Tommy Bahama brand under approximately 12 licensing agreements for products including certain types of shoes, handbags, indoor and outdoor furniture and women's swimwear. The licensing agreements generally have terms of three to five years and expire between fiscal 2004 and fiscal 2007. Viewpoint is selective in its consideration of licensing agreements and pursues partnerships with parties that can contribute to building the Tommy Bahama brand, such as Lexington Furniture Industries, Inc. for fine furniture, Brown Jordan International, Inc. for outdoor furniture and Sferra Bros. Ltd for bedding. Viewpoint monitors the various steps of the production process, from design to distribution, to ensure that licensed products remain aligned with the Tommy Bahama image. Under the licensing agreements, Viewpoint retains full veto rights over the design and distribution of licensed products. In the twelve months ended December 31, 2002, Viewpoint's licensed products generated more than $150 million of retail sales for Viewpoint's licensees' customers.

VIEWPOINT'S WHOLESALE CHANNEL

Viewpoint's wholesale group sells branded products to approximately 1,450 customers through approximately 2,100 doors. Sales in the wholesale group were $189.9 million and $207.4 million, or 66.6% and 65.2% of Viewpoint's net sales, in fiscal 2002 and the twelve months ended December 31, 2002, respectively.

Customers. After achieving initial success selling to upscale independent specialty retailers, Viewpoint selectively added upscale department stores to its wholesale customer list. We believe that upscale independent specialty retailers, which include specialty shops, resorts and hotels, spas and golf pro shops, will continue to be an important wholesale distribution channel for Viewpoint's products. We plan to grow Viewpoint's upscale independent specialty retail business in the future by further penetrating our existing customer base, by introducing additional Tommy Bahama products and by developing additional sub-brands. In fiscal 2002 and the twelve months ended December 31, 2002, sales to upscale independent specialty stores accounted for approximately 53.5% and 46.7%, respectively, of Viewpoint's total wholesale branded sales, with upscale department stores such as Bloomingdale's, Neiman Marcus, Nordstrom, Macy's West and Saks Fifth Avenue accounting for the balance.

Viewpoint's largest upscale independent specialty store customer accounted for approximately 0.6% and 0.4% of Viewpoint's net sales in fiscal 2002 and the twelve months ended December 31, 2002, respectively. Viewpoint has strategically limited its penetration of the department store channel to upscale department stores and has added upscale department store doors selectively in order to maintain the integrity of its brands. In fiscal 2002 and the twelve months ended December 31, 2002, Nordstrom, Viewpoint's largest wholesale customer, accounted for approximately 12.6% and 13% of its net sales, 18.9% and 20.4% of its wholesale sales and 23.3% and 26.3% of its branded wholesale sales, respectively. In fiscal 2002 and the twelve months ended December 31, 2002, Viewpoint's ten largest branded wholesale customers accounted for approximately 21.9% and 24.3% of its net sales, and 32.9% and 37.3% of its wholesale sales, respectively.

Selling Policies. In its wholesale business, Viewpoint seeks to sell its Tommy Bahama, Indigo Palms and Island Soft products to high-end stores in a controlled manner that enhances the image of these brands. Viewpoint seeks to ensure that its products are handled properly in both presentation and pricing. To enhance the brands' prestige, Viewpoint does not offer volume discounts to any customers and purposefully focuses on maintaining an element of scarcity to its wholesale customers and in its ordering and replenishment policies. Viewpoint does accommodate certain customers through staged deliveries of inventory and some marketing activities. Viewpoint does not regularly accept order cancellations or returns of merchandise nor does it maintain significant inventory stocks to support in-season reordering or replenishment. Viewpoint does not accept unauthorized product returns and does not, as a matter of policy, provide margin allowance agreements. Additionally, Tommy Bahama products are not discounted or marked down at Tommy Bahama retail stores and wholesale customers are discouraged from selling Tommy Bahama items at a discount in season. Tommy Bahama stores do not have "sales." End of season excess inventory is sent to Tommy Bahama outlet stores to be liquidated. These practices are key to maintaining the integrity of the Tommy Bahama brand.

Marketing. On a national basis, Viewpoint has engaged in sponsorships and, beginning two years ago, began to run national print advertisements two to three times per year. Viewpoint will also participate in periodic targeted mailers to upscale department store consumers. Viewpoint provides limited display materials for its customers and works with them to enhance Tommy Bahama, Indigo Palms and Island Soft displays.

Sales Force. Viewpoint's sales force consists of six independent exclusive regional sales managers, each of which has a sales team of between three and nine independent exclusive sales representatives working for him or her. Including these employees, Viewpoint's total independent exclusive sales force consists of approximately 40 persons. The regional sales managers are the wholesale customers' main points of contact. The independent regional sales managers are overseen by a national sales manager. Other than the national sales manager, all sales personnel are compensated solely on a commission basis.

Customer Service. Viewpoint maintains a customer service organization in Seattle, Washington. The goal of the customer service program is to provide wholesale customers with the same high level of service that guests receive when shopping in Tommy Bahama retail stores. These customer service representatives are familiar with each of the accounts and when handling reorders are often able to redirect customers to available products if the ones they are asking for are out of stock. It is through this relationship that Viewpoint is able to effectively distribute excess inventory on hand at full price during each season.

Private Label Business. Viewpoint operates a limited private label business to address a customer base that is distinct from that served by the Tommy Bahama brand. Viewpoint's private label business, which manages the Bungalow Brand and Original Island Sport names, is operated within the wholesale group and seeks to capitalize on Viewpoint's design and sourcing capabilities to produce men's and women's apparel for customers such as discount stores and warehouse clubs. Viewpoint sources these products from different manufacturing facilities than those that manufacture Tommy Bahama and Viewpoint's other branded products. Viewpoint's private label products are not branded with the Tommy Bahama name or any other label that would indicate a connection to any of our branded products. We believe it provides Viewpoint with incremental sales and profitability at minimal risk and capital commitment. In fiscal 2002 and the twelve months ended December 31, 2002, Viewpoint had private label sales of $35.6 million and $46.3 million, respectively.

VIEWPOINT'S RETAIL STORES AND COMPOUNDS

GENERAL

Viewpoint's retail group sells exclusively Tommy Bahama products and Viewpoint's other branded products through owned retail stores and compounds. Viewpoint operates 24 retail stores (including three outlets) and six compounds. These stores operate under the Tommy Bahama name in ten states. Sales in the retail group were $95.1 million and $110.9 million, or 33.4% and 34.8% of Viewpoint's net sales, in fiscal 2002 and the twelve months ended December 31, 2002, respectively.

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Viewpoint also views its retail stores as advertising vehicles. Through meticulous attention to decor, service and presentation, Viewpoint aims to create a high-quality atmosphere that communicates the Tommy Bahama message to consumers, making them feel like guests rather than simply customers. Viewpoint's retail employees wear Tommy Bahama branded attire.

Viewpoint opened its first compound in 1996 as a marketing tool to convey the Tommy Bahama lifestyle message and to drive retail sales. While restaurant operations are not core to Viewpoint's strategy, the compounds serve as marketing tools and drivers of retail sales by showcasing Tommy Bahama products in the retail portion of the compound and in the Tommy Bahama apparel worn by all employees. The Tommy Bahama compounds combine a full-service, white linen Tommy Bahama Tropical Cafe with a retail store selling Tommy Bahama apparel, accessories and home furnishings.

We operate the following retail stores and compounds:

COMPOUNDS:

LOCATION	DATE OPENED (OR PLANNED)
Naples, FL	February 1996
Sarasota, FL	February 1997
Palm Desert, CA	October 1998
Newport Beach, CA	November 1998
Wailea, HI	December 2000
West Palm Beach, FL	March 2001
Scottsdale, AZ(1)	Planned Fourth Quarter 2003

RETAIL-ONLY:

LOCATION	DATE OPENED

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Fort Lauderdale, FL (Las Olas)	February 1999
La Jolla, CA	November 1999
Tampa, FL	June 2000
Kansas City, MO	July 2000
Las Vegas, NV	August 2000
Austin, TX	October 2000
Chicago, IL	November 2000
Scottsdale, AZ(1)	December 2000
St. Augustine, FL(2)	February 2001
Dallas, TX	May 2001
Boca Raton, FL	August 2001
Pasadena, CA	September 2001
Birmingham, AL	November 2001
Primm, NV(2)	December 2001
Maui, HI (Whaler's Village)	May 2002
Los Angeles, CA (Farmer's Market)	June 2002
Myrtle Beach, SC(2)	August 2002
Palo Alto, CA	August 2002
Honolulu, HI (Ala Moana)	September 2002
Coral Gables, FL	September 2002

LOCATION	DATE OPENED
Orlando, FL	October 2002
Las Vegas, NV (Las Vegas Fashion Show)	November 2002
San Jose, CA	November 2002
Phoenix, AZ (Biltmore)	November 2002
Manhattan Beach, CA	Planned Second Quarter 2003
Denver, CO (Cherry Creek)	Planned Third Quarter 2003
Walnut Creek, CA	Planned Fourth Quarter 2003
San Diego, CA (Fashion Valley)	Planned Fourth Quarter 2003
Atlanta, GA (Phipps Plaza)	Planned Fourth Quarter 2003
Tysons Corner, VA (Tyson's Galleria)	Planned First Quarter 2004
Tucson, AZ (la Encantada)	Planned First Quarter 2004
Houston, TX (Highland Village)	Planned First Quarter 2004
Woodbury Commons, NY(2)	Planned First Quarter 2004

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(1) Viewpoint's Scottsdale, AZ retail store is scheduled to be closed concurrently with the opening of a compound in close proximity in the fourth quarter of 2003.

(2) Outlet store.

Retail-only locations average approximately 4,200 square feet and tend to be located in upscale shopping areas. Compounds average approximately 9,300 square feet and are located primarily in resort destination locations. The retail stores sell a broad assortment of branded Tommy Bahama products including the Tommy Bahama, Indigo Palms and Island Soft labels.

We believe that Viewpoint's retail-only and compound locations present an effective method of merchandising Viewpoint's product line in a way that brings depth to the Tommy Bahama brand's image and builds consumer loyalty. The average sales ticket in March 2003 in a retail only store was approximately $130. The average sales ticket in March 2003 in the retail store component of a compound was approximately $124. In addition, Viewpoint believes that average cost per lunch and dinner in the restaurant component of a compound is $15-$20 and $30-$45, respectively. Overall, Viewpoint's retail-only and the retail portion of compound locations open at least fourteen months had average annual sales during the twelve months ended December 31, 2002 of $1,037 per square foot ($1,672 per square foot for the retail portion of compounds; $745 per square foot for retail-only stores). We believe that consumers who purchase Tommy Bahama products at Tommy Bahama stores also purchase Tommy Bahama products at Viewpoint's wholesale customer locations.

