GIBRALTAR INDUSTRIES, INC.
Form S-8 POS
March 23, 2012
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As filed with the Securities and Exchange Commission March 23, 2012

Registration No. 333-143582

Registration No. 333-172588

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 1 TO REGISTRATION NO. 333-143582

POST-EFFECTIVE AMENDMENT NO. 1 TO REGISTRATION NO. 333-172588

FORM S-8

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

GIBRALTAR INDUSTRIES, INC.

(Exact name of Registrant as specified in its charter)

Delaware	**16-1445150**
(State or other jurisdiction of incorporation organization)	**(I.R.S. Employer Identification No.)**
3556 Lake Shore Road, P.O. Box 2028	
Buffalo, New York	**14219-0228**
(address of principal executive offices)	**(zip code)**

Gibraltar Industries, Inc. 2005 Equity Incentive Plan

(Full title of the plan)

Kenneth W. Smith

Senior Vice President and Chief Financial Officer

Gibraltar Industries, Inc.

3556 Lake Shore Road

P.O. Box 2028

Buffalo, New York 14219-0228

(Name and address of agent for service)

Telephone number, including area code, of agent for service: (716) 826-6500

Copy To:

Michael E. Storck, Esq.

Lippes Mathias Wexler Friedman LLP

665 Main Street, Suite 300

Buffalo, New York 14203

(716) 853-5100

CALCULATION OF REGISTRATION FEE

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of large accelerated filer , accelerated filer , and small reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer	¨	Accelerated filer	x
Non-accelerated filer	¨	Smaller reporting company	¨

Title of Securities to be Registered	Amount to be registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee
Common Stock	(1)	(1)	(1)	N/A (1)

(1) This Post-Effective Amendment No. 1 to Registration Statement No. 333-143582 and Registration Statement No. 333-172588 does not register any additional shares. This Post-effective Amendment No. 1 pertains to the 2,250,000 shares registered on Form S-8 Registration Statement No. 333-143582 and the 750,000 shares registered on Form S-8 Registration Statement No. 333-172588. The filing fees for the 3,000,000 shares those registrations cover were paid when the registration statements were filed on June 7, 2007 and March 3, 2011, respectively.

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EXPLANATORY NOTES

On June 7, 2007, Gibraltar Industries, Inc. (the Registrant) filed a Registration Statement under the Securities Act of 1933, as amended (the Securities Act) on Form S-8 (Registration No. 333-143582) registering 2,250,000 shares of the Registrant s common stock $0.01 par value, for issuance under the Registrant s 2005 Equity Incentive Plan. On November 2, 2007, the Registrant filed a reoffer prospectus respecting the 2005 Equity Incentive Plan on Form S-8 (Registration No. 333-147117). On February 25, 2009, the Registrant s Board of Directors (the Board) approved a Third Amendment and Restatement of the 2005 Equity Incentive Plan, which, as further modified by the Board on April 17, 2009, among other things, increased the number of shares reserved under the 2005 Equity Incentive Plan from 2,250,000 to 3,000,000. On May 18, 2009, the Registrant s stockholders approved the adoption of the Third Amendment and Restatement of the 2005 Equity Incentive Plan (the Plan). On March 3, 2011, the Registrant registered the additional 750,000 shares included in the Plan and filed a reoffer prospectus on Form S-8 (Registration No. 333-172588). Pursuant to General Instruction E of Form S-8, this Registration Statement incorporates by reference the contents of our Registration Statements on Form S-8 (Registration Nos. 333-143582, 333-147117, and 333-172588), except as otherwise set forth herein.

This Registration Statement includes a re-offer prospectus in Part I (the Revised Reoffer Prospectus), which has been revised to update the reoffer prospectuses that were filed with Registrant s Form S-8 Registration Statements No. 333-147117 and No. 333-172588. The Revised Re-offer Prospectus has been prepared in accordance with General Instruction C of Form S-8 and the requirements of Part I of Form S-3, and may be used for re-offers of shares of common stock (acquired or to be acquired pursuant to awards granted under the Plan) that are defined as control securities or restricted securities under General Instruction C of Form S-8.

The names of persons selling shares under the Revised Re-offer Prospectus and the amount of such shares are set forth below under the caption Selling Stockholders to the extent we presently have such information. However, other affiliate selling stockholders may elect to sell shares under the Revised Re-offer Prospectus as they receive them from time to time in the future in which case, as their names and amounts of shares to be reoffered become known, we will supplement the Revised Re-offer Prospectus with that information. In addition, as permitted by General Instruction C of Form S-8, certain non-affiliates holding less than the lesser of 1,000 shares or 1% of our common stock issuable under the Plan may resell restricted securities issued under the Plan up to that amount under the Revised Re-offer Prospectus without being named therein. Any securities covered by the Revised Re-offer Prospectus which qualify for sale pursuant to Rule 144 may be sold under Rule 144 rather than pursuant to the Revised Re-offer Prospectus.

PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

Item 1. Plan Information.

The documents containing the information specified in Part I of this Registration Statement will be sent or given to all persons who participate in the Plan, as specified by Rule 428(b)(1) of the Securities Act. These documents are not required to be and are not filed with the Securities and Exchange Commission (the Commission) as part of this Registration Statement or as prospectuses or prospectus supplements pursuant to Rule 424 of the Securities Act. These documents and the documents incorporated by reference in this Registration Statement pursuant to Item 3 of Part II of this Registration Statement, taken together, constitute a prospectus that meets the requirements of Section 10(a) of the Securities Act.

Item 2. Registrant Information and Employee Plan Annual Information.

We will furnish without charge to any person to whom information is required to be delivered, upon written or oral request, a copy of each document incorporated by reference in Item 3 of Part II of this registration statement. Requests should be directed to: Attention: Timothy F. Murphy, Gibraltar Industries, Inc., 3556 Lake Shore Road, P.O. Box 2028, Buffalo, NY 14219-0228 at (716) 826-6500.

The Revised Re-offer Prospectus described in the Explanatory Notes begins on the following page.

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RE-OFFER PROSPECTUS

1,117,803 Shares of Common Stock

This re-offer prospectus relates to the reoffer and resale of up to 1,117,803 shares of common stock, par value $0.01 per share of Gibraltar Industries, Inc., issuable pursuant to the terms of our 2005 Equity Incentive Plan as amended (the Plan), which may be offered for sale from time to time by certain of our stockholders (Selling Stockholders), who have acquired or in some cases may hereafter acquire shares under the Plan, as described below under the caption Selling Stockholders. We will not receive any proceeds from the sale of shares of common stock pursuant to this re-offer prospectus. These Selling Stockholders may resell all, a portion, or none of the shares of common stock to which this re-offer prospectus relates from time to time. The names of persons selling shares under this re-offer prospectus and the amount of such shares are set forth below under the caption Selling Stockholders to the extent we presently have such information. However, other affiliate selling stockholders may elect to sell shares this re-offer prospectus as they receive them from time to time in the future in which case, as their names and amounts of shares to be reoffered become known, we will supplement this re-offer prospectus with that information. In addition, as permitted by General Instruction C of Form S-8, certain non-affiliates holding less than the lessor of 1,000 shares or 1% of our common stock issuable under the Plan may resell restricted securities issued under the Plan up to that amount under this re-offer prospectus without being named herein. Any securities covered by this re-offer prospectus which qualify for sale pursuant to Rule 144 may be sold under Rule 144 rather than pursuant to this prospectus. **See Selling Stockholders beginning on page 7.**

This re-offer prospectus has been prepared for the purpose of registering the shares under the Securities Act of 1933, as amended (the Securities Act) to allow for future sales by the Selling Stockholders, on a continuous or delayed basis, to the public without restriction. Each Selling Stockholder that sells shares of our common stock pursuant to this re-offer prospectus may be deemed to be an underwriter within the meaning of the Securities Act. Any commissions received by a broker or dealer in connection with resales of shares may be deemed to be underwriting commissions or discounts under the Securities Act.

You should carefully read this re-offer prospectus, including the information it incorporates by reference, and any accompanying prospectus supplement before making a decision to purchase shares from the Selling Stockholders. The shares of common stock registered hereby may be sold from time to time directly by, or on behalf of, each Selling Stockholders in one or more transactions on the NASDAQ Stock Exchange Global Select Market® or on any other stock exchange on which our common stock may be listed at the time of sale, in privately negotiated transactions, or through a combination of such methods, at market prices prevailing at the time of sale, at prices related to such prevailing market prices, at fixed prices (which may be changed) or at negotiated prices. We will not receive any proceeds from any of these sales. We are paying the expenses incurred in registering the shares, but all selling and other expenses incurred by each of the selling stockholders will be borne by that stockholder. **See Plan of Distribution beginning on page 10.**

Investing in our common stock involves risks. See Risk Factors beginning on page 1.

Our common stock is listed on the NASDAQ Stock Exchange Global Select Market® under the trading symbol ROCK. On March 22, 2012 the last reported sale price of our common stock on the NASDAQ Stock Exchange Global Select Market® was $14.67 per share.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE

The date of this re-offer prospectus is March 23, 2012

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This re-offer prospectus and the documents incorporated by reference herein, other than historical statements, contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are based, in whole or in part, on current expectations, estimates, forecasts, and projections about the Company s business, and management s beliefs about future operations, results, and financial position. These statements are not guarantees of future performance and are subject to a number of risk factors, uncertainties, and assumptions. Risk factors that could affect these statements include, but are not limited to, the following: the availability of raw materials and the effects of changing raw material prices on the Company s results of operations; energy prices and usage; changing demand for the Company s products and services; changes in the liquidity of the capital and credit markets; risks associated with the integration of acquisitions; and changes in interest and tax rates. In addition, such forward-looking statements could also be affected by general industry and market conditions, as well as general economic and political conditions. The Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law or regulation.

You should read this prospectus in its entirety and with the understanding that actual results in the future may be materially different from what we presently expect. We will not update these forward-looking statements, even if our situation or expectations change in the future.

You should rely only on the information contained or incorporated by reference in this document. We have not authorized anyone to provide you with information that is different from that contained in this document. This document may be used only where it is legal to sell these securities. The information in this document may be accurate only on the date of this document.

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GIBRALTAR INDUSTRIES, INC.

Unless otherwise stated or the context otherwise requires, references in this prospectus to Gibraltar, the Registrant, the Company, we, us, and our refer to Gibraltar Industries, Inc. and its subsidiaries on a consolidated basis.

Our Business

Gibraltar is a leading manufacturer and distributor of products for the building and industrial markets. Our products provide structural and architectural enhancements for residential homes, low-rise retail, other commercial and professional buildings, industrial plants, bridges, and a wide-variety of other structures. Products we offer include ventilation products, mail storage solutions including mailboxes and package delivery products, rain dispersion products and accessories, bar grating, expanded metal, metal lath, and expansion joints and structural bearings. We believe Gibraltar has strong brand recognition in all product categories which provides us with product leadership positions. We serve customers throughout North America and Europe including major home improvement retailers, distributors, and contractors. As of December 31, 2011, we operated 41 facilities in 20 states, Canada, England, and Germany, giving us a broad platform for just-in-time delivery and support to our customers.

Our Strategy

Our strategy is to position Gibraltar as the low-cost provider and market share leader in product areas that offer the opportunity for sales growth and margin enhancement over the long-term. We focus on operational excellence including lean initiatives throughout the Company to position Gibraltar as our customers low-cost provider of the products we offer. We continuously seek to improve our on-time delivery, quality, and service to position Gibraltar as a preferred supplier to our customers. During the past few years, Gibraltar invested in new enterprise resource planning (ERP) systems which, among other things, have enabled us to more effectively manage our inventory, forecast customer orders, enable efficient supply chain management, and respond to volatile material costs. At the same time, we have significantly reduced our working capital levels while maintaining a high level of customer service.

Our Industry

Our business occupies an intermediate market between the primary steel, aluminum, resin, and other basic material producers and the wholesale, retail building supply, industrial manufacturing, and highway construction markets. The primary producers typically focus on producing high volumes of their product. We purchase raw materials from these producers and, through various production processes, convert these raw materials into specialized products for use in the construction or repair and remodel of residential and commercial buildings, industrial and transportation structures, and other products. We primarily distribute our products through wholesale distributors, retailers, and contractors.

RISK FACTORS

In addition to the other information set forth in this prospectus, including the information we incorporate herein by reference, you should carefully consider the following risks. If any of the following risks actually occur, our business, financial condition and/or operating results could be materially adversely affected.

Uncertainty and market volatility within the United States and worldwide capital and credit markets have and could continue to negatively impact the Company s business.

The economic conditions experienced since the recession began in 2008 have caused market prices of many stocks to fluctuate substantially, the spreads on prospective debt financings to widen considerably, and have materially impacted liquidity in the financial markets, making terms for certain financings less attractive, and in some cases have resulted in the unavailability of financing. Continued uncertainty in the capital and credit markets may negatively impact our business, including our ability to access additional financing at reasonable terms, which may negatively affect our ability to make future acquisitions. A prolonged downturn in the financial markets may cause us to seek alternative sources of potentially less attractive financing, and may require us to further adjust our business plan accordingly. These events may also make it more difficult or costly for us to raise capital through the issuance of our equity securities and could reduce our net income by increasing our interest expense and other costs of capital. The disruptions in the financial markets may have a material adverse effect on the market value of our common stock.

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The diminished availability of credit and other capital is also affecting end users in the key markets we serve. There is continued uncertainty as to sustainability of the recovery of the worldwide capital and credit markets and the impact this uncertainty and volatility will continue to have on our key end markets. Further volatility in the worldwide capital and credit markets may continue to significantly impact the key end markets we serve and could result in further reductions in sales volume, increased credit and collection risks, and may have other adverse effects on our business.

Our level of indebtedness could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, and prevent us from meeting our obligations.

We have total indebtedness of $207.2 million as of December 31, 2011. The following chart shows our level of indebtedness and certain other information as of December 31, 2011 (dollars in thousands):

		September 30,
Senior subordinated notes	$	202,323
Other debt		4,840
Total debt	$	207,163
Shareholders equity	$	459,936
Ratio of earnings to fixed charges[1]		1.72x

[1] For purposes of calculating the ratio of earnings to fixed charges for the year ended December 31, 2011, earnings consist of income before taxes minus capitalized interest plus fixed charges. Fixed charges include interest expense (including amortization of debt issuance costs), capitalized interest, and the portion of operating rental expense that management believes is representative of the interest component of rent expense.

We may not be able to generate sufficient cash flow from operating results and other sources to service all of our indebtedness and we could be forced to take other actions to satisfy our obligations under our debt agreements, which may not be successful.

Our ability to make scheduled payments or to refinance our debt obligations depends on our financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business, and other factors beyond our control. We cannot assure you that we will maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets or operations, seek additional capital or restructure or refinance our indebtedness. We cannot assure you that we would be able to take any of these actions, that these actions would be successful and permit us to meet our scheduled debt service obligations or that these actions would be permitted under the terms of our existing or future debt agreements. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. The Fourth Amended and Restated Credit Agreement dated October 11, 2011 (the Senior Credit Agreement) and the indenture agreement for our Senior Subordinated 8% Notes (8% Notes) restrict our ability to dispose of assets and the use of proceeds from dispositions. We may not be able to consummate those dispositions or to obtain the proceeds which we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due.

If we cannot make scheduled payments on our debt, we will be in default and, as a result:

our debt holders could declare all outstanding principal and interest to be due and payable;

- the lenders under the Senior Credit Agreement could terminate their commitments to lend us money and foreclose against the assets securing their borrowings; and

- we could be forced into bankruptcy or liquidation.

Relative to current indebtedness levels, we may still be able to incur substantially more debt. This could further exacerbate the risks described above.

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The terms of the indenture for our 8% Notes do not fully prohibit us or our subsidiaries from incurring additional debt. Additionally, the Senior Credit Agreement provides us with a revolving credit facility commitment up to $200 million with borrowings limited to the lesser of (i) $200 million or (ii) a borrowing base determined by reference to the trade receivables, inventories, and property, plant, and equipment of our significant domestic subsidiaries. At December 31, 2011, we had $115.6 million of availability under our revolving credit facility. Under the terms of our Senior Credit Agreement, we are required to repay all amounts outstanding under the revolving credit facility by the earlier of October 10, 2016 or six months prior to the maturity date of our 8% Notes, which are due December 1, 2015. Our principal operating subsidiary, Gibraltar Steel Corporation of New York, is also a borrower under the Senior Credit Agreement and the full amount of our commitments under the revolving credit facility may be borrowed by that subsidiary.

In addition, our substantial degree of indebtedness could have other important consequences, including the following:

- it may limit our ability to obtain additional debt or equity financing for working capital, capital expenditures, product development, debt service requirements, acquisitions, and general corporate or other purposes;

- a substantial portion of our cash flows from operations have been and are expected to be dedicated to the payment of principal and interest on our indebtedness and may not be available for other purposes, including our operations, capital expenditures, and future business opportunities;

- certain of our borrowings, including borrowings under the Senior Credit Agreement, are at variable rates of interest, exposing us to the risk of increased interest rates; and

- it may limit our ability to adjust to changing market conditions and place us at a competitive disadvantage compared to our competitors that have less debt.

Restrictive covenants may adversely affect our operations.

The Senior Credit Agreement and the indenture governing our 8% Notes contain various covenants that limit our ability to, among other things:

- incur additional debt or provide guarantees in respect of obligations of other persons;

- pay dividends or distributions or redeem or repurchase capital stock;

- prepay, redeem, or repurchase debt;

- make loans, investments including acquisitions, and capital expenditures;

- incur debt that is senior to our 8% Notes but junior to our indebtedness under the Senior Credit Agreement and other senior indebtedness;

- incur liens;

- restrict distributions from our subsidiaries;
- sell assets and capital stock of our subsidiaries;
- consolidate or merge with or into, or sell substantially all of our assets to, another person; and
- enter into new lines of business.

In addition, the restrictive covenants in the Senior Credit Agreement include a single financial covenant that requires the Company to maintain a minimum fixed charge coverage ratio of 1.25 to 1.00. Our ability to meet the restrictive covenants in the future can be affected by events beyond our control and we cannot assure you that we will meet the financial ratio. A breach of any of these covenants would result in a default under the Senior Credit Agreement. Upon the occurrence of an event of default under the Senior Credit Agreement, we would attempt to receive a waiver from our lenders, which could result in us incurring additional financing fees that would be costly and adversely affect our profitability and cash flows. If a waiver was not provided, the lenders could elect to declare all amounts outstanding under such facility to be immediately due and payable and terminate all commitments to extend further credit. If such event of default and election occurs, the lenders under the Senior Credit Agreement would be entitled to be paid before current 8% Note holders receive any payment under our notes. In addition, if we were unable to repay those amounts, the lenders under the Senior Credit Agreement could proceed against the collateral granted to them to secure that indebtedness. We have pledged substantially all our assets as collateral under the Senior Credit Agreement. If the lenders under the Senior Credit Agreement accelerate the repayment of borrowings, we cannot assure you that we will have sufficient assets to repay debt outstanding under the

Senior Credit Agreement and our other indebtedness, including our 8% Notes, or borrow sufficient funds to refinance such indebtedness. An acceleration of the amounts outstanding under the Senior Credit Agreement would result in an event of default under the 8% Notes which would then entitle the holders thereof to accelerate and demand repayment of the notes as well. Even if we are able to obtain new financing to pay the amounts due under the Senior Credit Agreement and 8% Notes, it may not be on commercially reasonable terms, or terms that are acceptable to us. A breach of any of our covenants would have an adverse effect on our business, results of operations, and cash flow.

Variable rate indebtedness subjects us to interest rate risk which could cause our debt service obligations to increase significantly.

Certain of our borrowings, primarily borrowings under the Senior Credit Agreement, are, and are expected to continue to be, at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase on any amounts outstanding under the Senior Credit Agreement, and our net income would decrease. Assuming all revolving loans were fully drawn or funded on December 31, 2011, as applicable, each 25 basis point change in interest rates would result in a $0.5 million change in annual interest expense on debt outstanding under the Senior Credit Agreement.

The residential building as well as the repair and remodel industries account for a significant portion of our sales, and any further reduction in demand from these industries is likely to adversely affect our profitability and cash flow further.

The residential building market in North America experienced a significant decline in volume beginning during 2008 which has yet to recover. Similar trends were noted in the other end markets we serve, including the repair and remodel industry.

Our largest customers are retail home improvement centers and wholesale distributors who serve our key end markets. The Home Depot accounted for approximately 13%, 14%, and 16% of our net sales during 2011, 2010, and 2009, respectively.

A loss of sales to the residential building industry, or the repair and remodel industry, or to the specified customer, would adversely affect our profitability and cash flow as it did throughout the past three years. Our sales of building products decreased during this period due to a decline in demand in the new build residential building and repair and remodel industries. This reduction in volume caused a decrease in our operating margins compared to prior years. This industry is cyclical, with product demand based on numerous factors such as availability of credit, interest rates, general economic conditions, consumer confidence, unemployment levels, and other factors beyond our control. The economic conditions experienced during the past three years negatively affected all of these factors.

Further downturns in demand from the residential building and repair and remodel industries, or any of the other industries we serve, or a decrease in the prices that we can realize from sales of our products to customers in any of these markets could continue to adversely affect our profitability and cash flows.

We rely on a few customers for a significant portion of our net sales. The loss of those customers would adversely affect our business.

Some of our customers are material to our business and results of operations. Our ten largest customers accounted for approximately 31%, 34%, and 38% of our net sales during 2011, 2010, and 2009, respectively. Our percentage of net sales to our major customers may increase if we are successful in executing our strategy of broadening the range of products we sell to existing customers. In such as event, or in the event of any consolidation of our customers, our net sales may be increasingly sensitive to deterioration in the financial condition of, or other adverse developments with, one or more of our largest customers. These customers are also able to exert pricing and other influences on us, requiring us to market, deliver, and promote our products in a manner that may be more costly to us. Moreover, we generally do not have long-term contracts with our customers. As a result, although our customers periodically provide indications of their product needs and purchases, they generally purchase our products on an order-by-order basis, and the relationship, as well as particular orders, can be terminated at any time. The loss, bankruptcy, or significant decrease in business from any of our major customers would have a material adverse effect on our business, results of operations, and cash flow.

Our business is highly competitive and increased competition could reduce our gross profit, net income, and cash flow.

The principal markets that we serve are highly competitive. Competition is based primarily on quality, price, raw material and inventory availability, and the ability to meet delivery schedules dictated by customers. We compete in our principal markets with companies of various sizes, some of which have greater financial and other resources than we do and some of which have better established brand names in the markets we serve. Increased competition could force us to lower our prices or to offer additional services or enhanced products at a higher cost to us, which could reduce our gross profit, net income, and cash flow and cause us to lose market share.

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Our future operating results may be affected by fluctuations in raw material costs. We may not be able to pass on increased raw material costs to our customers.

Our principal raw materials are commodity products consisting of steel, aluminum, and resins, which we purchase from multiple primary suppliers. The commodity market as a whole is cyclical, and at times availability and pricing can be volatile due to a number of factors beyond our control, including general economic conditions, domestic and worldwide demand, labor costs, competition, import duties, tariffs, and currency exchange rates. This volatility can significantly affect our raw material costs.

Global consolidation of the primary steel producers and increased demand from other nations such as China and India continue to put upward pressure on market prices for steel and other commodities. Additionally, we are required to maintain substantial inventories to accommodate the short lead times and just-in-time delivery requirements of our customers. Accordingly, we purchase raw materials on a regular basis in an effort to maintain our inventory at levels that we believe are sufficient to satisfy the anticipated needs of our customers based upon expected buying practices and market conditions. In an environment of increasing raw material prices, competitive conditions will impact how much of the steel price increases we can pass on to our customers. To the extent we are unable to pass on future price increases in our raw materials to our customers, the profitability of our business and resulting cash flows could be adversely affected. In the event of rapidly decreasing raw material prices, we may be left to absorb the cost of higher cost inventory as customers receive reduced pricing related to decreases in raw material costs. To the extent we are unable to match our costs to purchase raw materials to prices given to our customers, the profitability of our business and resulting cash flows could be adversely affected.

Lead time and the cost of our products could increase if we were to lose one of our primary suppliers.

If, for any reason, our primary suppliers of steel, aluminum, resins, or other materials should curtail or discontinue deliveries to us in quantities we need and at prices that are competitive, our business could suffer. The number of available suppliers has been reduced in recent years due to industry consolidation and bankruptcies affecting steel and metal producers and this trend may continue. Our top ten suppliers accounted for 33% of our purchases during 2011. We could be significantly and adversely affected if delivery were disrupted from a major supplier or several suppliers. In addition, we do not have long-term contracts with any of our suppliers. If, in the future, we were unable to obtain sufficient amounts of the necessary metals at competitive prices and on a timely basis from our traditional suppliers, we may not be able to obtain such metals from alternative sources at competitive prices to meet our delivery schedules, which would have a material adverse effect on our results, profitability, and cash flow.

Increases in energy and freight prices would increase our operating costs and we may be unable to pass all these increases on to our customers in the form of higher prices for our products.

We use energy to manufacture and transport our products. In particular, our plants use considerable electricity and our freight expenses include the cost of fuel to operate trucks. Our operating costs increase if energy costs rise. Although we do not believe we have experienced materially higher energy costs as a result of new or more stringent environmental regulations of our energy suppliers, such regulations could increase the cost of generating energy that is passed on to us. We do not hedge our exposure to higher prices via energy futures contracts. During periods of higher freight and energy costs, we may not be able to recover our operating cost increases through price increases without reducing demand for our products. Increases in energy prices may reduce our profitability and cash flows if we are unable to pass all the increases on to our customers.

We may not be able to identify, manage, and integrate future acquisitions successfully and if we are unable to do so, we are unlikely to sustain growth in net sales or profitability and our ability to repay our outstanding indebtedness may decline.

Historically, we have grown through a combination of internal growth plus external expansion through acquisitions such as the 2011 acquisitions of D.S. Brown and Award Metals. Although we intend to actively pursue our growth strategy in the future, we cannot provide any assurance that we will be able to identify appropriate acquisition candidates or, if we do, that we will be able to negotiate successfully the terms of an acquisition, finance the acquisition, or integrate the acquired business profitably into our existing operations. Integration of an acquired business could disrupt our business by diverting management away from day-to-day operations and could result in liabilities that were not anticipated. Further, failure to integrate any acquisition successfully may cause significant operating inefficiencies and could adversely affect our profitability and our ability to repay our outstanding indebtedness. Consummating an acquisition could require us to raise additional funds through additional equity or debt financing. Additional debt financing would increase our interest expense and reduce our cash flow otherwise available to reinvest in our business and neither debt nor equity financing may be available on satisfactory terms when required.

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We are subject to information system security risks and systems integration issues could disrupt our internal operations.

We are dependent upon information technology for the distribution of information internally and also to our customers and suppliers. This information technology is subject to theft, damage, or interruption from a variety of sources, including but not limited to malicious computer code, such as worms, viruses and Trojan horses, security breaches, and defects in design. The implementation of new information technology solutions could lead to interruptions of information flow internally and to our customers and suppliers while the implementation project is being completed. We implemented new systems during the past three years at several business units. Various measures have been taken to manage our risks related to information system and network disruptions, but a security breach, system failure, or failure to implement new systems properly could negatively impact our operations and financial results.

Our principal stockholders have the ability to exert significant influence in matters requiring a stockholder vote and could delay, deter, or prevent a change in control of the Company.

Approximately 9% of our outstanding common stock, including shares of common stock issuable under options and similar compensatory instruments granted which are exercisable, or which vested or will vest within 60 days, are owned by Brian J. Lipke, the Chairman of the Board and Chief Executive Officer of the Company, Eric R. Lipke, Neil E. Lipke, Meredith A. Lipke, and Curtis W. Lipke, all of whom are siblings, and certain trusts for the benefit of each of them and their families. As a result, the Lipke family has influence over all actions requiring stockholder approval, including the election of our board of directors. In deciding how to vote on such matters, the Lipke family may be influenced by interests that conflict with the interests of other shareholders.

We depend on our senior management team, and the loss of any member could adversely affect our operations.

Our success is dependent on the management and leadership skills of our senior management team. The loss of any of these individuals or an inability to attract, retain, and maintain additional personnel could prevent us from successfully executing our business strategy. We cannot assure you that we will be able to retain our existing senior management personnel or to attract additional qualified personnel when needed. We have not entered into employment agreements with any of our senior management personnel other than Brian J. Lipke, our Chairman of the Board and Chief Executive Officer, and Henning N. Kornbrekke, our President and Chief Operating Officer.

We could incur substantial costs in order to comply with, or to address any violations of, environmental laws.

Our operations and facilities are subject to a variety of federal, state, local, and foreign laws and regulations relating to the protection of the environment and human health and safety. Failure to maintain or achieve compliance with these laws and regulations or with the permits required for our operations could result in substantial operating costs and capital expenditures, in addition to fines and civil or criminal sanctions, third-party claims for property damage or personal injury, cleanup costs or temporary or permanent discontinuance of operations. Certain facilities of ours have been in operation for many years and, over time, we and other predecessor operators of these facilities have generated, used, handled, and disposed of hazardous and other regulated wastes. Environmental liabilities could exist, including cleanup obligations at these facilities or at off-site locations where materials from our operations were disposed of or at facilities we divested, which could result in future expenditures that cannot be currently quantified and which could reduce our profits and cash flow. We may be held strictly liable for the contamination of these sites, and the amount of that liability could be material. Under the joint and several liability principle of certain environmental laws, we may be held liable for all remediation costs at a particular site, even with respect to contamination for which we are not responsible. Changes in environmental laws, regulations or enforcement policies, including without limitation new or more stringent regulations affecting greenhouse gas emissions, could have a material adverse effect on our business, financial condition, or results of operations.

Labor disruptions at any of our major customers or at our own manufacturing facilities could adversely affect our results of operations and cash flow.

Many of our customers have unionized workforces and could experience labor disruptions such as work stoppages, slow-downs, and strikes. A labor disruption at one or more of our customers could interrupt production or sales by that customer and cause the customer to halt or limit orders for our products and services. Any such reduction in the demand for our products and services would adversely affect our net sales, results of operations, and cash flow.

In addition, approximately 21% of our own employees are represented by unions through various collective bargaining agreements. One collective bargaining agreement has expired and is currently being renegotiated. Other collective bargaining agreements are scheduled to expire between March 31, 2012 and February 23, 2015. It is likely that our unionized employees will seek an increase in wages and benefits at the expiration of these agreements, and we may be unable to negotiate new agreements without labor disruption. In addition, labor organizing activities could occur at any of our facilities. If any labor disruption were to occur at our facilities, we could lose sales due to interruptions in production and could incur additional costs, which would adversely affect our net sales, results of operations, and cash flow.

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Our operations are subject to seasonal fluctuations that may impact our cash flow.

Our net sales are generally lower in the first and fourth quarters primarily due to reduced activity in the building industry due to colder, more inclement weather. In addition, quarterly results may be affected by the timing of large customer orders. Therefore, our cash flow from operations may vary from quarter to quarter. If, as a result of any such fluctuation, our quarterly cash flows were significantly reduced, we may not be able to service our indebtedness or maintain covenant compliance. A default under any of our indebtedness could prevent us from borrowing additional funds and limit our ability to pay interest or principal, and allow our senior secured lenders to enforce their liens against our personal property.

Economic, political, and other risks associated with foreign operations could adversely affect our financial results.

Although the majority of our business activity takes place in the United States, we derive a portion of our revenues and earnings from operations in foreign countries, and are subject to risks associated with doing business internationally. Our sales originating outside the United States represented approximately 14% of our consolidated net sales during the year ended December 31, 2011. We have facilities in Canada, England, and Germany. We believe that our business activities outside of the United States involve a higher degree of risk than our domestic activities. The risks of doing business in foreign countries include the potential for adverse changes in the local political climate, in diplomatic relations between foreign countries and the United States or in governmental policies, laws or regulations, terrorist activity that may cause social disruption, logistical and communications challenges, costs of complying with a variety of laws and regulations, difficulty in staffing and managing geographically diverse operations, deterioration of foreign economic conditions, currency rate fluctuations, foreign exchange restrictions, differing local business practices and cultural considerations, restrictions on imports and exports or sources of supply, and changes in duties or taxes. Adverse changes in any of these risks could adversely affect our net sales, results of operations, and cash flows.

Disruptions to our business or the business of our customers or suppliers could adversely impact our operations and financial results.

Business disruptions, including increased costs for or interruptions in the supply of energy or raw materials, resulting from severe weather events such as hurricanes, floods, blizzards, from casualty events, such as fires or material equipment breakdown, from acts of terrorism, from pandemic disease, from labor disruptions, or from other events such as required maintenance shutdowns, could cause interruptions to our businesses as well as the operations of our customers and suppliers. Such interruptions could have an adverse effect on our operations and financial results.

USE OF PROCEEDS

All proceeds from the sale of the common stock offered hereby will be for the accounts of the Selling Stockholders. We will not receive any of the proceeds from the sale from time to time of the common stock offered hereby. All expenses of registration incurred in connection with this offering are being borne by us, but all selling and other expenses incurred by any selling stockholder will be borne by such selling stockholder.

SELLING STOCKHOLDERS

This re-offer prospectus relates to shares that are being registered for re-offer and resale by Selling Stockholders who have received or acquired, or may hereafter receive or acquire, the shares pursuant to the Plan. The Selling Stockholders may resell all, a portion, or none of the shares of common stock from time to time.

The following table sets forth (a) the name of each Selling Stockholder; (b) the number of shares of common stock beneficially owned by each Selling Stockholder as of March 23, 2012; (c) the maximum number of shares of common stock that each Selling Stockholder may offer for sale from time to time pursuant to this reoffer prospectus, whether or not the Selling Stockholder has any present intention to do so and whether or not such shares have previously been issued to the Selling Stockholders or many in the future be issued, if at all; and (d) the number of shares of common stock and the percentage of common stock that would be beneficially owned by each Selling Stockholders assuming the sale of all shares offered hereby. All information with respect to beneficial ownership has been furnished by the Selling Stockholders. The inclusion in the table below of the individuals named therein shall not be deemed to be an admission that any such individuals are our affiliates as that term is defined under Rule 405 under the Securities Act.

Information concerning the identities of the Selling Stockholders, the number of shares that may be sold by each Selling Stockholder and information about the shares beneficially owned by the Selling Stockholders may from time to time be updated in supplements to this reoffer prospectus, which will be filed with the SEC in accordance with Rule 424(b) of the Securities Act if and when necessary. The names of persons selling shares under this re-offer prospectus and the amount of such shares are set forth below to the extent we presently have such information. However, other affiliate Selling Stockholders may elect to sell shares this re-offer prospectus as they

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receive them from time to time in the future in which case, as their names and amounts of shares to be re-offered become known, we will supplement this re-offer prospectus with that information. In addition, as permitted by General Instruction C of Form S-8, certain non-affiliates holding less than the lesser of 1,000 shares or 1% of our common stock issuable under the Plan may resell restricted securities issued under the Plan up to that amount under this re-offer prospectus without being named therein. Any securities covered by this re-offer prospectus which qualify for sale pursuant to Rule 144 may be sold under Rule 144 rather than pursuant to this prospectus. Information on the shares offered pursuant to this reoffer prospectus, as listed below, do not necessarily indicate that the Selling Stockholder presently intends to sell any or all of the shares so listed. Because the Selling Stockholders may sell none, some or all of the shares owned by them which are included in this reoffer prospectus, no estimate can be given as to the number of shares available for resale hereby that will be held by the Selling Stockholders upon the termination of the offering made hereby. We have therefore assumed, for purposes of the following table, that the Selling Stockholders will sell all of the shares owned by them that are being offered hereby, but will not sell any other shares of our common stock that they presently own.