SELECTION OF STORE LOCATIONS

Viewpoint selects its store sites on the basis of demographic information, quality and nature of co-tenants, store visibility, and accessibility. Key demographics include population density, household income, tourism counts, and the amount of business that our wholesale company does in that market. Viewpoint also assesses the dollars spent on men's and women's apparel. Viewpoint locates its stores in resort areas, high end shopping centers and selected free-standing locations. Typically, Viewpoint seeks sites with co-tenant retail stores of moderate apparel brands like AnnTaylor, Banana Republic, and Talbots, or high end apparel brands like Armani, Burberry or Chanel. This strategy helps Viewpoint reach both the moderate customer, who sees Tommy Bahama as an aspirational brand, and the high end customer, who wears Tommy Bahama as weekend and casual attire. By selecting sites with high tourist counts, Viewpoint also attracts a consumer who sees Tommy Bahama as the perfect memory of a great getaway. We believe that there is a potential for 75-100 Tommy Bahama retail stores and compounds without significant conflict with participants in our distribution channels or our retailer customers.

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STORE OPENING COSTS

Viewpoint's average net investment to open new retail stores has been approximately $900,000, which includes capital expenditures adjusted for landlord contributions and initial inventory at cost, net of payables. Viewpoint's retail stores, during their first twelve months of operations, have achieved average net sales of approximately $2.9 million, store level operating cash flow of approximately $700,000 and an average pretax cash return on investment of approximately 84%.

Viewpoint's average net investment to open new compounds has been approximately $2.6 million, which includes capital expenditures adjusted for landlord contributions and initial inventory at cost, net of payables. Viewpoint's compounds, during their first twelve months of operations, have achieved average net sales of approximately $6.7 million, store level operating cash flow of approximately $1.2 million and an average pretax cash return on investment of approximately 48%.

DESIGN PROCESS AND SOURCING

Design Process. In the design of its products, Viewpoint seeks to convey its brand image with high-quality fabrics and attention to detail. The styles and colors of Tommy Bahama clothing have remained largely consistent since Viewpoint's founding. Approximately 70% of the men's line carries over from season to season with minor variations. For example, the top selling item in each of the categories of products we produce has maintained the same basic model over the last nine years.

The design process starts with an evaluation of the success of Viewpoint's current product lines. Every season, the design team decides to roll over certain items and to eliminate others. The design team then modifies colors and patterns from fabric swatches sent by Maxsend. The design team creates color palettes for 30 to 45 day delivery cycles with Holiday cycles more condensed than those for Spring and Fall. The design team then creates each season's line on paper and orders samples for each style from Maxsend. Once samples are delivered, Viewpoint makes any necessary alterations and, before finalizing the line, reviews these samples with its sales force. The sales force takes orders for the products for three to four months, capturing as many sales as possible before actual buys are placed.

Sourcing. Viewpoint has a close ten-year relationship with Maxsend. While Viewpoint is free to source from multiple agents, Maxsend is engaged to work exclusively for Viewpoint. Almost all of Viewpoint's branded products are produced by third party suppliers in the Far East with Maxsend acting as Viewpoint's sourcing agent. Maxsend has consistently provided Viewpoint with high quality products and timely deliveries. With its strong working relationships with factories, Maxsend identifies unique patterns, fabrics and weaves that Viewpoint integrates into the design of its products. Maxsend maintains quality control personnel at each third party supplier's facility to ensure that Viewpoint's quality standards are met. Private label products are sourced from other producers in various parts of Asia. In most cases, Maxsend identifies what it believes is the best overall source for a particular product, but in all cases, Viewpoint has the right of final approval with respect to all final sourcing decisions. Viewpoint believes that choosing the most competitive countries for the sourcing of its products is critical to its competitiveness. The most competitive location to source a particular product depends on a variety of factors. These factors include availability of globally competitive fabric and other raw materials, labor and manufacturing costs, ability to meet quality standards, required lead times, logistics and the impact of international trade rules and trade preference agreements and legislation on apparel exports from that country to the United States.

Viewpoint's largest manufacturer accounted for approximately 24.1% and 26.3% of purchases for fiscal 2002 and the twelve months ended December 31, 2002, respectively. Viewpoint's five largest suppliers accounted for approximately 57.7% and 59.7% of purchases for fiscal 2002 and the twelve months ended December 31, 2002, respectively.

Viewpoint requires all third party producers who manufacture for it to abide by a stringent code of conduct that sets guidelines for employment practices such as wages and benefits, working hours, health and safety, working age and disciplinary practices, and for environmental, ethical and legal mattes. Viewpoint regularly assesses manufacturing and finishing facilities to see if they are complying with its code of conduct.

Viewpoint's program includes periodic on-site facility inspections and continuous improvement activities. Viewpoint also hires independent monitors to supplement its efforts.

DISTRIBUTION

Viewpoint imports its products from third party producers to its distribution center in Auburn, Washington. At its distribution center, the products are inspected, sorted, packed and shipped to Viewpoint's retail locations and wholesale customers. The distribution facility is designed to allow for high-density cube storage and utilizes software to provide inventory management and controls. Product transport management is coordinated from this facility and the warehouse performs pick and pack service as well. Because Viewpoint does not utilize pre-packs, it can ship according to item size and color. Viewpoint's wholesale customers pay for freight and orders are delivered to accounts by a customer's selected shipper in the case of larger orders and by Federal Express in the case of smaller orders. Viewpoint divides its delivery schedule into three seasons, Spring, Fall and Holiday.

COMPETITION

The sale of branded apparel products through retail stores and through the wholesale channel is a highly competitive business with numerous competitors. Viewpoint focuses on the bridge price category, which we believe is an underserved market. Viewpoint's direct competition in the bridge market generally consists of a number of smaller competitors. However, Viewpoint's products compete for consumer dollars with products in the luxury and better categories. Luxury lifestyle brands, such as Giorgio Armani, Hugo Boss and Ermenegildo Zegna, that compete with Viewpoint's Tommy Bahama menswear products are generally sold in upscale independent or manufacturer-owned specialty retail stores and upscale department stores. Better brands, such as Ralph Lauren, Banana Republic, Tommy Hilfiger and Nautica, that compete with Viewpoint's Tommy Bahama menswear products are generally sold in upscale independent or manufacturer-owned specialty retail stores and upscale department stores. Viewpoint's women's line competes against brands such as Dana Buchman, Eileen Fisher, Lily Pulitzer, Polo Ralph Lauren and St. John Knits. Viewpoint's retail stores compete with individual and chain fashion specialty stores, department stores, discount retailers and direct marketers.

Competition within the apparel and retail industry is based upon styling, marketing, price, quality, customer service, consumer recognition and preference and store design and location. We believe that Viewpoint competes effectively with regard to all of these factors. Successful competition in styling and marketing is related to Viewpoint's ability to foresee changes and trends in fashion and consumer preference and to present appealing product programs to its customers. Successful competition in price, quality and customer service is related to Viewpoint's ability to maintain efficiency in sourcing and distribution.

TRADE REGULATION

International trade agreements, trade preference arrangements and trade legislation are less important to Viewpoint than to many apparel companies. Most cotton, wool and man-made fiber apparel imports into the United States are highly restricted. The silk products that comprise the majority of Viewpoint's imports are not as highly restricted.

There are two key types of restrictions for apparel imports. First, the duty rates on most cotton and wool apparel products are in the 15% to 20% range. Duty rates for man-made fiber products can be as high as 25% to 30%. In contrast, the duty rates on silk apparel are generally less than 5%. Second, the United States has implemented restrictive quotas on the importation of most cotton, wool and man-made fiber textile and apparel product categories from most of the major apparel-producing countries. Quota restraints place numerical limits on the quantity of garments that may be imported into the U.S. in a given year on a by country and by product category basis. The affect of these quotas is to limit the amount of apparel in categories subject to quota that can be sourced in the countries that offer the most competitive fabrics and most competitive apparel manufacturing. As a result, a substantial portion of cotton, wool and man-made fiber apparel imported into the U.S. is sourced from countries that would not be the most competitive producers in the absence of quotas. Silk apparel is free from quota restraints and may be sourced in the countries that offer the most competitive silk fabrics and the most competitive apparel manufacturing. Thus, the impact of quota restrictions on Viewpoint is much less than it is on many other apparel companies.

Through December of 1994, these restraints were controlled pursuant to the Multi-Fiber Arrangement, or MFA, an international textile trade agreement to which the United States was a party. During the Uruguay Round of the General Agreement of Tariffs and Trade, the United States and other countries negotiated a successor agreement to the MFA known as the Agreement on Textiles and Clothing ATC, which became effective on January 1, 1995.

The ATC requires that importing countries gradually phase out over a ten-year period approximately half of the restrictive quotas on the importation of textiles and apparel products that were in place on December 31, 1994. The remaining quotas are to be eliminated on January 1, 2005. However, the ATC gives importing countries such as the United States significant discretion in determining when during the ten-year period quotas on particular products from particular countries will be eliminated. The United States has announced a plan that will keep quotas on most cotton, wool and man-made fiber apparel categories for the entire ten-year period. In addition, the ATC permits importing countries, under certain conditions, to impose new quotas on the importation of textile and apparel products during the ten-year phase out period. As a result, we believe the extent to which the ATC will liberalize trade in cotton, wool and man-made fiber products from now until January 1, 2005 is not material. Since silk is already quota-free, the ATC is unlikely to have any impact on sourcing of silk apparel.

When the ATC is fully implemented on January 1, 2005, the competitiveness of many countries as apparel sourcing locations will change significantly. Currently, we believe that the presence of quotas imposes a non-market restriction on where apparel is sourced and prevents a substantial portion of cotton, wool and man-made fiber apparel destined for the U.S. market from being sourced in the countries that offer most competitive cotton, wool and man-made fiber fabric and the most competitive apparel garment manufacturing. We believe that generally the most competitive fabrics and apparel manufacturing, absent the non-market restrictions created by quotas, are in Asia and the Indian sub-continent. Consequently, we believe that the elimination of quotas will result in reduced apparel sourcing in the western hemisphere and increased apparel sourcing in Asia and the Indian sub-continent. The market forces that are likely to shift cotton, wool and man-made fiber apparel sourcing out of the western hemisphere upon the elimination of quotas may be partially offset by the reduced or zero duty rates offered by free trade agreements and trade preference programs applicable to western hemisphere countries particularly those in Latin America and the Caribbean Basin. We believe that the silk fabrics and apparel manufacturing available in China are globally competitive. Since silk is already quota free, Viewpoint already sources substantially all its silk apparel in China.

Currently, there are various free trade agreements and trade preference legislation that provide apparel importers including us with relief from duties and quotas. These include, but are not limited to, the United States-Caribbean Basin Trade Partnership Act, the African Growth and Opportunity Act, the North American Free Trade Agreement, the Israel Free Trade Agreement and the Andean Trade Promotion and Drug Eradication. In addition, the United States is engaged in discussions regarding various proposals including the Central America Free Trade Agreement, Chile Free Trade Agreement and Free Trade of the Americas Agreement. Because silk products are quota free and subject to duty rates less than 5%, we do not expect any of these agreements to have a material impact on where Viewpoint sources its core silk products.

INTELLECTUAL PROPERTY

Viewpoint sells most of its products under a number of trademarks which it owns, including:

- Tommy Bahama;

- Indigo Palms;

- Island Soft;

- Original Island Sport; and

- Bungalow Brand.

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Viewpoint also licenses its brands under a number of licensing agreements for products including shoes, handbags, indoor and outdoor furniture and women's swimwear. Paradise Shoe Company, LLC, which is 50% owned by Viewpoint, holds the license for Tommy Bahama branded shoes, belts and socks. Viewpoint sells products in Canada under a licensing arrangement with Jaytex Group. For additional information about licensed products, see "-- Viewpoint's Products -- Licensed Products."

BACKLOG

As of December 31, 2002, Viewpoint had Spring season booked orders amounting to approximately $88.7 million, as compared to $81.5 million as of December 31, 2001. A majority of these orders will be or were shipped within four months after each such date.

PROPERTIES

Viewpoint leases an approximately 55,000 square foot operations facility in Seattle, Washington. The lease of this facility expires in August 2004. Viewpoint is negotiating a new lease and, alternatively, is searching for another property for this facility. Viewpoint has a 240,000 square foot distribution center in Auburn, Washington. The lease on the Auburn center has a five-year term and a five-year renewal option. Viewpoint also leases a 21,000 square foot facility in New York, New York, where its licensing, accounting and finance offices are held.

Viewpoint operates 24 retail stores (including three outlets) and six compounds. Viewpoint leases the space for these retail operations from third parties. The leases expire at various dates between 2004 and 2019. Minimum rent commitments under non-cancelable leases as of December 31, 2002 totaled $2.5 million, $10.6 million, $10.6 million, $9.2 million and $8.7 million in the fourth quarter of fiscal 2003, fiscal 2004, fiscal 2005, fiscal 2006 and fiscal 2007, respectively. As of that date, Viewpoint had minimum annual rental commitments under non-cancelable leases of $42.3 million in years after fiscal 2007.

Typically, when space is leased for a retail store, all improvements, including interior walls, floors, ceilings, fixtures and decorations are supplied by Viewpoint. In certain cases, the landlord of the property may provide a construction allowance to fund all or a portion of the cost of improvements. Lease terms are typically ten years and usually include a fixed minimum rent plus a contingent rent based on the store's annual sales in excess of a specified amount. Viewpoint typically pays certain operating costs such as common area maintenance, utilities, insurance and taxes.

LEGAL PROCEEDINGS

From time to time, Viewpoint is a party to litigation arising in the ordinary course of business. Viewpoint is not currently a party to any litigation that we believe could reasonably be expected to have a material adverse effect on its results of operations or financial condition.

EMPLOYEES

As of December 31, 2002, Viewpoint employed 1,345 persons, of which 345 worked in Viewpoint's wholesale business and 1,000 worked in Tommy Bahama retail locations. During seasonal peaks, Viewpoint employs temporary employees to supplement its retail and warehouse operations. All of Viewpoint's employees work in the United States. Viewpoint believes its employee relations are good.

INDEX TO FINANCIAL STATEMENTS

SUPPLEMENTAL CONSOLIDATING FINANCIAL DATA OF SUBSIDIARY GUARANTORS (UNAUDITED)

Not all of our subsidiaries will guarantee the notes we expect to issue in connection with the Viewpoint acquisition. Each subsidiary guarantor is directly or indirectly 100% owned by Oxford and all guarantees are full, unconditional, joint and several. Set forth below are the consolidated financial statements as of May 31, 2002 and February 28, 2003 and for the year ended May 31, 2002 and the nine months ended February 28, 2003. We have used the equity method with respect to investment in subsidiaries.

OXFORD INDUSTRIES, INC.

UNAUDITED CONSOLIDATED COMBINED BALANCE SHEET
MAY 31, 2002

	OXFORD INDUSTRIES (PARENT)	SUBSIDIARY GUARANTORS	SUBSIDIARY NON-GUARANTORS	CONSO ADJU
			($ IN THOUSANDS)	
ASSETS				
Current Assets:				
Cash and cash equivalents............	$ 16,214	$ 194	$ 648	$
Receivables..........................	(10,427)	111,977(1)	30,769	(2
Inventories..........................	72,111	10,595	1,835	
Prepaid expenses.....................	8,743	346	665	
Total Current Assets..............	86,641	123,112	33,917	(2
Property, Plant and Equipment, net......	19,223	1,392	6,572	
Other Assets, Net......................	38,844	5,110	1,224	(3
Total Assets.................	$144,708	$129,614	$41,713	$(6
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities:				
Trade accounts payable...............	$ 50,363	$ 6,604	$14,986	$(2
Accrued compensation.................	9,117	1,365	2,270	
Other accrued expenses...............	9,598	3,400	832	
Current maturities of long-term debt............................	216	39	--	
Total Current Liabilities.....	69,294	11,408	18,088	(2
Long-Term Debt, less current maturities...........................	129	10	--	
Noncurrent Liabilities.................	(78,148)	79,358	3,267	
Deferred Income Taxes..................	2,432	(1,929)	15	
Total Stockholders'/invested equity.....................	151,001	40,767	20,343	(3
Total Liabilities and Stockholders' Equity........	$144,708	$129,614	$41,713	$(6

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(1) $106,623 of these receivables are related to our securitization facility which will be terminated upon completion of the Viewpoint acquisition.

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SUPPLEMENTAL CONSOLIDATING FINANCIAL DATA OF SUBSIDIARY GUARANTORS

(UNAUDITED) -- (CONTINUED)

OXFORD INDUSTRIES, INC.

UNAUDITED CONSOLIDATED COMBINED BALANCE SHEET
FEBRUARY 28, 2003

	OXFORD INDUSTRIES (PARENT)	SUBSIDIARY GUARANTORS	SUBSIDIARY NON-GUARANTORS	CONSOLIDATING ADJUSTMENTS	CON
			($ IN THOUSANDS)		
ASSETS					
Current Assets:					
Cash and cash equivalents......	$ 5,100	$ 189	$ 1,171	$ 66	$
Receivables....................	(22,997)	162,087(1)	45,941	(35,151)	
Inventories....................	88,388	8,456	2,040	1	
Prepaid expenses...............	8,828	271	415	1	
Total Current Assets........	79,319	171,003	49,567	(35,083)	
Property, Plant and Equipment, Net............................	16,978	890	5,705	--	
Deferred Income Taxes............	720	--	--	(1)	
Other Assets, Net................	43,916	5,101	1,784	(41,784)	
Total Assets...........	$140,933	$176,994	$57,056	$(76,868)	$
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current Liabilities:					
Notes payable..................	$ --	$ 10,000	$ --	$ --	$
Trade accounts payable.........	57,074	6,972	29,850	(35,138)	
Accrued compensation...........	15,661	1,181	2,367	(1)	
Other accrued expenses.........	14,231	3,639	1,361	--	
Current maturities of long-term debt.......................	117	10	--	1	
Total Current Liabilities..........	87,083	21,802	33,578	(35,138)	
Long-Term Debt, less current maturities.....................	19	10	--	--	
Noncurrent Liabilities...........	(110,038)	109,848	4,610	80	
Deferred Income Taxes............	1,795	(1,810)	15	--	
Total Stockholders'/invested equity...............	162,074	47,144	18,853	(41,810)	
Total Liabilities and Stockholders' Equity...............	$140,933	$176,994	$57,056	$(76,868)	$

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(1) $151,406 of these receivables are related to our securitization facility which will be terminated upon completion of the Viewpoint acquisition.

SUPPLEMENTAL CONSOLIDATING FINANCIAL DATA OF SUBSIDIARY GUARANTORS
(UNAUDITED) -- (CONTINUED)

OXFORD INDUSTRIES, INC.

UNAUDITED CONSOLIDATED COMBINED STATEMENT OF EARNINGS
TWELVE MONTHS ENDED MAY 31, 2002

	OXFORD INDUSTRIES (PARENT)	SUBSIDIARY GUARANTORS	SUBSIDIARY NON-GUARANTORS	CONSOLIDATING ADJUSTMENTS	CON
Net Sales........................	$616,686	$76,160	$39,555	$(55,137)	$
Cost of goods sold...............	494,058	50,657	925	(1,624)	
Gross Profit.....................	122,628	25,503	38,630	(53,513)	
Selling, general and administrative................	114,427	17,673	36,587	(52,958)	
Earnings Before Interest and Taxes..........................	8,201	7,830	2,043	(555)	
Interest expense (income), net...	2,094	(1,169)	(126)	(556)	
Income from equity investment in subsidiaries..................	7,223	38	--	(7,261)	
Earnings Before Income Taxes.....	13,330	9,037	2,169	(7,260)	
Income taxes.....................	2,758	3,150	796	--	
Net Earnings.....................	$ 10,572	$ 5,887	$ 1,373	$ (7,260)	$

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SUPPLEMENTAL CONSOLIDATING FINANCIAL DATA OF SUBSIDIARY GUARANTORS
(UNAUDITED) -- (CONTINUED)

OXFORD INDUSTRIES, INC.

UNAUDITED CONSOLIDATED COMBINED STATEMENT OF EARNINGS
NINE MONTHS ENDED FEBRUARY 28, 2003

	OXFORD INDUSTRIES (PARENT)	SUBSIDIARY GUARANTORS	SUBSIDIARY NON-GUARANTORS	CONSOLIDATING ADJUSTMENTS	CON
Net Sales........................	$519,302	$60,126	$29,042	$(41,941)	$
Cost of goods sold...............	405,351	40,638	1,821	158	
Gross Profit.....................	113,951	19,488	27,221	(42,099)	
Selling, general and administrative................	96,143	10,433	27,936	(42,050)	
Earnings Before Interest and Taxes..........................	17,808	9,055	(715)	(49)	

Interest expense (income), net...	972	(704)	(70)	(49)	
Income from equity investment in subsidiaries..................	4,827	30	--	(4,857)	
Earnings Before Income Taxes.....	21,663	9,789	(645)	(4,857)	
Income taxes.....................	5,965	3,415	870	--	
NET EARNINGS.....................	$ 15,698	$ 6,374	$(1,515)	$ (4,857)	$

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SUPPLEMENTAL CONSOLIDATING FINANCIAL DATA OF SUBSIDIARY GUARANTORS
(UNAUDITED) -- (CONTINUED)

OXFORD INDUSTRIES, INC.