The address of each Selling Stockholder is c/o Gibraltar Industries, Inc., 3556 Lake Shore Rd., P.O. Box 2028, Buffalo, New York 14219.

	September 30,	September 30,	September 30,	September 30,	September 30,
	SHARES BENEFICIALLY OWNED PRIOR TO THIS OFFERING (1)		NUMBER OF SHARES BEING OFFERED (1)	SHARES BENEFICIALLY OWNED UPON COMPLETION OF THE OFFERING (2)	
NAME	**NUMBER**	**PERCENT**		**NUMBER**	**PERCENT**
Brian J. Lipke (3) Chairman of the Board and Chief Executive Officer	1,381,116	4.52%	456,377	1,216,772	3.98%
Henning N. Kornbrekke (4) President and Chief Operating Officer	247,470	*	407,864	7,500	*
Gerald S. Lippes (5) Director	56,557	*	8,000	48,557	*
Kenneth W. Smith (6) Senior Vice President and Chief Financial Officer	32,443	*	89,566	10,000	*
William P. Montague (7) Director	28,682	*	8,000	20,682	*
Arthur A. Russ, Jr. (8) Director	27,875	*	8,000	19,875	*
Robert E. Sadler, Jr. (9) Director	21,000	*	12,000	9,000	*
William J. Colombo (10) Director	16,000	*	12,000	4,000	*
David N. Campbell (11) Director	14,569	*	8,000	6,569	*
Paul M. Murray (12) Senior Vice President Human Resources and Organizational Development	11,095	*	38,164	1,761	*
Timothy F. Murphy (13) Vice President and Secretary	4,112	*	30,733		*
Timothy J. Heasley (14) Senior Vice President and Corporate Controller	8,814	*	39,099		*

* Denotes less than 1%

(1) Ownership is determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934. The actual number of shares beneficially owned and offered for sale is subject to adjustment and could be materially less or more than the estimated amount indicated

depending upon factors, which we cannot predict at this time.

(2) Assumes all the shares offered hereby are sold to persons who are not affiliates of the Selling Stockholders and the Selling Stockholders sell no other shares they beneficially own.

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(3) Includes (i) 202,685 shares of common stock registered in the name of the reporting person, (ii) 987,360 shares of common stock held by two trusts for the benefit of Brian J. Lipke, (iii) 146,900 shares of common stock, representing Brian J. Lipke s proportionate share of common stock held by Rush Creek Investment Co., L.P. (Rush Creek), Rush Creek s general partner is Rush Creek Management Company, LLC, which is owned pro rata by trusts established for the benefit of each of Brian J. Lipke, and four other siblings of the reporting person, (iv) 5,235 shares of common stock allocated to Brian J. Lipke s self-directed account under our 401(k) Retirement Savings Plan, (v) 27,186 shares of common stock held by trusts and custodial accounts for the benefit of the daughters of Brian J. Lipke, and (vi) 11,750 shares of common stock held by the minor children of Brian J. Lipke. Excludes (i) 28,267 shares of common stock held by a trust for the benefit of the mother of Brian J. Lipke, as to which he serves as one of three trustees and disclaims beneficial ownership, (ii) 45,000 shares of common stock held by a trust for the benefit of a sibling of Brian J. Lipke, as to which he serves as one of five trustees and disclaims beneficial ownership, (iii) 9,407 shares of common stock held by a trust for the benefit a niece of Brian J. Lipke, as to which he serves as one of four trustees and disclaims beneficial ownership, and (iv) 2,077 shares of common stock held in a custodial account for the benefit of a relative of Brian J. Lipke as to which he disclaims beneficial ownership. The shares being offered by Mr. Lipke include 212,690 shares of common stock underlying restricted stock units and 243,687 shares of common stock of which 79,343 are currently held by the Company in Treasury Stock.

(4) Includes 247,470 shares of common stock registered in the name of the reporting person. The shares being offered by Mr. Kornbrekke include 45,000 shares of common stock underlying restricted stock units and 362,864 shares of common stock of which 122,894 are currently held in by the Company in Treasury Stock.

(5) Includes (i) 54,682 shares of common stock registered in the name of the reporting person, including 5,000 restricted shares with respect to which Mr. Lippes exercises voting power but does not currently have dispositive power and (ii) 1,875 shares of common stock held by Lippco Capital LLC, a company controlled by Mr. Lippes. The shares being offered by Mr. Lippes include 5,000 shares with respect to which Mr. Lippes exercises voting power but does not currently have dispositive power.

(6) Includes 32,443 shares of common stock registered in the name of the reporting person. The shares being offered by Mr. Smith include 55,326 shares of common stock underlying restricted stock units and 34,240 shares of common stock of which 11,797 are currently held in by the Company in Treasury Stock.

(7) Includes 28,682 shares of common stock registered in the name of the reporting person, including 5,000 restricted shares with respect to which Mr. Montague exercises voting power but does not currently have dispositive power. The shares being offered by Mr. Montague include 5,000 shares with respect to which Mr. Montague exercises voting power but does not currently have dispositive power.

(8) Includes (i) 25,575 shares of common stock registered in the name of the reporting person, including 5,000 restricted shares with respect to which Mr. Russ exercises voting power but does not currently have dispositive power and (ii) 2,300 shares held by his wife as to which Mr. Russ claims beneficial ownership. Excludes 28,267 shares of common stock held by a trust for which Mr. Russ serves as one of three trustees and disclaims beneficial ownership. The shares being offered by Mr. Russ include 5,000 shares with respect to which Mr. Russ exercises voting power but does not currently have dispositive power.

(9) Includes 21,000 shares of common stock registered in the name of the reporting person, including 9,000 restricted shares with respect to which Mr. Sadler exercises voting power but does not currently have dispositive power. The shares being offered by Mr. Sadler include 9,000 shares with respect to which Mr. Sadler exercises voting power but does not currently have dispositive power.

(10) Includes 16,000 shares of common stock registered in the name of the reporting person, including 9,000 restricted shares with respect to which Mr. Colombo exercises voting power but does not currently have dispositive power. The shares being offered by Mr. Colombo include 9,000 shares with respect to which Mr. Colombo exercises voting power but does not currently have dispositive power.

(11) Includes (i) 10,819 shares of common stock registered in the name of the reporting person, including 5,000 restricted shares with respect to which Mr. Campbell exercises voting power but does not currently have dispositive power and (ii) 3,750 shares of common stock held by an Individual Retirement Account for the benefit of Mr. Campbell. The shares being offered by Mr. Campbell include 5,000 shares with respect to which Mr. Campbell exercises voting power but does not currently have dispositive power.

(12) Includes (i) 9,334 shares of common stock registered in the name of the reporting person and (ii) 1,761 shares of common stock allocated to Mr. Murray s self-directed account under our 401(k) Retirement Savings Plan. The shares being offered by Mr. Murray include 24,075 shares of common stock underlying restricted stock units, 536 shares of common stock issuable under options, and 13,553 shares of common stock of which 4,219 are currently held in by the Company in Treasury Stock.

(13) Includes 4,112 shares of common stock registered in the name of the reporting person. The shares being offered by Mr. Murphy include 15,252 shares of common stock underlying restricted stock units, 11,242 shares of common stock issuable under options, and 4,239 shares of common stock of which 127 are currently held in by the Company in Treasury Stock. Mr. Murphy was appointed a Vice President and Secretary of the Company effective March 2, 2012.

(14) Includes (i) 8,814 shares of common stock registered in the name of the reporting person. The shares being offered by Mr. Heasley include 25,259 shares of common stock underlying restricted stock units and 13,840 shares of common stock of which 5,026 are currently held in by the Company in Treasury Stock. Mr. Heasley resigned effective March 2, 2012 as Senior Vice President and Corporate Controller of the Company.

PLAN OF DISTRIBUTION

The shares of common stock covered by this prospectus are being registered by Gibraltar for the account of the Selling Stockholders.

The shares of common stock offered may be sold from time to time directly by or on behalf of each Selling Stockholder in one or more transactions on the NASDAQ Stock Exchange Global Select Market® or any other stock exchange on which the common stock may be listed at the time of sale, in privately negotiated transactions, or through a combination of such methods, at market prices prevailing at the time of sale, at prices related to such prevailing market prices, at fixed prices (which may be changed) or at negotiated prices. The Selling Stockholders may sell shares through one or more agents, brokers or dealers or directly to purchasers. Such brokers or dealers may receive compensation in the form of commissions, discounts or concessions from the Selling Stockholders and/or purchasers of the shares or both. Such compensation as to a particular broker or dealer may be in excess of customary commissions.

In connection with their sales, a Selling Stockholder and any participating broker or dealer may be deemed to be underwriters within the meaning of the Securities Act, and any commissions they receive and the proceeds of any sale of shares may be deemed to be underwriting discounts and commissions under the Securities Act.

We are bearing all costs relating to the registration of the shares of common stock. Any commissions or other fees payable to brokers or dealers in connection with any sale of the shares will be borne by the Selling Stockholders or other party selling such shares. Sales of the shares must be made by the Selling Stockholders in compliance with all applicable state and federal securities laws and regulations, including the Securities Act.

In addition to any shares sold hereunder, Selling Stockholder may sell shares of common stock in compliance with Rule 144. There is no assurance that the Selling Stockholders will sell all or a portion of the common stock offered hereby.

The Selling Stockholders may agree to indemnify any broker, dealer or agent that participates in transactions involving sales of the shares against certain liabilities in connection with the offering of the shares arising under the Securities Act.

We have notified the Selling Stockholders of the need to deliver a copy of this prospectus in connection with any sale of the shares.

LEGAL MATTERS

Certain legal matters relating to the validity of the issuance of common stock in this offering are being passed upon for us by Lippes Mathias Wexler Friedman LLP, Buffalo, New York. Gerald S. Lippes, a director of our company, is a partner at Lippes Mathias Wexler Friedman LLP, and is also a stockholder of the Company.

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EXPERTS

The consolidated financial statements of Gibraltar Industries, Inc. appearing in Gibraltar Industries, Inc. s Annual Report (Form 10-K) for the year ended December 31, 2011 and the effectiveness of the internal control over financial reporting as of December 31, 2011 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

AVAILABLE INFORMATION

We file annual, quarterly, and current reports, proxy statements and other information with the SEC. Our common stock is listed and traded on the NASDAQ Stock Exchange Global Select Market® under the trading symbol ROCK. Our SEC filings can be read and copied at the SEC s public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. We also make available on our website, (www.gibraltar1.com), free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q and Current Reports on Form 8-K, as soon as practical after we file these reports with the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. Our SEC filings are also available over the Internet at the SEC s website at http://www.sec.gov. You may obtain any of these documents at no cost, by writing or telephoning us at the following address:

Gibraltar Industries, Inc.

3556 Lake Shore Road

P.O. Box 2028

Buffalo, New York

14219-0228

(716) 826-6500

You should rely solely on the information included or incorporated by reference in this re-offer prospectus or any supplement. We have not authorized anyone to provide you with different information. You should not assume that the information in this re-offer prospectus or any supplement is accurate as of any date other than the date on the front of this re-offer prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

We are incorporating by reference certain information that we have filed with the SEC under the informational requirements of the Exchange Act, which means that we disclose important information to you by referring to another document filed separately with the SEC. The information contained in the documents we are incorporating by reference is considered to be a part of this prospectus, and the information that we later file with the SEC will automatically update and supersede the information contained or incorporated by reference in this prospectus.

The following documents filed with the SEC are incorporated by reference in this re-offer prospectus:

- our Annual Report on Form 10-K for the year ended December 31, 2011;
- our Proxy Statement on Schedule 14A filed on April 4, 2011;
- our Current Report on Form 8-K filed on February 24, 2012.

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act prior to filing a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all securities offered hereby then remaining unsold, shall be deemed to be incorporated by reference herein and shall be deemed to be a part hereof from the date of the filing of such documents.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified, superseded or replaced by a statement or information contained in any other subsequently filed document incorporated herein by reference. Any such statement so modified, superseded or replaced shall not be deemed except as so modified, superseded or replaced, to constitute a part of this registration statement.

The Company will provide without charge to each person to whom a copy of this registration statement is delivered upon the written or oral request by such person, a copy of any or all documents that have been incorporated by reference herein (other than exhibits to such documents, unless such exhibits are specifically incorporated by reference in such documents). Written or oral requests should be directed to: Attention: Timothy F. Murphy, Gibraltar Industries, Inc., 3556 Lake Shore Road, P.O. Box 2028, Buffalo, NY 14219-0228 at (716) 826-6500.

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PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The following documents filed by the Company with the SEC under the Exchange Act are incorporated herein by reference:

our Registration Statements on Form S-8 (File Nos. 333-172588, 333-143582, and 333-147117, respectively filed with the SEC on March 8, 2011, June 7, 2007 and November 2, 2007);

our Annual Report on Form 10-K for the year ended December 31, 2011;

our Proxy Statement on Schedule 14A filed on April 4, 2011;

our Current Report on Form 8-K filed on February 24, 2012.

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act prior to filing a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all securities offered hereby then remaining unsold, shall be deemed to be incorporated by reference herein and shall be deemed to be a part hereof from the date of the filing of such documents.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified, superseded or replaced by a statement or information contained in any other subsequently filed document incorporated herein by reference. Any such statement so modified, superseded or replaced shall not be deemed except as so modified, superseded or replaced, to constitute a part of this registration statement.

The Company will provide without charge to each person to whom a copy of this registration statement is delivered upon the written or oral request by such person, a copy of any or all documents that have been incorporated by reference herein (other than exhibits to such documents, unless such exhibits are specifically incorporated by reference in such documents). Written or oral requests should be directed to: Attention: Timothy F. Murphy, Gibraltar Industries, Inc., 3556 Lake Shore Road, P.O. Box 2028, Buffalo, NY 14219-0228 at (716) 826-6500.

Item 4. Description of Securities

Not Applicable

Item 5. Interests of Named Experts and Counsel

Certain legal matters relating to the validity of the issuance of common stock in this offering are being passed upon for us by Lippes Mathias Wexler Friedman LLP, Buffalo, New York. Gerald S. Lippes, a director of our company, is a partner at Lippes Mathias Wexler Friedman LLP and is also a stockholder of the Company.

Item 6. Indemnification of Directors and Officers

Set forth below is a description of certain provisions of the Certificate of Incorporation of the Company, the Bylaws of the Company and the General Corporation Law of the State of Delaware, such as, provisions relating to the indemnification of the directors and officers of the Company. This description is intended only as a summary and is qualified in its entirety by reference to the Certificate of Incorporation, the Bylaws and the General Corporation Law of the State of Delaware.

The Company s Certificate of Incorporation provides that the Company shall, to the full extent provided by Sections 102 and 145 of the General Corporation Law of the State of Delaware, as amended from time to time, indemnify all persons whom it may indemnify pursuant thereto and eliminates the personal liability of its directors to the full extent permitted by Section 102(b)(7) of the General Corporation Law of the State of Delaware, as amended from time to time.

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Section 145 of the General Corporation Law of the State of Delaware permits a corporation to indemnify its directors and officers against expenses (including attorneys fees), judgments, fines and amounts paid in settlements actually and reasonably incurred by them in connection with any action, suit or proceeding brought by third parties, if such directors or officers acted in good faith and in a manner they reasonably believed to be or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, if they had no reasonable cause to believe their conduct was unlawful. In an action by, or in the right of, the corporation, indemnification may be made only for expenses actually and reasonably incurred by directors and officers in connection with the defense or settlement of an action or suit, and only with respect to a matter as to which they shall have acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made if such person shall have been adjudged liable to the corporation, although the court in which the suit or action was brought or the Delaware Court of Chancery may determine upon application that the defendant officers or directors are reasonably entitled to indemnity for such expenses despite such adjudication of liability.

Section 102(b)(7) of the General Corporation Law of the State of Delaware provides that a corporation may eliminate or limit personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that such provision shall not eliminate or limit the liability of a director (i) for any breach of the director s duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law of the State of Delaware, or (iv) for any transaction from which the director derived an improper personal benefit. No such provision shall eliminate or limit the ability of a director for any reason or omission occurring prior to the date when such provision becomes effective.

Item 7. Exemption from Registration Claimed

Not Applicable

Item 8. Exhibits

The following exhibits are filed as part of this registration statement.

Exhibit No.	Description
5.1	Opinion of Lippes Mathias Wexler Friedman LLP
10.1	Amended and Restated Gibraltar Industries, Inc. 2005 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company s Current Report on Form 8-K filed December 21, 2006), as amended by Equity Incentive Plan, dated May 18, 2009 (incorporated by reference to Exhibit 10.1 to the Company s Current Report on Form 8-K filed May 21, 2009)
23.1	Consent of Independent Registered Public Accounting Firm
23.2	Consent of Lippes Mathias Wexler Friedman LLP (included in Exhibit 5.1)

Item 9. Undertakings

The undersigned Registrant hereby undertakes:

(a) To file, during any period in which offers and sales are being made, a post-effective amendment to the registration statement:
(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this registration statements (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and

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(iii) To include any material information with respect to the plan of distribution not disclosed previously in the registration statement or any material change to such information in the registration statement; provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to Sections 13 or 15(d) of the Exchange Act that are incorporated by reference in the registration statement.

(b) That, for the purpose of determining any liability under the Securities Act, each post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant s annual report pursuant to Sections 13(a) or 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan s annual report pursuant to Section 15(d) of the Exchange Act), that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 6, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of an action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement on Form S-8 to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Buffalo, State of New York, on March 23, 2012

Date: March 23, 2011

Gibraltar Industries, Inc.

By:
Name: Kenneth W. Smith
Title: Senior Vice President, and Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed below by the following persons in the capacities and on the date indicated.

Signature	Title	Date
	Chairman of the Board and Chief Executive Officer	March 23, 2012
Brian J. Lipke	*(Principal Executive Officer)*	
	President and Chief Operating Officer	March 23, 2012
Henning N. Kornbrekke		
	Senior Vice President and Chief Financial Officer	March 23, 2012
Kenneth W. Smith	*(Principal Financial Officer and Principal*	
	Accounting Officer)	
	Director	March 23, 2012
Robert E. Sadler, Jr.		
	Director	March 23, 2012
Gerald S. Lippes		
	Director	March 23, 2012
Arthur A. Russ, Jr.		