UNAUDITED CONSOLIDATED COMBINED STATEMENT OF CASH FLOW
TWELVE MONTHS ENDED MAY 31, 2002

	OXFORD INDUSTRIES (PARENT)	SUBSIDIARY GUARANTORS	SUBSIDIARY NON-GUARANTORS	CONSOLIDATING ADJUSTMENTS	CON
			($ IN THOUSANDS)		
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net earnings.....................	$ 10,572	$ 5,887	$1,372	$ (7,259)	$
Adjustments to reconcile net earnings to net cash used in operating activities:					
Depreciation and amortization...............	5,609	3,352	648	(721)	
(Gain) loss on sale of property, plant and equipment..................	(37)	4	3	(1)	
Changes in working capital.......	92,160	8,782	(1,031)	(109,512)	
Deferred income taxes............	1,318	(951)	--	2,477	
Income from equity investment in subsidiaries...................	(7,223)	(37)	--	7,260	
Other assets, net................	(21)	7,002	(267)	(6,999)	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES................	102,378	24,039	725	(114,755)	
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchases of property, plant and equipment..............	(1,235)	(71)	(223)	1	
Proceeds from sale of property, plant and equipment.........	347	10	19	721	
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES...	(888)	(61)	(204)	722	
CASH FLOWS FROM FINANCING ACTIVITIES:					
Short-term debt repayments.......	--	(56,000)	--	56,000	
Long-term debt repayments........	(7,232)	(36)	(684)	7,684	

Change in intercompany payable	(88,697)	38,644	--	50,053	
Proceeds from exercise of stock options	1,993	--	--	--	
Dividends on common stock	1,011	(7,287)	--	1	
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(92,925)	(24,679)	(684)	113,738	
Net change in cash and cash equivalents	8,565	(701)	(163)	(295)	
Cash and cash equivalents at the beginning of year	7,649	895	811	830	
Cash and cash equivalents at the end of year	$ 16,214	$ 194	$ 648	$ 535	$

SUPPLEMENTAL CONSOLIDATING FINANCIAL DATA OF SUBSIDIARY GUARANTORS (UNAUDITED) -- (CONTINUED)

OXFORD INDUSTRIES, INC.

UNAUDITED CONSOLIDATED COMBINED STATEMENT OF CASH FLOW
NINE MONTHS ENDED FEBRUARY 28, 2003

	OXFORD INDUSTRIES (PARENT)	SUBSIDIARY GUARANTORS	SUBSIDIARY NON-GUARANTORS	CONSOLIDATING ADJUSTMENTS
			($ IN THOUSANDS)	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net earnings	$ 15,698	$ 6,374	$(1,514)	$(4,858)
Adjustments to reconcile net earnings to net cash used in operating activities:				
Depreciation and amortization	3,414	556	514	--
(Gain) loss on sale of property, plant and equipment	(63)	(2)	65	--
Changes in working capital	14,095	(47,544)	362	(1,061)
Deferred income taxes	(1,357)	191	--	586
Income from equity investment in subsidiaries	(4,827)	(30)		4,857
Other assets, net	(273)	11	(560)	(11)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	26,687	(40,444)	(1,133)	(487)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of property, plant and equipment	(1,217)	(125)	(68)	--
Proceeds from sale of property, plant and equipment	140	103	356	(1)
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(1,077)	(22)	288	(1)

CASH FLOWS FROM FINANCING ACTIVITIES:				
Short-term debt repayments........	--	10,000	--	--
Long-term debt repayments.........	(208)	(29)	--	--
Change in intercompany payable......	(31,878)	30,490	1,368	20
Proceeds from exercise of stock options........................	95	--	--	--
Dividends on common stock.........	(4,733)	--	--	(1)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES..............	(36,724)	40,461	1,368	19
Net change in cash and cash equivalents......................	(11,114)	(5)	523	(469)
Cash and cash equivalents at the beginning of period..............	16,214	194	648	535
Cash and cash equivalents at the end of period........................	$ 5,100	$ 189	$ 1,171	$ 66

INDEPENDENT AUDITOR'S REPORT

To the Shareholders
Viewpoint International, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of Viewpoint International, Inc. and Subsidiaries as of March 31, 2002 and 2001, and the related consolidated statements of income, shareholders' equity (deficiency) and cash flows for each of the three years in the period ended March 31, 2002. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Viewpoint International, Inc. and Subsidiaries as of March 31, 2002 and 2001, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2002 in conformity with accounting principles generally accepted in the United States of America.

/s/ Mahoney Cohen & Company, CPA, P.C.

New York, New York
June 6, 2002

VIEWPOINT INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
MARCH 31, 2002 AND 2001

	2002	2001
	($ IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	
ASSETS (NOTES 7 AND 9)		
Current assets:		
Cash and cash equivalents	$ 2,620	$ 6,093
Cash equivalent -- restricted (Note 9)	8,197	15,114
Due from factor (Note 4)	40,605	38,527
Accounts receivable, net of allowance for doubtful accounts of approximately $45 in 2002 and $59 in 2001	3,053	6,973
Royalties receivable -- Paradise Shoe Company LLC (Note 6)	722	373
Inventories	24,671	22,378
Prepaid income taxes	1,835	--
Deferred income taxes (Note 12)	353	1,986
Prepaid expenses and other current assets	5,512	6,235
Total current assets	87,568	97,679
Property and equipment, net (Note 5)	18,388	16,095
Other assets:		
Goodwill, net	5,537	5,537
Deferred financing costs, net	857	1,071
Royalties receivable -- Paradise Shoe Company LLC (Note 6)	187	211
Investment in Paradise Shoe Company LLC (Note 6)	496	536
Deferred income taxes (Note 12)	1,855	986
Marketable securities (Note 11)	617	--
Security deposits and other assets	595	339
Total other assets	10,144	8,680
	$116,100	$122,454
LIABILITIES AND DEFICIENCY		
Current liabilities:		
Accounts payable (Notes 3 and 13)	$ 19,355	$ 16,742
Notes and bankers acceptances payable (Note 7)	23,262	29,926
Long-term debt -- current portion (Note 8)	7,500	7,580
Income taxes payable	38	11,193
Loans payable -- shareholders (Notes 9 and 10)	10,103	16,579
Accrued expenses and other current liabilities (Note 9)	10,098	10,357
Total current liabilities	70,356	92,377
Long-term debt (Note 8)	21,875	29,375
Deferred rent (Note 13)	1,086	629
Deferred compensation (Note 11)	617	--
Subordinated notes payable -- shareholders (Note 9)	25,448	24,572
Minority interests in subsidiaries	137	224
Commitments and contingencies (Notes 9, 11 and 13)		
Deficiency:		
Class A Voting Common Stock -- $.0001 par value:		
Authorized -- 40,000,000 shares		

Issued -- 29,325,000 shares	3	3
Class B Non-Voting Common Stock -- $.0001 par value:		
Authorized -- 675,000 shares		
Issued -- 675,000 shares	--	--
Class C Voting Common Stock -- $.0001 par value:		
Authorized -- 6,200,000 shares		
Issued and outstanding -- 5,948,067 shares	1	1
Additional paid-in capital	29,714	29,714
Retained earnings and members' interests	67,064	43,146
	96,782	72,864
Less: Treasury stock, at cost (Note 10)	100,201	97,587
Total deficiency	(3,419)	(24,723)
	$116,100	$122,454

See accompanying notes.

VIEWPOINT INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000

	2002	2001	2000
	($ IN THOUSANDS, EXCEPT PER SHARE AMOUNT		
Net sales:			
Wholesale (Note 3)	$ 189,879	$ 189,657	$ 106,75
Retail and restaurant	95,074	64,809	40,84
Total net sales	284,953	254,466	147,59
Cost of goods sold (Note 3)	138,503	134,789	79,35
Gross profit	146,450	119,677	68,24
Licensing income (Note 6)	2,434	1,234	53
	148,884	120,911	68,78
Operating expenses:			
Retail and restaurant	43,037	30,536	17,62
Selling and shipping	25,989	22,121	16,97
General and administrative	34,883	26,440	12,84
Total operating expenses	103,909	79,097	47,44
Operating income	44,975	41,814	21,33
Other expense (income):			
Interest expense, net of interest income of approximately $563 in 2002, $524 in 2001 and $123 in 2000 (Note 9)	7,517	2,725	1,53
Equity in loss (income) of Paradise Shoe Company LLC (Note 6)	291	(80)	(11
Other income (Note 11)	(14)	(32)	(
Net other expense	7,794	2,613	1,41

Income before provision for income taxes and minority interests in net loss (income) of subsidiaries.......	37,181	39,201	19,92
Provision for income taxes (Note 12)..................	13,350	14,665	6,55
Income before minority interests in net loss (income) of subsidiaries....................................	23,831	24,536	13,36
Minority interests in net loss (income) of subsidiaries......................................	87	(512)	(89
Net income..	$ 23,918	$ 24,024	$ 12,47
Net income per common share -- basic..................	$ 1.41	$ .85	$ .4
Net income per common share -- diluted................	$ 1.40	$ .85	$ .4
Weighted-average common shares outstanding -- basic....	16,994,476	28,218,421	30,000,00
Weighted-average common shares outstanding --diluted...	17,096,505	28,232,398	30,000,00

See accompanying notes.

VIEWPOINT INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIENCY)
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000

	COMMON STOCK					
	CLASS A		CLASS B		CLASS C	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOU
	($ IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)					
Balance, April 1, 1999...............	29,325,000	$ 3	675,000	$ --	--	$ -
Net income...........................	--	--	--	--	--	-
Balance, March 31, 2000..............	29,325,000	3	675,000	--	--	-
Issuance of 5,948,067 shares of Class C Common Stock on February 9, 2001 for cash (at $5.15 per share), net of related fees and expenses of approximately $3,320...............	--	--	--	--	5,948,067	
Repurchase of 18,278,591 shares of Class A Common Stock on February 9, 2001 for cash of $79,112 and issuance of subordinated notes of $15,000 (total at $5.15 per share)............................	--	--	--	--	--	-
Repurchase of 675,000 shares of Class B Common Stock on February 9, 2001 for cash (at $5.15 per share).......	--	--	--	--	--	-
To allocate proceeds of subordinated notes payable to detachable warrants to purchase 102,222 shares of Class C Common Stock.....................	--	--	--	--	--	-

Net income..........................	--	--	--	--	--	-
Balance, March 31, 2001..............	29,325,000	3	675,000	--	5,948,067	
Adjustment to treasury stock purchase price (Note 10)....................	--	--	--	--	--	-
Net income..........................	--	--	--	--	--	-
Balance, March 31, 2002..............	29,325,000	$ 3	675,000	$ --	5,948,067	$

	RETAINED EARNINGS AND MEMBERS' INTERESTS	TREASURY STOCK SHARES	TREASURY STOCK AMOUNT	TOTAL
	($ IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)			
Balance, April 1, 1999...............	$ 6,648	--	$ --	$ 8,536
Net income..........................	12,474	--	--	12,474
Balance, March 31, 2000..............	19,122	--	--	21,010
Issuance of 5,948,067 shares of Class C Common Stock on February 9, 2001 for cash (at $5.15 per share), net of related fees and expenses of approximately $3,320...............	--	--	--	27,305
Repurchase of 18,278,591 shares of Class A Common Stock on February 9, 2001 for cash of $79,112 and issuance of subordinated notes of $15,000 (total at $5.15 per share)............................	--	18,278,591	(94,112)	(94,112)
Repurchase of 675,000 shares of Class B Common Stock on February 9, 2001 for cash (at $5.15 per share).......	--	675,000	(3,475)	(3,475)
To allocate proceeds of subordinated notes payable to detachable warrants to purchase 102,222 shares of Class C Common Stock.....................		--	--	525
Net income..........................	24,024	--	--	24,024
Balance, March 31, 2001..............	43,146	18,953,591	(97,587)	(24,723)
Adjustment to treasury stock purchase price (Note 10)....................	--	--	(2,614)	(2,614)
Net income..........................	23,918	--	--	23,918
Balance, March 31, 2002..............	$67,064	18,953,591	$(100,201)	$ (3,419)

See accompanying notes.