	Director	March 23, 2012
William P. Montague		
	Director	March 23, 2012
David N. Campbell		
	Director	March 23, 2012
William J. Colombo		

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Exhibit Index

Exhibit No.	Description
5.1	Opinion of Lippes Mathias Wexler Friedman LLP
10.1	Amended and Restated Gibraltar Industries, Inc. 2005 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company s Current Report on Form 8-K filed December 21, 2006), as amended by Equity Incentive Plan, dated May 18, 2009 (incorporated by reference to Exhibit 10.1 to the Company s Current Report on Form 8-K filed May 21, 2009)
23.1	Consent of Independent Registered Public Accounting Firm
23.2	Consent of Lippes Mathias Wexler Friedman LLP (included in Exhibit 5.1)

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ITEM 4.
MINE SAFETY DISCLOSURES
Not applicable

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PART II.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

MARKET INFORMATION

Our common stock is traded on the Nasdaq Stock Market under the symbol PERF. The following table sets forth the high and low sales prices for our common stock for the periods indicated, as reported by the Nasdaq Stock Market.

FISCAL 2015	HIGH	LOW
First Quarter	$5.99	$5.33
Second Quarter	$6.00	$5.32
Third Quarter	$5.72	$3.71
Fourth Quarter	$3.93	$2.03

FISCAL 2014	HIGH	LOW
First Quarter	$7.10	$6.05
Second Quarter	$6.88	$6.35
Third Quarter	$6.60	$5.90
Fourth Quarter	$6.35	$5.54

As of April 19, 2016, there were 45 holders of record.

DIVIDEND POLICY

We have not declared or paid any dividends on our common stock and do not currently intend to declare or pay cash dividends in the foreseeable future. Payment of dividends, if any, will be at the discretion of the Board of Directors after taking into account various factors, including our financial condition, results of operations, current and anticipated cash needs and plans for expansion.

Our bank credit facility permits the payment of dividends to shareholders providing that no default or event of default has occurred or will occur as a result of such payment. The aggregate amount of dividends paid cannot exceed $2.5 million in any fiscal year.

ITEM 6. SELECTED FINANCIAL DATA

Not applicable

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

Management Overview

During fiscal 2015, net sales decreased 7.2% from $584.0 million in fiscal 2014 to $542.0 million in fiscal 2015, due to a decrease in retail sales that was partially offset by an increase in wholesale sales. Retail sales decreased 14.8% compared to the prior year as a result of decreases in sales for both Perfumania and SOW. The decrease in retail sales is due to lower mall traffic during 2015, a lower store count for Perfumania and the transition of a consignment account for SOW to a wholesale customer of QFG. Wholesale sales increased by 3.8% from the prior year. The increase in wholesale sales is due to the transition of that SOW consignment account to a wholesale account, higher customer demand and additional brand distribution of owned and licensed brands.

Total gross profit decreased 5.0% from $271.1 million in fiscal 2014 to $257.6 million in fiscal 2015, due to the retail division.

Operating expenses increased 1.2% from $258.6 million in fiscal 2014 to $261.7 million in fiscal 2015.

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Including $7.2 million of interest expense in fiscal 2015 and $9.3 million in fiscal 2014, we realized net loss of approximately $11.7 million in fiscal 2015 compared with a net income of $2.6 million in fiscal 2014.
The following table sets forth selected items from our consolidated statements of operations expressed as a percentage of total net sales for the periods indicated:
PERCENTAGE OF NET SALES

	Fiscal Year Ended January 30, 2016	Fiscal Year Ended January 31, 2015
Total net sales	100.0 %	100.0 %
Total gross profit	47.5	46.4
Selling, general and administrative expenses	46.0	42.2
Asset impairment	0.2	0.1
Share-based compensation expense	0.1	0.2
Depreciation and amortization	2.0	1.8
Total operating expenses	48.3	44.3
(Loss) income from operations	(0.8)	2.1
Interest expense	1.3	1.6
(Loss) income before income taxes	(2.1)	0.5
Income tax provision	0.1	0.1
Net (loss) income	(2.2 %)	0.4 %

CRITICAL ACCOUNTING ESTIMATES
Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Preparation of these statements requires management to make judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. On an on-going basis, management evaluates its estimates, including those related to bad debts, inventories, asset impairments, sales returns and allowances, deferred taxes and other contingent assets and liabilities. As such, some accounting policies have a significant impact on amounts reported in these consolidated financial statements. The judgments and estimates made can significantly affect results. Materially different amounts might be reported under different conditions or by using different assumptions. We consider an accounting policy to be critical if it is both important to the portrayal of our financial condition and results of operations, and requires significant judgment and estimates by management in its application. We have identified certain critical accounting policies that affect the significant estimates and judgments used in the preparation of our consolidated financial statements.
Accounts Receivable, Net of Allowances
In the normal course of business, we extend credit to wholesale customers that satisfy pre-determined credit criteria. Accounts receivable, as shown on the consolidated balance sheets, is net of allowances for doubtful accounts. An allowance for doubtful accounts is determined through the analysis of the aging of accounts receivable at the date of the consolidated financial statements, assessments of collectability based on an evaluation of historical and anticipated trends, the financial condition of our customers and an evaluation of the impact of economic conditions. Should circumstances change or economic conditions deteriorate significantly, we may need to increase our provisions.
Inventory Adjustments and Write-offs
Inventories are stated at the lower of cost or market, with cost being determined on a weighted average cost basis. We review our inventory on a regular basis for excess and potentially slow moving inventory based on prior sales, forecasted demand and historical experience and through specific identification of obsolete or damaged merchandise and we record adjustments to reduce the carrying value of inventory to the lower of cost or market in accordance with

our assessment. If actual sales are less than our forecasts, additional write-offs could be necessary. Inventory shrinkage is estimated and accrued between physical inventory counts. Significant differences between future experience and that which was projected (for either the shrinkage or inventory reserves) could affect the recorded amounts of inventory and cost of goods sold.

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Impairment of Long-Lived Assets

When events or changes in circumstances indicate that the carrying values of long-lived assets may be impaired, an evaluation of recoverability is performed by comparing the carrying value of the assets to projected future undiscounted cash flows in addition to other quantitative and qualitative analysis. Inherent in this process is significant management judgment as to the projected cash flows. Upon indication that the carrying value of such assets may not be recoverable, the Company recognizes an impairment loss as a charge against current operations. Property and equipment assets are grouped at the lowest level for which there are identifiable cash flows when assessing impairment. Cash flows for Perfumania retail assets are identified at the individual store level. Factors that could trigger an impairment review include a significant underperformance relative to expected historical or projected future operating results, a history of operating losses combined with negative future outlook, or a significant negative industry or economic trend. Judgments are also made as to whether future lease-renewal options will be exercised, lease-exit clauses will be exercised, negotiations for rent reductions with landlords will be successful and under-performing stores should be closed. Even if a decision has been made not to close an under-performing store, the assets at that store may be impaired.

Perfumania store asset impairment charges of approximately $1.0 million and $0.6 million for fiscal 2015 and 2014, respectively, are included in asset impairment on the accompanying consolidated statements of operations.

As the projection of future cash flows and economic conditions requires the use of judgments and estimates, if actual results are materially different than these judgments or estimates, additional charges could be necessary. Significant deterioration in the performance of the Company's stores compared to projections could result in significant additional asset impairments.

Accounting for Acquisitions, Intangible Assets and Goodwill

Under the accounting for business combinations, consideration paid in an acquisition is allocated to the underlying assets and liabilities, based on their respective estimated fair values. The excess of the consideration paid at the acquisition date over the fair values of the identifiable assets acquired or liabilities assumed is recorded as goodwill. Determining the fair value of certain assets and liabilities acquired is judgmental in nature and often involves the use of significant estimates and assumptions. One area that requires more judgment is determining the fair value and useful lives of intangible assets. Because the fair value and the estimated useful life of an intangible asset is a subjective estimate, it is reasonably likely that circumstances may cause the estimate to change. For example, if we discontinue or experience a decline in the profitability of one or more of our brands, the value of the intangible assets associated with those brands or their useful lives would most likely decline.

Our intangible assets consist of exclusive brand licenses, trademarks, tradenames, customer relationships, favorable leases and goodwill. The value of these assets is exposed to future adverse changes if we experience declines in operating results or experience significant negative industry or economic trends. Goodwill and intangible assets with indefinite lives such as our Perfumania tradename are not amortized, but rather assessed for impairment at least annually. We typically perform our annual impairment assessment during the fourth quarter of our fiscal year or more frequently if events or changes in circumstances indicate the carrying value of goodwill may not fully be recoverable. During the fourth quarter ended January 30, 2016, we completed our annual impairment assessment of the Perfumania tradename, brand licenses and goodwill with the assistance of a third-party valuation firm. In assessing the fair value of this tradename, we utilized the income approach, based on the relief from royalty methodology. For goodwill, we elected to quantitatively test for impairment by comparing the book value of goodwill with the fair value of the reporting unit where our goodwill resides. We estimate the fair values of the reporting units using discounted cash flow and certain market value data. We also reviewed our other intangible assets with finite lives for impairment using the income approach.

We base our fair value estimates on assumptions we believe to be reasonable, but which are unpredictable and inherently uncertain. Actual results may differ from these estimates. The analysis and assessments of these assets and goodwill indicated that no impairment adjustment was required in fiscal 2015 as the estimated fair values exceeded the recorded carrying values.

We will continue to monitor and evaluate the expected future cash flows of our reporting units and the long-term trends of our market capitalization for the purposes of assessing the carrying value of our goodwill and indefinite-lived Perfumania tradename, other trademarks and intangible assets. If market and economic conditions deteriorate, this could increase the likelihood of future material noncash impairment charges to our results of operations related to our goodwill, indefinite-lived Perfumania tradename, or other trademarks and intangible assets.

Sales and Allowances for Sales Returns

Revenue from wholesale transactions is recorded when title passes. Wholesale revenue is recorded net of estimated returns, discounts and allowances. Revenue from retail sales is recorded, net of discounts, at the point of sale for Perfumania

stores, and for consignment sales, when sale to the ultimate customer occurs. Revenue from Internet sales is recognized at the time products are delivered to customers. We record an estimate of returns, discounts and allowances, and review and refine these estimates on a regular basis based on current experience and trends.
As is customary in the prestige beauty business, we grant certain of our U.S. department store customers, subject to our authorization and approval, the right to either return product or to receive a markdown allowance for product that does not "sell through" to customers. At the time of sale, we record a provision for estimated product returns or markdowns based on our level of sales, historical "sell through" and projected experience with product returns, current economic trends and changes in assessment of customer demand. We make detailed estimates at the product and customer level, which are then aggregated to arrive at a consolidated provision for product returns and markdowns and are reviewed periodically as facts and circumstances warrant. Such provisions and markdown allowances are recorded as a reduction of net sales. Because there is considerable judgment used in evaluating the allowance for returns and markdowns, it is possible that actual experience will differ from our estimates. If, for example, customer demand for our products is lower than estimated or a proportionately greater amount of sales are made to prestige department stores and/or specialty beauty stores, additional provisions for returns or markdowns may be required resulting in a charge to income in the period in which the determination was made. Similarly, if customer demand for our products is higher than estimated, a reduction of our provision for returns or markdowns may be required resulting in an increase to income in the period in which the determination was made. Sales returns generally follow seasonal gift-giving periods such as Mother's/Father's Day and Christmas. In addition, the global economic downturn of the past few years has also led retailers to reduce inventory levels, thereby increasing returns after the major gift-giving seasons.

Valuation of Deferred Tax Assets

Accounting guidance requires that deferred tax assets be evaluated for future realization and reduced by a valuation allowance to the extent we believe it is more likely than not that a portion of these assets will not be realized. The guidance also prescribes a comprehensive model for the financial statement recognition, presentation and disclosure of uncertain tax positions taken or expected to be taken in an income tax return and also provides guidance on various related matters such as derecognition, interest and penalties, and disclosure. We consider many factors when assessing the likelihood of future realization of our deferred tax assets including our recent cumulative earnings experience by taxing jurisdiction, expectations of future taxable income, the carryforward periods available to us for tax reporting purposes and other relevant factors. The range of possible judgments relating to the valuation of our deferred tax assets is very wide. Significant judgment is required in making these assessments and it is very difficult to predict when, if ever, our assessment may conclude that the remaining portion of our deferred tax assets is realizable. Significant differences between future experience and that which was projected in calculating deferred tax assets could result in material additional adjustments to our deferred tax assets and income tax expense.

FISCAL YEAR 2015 COMPARED TO FISCAL YEAR 2014

Net Sales:

We recognized net sales of $542.0 million in fiscal 2015, a decrease of 7.2% from the $584.0 million recorded in fiscal 2014. The breakdown of sales between retail and wholesale was as follows:

	Fiscal Year Ended January 30, 2016	Percentage of Net Sales	Fiscal Year Ended January 31, 2015	Percentage of Net Sales	Dollar Change	Percent Change
	($ in thousands)					
Retail	$293,395	54.1 %	$344,544	59.0 %	$(51,149)	(14.8%)
Wholesale	248,569	45.9 %	239,411	41.0 %	9,158	3.8 %
Total net sales	$541,964	100.0 %	$583,955	100.0 %	$(41,991)	(7.2 %)

The decrease in sales included a decrease in retail sales of $51.1 million offset by an increase in wholesale sales of $9.1 million.

Retail sales decreased by 14.8% from $344.5 million in fiscal 2014 to $293.4 million in fiscal 2015. The decrease included a decrease in Perfumania's retail sales of $30.6 million and a decrease in SOW's consignment sales of $20.5 million.

Perfumania's retail sales decreased by 11.2% from $272.9 million in fiscal 2014 to $242.3 million in fiscal 2015. The average number of stores operated was 319 in fiscal 2015 compared with 325 in fiscal 2014. Perfumania's comparable store sales decreased by 11.3% during fiscal 2015. Comparable store sales measure sales from stores that have been open for one year or more. We exclude stores that are closed for renovation from comparable store sales from the month during which renovation commences until the first full month after reopening. The average retail price per unit sold during fiscal 2015 decreased by 0.2% from fiscal 2014, and the total number of units sold decreased by 10.8%. The decrease in the number of units sold was due primarily to lower mall traffic throughout fiscal 2015 and the reduction in the number of Perfumania stores in operation during fiscal 2015.

SOW’s consignment sales decreased from $71.6 million in fiscal 2014 to $51.1 million in fiscal 2015. The decrease in SOW’s net sales is primarily due to a decrease in sales of approximately $18.9 million by SOW's largest consignment account, which is being transitioned to be a wholesale customer of QFG. We expect this shift to be complete by June 2016.

Wholesale sales increased by 3.8% from $239.4 million in fiscal 2014 to $248.6 million in fiscal 2015. Parlux’s sales increased by $1.1 million and QFG's sales increased by $8.2 million. The increase in wholesale sales is due to the transition of SOW's largest consignment account to a wholesale customer of QFG as discussed above, higher customer demand and additional brand distribution of owned and licensed brands as well as distributed brands during fiscal 2015 compared with fiscal 2014.

Cost of Goods Sold:

Cost of goods sold, which includes the cost of merchandise sold, inventory valuation adjustments, inventory shortages, damages and freight charges, decreased 9.1% from $312.8 million in fiscal 2014 to $284.3 million in fiscal 2015. The breakdown between wholesale and retail was as follows:

	Fiscal Year Ended January 30, 2016	Fiscal Year Ended January 31, 2015	Dollar Change	Percent Change
	($ in thousands)			
Retail	$145,927	$180,084	$(34,157)	(19.0%)
Wholesale	138,413	132,747	(5,666)	4.3%
Total cost of goods sold	$284,340	$312,831	$(28,491)	(9.1%)

The decrease in cost of goods sold was due to the decrease in retail sales, partially offset by the increase in wholesale sales.

Gross Profit:

Gross profit decreased 5.0% from $271.1 million in fiscal 2014 to $257.6 million in fiscal 2015. The decrease in total gross profit resulted from a decrease in retail gross profit offset by an increase in wholesale gross profit.

	Fiscal Year Ended January 30, 2016	Fiscal Year Ended January 31, 2015	Dollar Change	Percent Change
	($ in thousands)			
Retail	$147,468	$164,460	$(16,992)	(10.3%)
Wholesale	110,156	106,664	3,492	3.3%
Total gross profit	$257,624	$271,124	$(13,500)	(5.0%)

Gross profit percentages for the same periods were:

	For the year ended	
	January 30, 2016	January 31, 2015
Retail	50.3%	47.7%
Wholesale	44.3%	44.6%
Total gross profit margin	47.5%	46.4%

Perfumania’s retail gross profit for fiscal 2015 decreased by 7.4% to $121.9 million compared with $131.6 million in fiscal 2014. For these same periods, Perfumania’s retail gross margins were 50.3% and 48.2%, respectively. The increase in gross margin is due to higher selling prices and an increase in the proportion of owned and licensed brands sold.

SOW's gross profit for fiscal 2015 decreased by 22.2 % to $25.6 million compared with $32.9 million in fiscal 2014 due to lower sales by SOW discussed above. For these same periods SOW's gross margins were 50.1% and 45.9%, respectively. The increase in gross margin percentage is attributable to a higher proportion of owned and licensed brands sold.

Wholesale gross profit increased by 3.3% from $106.7 million during fiscal 2014 to $110.2 million during fiscal 2015. QFG's gross profit dollars for fiscal 2015 increased by 10.8% to $69.0 million compared with $62.3 million in fiscal 2014 due to higher sales by QFG as discussed above. Parlux's gross profit for fiscal 2015 decreased by 4.0% to $43.1 million compared with $44.9 million in fiscal 2014 due to higher sales allowances and customer discounts in fiscal 2015. For these same periods, Parlux's gross margins were 53.5% and 56.5%, respectively. The decrease in Parlux's gross margin percentage is attributable to the increase in sales allowances and discounts, and a less favorable mix of products sold in fiscal 2015.

Operating Expenses:

Operating expenses increased 1.2% from $258.6 million in fiscal 2014 to $261.6 million in fiscal 2015.

Selling, general and administrative expenses include payroll and related benefits for our distribution centers, sales, store operations, field management, purchasing and other corporate office and administrative personnel; rent, common area maintenance, real estate taxes and utilities for our stores, distribution centers and corporate office; advertising, consignment fees, sales promotion, royalties, insurance, supplies, freight out, and other administrative expenses. The breakdown of operating expenses was as follows:

	For the year ended ($ in thousands)		
	January 30, 2016	January 31, 2015	Percentage Increase (Decrease)
Selling, general and administrative expenses	$249,540	$ 246,659	1.2%
Asset impairment	1,032	644	60.2%
Share-based compensation expense	297	957	(69.0%)
Depreciation and amortization	10,784	10,326	4.4%
Total operating expenses	$261,653	$ 258,586	1.2%

Selling, general and administrative expenses were $249.5 million in fiscal 2015 compared with $246.7 million in fiscal 2014. The increase in selling, general and administrative expenses is attributable to higher advertising expenses to support a new brand launch and higher spending on the roll-out of our BTP phase 1, offset by lower sales commissions on consignment sales due to lower sales by SOW as discussed above. Included in selling, general and administrative expenses are expenses in connection with service agreements with Quality King Distributors, Inc. (“Quality King”), which were $1.0 million and $0.3 million for fiscal 2015 and fiscal 2014, respectively. These service agreements are described in Note 6 to the consolidated financial statements included in Item 8 of this Form 10-K. Impairment charges of $1.0 million during fiscal 2015 relate to long-lived assets at certain under-performing Perfumania retail stores. We recorded similar charges of $0.6 million for Perfumania retail store long-lived assets in fiscal 2014.

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Share-based compensation expense of $0.3 million and $1.0 million during fiscal 2015 and fiscal 2014, respectively, represents the expense incurred on outstanding stock options.

Depreciation and amortization was approximately $10.8 million in fiscal 2015, compared to $10.3 million in fiscal 2014.

As a result of the foregoing, we recognized loss from operations in fiscal 2015 of approximately $4.0 million compared to income from operations in fiscal 2014 of $12.5 million.

Other Expenses:

	For the year ended ($ in thousands)		
	January 30, 2016	January 31, 2015	Percentage Decrease
Interest expense	$7,191	$ 9,344	(23.0)%

Interest expense was approximately $7.2 million for fiscal 2015 compared with approximately $9.3 million in fiscal 2014. The decrease in interest expense is due primarily to a lower average outstanding balance on the Company's revolving credit facility and a lower average interest rate resulting from an amendment of the Company's Senior Credit Facility in April 2014.

Income Tax Provision:

	For the year ended ($ in thousands)		
	January 30, 2016	January 31, 2015	Percentage Decrease
Income tax provision	$451	$ 547	(17.6%)

Our effective tax rate for fiscal 2015 was (4.0%) compared with 17.1% for fiscal 2014. The effective tax rates differed from our Federal statutory rates primarily due to changes in our valuation allowances and net operating loss adjustments and expirations.

We recognize deferred tax assets and liabilities for the expected future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and operating loss and tax credit carryforwards. We recognize valuation allowances to reduce deferred tax assets to the amounts that are more likely than not to be realized. In assessing the likelihood of realization, we consider past taxable income, estimates of future taxable income and tax planning strategies.

Net (loss) income:

As a result of the foregoing, we realized a net loss of approximately $11.7 million in fiscal 2015, compared to a net income of $2.6 million in fiscal 2014.

LIQUIDITY AND CAPITAL RESOURCES

Our principal funding requirements are for inventory purchases, financing extended terms on accounts receivable, paying down accounts payable and debt, information systems enhancements, opening new stores and renovation of existing stores. These capital requirements generally have been satisfied through cash flows from operations, borrowings under the respective revolving credit facilities and notes payable to affiliates. Our operations have historically been seasonal, with higher sales occurring from September to December each year. Wholesale sales are stronger during the months of September through November, since retailers place orders in anticipation of the holiday season, while retail sales are the greatest in December. We experience seasonality in our working capital, as our accounts receivable and inventory levels normally peak from August to November. Our working capital borrowings are also seasonal, and our borrowings under our Senior Credit Facility are normally highest in the months of October and November.

Our revolving Senior Credit Facility is a secured credit facility with a syndicate of banks that is used for our general corporate purposes and those of our subsidiaries, including working capital and capital expenditures. The maximum borrowing amount under the Senior Credit Facility is $175 million and the termination date is April 2019. Under this facility, which does not require amortization of principal, revolving loans may be drawn, repaid and reborrowed up to the amount available under a borrowing base calculated with reference to a specified percentage of the borrowers' eligible credit card receivables, trade receivables and inventory, which may be reduced by the lender in its reasonable discretion. The Senior Credit Facility includes a sub-limit of $25 million for letters of credit and a sub-limit of $25 million for swing line loans (that is, same-day loans from the lead or agent bank). The Company and certain of its subsidiaries are co-borrowers under the Senior Credit Facility, and our other subsidiaries have guaranteed all of their obligations. The Company and its subsidiaries are required to maintain availability under the facility of at least the greater of 10% of the aggregate amount that may be advanced against eligible credit card receivables, trade receivables and inventory or $10 million. At January 30, 2016, we were in compliance with all financial and operating covenants under the Senior Credit Facility and we had borrowing availability of $93.5 million, which includes $25 million for letters of credit.

We also have a number of subordinated unsecured notes payable outstanding to certain family trusts of members of the Nussdorf family, Quality King and Glenn and Stephen Nussdorf, that in aggregate total $125.4 million of principal. No payments of principal may be made on any of these notes payable to affiliates before the maturity of the Senior Credit Facility, although interest payments are permitted under certain conditions, including the Company's maintaining excess availability under the Senior Credit Facility of $17.5 million (or 17.5% of commitment) and a fixed charge coverage ratio, as defined in the Senior Credit Facility, of 1.1:1.0. Further information about the Senior Credit Facility and these notes payable to affiliates is included in Note 8 to the consolidated financial statements included in Item 8 of this Form 10-K.

Cash provided by operating activities primarily represents income before depreciation and other noncash charges and after changes in working capital. Working capital is significantly impacted by changes in accounts receivable, inventory and accounts payable. The $6.4 million decrease in cash flows from operations in fiscal 2015 as compared to fiscal 2014 was primarily due to the net loss realized in fiscal 2015 compared with the net income in fiscal 2014 and changes in working capital. Our accounts receivable increased in fiscal 2015 due to the timing of customer payments. Inventory levels decreased in fiscal 2015 due to efforts to reduce overall inventory levels, a decrease in the number of Perfumania stores in operation and the timing of merchandise receipts. Accounts payable fluctuations are generally determined by the timing of merchandise purchases and payments.

Net cash used in investing activities was approximately $8.5 million in fiscal 2015, compared to $12.4 million in fiscal 2014. Investing activities during fiscal 2015 consisted of capital expenditures related to an ongoing purchase and implementation of new integrated computer systems and other corporate and information technology enhancements, as well as Perfumania store construction and remodels. During fiscal 2015, we renovated 7 existing Perfumania stores, opened 9 new stores and relocated 2 stores. At January 30, 2016, Perfumania operated 313 stores. We plan to open a minimum of 5 stores in fiscal 2016 and plan to close up to 20 stores. We anticipate spending approximately $4 million in fiscal 2016 on capital expenditures, which will be used primarily for information technology enhancements and Perfumania new store construction and remodels. We continuously evaluate the appropriate new store growth rate in light of economic conditions and may adjust the growth rate as conditions change.

Net cash used in financing activities was approximately $25.5 million compared to $32.1 million in fiscal 2014. The change in cash used in financing activities is primarily attributable to net repayments under our bank line of credit during fiscal 2015.

A summary of our cash flows for fiscal 2015 and fiscal 2014 is as follows (in thousands):

	Fiscal Year Ended January 30, 2016	Fiscal Year Ended January 31, 2015
Summary Cash Flow Information:		
Cash provided by operating activities	$ 38,110	$ 44,518
Cash used in investing activities	(8,485)	(12,392)

Cash used in financing activities	(25,518)	(32,146)
Increase (decrease) in cash and cash equivalents	4,107	(20)
Cash and cash equivalents at beginning of year	1,533	1,553
Cash and cash equivalents at end of year	$ 5,640	$ 1,533

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Based on past performance and current expectations, we believe that our cash balances and the available borrowing capacity under our revolving credit facility, our affiliated borrowings and our projected future operating results will generate sufficient liquidity to support the Company's working capital needs, capital expenditures and debt service in the short and long-term. However, as discussed above, the amount of availability under the Senior Credit Facility depends on our eligible receivables and inventory at any given time, which availability may be reduced by the lender in its reasonable discretion, which could have a material adverse effect on our financial condition and results of operations. Our bankers also have the right to terminate our Senior Credit Facility if we default on our covenants, which would require us to seek alternative financing. Furthermore, the state of the national economy may worsen, which would further restrict customers' ability to purchase fragrance products. Any of these circumstances, as well as any of the matters discussed in "Risk Factors" above, could have a materially adverse effect on our business operations and financial condition, so there can be no assurance that management's plans and expectations will be successful.

SIGNIFICANT CONTRACTUAL OBLIGATIONS

The following table summarizes the Company's significant contractual obligations at January 30, 2016. Certain of these contractual obligations are reflected in our consolidated balance sheet at January 30, 2016, while others are disclosed as future obligations.

	Payments due by periods				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Revolving credit facility (1)	$13,078	$ —	$—	$13,078	$ —
Notes payable-affiliates (1)	125,366	—	—	125,366	—
Capital lease obligations	2,812	1,506	1,306	—	—
Operating lease obligations (2)	154,063	31,919	50,062	27,949	44,133
Minimum royalty obligations (3)	47,415	16,033	26,111	5,023	248
Minimum advertising and promotional spending obligations (3)	92,817	28,544	49,373	14,900	—
	$435,551	$ 78,002	$126,852	$186,316	$ 44,381

(1) This balance represents principal only as the interest rate is variable and accrues on outstanding balances which vary throughout the year.

(2) Excludes any amounts related to maintenance, taxes, insurance and other charges payable under operating lease agreements due to the future variability of these amounts.

(3) Obligations under license agreements require royalty payments and required advertising and promotional spending levels for our products bearing the licensed trademark. Royalty payments are typically made based on contractually defined net sales. However, certain licenses require minimum guaranteed royalty payments regardless of sales levels. Minimum guaranteed royalty payments and required minimums for advertising and promotional spending have been included in the table above. Actual royalty payments and advertising and promotional spending could be higher. Furthermore, early termination of any of these license agreements could result in potential cash outflows that have not been reflected above.

OFF-BALANCE SHEET ARRANGEMENTS

We have no off-balance sheet arrangements as defined by Item 303 (a) (4) of Regulation S-K.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial information and the supplementary data required in response to this Item are as follows:

Perfumania Holdings, Inc. and Subsidiaries

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Supplemental schedules have been omitted, as all required information is disclosed or not applicable.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Perfumania Holdings, Inc.

We have audited the accompanying consolidated balance sheets of Perfumania Holdings, Inc. and subsidiaries as of January 30, 2016 and January 31, 2015, and the related consolidated statements of operations, shareholders' equity, and cash flows for the years then ended. Perfumania Holdings, Inc.'s management is responsible for these consolidated financial statements. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Perfumania Holdings, Inc. and subsidiaries as of January 30, 2016 and January 31, 2015 and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ CohnReznick LLP
Jericho, New York
April 29, 2016

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PERFUMANIA HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	January 30, 2016	January 31, 2015
ASSETS:		
Current assets:		
Cash and cash equivalents	$ 5,640	$ 1,533
Accounts receivable, net of allowances of $1,233 and $1,271 as of January 30, 2016 and January 31, 2015, respectively	29,602	27,777
Inventories	221,336	253,371
Prepaid expenses and other current assets	9,862	13,775
Total current assets	266,440	296,456
Property and equipment, net	25,892	24,640
Goodwill	38,769	38,769
Intangible and other assets, net	19,945	26,367
Total assets	$ 351,046	$ 386,232
LIABILITIES AND SHAREHOLDERS’ EQUITY:		
Current liabilities:		
Accounts payable	$ 32,175	$ 39,263
Accounts payable-affiliates	300	269
Accrued expenses and other liabilities	33,205	28,254
Current portion of obligations under capital leases and other long-term debt	1,248	1,104
Total current liabilities	66,928	68,890
Revolving credit facility	13,078	37,561
Notes payable-affiliates	125,366	125,366
Long-term portion of obligations under capital leases	1,223	2,459
Other long-term liabilities	60,474	56,662
Total liabilities	267,069	290,938
Commitments and contingencies		
Shareholders’ equity:		
Preferred stock, $0.10 par value, 1,000,000 shares authorized; as of January 30, 2016 and January 31, 2015, none issued	—	—
Common stock, $.01 par value, 35,000,000 shares authorized; 16,392,012 shares and 16,374,625 shares issued as of January 30, 2016 and January 31, 2015, respectively	164	164
Additional paid-in capital	221,961	221,607
Accumulated deficit	(129,571)	(117,900)
Treasury stock, at cost, 898,249 shares as of January 30, 2016 and January 31, 2015	(8,577)	(8,577)
Total shareholders’ equity	83,977	95,294
Total liabilities and shareholders’ equity	$ 351,046	$ 386,232

See accompanying notes to consolidated financial statements.

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PERFUMANIA HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share amounts)

	Fiscal Year Ended January 30, 2016	Fiscal Year Ended January 31, 2015
Net sales	$ 541,964	$ 583,955
Cost of goods sold	284,340	312,831
Gross profit	257,624	271,124
Operating expenses:		
Selling, general and administrative expenses	249,540	246,659
Asset impairment	1,032	644
Share-based compensation expense	297	957
Depreciation and amortization	10,784	10,326
Total operating expenses	261,653	258,586
(Loss) income from operations	(4,029)	12,538
Interest expense	7,191	9,344
(Loss) income before income tax provision	(11,220)	3,194
Income tax provision	451	547
Net (loss) income	$ (11,671)	$ 2,647
Net (loss) income per common share:		
Basic and diluted	$ (0.75)	$ 0.17
Weighted average number of common shares outstanding:		
Basic	15,486,957	15,425,007
Diluted	15,486,957	15,487,609

See accompanying notes to consolidated financial statements.

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PERFUMANIA HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands, except share amounts)

	Common Stock		Additional Paid-In	Accumulated	Treasury Stock		
	Shares	Amount	Capital	Deficit	Shares	Amount	Total
Balance at February 1, 2014	16,267,033	$ 163	$ 220,255	$ (120,547)	898,249	$ (8,577)	$ 91,294
Share-based compensation	—	—	957	—	—	—	957
Exercise of stock options	107,592	1	395	—	—	—	396
Net income	—	—	—	2,647	—	—	2,647
Balance at January 31, 2015	16,374,625	164	221,607	(117,900)	898,249	(8,577)	95,294
Share-based compensation	—	—	297	—	—	—	297
Exercise of stock options	17,387	—	57	—	—	—	57
Net loss	—	—	—	(11,671)	—	—	(11,671)
Balance at January 30, 2016	16,392,012	$ 164	$ 221,961	$ (129,571)	898,249	$ (8,577)	$ 83,977

See accompanying notes to consolidated financial statements.

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PERFUMANIA HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Fiscal Year Ended January 30, 2016	Fiscal Year Ended January 31, 2015
Cash flows from operating activities:		
Net (loss) income	$(11,671)	$2,647
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Asset impairment	1,032	644
Loss on disposal of property and equipment	—	223
Depreciation and amortization	10,784	10,326
Amortization of deferred financing costs	343	611
(Benefit) provision for losses on accounts receivable	(30)	145
Share-based compensation	297	957
Changes in operating assets and liabilities:		
Accounts receivable	(1,795)	6,466
Inventories	32,035	29,431
Prepaid expenses and other assets	5,409	3,406
Accounts payable	(7,088)	(11,091)
Accounts payable-affiliates	31	(1,254)
Accrued expenses and other liabilities and other long-term liabilities	8,763	2,007
Net cash provided by operating activities	38,110	44,518
Cash flows from investing activities:		
Additions to property and equipment	(8,485)	(12,092)
Additions to tradenames and licenses	—	(300)
Net cash used in investing activities	(8,485)	(12,392)
Cash flows from financing activities:		
Net repayments under bank line of credit	(24,483)	(30,341)
Principal payments under capital lease obligations	(1,092)	(964)
Payment for deferred financing costs	—	(1,237)
Proceeds from exercise of stock options and warrants	57	396
Net cash used in financing activities	(25,518)	(32,146)
Net increase (decrease) in cash and cash equivalents	4,107	(20)
Cash and cash equivalents at beginning of year	1,533	1,553
Cash and cash equivalents at end of year	$5,640	$1,533
Supplemental Information:		
Cash paid during the period for:		
Interest	$1,567	$2,616
Income taxes	$634	$804
Non-cash investing and financing activities:		
Capital lease	$—	$471

See accompanying notes to consolidated financial statements.