VIEWPOINT INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000

	2002	2001	2000
	($ IN THOUSANDS)		
Cash flows from operating activities:			
Net income	$ 23,918	$ 24,024	$ 12,474
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for doubtful accounts	(14)	59	--
Depreciation and amortization	3,841	2,739	1,716
Interest amortization of discount on notes payable and deferred financing costs	329	36	--
Accrued interest on subordinated notes payable -- shareholders	761	97	--
Deferred income taxes	764	(2,557)	(415)
Deferred rent	456	378	251
Equity in loss (income) of Paradise Shoe Company LLC	291	(80)	(111)
Gains on marketable securities	(14)	--	--
Minority interests in net income (loss) of subsidiaries	(87)	512	893
Change in assets and liabilities:			
Due from factor	(2,078)	(5,089)	(17,490)
Accounts receivable	3,934	(6,963)	(18)
Royalties receivable -- Paradise Shoe Company LLC	(325)	(210)	(373)
Inventories	(2,293)	(5,157)	(8,293)
Due from vendor	--	8,338	--
Prepaid income taxes	(1,835)	--	--
Prepaid expenses and other current assets	722	(5,186)	729
Security deposits and other assets	(272)	(45)	49
Accounts payable	3,175	4,277	4,731
Income taxes payable	(11,154)	3,459	2,707
Accrued expenses and other current liabilities	(261)	4,510	3,869
Deferred compensation	617	--	--
Net cash provided by operating activities	20,475	23,142	719
Cash flows from investing activities:			
Purchase of minority interest	--	(7,449)	--
Purchases of property and equipment	(6,118)	(9,517)	(2,714)
Investment in Paradise Shoe Company LLC	(250)	--	(250)
Purchase of marketable securities	(608)	--	--
Sales of marketable securities	5	--	--
Net cash used in investing activities	(6,971)	(16,966)	(2,964)
Totals carried forward	$ 13,504	$ 6,176	$ (2,245)

See accompanying notes.

VIEWPOINT INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONCLUDED)
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000

	2002	2001	2000
	($ IN THOUSANDS)		
Totals brought forward	$ 13,504	$ 6,176	$(2,245)
Cash flows from financing activities:			
Purchase of restricted cash equivalent	--	(15,000)	--
Proceeds from restricted cash equivalent	6,917	--	--
Payment of deferred financing costs	--	(1,107)	--
Increase (decrease) in cash overdraft	(560)	(2,079)	1,710
Proceeds from (repayments of) notes and acceptances payable, net	(6,664)	8,120	7,834
Proceeds from long-term debt	--	37,500	273
Repayments of long-term debt	(7,580)	(1,894)	(733)
Repayment of loan payable -- member	--	(175)	--
Proceeds from (repayments of) loans payable -- shareholders, net	(9,090)	12,648	185
Proceeds from subordinated notes payable -- shareholders	--	10,000	--
Issuance of common stock	--	27,305	--
Purchase of treasury stock	--	(82,587)	--
Net cash provided by (used in) financing activities	(16,977)	(7,269)	9,269
Net increase (decrease) in cash and cash equivalents	(3,473)	(1,093)	7,024
Cash and cash equivalents, beginning of year	6,093	7,186	162
Cash and cash equivalents, end of year	$ 2,620	$ 6,093	$ 7,186
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid during the year for:			
Interest	$ 6,282	$ 2,434	$ 1,393
Income taxes	$ 25,557	$ 13,983	$ 4,308

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES

In connection with an adjustment to the purchase price of treasury stock during the year ended March 31, 2002, the Company issued loans payable to shareholders totalling $2,615.

In connection with the purchase of treasury stock during the year ended March 31, 2001, the Company issued subordinated notes payable to several shareholders totalling $15,000.

See accompanying notes.

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VIEWPOINT INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000
($ IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

NOTE 1 -- NATURE OF BUSINESS

Viewpoint International, Inc. (the "Company") is an importer of men's and women's sportswear sold primarily to retail stores in the United States. Its wholly-owned subsidiaries, Tommy Bahama R&R Holdings, Inc. and Tommy Bahama R&R Holdings II, Inc. (collectively "Tommy Bahama Retail"), operate, through their wholly-owned subsidiaries, retail restaurants and clothing stores that sell products by and promote the "Tommy Bahama" brand name in the United States. The Company's majority-owned subsidiary, Paradise Neckwear Co. LLC is a manufacturer of men's neckwear sold primarily to retail stores in the United States.

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of the Company, Tommy Bahama R&R Holdings, Inc. and its twenty-three wholly-owned subsidiaries, Tommy Bahama R&R Holdings II, Inc. and its four wholly-owned subsidiaries and Paradise Neckwear Co. LLC (hereinafter referred to collectively as the "Companies"). All significant intercompany transactions and balances have been eliminated in consolidation. Effective March 31, 2002, Tommy Bahama R&R Holdings II, Inc. was merged with and into Tommy Bahama R&R Holdings, Inc.

NOTE 2 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS

The Companies consider cash on hand, deposits in banks and short-term investments, with maturities of three months or less when purchased, as cash and cash equivalents.

INVENTORIES

Substantially all inventories are finished goods and are stated at the lower of cost (first-in, first-out method) or market. At March 31, 2002 and 2001, inventory in-transit was approximately $3,207 and $3,805, respectively.

PROPERTY AND EQUIPMENT

Property and equipment is recorded at cost. Expenditures for major additions and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. Depreciation of property and equipment is computed by both the straight-line and accelerated methods over the assets' estimated lives ranging from three to seven years. Leasehold improvements are amortized over the lesser of the lease terms or the assets' useful lives. Upon sale or retirement of equipment, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in operations.

GOODWILL

Goodwill represents the aggregate excess of the acquired cost of the minority interest in two retail stores over the fair value of their net assets on the date of acquisition. Commencing April 1, 2001, with the Company's adoption of SFAS No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142"), goodwill is no longer amortized and the Company is required to complete a test for impairment of goodwill annually, as well as a transitional goodwill impairment test within six months from the date of adoption. The Company has concluded its testing, on an individual store basis, as required by SFAS 142. The results of these tests did not indicate any impairment of the Company's recorded goodwill. SFAS 142 also requires disclosure of what net income would have been in all periods presented had SFAS 142 been in effect. The following table is provided to disclose what net income would have been had SFAS 142 been adopted in prior periods.

	FOR THE YEAR ENDED MARCH 31,		
	2002	2001	2000
Reported net income	$23,918	$24,024	$12,474
Add back: Goodwill amortization	--	205	--
Adjusted net income	$23,918	$24,229	$12,474
Net income per common share -- basic, as reported	$ 1.41	$ .85	$ .42
Net income per common share -- diluted, as reported	$ 1.40	$ .85	$ .42
Adjusted net income per common share -- basic	$ 1.41	$ .86	$ .42
Adjusted net income per common share -- diluted	$ 1.40	$ .86	$ .42

DEFERRED FINANCING COSTS

Costs incurred in the issuance of the subordinated notes payable -- shareholders, principally professional fees, are amortized by the straight-line method over the term of the notes (see Note 9).

SFAS No. 141, "Business Combinations" ("SFAS 141"), specifies certain criteria for identifying, valuing and recording intangible assets separate from goodwill. SFAS 142 also prescribes the disclosure requirements for intangible assets that meet these criteria. The following schedule details the Company's deferred financing costs, which are included in the accompanying balance sheets at March 31:

	2002	2001
Deferred financing costs	$1,107	$1,107
Less: Accumulated amortization	250	36
Net carrying amount	$ 857	$1,071

Amortization expense for the years ended March 31, 2002 and 2001 was approximately $214 and $36, respectively.

The future amortization expense for each of the four succeeding years relating to the deferred financing costs currently recorded on the balance sheet is estimated to be the following:

($ IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

YEAR ENDING MARCH 31,	
2003	$214
2004	$214
2005	$214
2006	$214

REVENUE RECOGNITION

Net sales from wholesale products are recognized upon transfer of title and risk of ownership to customers. Net sales from retail and restaurant sales are recognized when payment is tendered at the point of

sale. Revenue is recorded net of discounts, as well as provisions for estimated returns, allowances and doubtful accounts. Licensing revenue is recognized as earned.

INCOME TAXES

The Company and Tommy Bahama Retail file consolidated income tax returns.

The wholly-owned subsidiaries of Tommy Bahama Retail are all either limited liability companies or limited partnerships (collectively referred to as the "LLCs"). Limited liability companies and limited partnerships are not tax paying entities at the corporate level. Each member/partner is individually responsible for their share of the Companies' income or loss for income tax reporting purposes. Tommy Bahama Retail includes its respective share of the income and losses of the LLCs in its income tax returns.

SHIPPING AND HANDLING COSTS

The Company includes shipping and handling costs in selling and shipping expense. Shipping and handling costs for the years ended March 31, 2002, 2001 and 2000 amounted to approximately $3,619, $3,237 and $2,326, respectively.

ADVERTISING EXPENSES

Advertising expenses are charged to operations in the period in which they are incurred. Advertising expenses for the years ended March 31, 2002, 2001 and 2000 were approximately $2,084, $2,023 and $731, respectively.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company estimates the carrying value of its financial instruments approximates the fair value at the balance sheet date except for its $25,000 of subordinated notes payable -- shareholders (see Note 9). The estimated fair value of these notes are approximately $28,000 at March 31, 2002 based upon management's best estimate of interest rates that would be available to the Company for similar debt obligations.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NET INCOME PER SHARE

In accordance with SFAS No. 128, "Earnings Per Share," basic and diluted income per common share has been computed using the weighted-average number of shares of common stock outstanding during the period. Potentially dilutive securities outstanding at March 31, 2002 and 2001 which convert to common share equivalents consist of common stock warrants to purchase 102,222 shares of the Company's Class C Common Stock.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations" ("SFAS 143"). SFAS 143 requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the entity capitalizes the cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, the entity either settles the obligation for the amount recorded or incurs a gain or loss. SFAS 143 is effective for fiscal years beginning after June 15, 2002. Management believes that the adoption of this statement will not have a material effect on the Company's future results of operations.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"). SFAS 144 supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," ("SFAS 121") and the accounting and reporting provisions of Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations -- Reporting the Effects of Disposal of a Segment of a Business." The FASB issued SFAS 144 to establish a single accounting model, based on the framework established in SFAS 121, for long-lived assets to be disposed of by sale. SFAS 144 broadens the presentation of discontinued operations in the income statement to include a component of an entity (rather than a segment of a business). A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity. SFAS 144 also requires that discontinued operations be measured at the lower of the carrying amount or fair value less cost to sell. SFAS 144 is effective for fiscal years beginning after December 15, 2001 and should be applied prospectively. Management is evaluating the effect of this statement on the Company's results of operations and financial position.