PERFUMANIA HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - NATURE OF BUSINESS
Perfumania Holdings, Inc. (the "Company") a Florida corporation, is an independent, national, vertically integrated wholesale distributor and specialty retailer of perfumes and fragrances that does business through six wholly-owned operating subsidiaries, Perfumania, Inc. ("Perfumania"), Quality King Fragrances, Inc. ("QFG"), Scents of Worth, Inc. ("SOW"), Perfumania.com, Inc. ("Perfumania.com"), Parlux Fragrances, LLC ("Parlux") and Five Star Fragrances, Inc. ("Five Star").
The Company's wholesale business includes QFG, Parlux and Five Star. QFG distributes designer fragrances to mass market retailers, drug and other chain stores, retail wholesale clubs, traditional wholesalers, and other distributors throughout the United States. It sells principally to retailers such as CVS, Kohl's, Marshalls, Nordstrom Rack, Ross Stores, Sears, Target, Wal-Mart and Walgreens. The Company's manufacturing divisions include Parlux and Five Star, and the results of operations of both divisions are included in the Company's wholesale business. Parlux and Five Star both own and license designer and other fragrance brands that are sold to national and regional department stores, including Belk, Bon Ton, Boscovs, Dillards, Macy's, Nordstrom and Stage Stores, international distributors, on military bases throughout the United States, by QFG and through the Company's retail business which is discussed below. Parlux also fulfills a selection of fragrances for several online retailers, shipping directly to their customers and billing the retailers. Five Star also manufactures, on behalf of Perfumania, the Jerome Privee product line, which includes bath and body products and which is sold exclusively in Perfumania's retail stores. All manufacturing operations of Parlux and Five Star are outsourced.
The Company's retail business is conducted through its subsidiaries, 1) Perfumania, a specialty retailer of fragrances and related products, 2) Perfumania.com, an Internet retailer of fragrances and other specialty items and 3) SOW, which sells fragrances in retail stores on a consignment basis. Perfumania is a leading specialty retailer and distributor of a wide range of brand name and designer fragrances. As of January 30, 2016, Perfumania operated a chain of 313 retail stores, specializing in the sale of fragrances and related products at discounted prices up to 75% below the manufacturers' suggested retail prices. Perfumania's retail stores are located in regional malls, manufacturers' outlet malls, lifestyle centers, airports and on a stand-alone basis in suburban strip shopping centers, throughout the United States, Puerto Rico and the United States Virgin Islands. Perfumania.com offers a selection of our more popular products for sale over the Internet and serves as an alternative shopping experience to the Perfumania retail stores. SOW operates the largest national designer fragrance consignment program, with contractual relationships to sell products on a consignment basis in approximately 1,900 stores, including more than 900 Kmart locations nationwide. Its other retail customers include Bealls, Burlington Coat Factory, Catherines, Steinmart and K&G.
There were no customers which accounted for more than 10% of net sales in fiscal 2015 or 2014.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES
Significant accounting policies and practices used by the Company in the preparation of the accompanying consolidated financial statements are as follows:
FISCAL YEAR END
The Company's fiscal year ends on the Saturday closest to January 31 to enable the Company's operations to be reported in a manner consistent with general retail reporting practices and the financial reporting needs of the Company. In the accompanying notes, fiscal 2015 refers to the fiscal year beginning February 1, 2015 and ending January 30, 2016 and fiscal 2014 refers to the fiscal year beginning February 2, 2014 and ending January 31, 2015. Fiscal 2015 and fiscal 2014 both contain 52 weeks.
PRINCIPLES OF CONSOLIDATION
The consolidated financial statements include accounts of the Company and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.
MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates made by management in the accompanying consolidated financial statements relate to the valuation of accounts receivable and inventory balances, accruals

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for sales returns and allowances, long-lived asset impairments and deferred tax assets. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

All highly liquid investments with original maturities of three months or less are classified as cash and cash equivalents. The fair value of cash and cash equivalents approximates the amounts shown on the consolidated financial statements. Cash and cash equivalents consist of unrestricted cash in accounts maintained with major financial institutions.

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. The Company reduces credit risk by placing its cash and cash equivalents with major financial institutions with high credit ratings. At times, such amounts may exceed federally insured limits.

ACCOUNTS RECEIVABLE

The Company’s accounts receivable consist primarily of trade receivables due from wholesale sales. Also included are credit card receivables and receivables due from consignment sales relating to the Company’s retail business segment. Generally, there are three to four days of retail sales transactions outstanding with third-party credit card vendors and approximately one to two weeks of consignment retail sales at any point in time. An allowance for doubtful accounts is determined through analysis of the aging of accounts receivable at the date of the consolidated financial statements, assessments of collectability based on an evaluation of historical and anticipated trends, the financial condition of the Company’s customers and an evaluation of the impact of economic conditions.

INVENTORIES

Inventories, principally consisting of finished goods, are stated at the lower of cost or market with cost being determined on a weighted average basis. The cost of inventory includes product cost and certain freight charges. Write-offs of potentially slow moving or damaged inventory are recorded based on management’s analysis of inventory levels, future sales forecasts and through specific identification of obsolete or damaged merchandise.

PROPERTY AND EQUIPMENT

Property and equipment is carried at cost, less accumulated depreciation and amortization. Depreciation for property and equipment, which includes assets under capital leases, is calculated using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized over the shorter of the term of the lease including one stated renewal period that is reasonably assured, or the estimated useful lives of the improvements, generally ten years, with the exception of the improvements on the corporate office and warehouse in Bellport, New York which has a lease term of 20 years. Costs of major additions and improvements are capitalized and expenditures for maintenance and repairs which do not extend the useful life of the asset are expensed when incurred. Gains or losses arising from sales or retirements are reflected in operations. See Note 5.

GOODWILL AND INTANGIBLE ASSETS

Goodwill is calculated as the excess of the cost of purchased businesses over the fair value of their underlying net assets. Other intangible assets principally consist of license agreements, tradenames and customer relationships. Goodwill is allocated and evaluated at the reporting unit level, which is at the Company's operating segment level. All goodwill has been allocated to the Company's wholesale segment.

Goodwill and other intangible assets with indefinite lives are not amortized, but rather are evaluated for impairment annually during the Company's fourth quarter or whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Impairment testing for goodwill is performed in two steps: (i) the determination of possible impairment, based upon the fair value of a reporting unit as compared to its carrying value; and (ii) if there is a possible impairment indicated, this step measures the amount of impairment loss, if any, by comparing the implied fair value of goodwill with the carrying amount of that goodwill. The fair values of indefinite-lived intangible assets are estimated and compared to their respective carrying values.

Trademarks, including tradenames and owned licenses having finite lives, are recorded at cost and are amortized over their respective lives to their estimated residual values and are also reviewed for impairment when changes in circumstances indicate the assets’ value may be impaired. Impairment testing is based on a review of forecasted operating cash flows and the profitability of the related brand.

GIFT CARDS

Upon the purchase of a gift card by a retail customer, a liability is established for the cash value of the gift card. The liability is included in accrued expenses and other liabilities. The liability is relieved and revenue is recognized at the time of the redemption of the gift card. Over time, some portion of gift cards issued is not redeemed. If this amount is determined to be material to the Company’s consolidated financial statements, it will be recorded as a reduction of selling, general and administrative expenses, when it can be determined that the likelihood of the gift card being redeemed is remote and there is no legal obligation to remit the unredeemed gift cards to relevant jurisdictions (often referred to as gift card breakage). No gift card breakage has been recorded in the consolidated statements of operations for any year presented in these consolidated financial statements. Gift cards issued by the Company do not have expiration dates.

LOYALTY REWARDS PROGRAM

Perfumania and Perfumania.com offer a customer loyalty rewards program which allows members to earn points and other benefits for qualifying purchases. Points earned may be used by members to receive discounts on future purchases at our Perfumania stores or Perfumania.com website. The value of points earned by our loyalty rewards program members is included in accrued liabilities and recorded as a reduction of revenue at the time the points are earned. Revenue is recognized when points are redeemed by the customer. The value of points accrued as of January 30, 2016 was approximately $0.3 million. The value of points accrued as of January 31, 2015 was less than $0.1 million.

ACCRUED EXPENSES

Accrued expenses for self-insured employee medical benefits, contracted advertising, sales allowances, professional fees and other outstanding obligations are assessed based on claims experience and statistical trends, open contractual obligations and estimates based on projections and current requirements. If these trends change significantly, then actual results would likely be impacted.

REVENUE RECOGNITION

Revenue from wholesale transactions is recognized when title passes, which occurs either upon shipment of products or delivery to the customer. Revenue from retail sales is recorded, net of discounts, at the point of sale for Perfumania stores, and for consignment sales, when sale to the ultimate customer occurs. Revenue from sales where we ship the merchandise to the customer from a store or distribution center and from Internet sales is recognized at the time products are delivered to customers. Shipping and handling revenue billed to customers is included as a component of net sales. Revenues are presented net of any taxes collected from customers and remitted to government agencies. Revenue from gift cards is recognized at the time of redemption. Returns of store and Internet sales are allowed within 30 days of purchase.

SALES AND ALLOWANCES

Allowances for sales returns are estimated and recorded as a reduction of sales based on our historical and projected return patterns and considering current external factors and market conditions. Allowances provided for advertising, marketing and tradeshows are recorded as selling expenses since they are costs for services received from the customer which are separable from the customer’s purchase of the Company’s products. Accruals and allowances are estimated based on available information including third-party and historical data.

COST OF GOODS SOLD

Cost of goods sold include the cost of merchandise sold, inventory valuation writedowns, inventory shortages, damages and freight charges.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses include payroll and related benefits for the Company's store operations, field management, distribution center, purchasing and other corporate office and administrative personnel; rent, common area maintenance, real estate taxes and utilities for the Company's stores, distribution centers and corporate office; certain freight charges, advertising, consignment fees, sales promotion, royalties, insurance, supplies, professional fees and other administrative expenses.

INCOME TAXES

Deferred tax assets and liabilities are recognized for the differences between the financial reporting carrying values and the tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the

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differences are expected to reverse. A valuation allowance is recognized to reduce net deferred tax assets to amounts that management believes are more likely than not expected to be realized. Significant judgment is required in determining the provision for income taxes. Changes in estimates may create volatility in the Company's effective tax rate in future periods for various reasons including, but not limited to: changes in tax laws/rates, forecasted amounts and mix of pre-tax income/loss, settlements with various tax authorities, the expiration of the statute of limitations on some tax positions and obtaining new information about particular tax positions that may cause management to change its estimates. In the ordinary course of business, the ultimate tax outcome is uncertain for many transactions. It is the Company's policy to recognize, at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority, the impact of an uncertain income tax position on its income tax return. The tax provisions are analyzed at least quarterly and adjustments are made as events occur that warrant adjustments to those provisions. The Company records interest expense and penalties payable to relevant tax authorities as income tax expense.

GAAP prescribes a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of uncertain tax positions taken or expected to be taken in an income tax return. The Company may recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. See further discussion at Note 9.

BASIC AND DILUTED NET (LOSS) INCOME PER COMMON SHARE

Basic net (loss) income per common share is computed by dividing net (loss) income by the weighted average number of common shares outstanding during the period. Diluted net (loss) income per common share includes, in periods in which they are dilutive, the dilutive effect of those common stock equivalents where the average market price of the common shares exceeds the exercise prices for the respective years.

Basic and diluted net (loss) income per common share are computed as follows:

	Fiscal Year Ended January 30, 2016	Fiscal Year Ended January 31, 2015
	($ in thousands, except share and per share amounts)	
Numerator:		
Net (loss) income - basic and diluted	$(11,671)	$ 2,647
Denominator:		
Weighted average number of common shares - basic	15,486,957	15,425,007
Incremental shares from assumed exercise of equity based awards	—	62,602
Weighted average number of common shares - diluted	15,486,957	15,487,609
Basic and diluted (loss) income per common share	$(0.75)	$ 0.17

In fiscal 2015 and 2014, 7,275,887 and 7,467,619 potential shares of common stock, respectively, relating to stock option awards and warrants were excluded from the diluted (loss) income per share calculation. The effect of including these potential shares was antidilutive due to the net loss in fiscal 2015 and because the exercise prices were greater than the average market price for fiscal 2014.

ACCOUNTING FOR THE IMPAIRMENT OF LONG-LIVED ASSETS

The carrying value of long-lived assets is evaluated whenever events or changes in circumstances indicate that the carrying values of such assets may be impaired. An evaluation of recoverability is performed by comparing the carrying values of the assets to projected undiscounted future cash flows in addition to other quantitative and qualitative analysis, including management's strategic plans and market trends. Upon indication that the carrying values of such assets may not be recoverable, the Company recognizes an impairment loss. The impairment loss is determined based on the difference between the net book value and the fair value of the assets. The estimated fair value is based on anticipated discounted future cash flows. Any impairment is charged to operations in the period in which it is identified. Property and equipment assets are grouped at the lowest level for which there are identifiable cash flows when assessing impairment. Cash flows for retail assets are identified at the individual store level. See Note 5 for a discussion of impairment charges for long-lived assets recorded in fiscal 2015 and 2014.

SHARE-BASED COMPENSATION
Share-based compensation expense is recognized on a straight-line basis over the requisite service period. The Company estimates the fair value of stock options granted using the Black-Scholes option valuation model. See further discussion at Note 11.
PRE-OPENING EXPENSES
Pre-opening expenses related to new stores are expensed as incurred.
SHIPPING AND HANDLING FEES AND COSTS
The cost related to shipping and handling for wholesale sales is classified as freight out, which is included in selling, general and administrative expenses. Income generated by retail sales from shipping and handling fees is classified as revenues and the costs related to shipping and handling are classified as cost of goods sold.
ADVERTISING AND PROMOTIONAL COSTS
Advertising and promotional costs for fiscal 2015 and fiscal 2014 was approximately $70.5 million and $66.4 million, respectively, and is charged to expense when incurred.
RENT EXPENSE
The Company leases retail stores as well as offices and distribution centers under operating leases. Minimum rental expenses are recognized over the term of the lease on a straight-line basis. For purposes of recognizing minimum rental expenses, the Company uses the date when possession of the leased space is taken from the landlord, which includes a construction period of approximately two months prior to store opening. For tenant improvement allowances and rent holidays, the Company records a deferred rent liability in accrued expenses on the consolidated balance sheets and amortizes the deferred rent over the terms of the leases as reductions to rent expense on the consolidated statements of operations. For scheduled rent escalation clauses during the lease terms or for rental payments commencing at a date other than the date of initial occupancy, the Company records minimum rental expenses on a straight-line basis over the terms of the leases on the consolidated statements of operations. The difference between the rental expense recognized and the amount payable under the lease is included in other long-term liabilities on the accompanying consolidated balance sheets.
Certain leases provide for contingent rents, which are primarily determined as a percentage of gross sales in excess of specified levels and are not measurable at inception. The Company records a liability in accrued expenses on the consolidated balance sheets and the corresponding rent expense when specified levels have been achieved.
FAIR VALUE OF FINANCIAL INSTRUMENTS
The fair values of the Company’s assets and liabilities that qualify as financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, short-term debt, and accrued expenses, are carried at cost, which approximates fair value due to the short-term maturity of these instruments. The reported amounts of long-term obligations approximate fair value, given management’s evaluation of the instruments’ current rates compared to market rates of interest and other factors.
CONCENTRATIONS OF CREDIT RISK
The Company is potentially subject to a concentration of credit risk with respect to its trade receivables, the majority of which are due from retailers and wholesale distributors. Credit risks also relate to the seasonal nature of the business. The Company’s sales are concentrated in November and December for the holiday season. The Company performs ongoing credit evaluations of its customers and generally does not require collateral. The Company maintains allowances to cover potential or anticipated losses for uncollectible accounts. The Company maintains credit insurance on certain receivables, which minimizes the financial impact of uncollectible accounts.
RECENT ACCOUNTING PRONOUNCEMENTS
In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, Leases, which replaces the existing guidance in Accounting Standard Codification 840, Leases. ASU 2016-02 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2018. ASU 2016-02 requires a dual approach for lessee accounting under which a lessee would account for leases as finance leases or operating leases. Both finance leases and operating leases will result in the lessee recognizing a right-of-use asset and corresponding lease liability.

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For finance leases the lessee would recognize interest expense and amortization of the right-of-use asset and for operating leases the lessee would recognize straight-line total lease expense. The Company is currently assessing the new standard and its impact on its consolidated financial statements.

In November 2015, the FASB issued ASU No. 2015-17, Balance Sheet Classification of Deferred Taxes, which modifies the presentation of noncurrent and current deferred taxes. ASU 2015-17 requires that all deferred tax assets and liabilities be classified as noncurrent on the balance sheet instead of separating deferred taxes into current and noncurrent amounts. The standard is effective for interim and annual reporting periods beginning after December 15, 2016. Early adoption is permitted. The Company adopted ASU No. 2015-17 prospectively effective January 30, 2016. No prior periods were retrospectively adjusted.

In April 2015, the FASB issued ASU No. 2015-03, Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs, intended to simplify the presentation of debt issuance costs. The guidance requires that debt issuance costs related to a recognized debt liability be presented on the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with the presentation for debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this ASU. In August 2015, the FASB issued ASU No. 2015-15, Interest-Imputation of Interest (Subtopic 835-30): Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements - Amendments to SEC Paragraphs Pursuant to Staff Announcements at the June 2015 EITF Meeting. ASU 2015-15 amends Subtopic 835-30 to include that the SEC would not object to the deferral and presentation of debt issuance costs as an asset and subsequent amortization of debt issuance costs over the term of the line-of-credit arrangement, whether or not there are any outstanding borrowings on the line-of-credit arrangement. This guidance is effective for fiscal years and interim periods within those years beginning after December 15, 2015, and must be applied on a retrospective basis with early adoption permitted. This guidance is not expected to have a material impact on the Company's consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers. The update outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. ASU 2014-09 requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration the entity expects to be entitled to in exchange for those goods or services. In August 2015, the FASB approved a one year deferral of the effective date, to make it effective for annual and interim reporting periods beginning after December 15, 2017. The standard allows for either a full retrospective or a modified retrospective transition method. The Company is currently assessing the new standard and its impact on its consolidated financial statements.

NOTE 3 - INVENTORIES

Inventories consisted of the following (in thousands):

	January 30, 2016	January 31, 2015
Raw materials and work in process	$ 29,178	$ 29,227
Finished goods	192,158	224,144
	$ 221,336	$ 253,371

NOTE 4 - GOODWILL AND INTANGIBLE ASSETS

Goodwill in the amount of $38.8 million at January 30, 2016 and January 31, 2015 resulted from the April 18, 2012 acquisition of Parlux.