In April 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13 and Technical

Corrections" ("SFAS 145"), which clarifies the criteria under which extinguishment of debt can be considered as extraordinary and rescinds the related SFAS Nos. 4 and 64 in addition to SFAS 44 and also makes technical corrections to other Statements of Financial Accounting Standards. The Company adopted SFAS 145 effective with the year ending March 31, 2002. The adoption of this statement had no immediate impact on the Company.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" ("SFAS 146"), which is effective for exit or disposal activities that are initiated after December 31, 2002, with earlier application encouraged. This statement addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force ("EITF") Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." The provisions of SFAS 146 are to be applied prospectively from the date of adoption. The Company has not yet assessed any potential impact the issuance of this standard may have on its financial position or future results of operations.

NOTE 3 -- CONCENTRATIONS OF RISK

CASH AND CASH EQUIVALENTS

The Companies are subject to a concentration of credit risk with respect to their cash and cash equivalents in excess of federally insured amounts.

ACCOUNTS RECEIVABLE

The concentration of credit risk in the Company's accounts receivable is mitigated by the sale of a substantial portion of its accounts receivable to a commercial factor. The remaining accounts receivable are subject to the Company's credit evaluation process, reasonably short collection terms and the geographical dispersion of revenue. Credit losses have been within management's expectations.

MAJOR CUSTOMERS

During the year ended March 31, 2002, two customers accounted for approximately 13% and 10%, respectively, of the Company's sales. During the year ended March 31, 2001, one customer accounted for approximately 13% of the Company's sales.

MAJOR SUPPLIERS

During the years ended March 31, 2002, 2001 and 2000, 42%, 48% and 53%, respectively, of purchases were from two suppliers. At March 31, 2002 and 2001, the amounts due to these suppliers were approximately $4,932 and $6,152, respectively, and are included in accounts payable. Management believes that other suppliers could provide the materials on comparable terms.

NOTE 4 -- DUE FROM FACTOR

The Company sells a substantial portion of its trade receivables to a commercial factor, without recourse, up to maximum credit limits established by the factor for each individual account. Receivables sold in excess of these limitations are subject to recourse in the event of non-payment by the customer. At March 31, 2002 and 2001, receivables subject to recourse were approximately $8,081 and $5,277, respectively. Under a tri-party agreement with the bank (see Note 7) all factor proceeds are assigned to the bank.

($ IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

NOTE 5 -- PROPERTY AND EQUIPMENT

At March 31, property and equipment consists of:

	2002	2001
Office machinery and equipment	$ 771	$ 643
Furniture and fixtures	6,743	5,401
Computer equipment	2,767	1,782
Leasehold improvements	16,470	12,537
Kitchen equipment	1,547	1,489
Construction in progress	67	395
	28,365	22,247
Less: Accumulated depreciation and amortization	9,977	6,152
	$18,388	$16,095

NOTE 6 -- INVESTMENT IN PARADISE SHOE COMPANY LLC

The Company has a 50% interest in Paradise Shoe Company LLC ("Paradise") which is accounted for under the equity method. Under this method, the Company's investment is adjusted for its proportionate share of Paradise's undistributed earnings or losses. The Company also has a royalty agreement with

Paradise based on a percentage of net sales. Royalties are payable 50% at the end of each quarter with the balance due eighteen months later. During the years ended March 31, 2002, 2001 and 2000, the Company charged Paradise royalties of approximately $519, $549 and $373, respectively.

NOTE 7 -- NOTES AND BANKERS ACCEPTANCES PAYABLE

The Company has a financing agreement providing for a term loan (see Note 8) and a revolving line of credit. The agreement is renewable on an annual basis through March 31, 2006 provided that on each renewal date the Company is in compliance with the terms of the agreement. The revolving line of credit is subject to the following sublimits:

	JUNE-OCTOBER	NOVEMBER-MAY

Maximum amount available under the revolving line of credit	$40,000	$52,500
Maximum amount of bankers acceptances	$35,000	$45,000
Maximum amount of cash advances	$15,000	$20,000

Borrowings are based on eligible factored accounts receivable and inventory, as defined, and bear interest at the 4-month LIBOR rate plus 2.75%, which on a weighted-average annual basis, amounted to 4.88% and 6.4% as of and for the year ended March 31, 2002, respectively. The agreement includes various covenants, as defined. The Company was in compliance with these covenants as of March 31, 2002. The Company has pledged substantially all of its assets as collateral and the debt is guaranteed by Tommy Bahama Retail and its wholly-owned subsidiaries.

NOTE 8 -- LONG-TERM DEBT

At March 31, long-term debt consists of:

	2002	2001
Term loan payable (see Note 7) in monthly installments of $625 through February 2006; plus interest at the 3-month LIBOR rate plus 3% (4.89% at March 31, 2002)	$29,375	$36,875
Loans payable in monthly installments of $8, including interest at 5.6%	--	80
	29,375	36,955
Less: Current portion	7,500	7,580
	$21,875	$29,375

At March 31, 2002, maturities of long-term debt are as follows:

YEAR ENDING MARCH 31,	
2003	$ 7,500
2004	7,500
2005	7,500
2006	6,875
	$29,375

VIEWPOINT INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000
($ IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

($ IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

NOTE 9 -- RELATED PARTY TRANSACTIONS

LOANS PAYABLE -- SHAREHOLDERS

During the year ended March 31, 2001, the Company borrowed $15,000 from four shareholders to purchase a certificate of deposit, which is pledged as collateral on the Company's credit facility. The deposit, which is in an automatically renewed 7-day certificate of deposit, earns interest at 2.39% at March 31, 2002. The shareholders are entitled to interest earned and, accordingly, interest expense charged to operations for the years ended March 31, 2002 and 2001 was approximately $378 and $114, respectively. In June 2001, the Company repaid three of the shareholders $7,170 plus accrued interest of approximately $126. At March 31, 2002 and 2001, loans payable -- shareholders includes approximately $367 and $114, respectively, of accrued interest.

Additionally, included in loans payable -- shareholders at March 31, 2002 and 2001 is approximately $515 and $1,465, respectively, of a loan payable to a shareholder, which bears interest at the rate of 6% per annum and is due on demand. Included in the total is approximately $515 and $465 of accrued interest at March 31, 2002 and 2001, respectively. Interest expense charged to operations for the years ended March 31, 2002, 2001 and 2000 was approximately $50, $148 and $210, respectively.

SUBORDINATED NOTES PAYABLE -- SHAREHOLDERS

At March 31, 2002 and 2001, the Company has notes payable to several shareholders, which bear interest at 16% (effective rate of 17.05%), are due on March 31, 2006 and are subordinated to the Company's credit facility. Interest is payable quarterly at the rate of 13% and the remaining 3% accrues and is paid upon maturity. Interest expense charged to operations for the years ended March 31, 2002 and 2001 in connection with these notes was approximately $4,176 and $515, respectively. Included in accrued expenses and other current liabilities at March 31, 2002 and 2001 is approximately $824 and $418, respectively, of accrued interest. The notes include various covenants and restrictions, as defined. The Company has pledged substantially all of its assets as collateral and the debt is guaranteed by Tommy Bahama Retail and its wholly-owned subsidiaries.

At March 31, subordinated notes payable -- shareholders is comprised of the following:

	2002	2001
Face value	$25,000	$25,000
Unamortized discount	(410)	(525)
Accrued interest	858	97
	$25,448	$24,572

EMPLOYMENT CONTRACTS

The Company has entered into employment contracts with three shareholders and a key employee expiring in 2006 that provide for minimum annual salaries and incentives based on the Company's attainment of specified levels of sales and earnings. The future minimum salaries are as follows:

YEAR ENDING MARCH 31,	
2003	$2,400
2004	2,400
2005	2,400
2006	2,000
	$9,200

Salaries and incentives to shareholders charged to operations for the years ended March 31, 2002 and 2001 amounted to approximately $3,178 and $3,811, respectively.

CONSULTING CONTRACT

The Company has entered into a consulting contract with a director expiring in 2006. Future minimum payments are as follows:

YEAR ENDING MARCH 31,	
2003	$ 850
2004	850
2005	850
2006	708
	$3,258

Consulting fees to the related party charged to operations for the year ended March 31, 2002 were approximately $1,349.

MANAGEMENT CONTRACT

The Company has entered into a management contract with a shareholder calling for an advisory fee in annual payments of $300. The fee will be reduced to $200 per annum at such time as the shareholder and all of its affiliates collectively own less than 50% of the shares of the Company's Class C Common Stock.

Advisory fees to the shareholder charged to operations for the years ended March 31, 2002 and 2001 amounted to approximately $300 and $50, respectively.

NOTE 10 -- SHAREHOLDERS' EQUITY

COMMON STOCK

($ IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

On February 7, 2001, the Company amended and restated its Articles of Incorporation creating an additional class of Common Stock (Class C) and authorizing additional shares of Class A and B. Each existing share was converted into 20,000 shares of the same class. Accordingly, the accompanying consolidated financial statements give effect to the conversion for all periods presented.

CONVERSION RIGHTS

Each Class B share is convertible into one share of Class A at the option of the holder immediately prior to a public offering. If the offering does not occur, the conversion option is voided.

Each Class C share is convertible into one share of Class A at the option of the holder at anytime. The convertible number of shares will be adjusted for any stock dividends, distributions, splits or mergers, as defined.

LIQUIDATION PREFERENCE

In the event of any liquidation, dissolution or winding up of the affairs of the Company, holders of Class C Common Stock are entitled to the greater of (a) the amount they would receive after conversion of all shares to Class A Common Stock or (b) an amount equal to a compounded annual rate of return of 14.5% of the original purchase price of each share from the date of issuance ($5.15 per share) as adjusted for stock splits, dividends, combinations and the like, reduced by the aggregate amounts of dividends or other distributions paid to them from the original issue date through liquidation date.

TREASURY STOCK

At March 31, treasury stock consisted of the following:

	SHARES	2002	2001
Class A voting common stock..................	18,278,591	$ 96,726	$94,112
Class B non-voting common stock..............	675,000	3,475	3,475
	18,953,591	$100,201	$97,587

In November 2001, the Company adjusted the purchase price of various shares purchased on February 9, 2001 by approximately $2,614. At March 31, 2002, approximately $1,392 of this amount was unpaid and is included in loans payable -- shareholders on the accompanying consolidated balance sheet.