The following table provides information related to goodwill and intangible assets (in thousands). Intangible assets are included in intangible and other assets, net on the accompanying consolidated balance sheets as of January 30, 2016 and January 31, 2015:

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		January 30, 2016			January 31, 2015		
	Useful Life (years)	Original Cost	Accumulated Amortization	Net Book Value	Original Cost	Accumulated Amortization	Net Book Value
Goodwill	N/A	$38,769	$ —	$38,769	$38,769	$ —	$38,769
Tradenames	4-20	9,357	7,696	1,661	9,608	7,504	2,104
Customer relationships	10	5,171	1,982	3,189	5,171	1,465	3,706
Favorable leases	7	886	865	21	886	739	147
License agreements	3-5	16,313	14,640	1,673	16,413	11,243	5,170
Tradename (non-amortizing)	N/A	8,500	—	8,500	8,500	—	8,500
		$78,996	$ 25,183	$53,813	$79,347	$ 20,951	$58,396

In accordance with GAAP, goodwill and intangible assets with indefinite lives are not amortized, but rather tested for impairment at least annually by comparing the estimated fair values to their carrying values.
Trademarks, including tradenames and owned licenses having finite lives, are amortized over their respective lives to their estimated residual values and are also reviewed for impairment in accordance with accounting standards when changes in circumstances indicate the assets' values may be impaired. Customer relationships are amortized over the expected period of benefit and license agreements are amortized over the remaining contractual term. Impairment testing is based on a review of forecasted operating cash flows and the profitability of the related brand.
Amortization expense associated with intangible assets subject to amortization is included in depreciation and amortization on the accompanying consolidated statements of operations. Amortization expense for intangible assets subject to amortization was $4.5 million and $4.4 million for fiscal years 2015 and 2014, respectively. The estimated future amortization expense associated with intangible assets subject to amortization is as follows (in thousands):

Fiscal Year	Amortization Expense
2016	$ 1,884
2017	1,366
2018	986
2019	709
2020	684
Thereafter	915
	$ 6,544

NOTE 5 - PROPERTY AND EQUIPMENT
Property and equipment consisted of (in thousands):

	January 30, 2016	January 31, 2015	Estimated Useful Lives (In Years)
Buildings and improvements	$ 26,325	$ 25,490	Lesser of useful life or lease term
Furniture and fixtures	34,599	30,321	5-7
Machinery and equipment	8,432	8,354	3-7
	69,356	64,165	
Less:			
Accumulated depreciation	(43,464)	(39,525)	
	$ 25,892	$ 24,640	

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Depreciation and amortization expense on property and equipment for fiscal 2015 and fiscal 2014 was $6.3 million and $6.0 million, respectively which included depreciation expense relating to building and equipment under capital leases of $0.2 million and $0.1 million for fiscal 2015 and 2014, respectively. Accumulated depreciation for building and equipment under capital leases was $0.2 million at January 30, 2016 and $0.3 million at January 31, 2015. Net assets under capital leases were $0.2 million and $0.4 million at January 30, 2016 and January 31, 2015, respectively. During fiscal 2015 and 2014, the Company recorded noncash impairment charges of approximately $1.0 million and $0.6 million, respectively, to reduce the net carrying value of certain retail store assets (primarily leasehold improvements) to their estimated fair value, which was determined based on discounted expected future cash flows. Lower than expected operating cash flow performance relative to the affected assets and the impact of the current economic environment on their projected future results of operations indicated that the carrying value of the related long-lived assets were not recoverable. These asset impairment charges are included in asset impairment in the accompanying consolidated statements of operations. See Note 13 for further discussion of capital leases.

NOTE 6 - RELATED-PARTY TRANSACTIONS

Glenn, Stephen and Arlene Nussdorf owned an aggregate 7,742,282 shares or approximately 50.0% of the total number of shares of the Company's common stock as of January 30, 2016, excluding shares issuable upon conversion of certain warrants and not assuming the exercise of any outstanding options. Stephen Nussdorf has served as the Chairman of the Company's Board of Directors since February 2004 and Executive Chairman of the Board since April 2011.

The Nussdorfs are officers and principals of Quality King, which distributes pharmaceuticals and health and beauty care products, and the Company's President and Chief Executive Officer, Michael W. Katz is also an executive of Quality King.

See Note 8 for a discussion of notes payable to affiliates.

Transactions With Affiliated Companies

Glenn Nussdorf has an ownership interest in Lighthouse Beauty Marketing, LLC, Lighthouse Beauty, LLC and Lighthouse Beauty KLO, LLC (collectively "Lighthouse Companies"), all of which are manufacturers and distributors of prestige fragrances. He also has an ownership interest in Cloudbreak Holdings, LLC, ("Cloudbreak") a manufacturer and distributor of prestige fragrances. The Company has purchased merchandise from the Lighthouse Companies and Cloudbreak, respectively.

The Company purchases merchandise from Jacavi Beauty Supply, LLC ("Jacavi"), a fragrance distributor. Jacavi's managing member is Rene Garcia. Rene Garcia, his family trusts and related entities are members of a group that owned an aggregate 2,211,269 shares, or approximately 14.3%, of the total number of shares of the Company's common stock as of January 30, 2016, excluding shares issuable upon conversion of certain warrants. See disclosure of merchandise purchases in the table below.

The Company sells merchandise to Reba Americas LLC ("Reba"), which distributes fragrances primarily in Puerto Rico and the Caribbean. Family trusts of Rene Garcia own 50% of Reba. Net sales to Reba during fiscal 2015 and 2014 were approximately $2.9 million and $1.6 million, respectively. The balance due from Reba as of January 30, 2016 and January 31, 2015 was approximately $0.2 million and $0.3 million, respectively, and is included in accounts receivable, net of allowances, on the accompanying consolidated balance sheets. The Company also purchased certain merchandise from Reba during fiscal 2015 and 2014. See disclosure of merchandise purchases in the table below.

The amounts due to these related companies are non-interest bearing and are included in accounts payable-affiliates in the accompanying consolidated balance sheets. Transactions for merchandise purchases with these related companies during fiscal 2015 and 2014 were as follows:

	Fiscal Year Ended January	Fiscal Year Ended January	Balance Due January 30, 2016	Balance Due January 31, 2015

	30, 2016	31, 2015		
Lighthouse Companies	$17	$1,602	$ 134	$ 128
Jacavi	17,813	14,864	29	(4)
Quality King	68	152	(9)	4
Cloudbreak	—	831	18	18
Reba	3,235	2,194	90	98
	$21,133	$19,643	$ 262	$ 244

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On May 1, 2014, pursuant to a termination and trademark license agreement and in consideration for $0.1 million, the Company acquired the license for Isaac Mizrahi fragrances and related products from Cloudbreak. The license agreement had a three-year term with applicable renewal options; however, the Company and the licensor mutually agreed to terminate the license effective January 1, 2016. The Company had a credit of $0.3 million for advance royalty payments which was paid by Cloudbreak to the licensor, and which the Company utilized during fiscal 2015.
Effective May 1, 2014, and pursuant to certain termination, consent, representation and trademark license agreements, the Company acquired the license for Major League Baseball ("MLB") fragrances and related products from Cloudbreak. Pursuant to these agreements, the Company paid approximately $0.1 million of fees that were due by Cloudbreak and is permitted to purchase Cloudbreak's May 1, 2014 on-hand MLB finished goods fragrance inventory. The license agreement terminates on December 31, 2017.
Glenn, Stephen and Arlene Nussdorf own GSN Trucking, Inc. ("GSN") which provides general transportation and freight services. The Company periodically utilizes GSN to transport both inbound purchases of merchandise and outbound shipments to wholesale customers. During fiscal 2015 and 2014, total payments to GSN for transportation services provided were less than $0.1 million. There was no balance due to GSN at January 30, 2016 and January 31, 2015.
Quality King occupies a leased 560,000 square foot facility in Bellport, New York. The Company began occupying approximately half of this facility in December 2007 under a sublease that terminates on September 30, 2027 and this location serves as the Company's principal offices. As of January 30, 2016, the monthly current sublease payments are approximately $233,000 and increase by 3% annually. Total payments by the Company to Quality King for this sublease were approximately $2.7 million and $2.6 million during fiscal 2015 and 2014, respectively.
The Company and Quality King are parties to a Services Agreement providing for the Company's participation in certain third-party arrangements at the Company's respective share of Quality King's cost, including allocated overhead, plus a 2% administrative fee, and the provision of legal services. The Company also shares with Quality King the economic benefit of the bulk rate contract that the Company has with UPS to ship Quality King's merchandise and related items. The Services Agreement will terminate on thirty days' written notice from either party. During fiscal 2015 and 2014, the expenses charged under these arrangements to the Company were $1.0 million and $0.3 million, respectively. The balance due to Quality King for expenses charged under the Services Agreement was less than $0.1 million and $0.1 million at January 30, 2016 and January 31, 2015, respectively.
On April 18, 2012, Parlux, Artistic Brands Development LLC ("Artistic Brands") (a company controlled by Rene Garcia), Shawn Carter and S. Carter Enterprises, LLC entered into a sublicense agreement and Artistic Brands, Shawn Carter and S. Carter Enterprises, LLC entered into a license agreement. In connection with these agreements, the Company issued to Artistic Brands and its designees, including Shawn Carter, warrants for the purchase of an aggregate of 1,599,999 shares of the Company's common stock at an exercise price of $8.00 per share. Pursuant to the license agreement, Artistic Brands obtained the exclusive right and license to manufacture, promote, distribute, and sell prestige fragrances and related products under the Jay-Z trademark. The initial term of the license agreement expires at the earlier of (i) five years following the first date on which licensed products are shipped and (ii) December 31, 2018. Artistic Brands has the right to renew the license agreement, so long as certain financial conditions are met and it has not otherwise breached the agreement. Pursuant to the license agreement, Artistic Brands agreed to make certain royalty payments, including certain guaranteed minimum royalties. Pursuant to the sublicense agreement, Artistic Brands sublicensed all rights granted under the license agreement to the Company, and in return the Company assumed all of the Artistic Brands' obligations under the license agreement, including making all royalty payments and certain guaranteed minimum royalties owed to S. Carter Enterprises, LLC. The Company paid $0.3 million and $0.6 million of royalties pursuant to the sublicense agreement during fiscal 2015 and fiscal 2014, respectively.
On January 8, 2016, the Company and Parlux filed a lawsuit against S. Carter Enterprises, LLC, and Shawn C. Carter, who is the beneficial owner of 10% of the Company's common stock, in the Supreme Court of the State of New York, County of New York. In general, the lawsuit alleges that the defendants have breached the license described above and related agreements by not acting timely or in good-faith in approving products and launches under the license and not supporting the brand via personal appearances as required by the license. The lawsuit seeks a determination that

such breaches undermine the essence of the license thereby warranting rescission of the license, return of the consideration paid on account of the license and related agreements, monetary damages, and other relief. The licensor and the artist have not yet formally answered the lawsuit. The licensor and the artist have expressed an interest in attempting to resolve the lawsuit, but no agreement has yet been reached. In the meantime, the Company intends vigorously to pursue its claims.

NOTE 7 - ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses and other liabilities consist of the following (in thousands):

	January 30, 2016	January 31, 2015
Payroll and related	$ 7,939	$ 7,559
Customer allowances	4,691	3,988
Advertising, promotion and royalties	8,592	5,973
Taxes other than income taxes	585	1,177
Deferred tax liabilities	—	978
Insurance	1,263	1,234
Other	10,135	7,345
	$ 33,205	$ 28,254

NOTE 8 - REVOLVING CREDIT FACILITY AND NOTES PAYABLE TO AFFILIATES

The Company's revolving credit facility and notes payable to affiliates consist of the following (in thousands):

	January 30, 2016	January 31, 2015
Revolving credit facility interest payable monthly, secured by a pledge of substantially all of the Company's assets	$ 13,078	$ 37,561
Subordinated notes payable-affiliates	125,366	125,366
	138,444	162,927
Less current portion	—	—
Total long-term debt	$ 138,444	$ 162,927

The Company has a revolving Senior Credit Facility with a syndicate of banks that is used for the Company's general corporate purposes and those of its subsidiaries, including working capital and capital expenditures. The maximum borrowing amount under the Senior Credit Facility is $175 million and the termination date is April 2019. Under this facility, which does not require amortization of principal, revolving loans may be drawn, repaid and reborrowed up to the amount available under a borrowing base calculated with reference to specified percentages of the Company's eligible credit card and trade receivables and inventory, which availability may be reduced by the lender in its reasonable discretion. The Company must maintain availability under the facility of at least the greater of 10% of the aggregate amount that may be advanced against eligible credit card receivables, trade receivables and inventory or $10 million. As of January 30, 2016, the Company had a borrowing availability of $93.5 million, which includes $25 million for letters of credit.

Interest under the Senior Credit Facility is at variable rates plus specified margins that are determined based upon the Company's excess availability from time to time. The Company is also required to pay monthly commitment fees based on the unused amount of the Senior Credit Facility and a monthly fee with respect to outstanding letters of credit. As of January 30, 2016, the interest rate on LIBOR Rate borrowings was 2.38% and the interest rate on base rate borrowings was 4.50%.

All obligations of the Company related to the Senior Credit Facility are secured by first priority perfected security interests in all personal and real property owned by the Company, including without limitation 100% (or, in the case of excluded foreign subsidiaries, 66%) of the outstanding equity interests in the subsidiaries. The Company is subject to customary limitations on its ability to, among other things, pay dividends and make distributions, make investments and enter into joint ventures, and dispose of assets. The Company was in compliance with all financial and operating covenants as of January 30, 2016.

In addition, the Company has outstanding unsecured debt obligations as follows:

(i)a promissory note in the principal amount of $35 million, (the “QKD Note”) held by Quality King Distributors, Inc. ("Quality King"), which provides for payment of principal in quarterly installments between July 31, 2019 and October 31, 2022, with a final installment on October 31, 2022 of the remaining balance, and payment of interest in quarterly installments commencing on January 31, 2011 at the then current senior debt rate, as defined in the Senior Credit Facility, plus 1% per annum;

(ii)promissory notes in the aggregate principal amount of approximately $85.4 million held by six estate trusts established by Glenn, Stephen and Arlene Nussdorf (the "Nussdorf Trust Notes"), which provide for payment of the principal in full on July 31, 2019 and payments of interest in quarterly installments commencing on July 31, 2012 at the then current senior debt rate plus 2% per annum; and
(iii)a promissory note in the principal amount of $5 million held by Glenn and Stephen Nussdorf (the "2004 Note"), which provided for payment in January 2009 and is currently in default because of the restrictions on payment described below, resulting in an increase of 2% in the nominal interest rate, which is the prime rate plus 1%.
These notes are subordinated to the Senior Credit Facility. No principal may be paid on any of them until three months after the Senior Credit Facility terminates and is paid in full, and payment of interest is subject to satisfaction of certain conditions, including the Company's maintaining excess availability under the Senior Credit Facility of the greater of $17.5 million or 17.5% of the borrowing base certificate after giving effect to the payment, and a fixed charge coverage ratio, as defined in the credit agreement, of 1.1:1.0. As a result of the April 2014 amendment to the Senior Credit Facility discussed above, these notes were amended and no principal payments may be made on any of these notes until three months after the Senior Credit Facility's new termination date of April 25, 2019. Interest expense on these notes was approximately $5.3 million and $5.8 million for fiscal 2015 and 2014, respectively, and is included in interest expense on the accompanying consolidated statements of operations. No payments of principal or interest have been made on the QKD Note or the Nussdorf Trust Notes. On the 2004 Note, no payments of principal have been made and no interest payments have been made since October 2008. Accrued interest payable due at January 30, 2016 and January 31, 2015 on the Nussdorf Trust Notes, the Quality King Note, and the 2004 Note was approximately $44.8 million and $39.5 million, respectively, and is included in other long-term liabilities on the accompanying consolidated balance sheets as of January 30, 2016 and January 31, 2015, respectively.

NOTE 9 - INCOME TAXES
The income tax provision (benefit) is comprised of the following amounts (in thousands):

	Fiscal Year Ended January 30, 2016	Fiscal Year Ended January 31, 2015
Current:		
Federal	$ 22	$ 251
State and local	429	296
Foreign	—	—
	451	547
Deferred:		
Federal	(3,620)	1,066
State and local	(531)	188
Foreign	697	(144)
	(3,454)	1,110
Income tax (benefit) provision	(3,003)	1,657
Valuation allowance adjustment	3,454	(1,110)
Income tax provision	$ 451	$ 547

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The income tax provision (benefit) differs from the amount obtained by applying the statutory Federal income tax rate to pretax income as follows (in thousands):

	Fiscal Year Ended January 30, 2016	Fiscal Year Ended January 31, 2015
(Benefit) provision at Federal statutory rates	$(3,927)	$1,118
Permanent adjustments	91	47
State tax, net of Federal	(203)	415
Change in valuation allowance	3,454	(1,111)
Prior year adjustments	1,033	134
Foreign rate differential	3	(59)
Other	—	3
Income tax provision	$451	$547

Net deferred tax liabilities, which are included in other long-term liabilities on the accompanying consolidated balance sheets as of January 30, 2016 and January 31, 2015, reflect the tax effect of the following differences between financial statement carrying amounts and tax bases of assets and liabilities as follows (in thousands):

	January 30, 2016	January 31, 2015
Assets:		
Net operating loss and tax credit carryforwards	$11,625	$7,142
Foreign net operating loss carryforwards	2,432	3,129
Inventories	6,293	7,862
Property and equipment	5,972	8,810
Accounts receivable allowances	260	295
Goodwill and intangibles	102	194
Accrued interest	10,381	8,744
Deferred rent	3,489	3,481
Accrued expenses	4,139	3,382
Share-based compensation	3,021	2,933
Other	2,816	2,566
Total deferred tax assets	50,530	48,538
Valuation allowance	(49,203)	(45,749)
Net deferred tax assets	1,327	2,789
Liabilities:		
Tradename	(3,400)	(3,400)
Intangibles	(1,327)	(2,789)
Total deferred tax liabilities, net	$(3,400)	$(3,400)

Management evaluates the Company’s deferred income tax assets and liabilities to determine whether or not a valuation allowance is necessary. Deferred tax assets are reduced by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Realization of future tax benefits related to the deferred tax assets is dependent on many factors, including the

Company's ability to generate future taxable income during those periods in which temporary differences become deductible and/or credits can be utilized. Based on the difficult retail and wholesale environment resulting from the decline in general economic conditions and consumer confidence at the time, and the uncertainty as to when conditions will improve enough to enable the Company to utilize its deferred tax assets, the Company recorded a full valuation allowance against its deferred tax assets. The lack of practical tax-planning strategies available in the short-term and the lack of other objectively verifiable positive evidence supported the conclusion that a full valuation allowance against the Company's Federal and state net deferred tax assets was necessary. In fiscal 2015, the

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valuation allowance increased by $3.5 million and in fiscal 2014, the valuation allowance decreased by approximately $1.1 million, respectively. For U.S. Federal and State income tax purposes, the Company generated a taxable loss which will be carried forward and available to reduce future taxable income but also increased other deferred tax assets due to the reversal of certain temporary differences. Overall, the Company's deferred tax assets net with deferred tax liabilities, and before being reduced by the valuation allowance, increased.