WARRANTS

At March 31, 2002, there are outstanding warrants to purchase 102,222 shares of Class C Common Stock at $.01 per share. The warrants are exercisable anytime after August 9, 2002 and expire on February 9, 2008.

($ IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

NOTE 11 -- EMPLOYEE BENEFIT PLANS

401(K) PLAN

The Company has a 401(k) plan for all eligible employees. Matching contributions to the plan are at the discretion of the Company. For the years ended March 31, 2002, 2001 and 2000, employer contributions to the plan were approximately $321, $258 and $208, respectively.

DEFERRED COMPENSATION PLAN

During the year ended March 31, 2002, the Company began a non-qualified, deferred compensation plan (the "Plan") for all eligible highly compensated employees, as defined. Participants may contribute up to 100% of their annual compensation, as defined. Participants are immediately vested in their contributions plus actual earnings thereon. Employer contributions are based on a discretionary matching contribution.

Participants become 100% vested in employer contributions after five years of service. There were no employer contributions during the year ended March 31, 2002.

The assets of the Plan have been invested, as directed by employees, in marketable securities consisting primarily of mutual funds, and have been classified as trading securities, which are recorded at fair value on the consolidated balance sheet with the change in fair value during the period included in earnings. Included in other income on the accompanying consolidated statement of income for the year ended March 31, 2002 is approximately $13 of unrealized gains on these securities.

NOTE 12 -- INCOME TAXES

The provision for income taxes for the years ended March 31, 2002, 2001 and 2000 consists of:

	2002	2001	2000
Federal:			
Current	$11,743	$16,355	$6,292
Deferred	704	(1,872)	(382)
	12,447	14,483	5,910
State and local:			
Current	843	867	676
Deferred	60	(685)	(33)
	903	182	643

	$13,350	$14,665	$6,553
	=======	=======	======

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

	FOR THE YEAR ENDED MARCH 31,		
	2002	2001	2000
Statutory rate	35.0%	35.0%	35.0%
State and local income taxes -- net of federal income tax benefit	1.6	.3	2.1
Other, net	(.7)	2.1	(4.2)
Effective rate	35.9%	37.4%	32.9%

Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

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VIEWPOINT INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
FOR THE YEARS ENDED MARCH 31, 2002, 2001 AND 2000
($ IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

Significant components of the deferred income tax assets as of March 31, 2002 and 2001 are as follows:

	2002	2001
Current portion:		
Inventory uniform capitalization	$ 164	$ 153
Inventory reserves	--	760
Accrued compensation	194	1,051
Other	(5)	22
	353	1,986
Long-term portion:		
Depreciation and amortization	1,197	747
Deferred rent obligation	413	239
Deferred compensation	245	--

($ IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	1,855	986
	$2,208	$2,972

NOTE 13 -- COMMITMENTS AND CONTINGENCIES

OPERATING LEASES

The Companies lease office, showroom, store space and equipment under operating leases expiring in various years through 2019. The rental payments under store facility leases are based upon a minimum rental plus a percentage of the stores' sales in excess of stipulated amounts. Only the minimum rental portions are included in future commitments.

At March 31, 2002, the aggregate approximate minimum annual rental commitments under non-cancelable leases are as follows:

YEAR ENDING MARCH 31,	
2003	$ 7,949
2004	8,482
2005	7,865
2006	7,463
2007	6,957
Thereafter	30,745
	$69,461

Rent expense for the years ended March 31, 2002, 2001 and 2000 amounted to approximately $9,720, $6,262 and $3,222, respectively. Rent expense for the years ended March 31, 2002, 2001 and 2000 also includes straight-line adjustments in accordance with Statement of Financial Accounting Standards No. 13 of approximately $456, $378 and $251, respectively. As of March 31, 2002 and 2001, obligations of approximately $1,086 and $629, respectively, representing future payments are reflected in the accompanying consolidated balance sheets.

LETTERS OF CREDIT

At March 31, 2002, the Company had approximately $7,641 of outstanding letters of credit under its credit facility. In addition, the Company has recorded approximately $2,516 of outstanding letters of credit as in-transit inventory, which is included in accounts payable on the accompanying consolidated balance sheet.

In addition, the Company has issued three standby letters of credit totalling approximately $824 as security deposits for two of its leased premises and as collateral on a surety bond used for its insurance plan.

($ IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

SELF-INSURANCE PROGRAM

The Company provides its employees basic and major medical insurance coverage through a limited self-insurance program. Claims processed and paid are reimbursed to a maximum per participant per contract year. Benefits in excess of this limit are covered by stop-loss insurance coverage.

LITIGATION

The Company is a defendant in various lawsuits which arose in the ordinary course of business. Management is vigorously defending the lawsuits and believes the outcomes will not have a material effect on the Company's financial condition.

NOTE 14 -- SEGMENTS

The Company's business segments are wholesale and retail and restaurant operations. The wholesale operations consist of the importing of men's and women's sportswear sold primarily to retail stores throughout the United States. The retail and restaurant operations consist of retail clothing and restaurants that sell products by and promote the "Tommy Bahama" brand name in the United States.

The accounting policies of the segments are consistent with those described in Note 2. All intercompany revenue and profits or losses are eliminated in consolidation. We evaluate each segment based upon earnings before interest and income taxes.

	WHOLESALE	RETAIL AND RESTAURANT	ELIMINATIONS	TOTAL
March 31, 2002:				
Net sales	$221,760	$95,074	$(31,881)	$284,953
Depreciation and amortization	$ 1,084	$ 2,757	$ --	$ 3,841
Earnings before interest and income taxes	$ 40,422	$ 4,837	$ (688)	$ 44,571
Total assets	$106,183	$38,739	$(28,822)	$116,100
Purchases of property and equipment	$ 1,793	$ 4,325	$ --	$ 6,118
March 31, 2001:				
Net sales	$212,808	$64,809	$(23,151)	$254,466
Depreciation and amortization	$ 637	$ 2,102	$ --	$ 2,739
Earnings before interest and income taxes	$ 41,104	$ 2,697	$ (2,423)	$ 41,378
Total assets	$113,858	$38,836	$(30,240)	$122,454
Purchases of property and equipment	$ 1,215	$ 8,302	$ --	$ 9,517

	WHOLESALE	RETAIL AND RESTAURANT	ELIMINATIONS	TOTAL
March 31, 2000:				
Net sales........................	$121,240	$40,844	$(14,485)	$147,599
Depreciation and amortization....	$ 251	$ 1,465	$ --	$ 1,716
Earnings before interest and income taxes..................	$ 16,627	$ 4,791	$ (856)	$ 20,562
Total assets.....................	$ 70,985	$18,928	$(11,960)	$ 77,953
Purchases of property and equipment.....................	$ 593	$ 2,121	$ --	$ 2,714

NOTE 15 -- SUMMARIZED QUARTERLY DATA (UNAUDITED)

The following is a summary of the quarterly results of operations for the periods ended March 31, 2002 and 2001:

	MARCH 31, 2002	DEC. 31, 2001	SEPT. 30, 2001	JUNE 30, 2001	TOTAL
Net sales....................	$92,850	$62,253	$52,364	$77,486	$284,953
Gross profit.................	$46,871	$34,135	$25,463	$39,981	$146,450
Net earnings (loss)..........	$10,467	$ 5,945	$ (240)	$ 7,746	$ 23,918
Basic earnings (loss) per common share...............	$ .62	$ .35	$ (.01)	$ .45	$ 1.41
Diluted earnings (loss) per common share...............	$ .61	$ .35	$ (.01)	$ .45	$ 1.40

	MARCH 31, 2001	DEC. 31, 2000	SEPT. 30, 2000	JUNE 30, 2000	TOTAL
Net sales....................	$98,446	$65,448	$32,726	$57,846	$254,466
Gross profit.................	$44,482	$33,366	$15,904	$25,925	$119,677
Net earnings.................	$ 9,060	$ 8,141	$ 445	$ 6,378	$ 24,024
Basic earnings per common share......................	$ .40	$ .27	$ .01	$ .21	$ .85
Diluted earnings per common share......................	$ .40	$ .27	$ .01	$ .21	$ .85

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UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

VIEWPOINT INTERNATIONAL, INC.

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VIEWPOINT INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
UNAUDITED
DECEMBER 31, 2002 AND 2001

	2002	2001
	($ IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 7,247	$ 3,331
Cash equivalent -- restricted	--	8,147
Due from factor	23,463	19,730
Accounts receivable, net of allowance for doubtful accounts of approximately $59 in 2002 and $98 in 2001	3,654	688
Royalties receivable -- Paradise Shoe Company LLC	515	856
Inventories	40,230	24,603
Prepaid income taxes	--	5,619
Deferred income taxes	582	1,474
Prepaid expenses and other current assets	6,640	5,046
Total current assets	82,331	69,494
Property and equipment, net	25,327	18,608
Other assets:		
Goodwill, net	5,537	5,537
Deferred financing costs, net	696	910
Royalties receivable -- Paradise Shoe Company LLC	251	174
Investment in Paradise Shoe Company LLC	654	506
Deferred income taxes	2,343	1,545
Marketable securities	799	307
Security deposits and other assets	575	532
Total other assets	10,855	9,511
	$118,513	$ 97,613
LIABILITIES AND EQUITY (DEFICIENCY)		
Current liabilities:		
Accounts payable	$ 31,905	$ 20,699
Notes and bankers acceptances payable	5,744	11,271
Long-term debt -- current portion	7,589	7,508
Income taxes payable	3,244	--
Loans payable -- shareholders	59	12,271
Accrued expenses and other current liabilities	10,216	9,363
Total current liabilities	58,757	61,112
Long-term debt	16,427	23,750
Deferred rent	1,452	928
Deferred compensation	799	307
Subordinated notes payable -- shareholders	26,114	25,233
Minority interests in subsidiaries	17	169
Commitments and contingencies		
Equity (deficiency):		
Class A Voting Common Stock -- $.0001 par value: Authorized -- 40,000,000 shares Issued -- 29,325,000 shares	3	3
Class B Non-Voting Common Stock -- $.0001 par value: Authorized -- 675,000 shares		

Issued -- 675,000 shares	--	--
Class C Voting Common Stock -- $.0001 par value:		
Authorized -- 6,200,000 shares		
Issued and outstanding -- 5,948,067 shares	1	1
Additional paid-in capital	29,714	29,714
Retained earnings and members' interests	85,430	56,597
	115,148	86,315
Less: Treasury stock, at cost	100,201	100,201
Total equity (deficiency)	14,947	(13,886)
	$118,513	$ 97,613

See accompanying notes.

VIEWPOINT INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
UNAUDITED
FOR THE NINE MONTHS ENDED DECEMBER 31, 2002 AND 2001

	2002	2001
	($ IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	
Net sales:		
Wholesale	$ 140,900	$ 123,399
Retail	84,554	68,704
Total net sales	225,454	192,103
Cost of goods sold	110,893	92,524
Gross profit	114,561	99,579
Licensing income	2,732	1,682
	117,293	101,261
Operating expenses:		
Retail and restaurant	31,930	32,140
Selling and shipping	20,027	17,192
General and administrative	33,607	25,283
Total operating expenses	85,564	74,615
Operating income	31,729	26,646
Other expense (income):		
Interest expense, net of interest income of approximately $46 in 2002 and $504 in 2001	4,613	5,816
Equity in loss (income) of Paradise Shoe Company LLC	(158)	280
Other income	(227)	(88)
Net other expense	4,228	6,008
Income before provision for income taxes and minority interests in net loss of subsidiaries	27,501	20,638

Provision for income taxes	9,187	7,242
Income before minority interests in net loss of subsidiaries	18,314	13,396
Minority interests in net loss of subsidiaries	52	55
Net income	$ 18,366	$ 13,451
Net income per common share -- basic	$ 1.08	$ .79
Net income per common share -- diluted	$ 1.07	$ .79
Weighted-average common shares outstanding -- basic	16,994,476	16,994,476
Weighted-average common shares outstanding -- diluted	17,096,505	17,096,505

See accompanying notes.

VIEWPOINT INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIENCY)
UNAUDITED
FOR THE NINE MONTHS ENDED DECEMBER 31, 2002 AND 2001

	COMMON STOCK						
	CLASS A		CLASS B		CLASS C		ADDIT PAID CAPI
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT	
	($ IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)						
Balance, April 1, 2002	29,325,000	$3	675,000	$--	5,948,067	$1	$29,
Net income	--	--	--	--	--	--	
Balance, December 31, 2002	29,325,000	$3	675,000	$--	5,948,067	$1	$29,
Balance, April 1, 2001	29,325,000	$3	675,000	$--	5,948,067	$1	$29,
Adjustment to treasury stock purchase price	--	--	--	--	--	--	
Net income	--	--	--	--	--	--	
Balance, December 31, 2001	29,325,000	$3	675,000	$--	5,948,067	$1	$29,

	RETAINED EARNINGS AND MEMBERS' INTERESTS	TREASURY STOCK		
		SHARES	AMOUNT	TOTAL
	($ IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)			
Balance, April 1, 2002	$67,064	18,953,591	$(100,201)	$ (3,419)

Net income	18,366	--	--	18,366
Balance, December 31, 2002	$85,430	18,953,591	$(100,201)	$ 14,947
Balance, April 1, 2001	$43,146	18,953,591	$ (97,587)	$(24,723)
Adjustment to treasury stock purchase price	--	--	(2,614)	(2,614)
Net income	13,451	--	--	13,451
Balance, December 31, 2001	$56,597	18,953,591	$(100,201)	$(13,886)

See accompanying notes.

VIEWPOINT INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
UNAUDITED
FOR THE NINE MONTHS ENDED DECEMBER 31, 2002 AND 2001

	2002	2001
	($ IN THOUSANDS)	
Cash flows from operating activities:		
Net income	$ 18,366	$ 13,451
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for doubtful accounts	14	39
Depreciation and amortization	3,105	2,830
Interest amortization of discount on notes payable and deferred financing costs	238	238
Accrued interest on subordinated notes payable -- shareholders	589	584
Deferred income taxes	(717)	(47)
Deferred rent	366	299
Equity in loss (income) of Paradise Shoe Company LLC	(158)	280
Losses (gains) on marketable securities	156	(14)
Minority interests in net loss of subsidiaries	(52)	(55)
Gain on purchase of minority interest	(37)	--
Change in assets and liabilities:		
Due from factor	17,142	18,797
Accounts receivable	(615)	6,246
Royalties receivable -- Paradise Shoe Company LLC	143	(446)
Inventories	(15,559)	(2,225)
Prepaid income taxes	1,835	(5,619)
Prepaid expenses and other current assets	(1,128)	1,188
Security deposits and other assets	19	(193)
Accounts payable	12,550	3,957
Income taxes payable	3,206	(11,193)
Accrued expenses and other current liabilities	121	(995)
Deferred compensation	181	307
Net cash provided by operating activities	39,765	27,429

Cash flows from investing activities:		
Purchases of property and equipment	(9,734)	(5,342)
Purchase of marketable securities	(337)	(298)
Purchase of minority interest	(31)	--
Sales of marketable securities	--	5
Investment in Paradise Shoe Company LLC	--	(250)
Net cash used in investing activities	(10,102)	(5,885)
Totals carried forward	$ 29,663	$ 21,544

See accompanying notes.

VIEWPOINT INTERNATIONAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONCLUDED)
UNAUDITED
FOR THE NINE MONTHS ENDED DECEMBER 31, 2002 AND 2001

	2002	2001
	($ IN THOUSANDS)	
Totals brought forward	$ 29,663	$ 21,544
Cash flows from financing activities:		
Proceeds from restricted cash equivalent	8,197	6,967
Repayments of notes and acceptances payable, net	(17,518)	(18,655)
Repayments of long-term debt	(5,670)	(5,696)
Repayments of loans payable -- shareholders, net	(10,045)	(6,922)
Net cash used in financing activities	(25,036)	(24,306)
Net increase (decrease) in cash and cash equivalents	4,627	(2,762)
Cash and cash equivalents, beginning of year	2,620	6,093
Cash and cash equivalents, end of period	$ 7,247	$ 3,331

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the period for:		
Interest	$ 3,207	$ 3,949
Income taxes	$ 4,931	$ 24,443

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES

In 2002, the Company incurred long-term debt of $310 in connection with the acquisition of capitalized equipment.

In 2001, in connection with an adjustment to the purchase price of treasury stock, the Company issued loans payable to several shareholders totalling $2,615.

See accompanying notes.

VIEWPOINT INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED
FOR THE NINE MONTHS ENDED DECEMBER 31, 2002 AND 2001
($ IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

NOTE 1 -- BASIS OF PRESENTATION

The accompanying unaudited, consolidated financial statements were prepared in accordance with the rules and regulations of the Securities and Exchange Commission. Accordingly, certain information and note disclosures normally included in audited financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been omitted. In the opinion of management, all adjustments consisting of normal, recurring adjustments necessary for a fair presentation of (a) the results of operations for the nine months ended December 31, 2002 and 2001, (b) the financial position at December 31, 2002 and 2001 and (c) cash flows for the nine months ended December 31, 2002 and 2001, have been made. The results of operations for the nine months ended December 31, 2002 and 2001 are not necessarily indicative of those to be expected for the entire year.

The accompanying consolidated financial statements and notes should be read in conjunction with the audited consolidated financial statements and notes of the Company for the fiscal year ended March 31, 2002. Any material facts that have changed from those footnotes are discussed herein, or are a normal result of transactions during the interim period.

NOTE 2 -- ACCOUNTING POLICIES

The summary of the Company's significant accounting polices in its audited consolidated financial statements for the fiscal year ended March 31, 2002 describes its accounting policies. Except as noted below, accounting policies are the same as the fiscal year ended March 31, 2002.

NOTE 3 -- RECENT ACCOUNTING PRONOUNCEMENTS

In June 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations" ("SFAS 143"). SFAS 143 requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded, the entity capitalizes the cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, the entity either settles the obligation for the amount recorded or incurs a gain or loss. SFAS 143 is effective for fiscal years beginning after June 15, 2002. Management believes that the adoption of this statement will not have a material effect on the Company's future results of operations.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"). SFAS 144 supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" ("SFAS 121"), and the accounting and reporting provisions of Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations -- Reporting the Effects of Disposal of a Segment of a Business." The FASB issued SFAS 144 to establish a single accounting model, based on the framework established in SFAS 121, for long-lived assets to be disposed of by sale. SFAS 144 broadens the presentation of discontinued operations in the income statement to include a component of an entity (rather than a segment of a business). A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity. SFAS 144 also requires that discontinued operations be measured at the lower of the carrying amount or fair value less cost to sell. The Company adopted SFAS 144 on April 1, 2002. The provisions of this statement for assets held for sale or other disposal generally are required to be applied prospectively after the adoption date to newly initiated disposal activities and, therefore, will depend on future actions initiated by management. As a result, the Company cannot determine the

potential effects that adoption of SFAS 144 will have on its consolidated financial statements with respect to future disposal decisions, if any.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" ("SFAS 146"), which is effective for exit or disposal activities that are initiated after December 31, 2002, with earlier application encouraged. This statement addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force ("EITF") Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." The provisions of SFAS 146 are to be applied prospectively from the date of adoption. The Company has not yet assessed any potential impact the issuance of this standard may have on its financial position or future results of operations.

NOTE 4 -- NET INCOME PER SHARE

In accordance with SFAS No. 128, "Earnings Per Share," basic and diluted income per common share has been computed using the weighted-average number of shares of common stock outstanding during the period. Potentially dilutive securities outstanding at December 31, 2002 and 2001 which convert to common share equivalents consist of common stock warrants to purchase 102,222 shares of the Company's Class C Common Stock.

NOTE 5 -- SEGMENTS

The Company's business segments are wholesale and retail and restaurant operations. The wholesale operations consist of the importing of men's and women's sportswear sold primarily to retail stores throughout the United States. The retail and restaurant operations consist of retail clothing and restaurants that sell products by and promote the "Tommy Bahama" brand name in the United States.

The accounting policies of the segments are consistent with those described in our audited consolidated financial statements for the fiscal year ended March 31, 2002. All intercompany revenue and profits or losses are eliminated in consolidation. We evaluate each segment based upon earnings before interest and income taxes. Effective April 1, 2002, the Company began allocating corporate overhead expenses to

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)
UNAUDITED
FOR THE NINE MONTHS ENDED DECEMBER 31, 2002 AND 2001
($ IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

each segment based upon each segment's usage of corporate resources. The amount allocated to the retail and restaurant segment for the nine months ended December 31, 2002 was $3,536.

	WHOLESALE	RETAIL AND RESTAURANT	ELIMINATIONS	TOTAL
December 31, 2002:				
Net sales	$169,616	$84,554	$(28,716)	$225,454
Depreciation and amortization	$ 1,029	$ 2,076	$ --	$ 3,105
Earnings before interest and income taxes	$ 28,060	$ 3,720	$ 225	$ 32,005
Total assets	$100,177	$66,449	$(48,113)	$118,513
Purchases of property and equipment	$ 4,122	$ 5,612	$ --	$ 9,734
December 31, 2001:				
Net sales	$144,815	$68,704	$(21,416)	$192,103
Depreciation and amortization	$ 788	$ 2,042	$ --	$ 2,830
Earnings before interest and income taxes	$ 23,591	$ 3,017	$ (260)	$ 26,348
Total assets	$ 84,372	$55,475	$(42,234)	$ 97,613
Purchases of property and equipment	$ 1,531	$ 3,811	$ --	$ 5,342

SIGNATURE

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

OXFORD INDUSTRIES, INC.

By: /s/ Ben B. Blount, Jr.

Ben B. Blount, Jr.
Executive Vice President and
Chief Financial Officer

Date: April 28, 2003