As of January 30, 2016 and January 31, 2015, the Company had a deferred tax liability of approximately $3.4 million related to a tradename. Due to the uncertainty of when this deferred tax liability will be recognized, the Company was not able to offset its total deferred tax assets with this deferred tax liability. The deferred tax liability is included in other long-term liabilities on the accompanying consolidated balance sheets as of January 30, 2016 and January 31, 2015.

Based on available evidence, management concluded that a valuation allowance should be maintained against the Company's deferred tax assets as of January 30, 2016 and January 31, 2015. If, in the future, the Company realizes taxable income on a sustained basis of the appropriate character and within the net operating loss carryforward period, the Company would reverse some or all of this valuation allowance, resulting in an income tax benefit. Further, changes in existing tax laws could also affect valuation allowance needs in the future.

As of January 30, 2016 and January 31, 2015, the Company's United States and Puerto Rico net operating loss carryforwards, which approximate $29.6 million and $23.0 million, respectively, begin to expire in fiscal years 2030 and 2018, respectively. The Company has approximately $60.1 million of net operating loss carryforwards in various states expiring from 2016 through 2035 and may be subject to certain annual limitations.

On April 15, 2014, the Company filed a request with the Internal Revenue Service ("IRS") to change its tax year from June 30 to a fifty-two/fifty-three week year ending on the Saturday closest to January 31, which will correspond with its accounting year-end. On June 2, 2014, the IRS notified the Company that the Company's request to change its tax year has been accepted. The Company filed a short-period return for the period July 1, 2013 through February 1, 2014 in October 2014.

GAAP prescribes a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of uncertain tax positions taken or expected to be taken in an income tax return. The Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. GAAP also provides guidance on derecognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. As of January 30, 2016 and January 31, 2015, there was a liability of $1.2 million and $1.1 million, respectively, recorded for income tax associated with unrecognized tax benefits.

The Company accrues interest related to unrecognized tax benefits as well as any related penalties in income tax expense, which is consistent with the recognition of these items in prior reporting periods. Accrued interest and penalties were $0.9 million as of January 30, 2016 and January 31, 2015, respectively.

The balance of unrecognized tax benefits, the amount of related interest and penalties we have provided and what we believe to be the range of reasonably possible changes in the next twelve months, were (in thousands):

	Fiscal Year Ended January 30, 2016	Fiscal Year Ended January 31, 2015
Unrecognized tax benefits	$ 1,219	$ 1,079
Portion if recognized would reduce tax expense and effective rate	1,219	1,079
Accrued interest on unrecognized tax benefits	717	647

Accrued penalties on unrecognized tax benefits	220	244

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A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows (in thousands):

	Fiscal Year Ended January 30, 2016	Fiscal Year Ended January 31, 2015
Balance at beginning of year	$1,079	$1,007
Additions for tax positions of the current year	162	71
Additions for tax positions of prior years	82	30
Reductions for tax positions of prior years	(104)	(29)
Balance at end of year	$1,219	$1,079

The Company does not expect material adjustments to the total amount of unrecognized tax benefits within the next 12 months, but the outcome of tax matters is uncertain and unforeseen results can occur.

The Company conducts business throughout the United States, Puerto Rico, Brazil and the U.S. Virgin Islands and, as a result, files income tax returns in the United States Federal jurisdiction and various state and foreign jurisdictions. In the normal course of business, the Company is subject to examination by taxing authorities. With few exceptions, the Company is no longer subject to U.S. Federal, state, local or Puerto Rico income tax examinations for fiscal years prior to 2005. State and foreign income tax returns are generally subject to examination for a period of three to five years after filing of the respective return. The state impact of any Federal changes remains subject to examination by various states for a period of up to one year after formal notification to the states. The Company is currently under examination by one jurisdiction; however, management does not expect any significant liability to result.

NOTE 10 - FAIR VALUE MEASUREMENTS

The Company adopted the accounting guidance regarding fair value and disclosures, as it applies to financial and non-financial assets and liabilities. The guidance defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The new guidance does not require any new fair value measurements; rather, it applies to other accounting pronouncements that require or permit fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

Level 1: Observable inputs such as quoted prices in active markets (the fair value hierarchy gives the highest priority to Level 1 inputs);

Level 2: Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: Unobservable inputs in which there is little or no market data and require the reporting entity to develop its own assumptions

As of January 30, 2016, the Company had no material financial assets or liabilities measured on a recurring basis at fair value. The Company measures certain assets at fair value on a non-recurring basis, specifically long-lived assets evaluated for impairment. We estimated the fair value of our long-lived assets using company-specific assumptions which would fall within Level 3 of the fair value hierarchy.

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The following tables present the non-financial assets the Company measured at fair value on a non-recurring basis, based on the fair value hierarchy as of January 30, 2016 and January 31, 2015:

	Net Carrying Value as of January 30, 2016	Fair Value Measured and Recorded at Reported Date Using Level 1	Level 2	Level 3	Total Impairment Losses - Year Ended January 30, 2016
Property and Equipment (in thousands)	$ —	$ —	$ —	$ —	$ 1,032

	Net Carrying Value as of January 31, 2015	Fair Value Measured and Recorded at Reported Date Using Level 1	Level 2	Level 3	Total Impairment Losses - Year Ended January 31, 2015
Property and Equipment (in thousands)	$ —	$ —	$ —	$ —	$ 644

In fiscal 2015 and 2014, the Company recorded noncash impairment charges of approximately $1.0 million and $0.6 million, respectively, to reduce the net carrying value of certain retail store assets to their estimated fair value of $0, which was based on discounted estimated future cash flows.

NOTE 11 - SHAREHOLDERS' EQUITY

PREFERRED STOCK

The Company's Articles of Incorporation authorize the issuance of up to 1,000,000 shares of preferred stock. The preferred stock may be issued from time to time at the discretion of the Board of Directors without shareholders' approval. The Board of Directors is authorized to issue these shares in different series and, with respect to each series, to determine the dividend rate, and provisions regarding redemption, conversion, liquidation preference and other rights and privileges. As of January 30, 2016, no preferred stock had been issued.

TREASURY STOCK

As of January 30, 2016, the Company had repurchased 898,249 shares of common stock for approximately $8.6 million, all of which are held as treasury shares. There were no repurchases during fiscal 2015 or fiscal 2014.

WARRANTS

In connection with the Parlux acquisition, the Company issued warrants for an aggregate of 4,805,304 shares of our common stock at an exercise price of $8.00 per share. See further discussion at Note 6 of these consolidated financial statements.

In connection with the Company's merger with a predecessor company on August 11, 2008, the Company issued warrants to purchase an additional 1,500,000 shares of our common stock with an exercise price per share of $23.94. These warrants became exercisable effective August 11, 2011 and will be exercisable until August 11, 2018.

STOCK OPTION PLANS

The 2010 Equity Incentive Plan (the "2010 Plan") provides for equity-based awards to the Company's employees, directors and consultants. Under the 2010 Plan, the Company initially reserved 1,000,000 shares of common stock for issuance. This number automatically increases on the first trading day of each fiscal year beginning with fiscal 2011, by an amount equal to 1.5% of the shares of common stock outstanding as of the last trading day of the immediately preceding fiscal year; accordingly, 1,961,898 shares of common stock were reserved for issuance as of January 30, 2016. The Company previously had two stock option plans which expired on October 31, 2010. No further awards will be granted under these plans, although all options previously granted and outstanding will remain outstanding until they are either exercised or forfeited. As of January 30, 2016, 829,252 stock options have been granted pursuant to the 2010 Plan.

The following is a summary of the stock option activity during the fiscal year ended January 30, 2016:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value (in thousands)
Outstanding as of January 31, 2015	1,230,253	$ 8.43		
Granted	25,000	4.32		
Exercised	(17,387)	3.27		
Forfeited	(261,950)	9.93		
Outstanding as of January 30, 2016	975,916	$ 8.01	6.2	$ —
Vested and expected to vest as of January 30, 2016	944,662	$ 8.02	6.1	$ —
Exercisable as of January 30, 2016	944,662	$ 8.02	6.1	$ —

The following is a summary of stock warrants activity during the fiscal year ended January 30, 2016:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value (in thousands)
Outstanding as of January 31, 2015	6,299,971	$ 11.80		
Granted	—	—		
Exercised	—	—		
Forfeited	—	—		
Outstanding as of January 30, 2016	6,299,971	$ 11.80	2.4	$ —
Vested and expected to vest as of January 30, 2016	6,299,971	$ 11.80	2.4	$ —
Exercisable as of January 30, 2016	6,299,971	$ 11.80	2.4	$ —

Share-based compensation expense was $0.3 million and $1.0 million during fiscal 2015 and 2014, respectively.
The fair value for stock options issued during the fiscal years ended January 30, 2016 and January 31, 2015 was estimated at the date of grant, using the Black-Scholes option pricing model with the following weighted average assumptions:

	Fiscal Year Ended January 30, 2016	Fiscal Year Ended January 31, 2015
Expected life (years)	5	5
Expected stock price volatility	86.0% - 88.9%	91.0% - 92.0%
Risk-free interest rates	1.6% - 1.7%	1.3% - 1.6%
Expected dividend yield	0%	0%

The expected life of the options represents the estimated period of time until exercise and is based on historical experience of similar awards, giving consideration to the contractual terms, vesting schedules and expectations of future employee behavior. The expected stock price volatility is estimated using the historical volatility of the Company’s stock. The risk-free interest rate is based on the implied yield available on U.S. Treasury zero coupon issues with a term equal to the option’s expected life. The Company has not paid dividends in the past and does not intend to in the foreseeable future.
The weighted average estimated fair values of options granted during fiscal years 2015 and 2014 were $2.96 and $3.99 per share, respectively. As of January 30, 2016, there was less than $0.1 million of unrecognized compensation expense related to non-vested outstanding stock options. These costs are expected to be recognized over a

weighted-average period of 1 year. The aggregate intrinsic value of options exercised during fiscal 2015 and 2014 was $42,000 and $288,000, respectively. Cash received from option exercises during fiscal 2015 and 2014 was $57,000 and $396,000, respectively.

NOTE 12 - EMPLOYEE BENEFIT PLANS

The Company has a 401(k) Savings and Investment Plan (the "Plan") for its various subsidiaries. Pursuant to the Plan, the participants may make contributions to the Plan in varying amounts from 1% to 100% of total compensation, or the maximum limits allowable under the Internal Revenue Code, whichever is less. The Company, at its discretion, may match such contributions in varying amounts, as specified by the Plan, and the Company's matching contributions vest over a one to four year period. The Company did not match contributions to the Plan during fiscal 2015 and 2014.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

MEDICAL INSURANCE

The Company self-insures employees for employee medical benefits under the Company's group health plan. As of January 30, 2016, the Company maintains stop loss coverage for individual medical claims in excess of $125,000 and for annual Company medical claims which exceed approximately $4.3 million in the aggregate. While the ultimate amount of claims incurred are dependent on future developments, in management's opinion, recorded accruals are adequate to cover the future payment of claims incurred as of January 30, 2016. However, it is possible that recorded accruals may not be adequate to cover the future payment of claims. Adjustments, if any, to estimates recorded resulting from ultimate claim payments will be reflected in operations in the periods in which such adjustments are determined. The self-insurance accrual at January 30, 2016 and January 31, 2015 was approximately $0.6 million and $0.5 million, respectively, which is included in accrued expenses and other liabilities in the accompanying consolidated balance sheets.

LEASES AND RETAIL STORE RENT

Total rent expense for warehouse space and equipment charged to operations for fiscal 2015 and fiscal 2014 was $4.6 million and $4.4 million, respectively. This includes payments of warehouse rent to Quality King.

The Company subleases office and warehouse facility from Quality King in Bellport, New York at a rate which is currently $2.8 million per year with an annual escalation of 3%. This sublease expires September 2027. The Company also leases a warehouse facility in Keasby, New Jersey and administrative office space in Ft. Lauderdale, Florida. The lease in Keasby expires in September 2020. The Ft. Lauderdale lease expires in January 2022. The Company also leases administrative office space in New York City. This lease expires in February 2021.

The Company leases space for its retail stores. The lease terms vary from month to month leases to ten year leases, in some cases with options to renew for longer periods. Various leases contain clauses which adjust the base rental rate by the prevailing Consumer Price Index, as well as requiring additional contingent rent based on a percentage of gross sales in excess of a specified amount.

Retail store rent expense in fiscal 2015 and 2014 were as follows (in thousands):

	Fiscal Year Ended January 30, 2016	Fiscal Year Ended January 31, 2015
Minimum rentals	$31,263	$30,356
Contingent rentals	1,018	1,481
Total	$32,281	$31,837

Aggregate future minimum rental payments under the above operating leases at January 30, 2016 are payable as follows (in thousands):

Fiscal Year	
2016	$31,919

2017	27,995
2018	22,067
2019	16,062
2020	11,887
Thereafter	44,133
	$154,063

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The Company's capitalized leases are for a building in Sunrise, Florida, and computer hardware and software. The lease for the Florida building expires December 2017 with monthly rent of approximately $104,000 during the remaining term of the lease. The following is a schedule of future minimum lease payments under capital leases together with the present value of the net minimum lease payments at January 30, 2016 (in thousands):

Fiscal Year	
2016	$1,506
2017	1,306
Total future minimum lease payments (1)	2,812
Less: Amount representing interest	(341)
Present value of minimum lease payments	2,471
Less: Current portion	(1,248)
	$1,223

(1) Minimum payments have not been reduced by minimum sublease rentals of approximately $1.1 million due in the future under noncancelable subleases.

ADVERTISING AND ROYALTY OBLIGATIONS

The Company is party to license agreements with unaffiliated licensors. Obligations under license agreements relate to royalty payments and required advertising and promotional spending levels for the Company's products bearing the licensed trademark. Royalty payments are typically made based on contractually defined net sales. However, certain licenses require minimum guaranteed royalty payments regardless of sales levels. Minimum guaranteed royalty payments and required minimums for advertising and promotional spending have been included in the table below. Actual royalty payments and advertising and promotional spending could be higher. Furthermore, early termination of any of these license agreements could result in potential cash outflows that have not been reflected below. Royalty expense was $18.1 million and $16.4 million for fiscal 2015 and fiscal 2014, respectively and is included in selling, general and administrative expenses on the accompanying consolidated statements of operations. The aggregate future minimum payments under these licensing agreements at January 30, 2016 are payable as follows (in thousands):

Fiscal Year	Royalty Payments	Advertising Obligations	Total
2016	$ 16,033	$ 28,544	$44,577
2017	15,702	29,800	45,502
2018	10,409	19,573	29,982
2019	2,872	7,400	10,272
2020	2,151	7,500	9,651
Thereafter	248	—	248
	$ 47,415	$ 92,817	$140,232

LITIGATION

The Company is involved in legal proceedings in the ordinary course of business. Management cannot presently predict the outcome of these matters, although management believes that the ultimate resolution of these matters will not have a materially adverse effect on the Company's financial position, operations or cash flows.

NOTE 14 - SEGMENT INFORMATION

The Company operates in two industry segments, wholesale distribution and specialty retail sales of designer fragrance and related products. Management reviews operating information by segment and on a consolidated basis each month. Retail sales include sales at Perfumania retail stores, the SOW consignment business and the Company's internet site, Perfumania.com. Transactions between QFG, Parlux and Five Star, and unrelated customers are included in our wholesale segment information. The accounting policies of the segments are the same as those described in

Note 2. The Company’s chief operating decision maker, who is its Chief Executive Officer, assesses segment performance by reference to gross profit. Each

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of the segments has its own assets, liabilities, revenues and cost of goods sold. While each segment has certain unallocated operating expenses, these expenses are not reviewed by the chief operating decision maker on a segment basis, but rather on a consolidated basis. Financial information for these segments is summarized in the following table:

	Fiscal Year Ended January 30, 2016	Fiscal Year Ended January 31, 2015
	(in thousands)	
Net sales:		
Retail	$293,395	$344,544
Wholesale	248,569	239,411
	$541,964	$583,955
Gross profit:		
Retail	$147,468	$164,460
Wholesale	110,156	106,664
	$257,624	$271,124

	January 30, 2016	January 31, 2015
Total assets:		
Wholesale	$636,924	$608,119
Retail	372,651	353,356
	1,009,575	961,475
Eliminations (a)	(658,529)	(575,243)
Consolidated assets	$351,046	$386,232

(a) Adjustment to eliminate intercompany receivables and investment in subsidiaries

Sales to wholesale customers in foreign countries during fiscal 2015 and 2014 were $34.5 million and $34.4 million, respectively.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

ITEM 9A. CONTROLS AND PROCEDURES

Management's Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as defined in SEC Rule 13a-15(e), which our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated as of the end of the fiscal year covered by this report. Those controls and procedures are designed to ensure, among other things, that information we are required to disclose in the reports that we file with the SEC is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to the Company's management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures. Based on this evaluation, we concluded that our disclosure controls and procedures were effective at January 30, 2016.

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Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in SEC Rule 13a-15(f), for the Company. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of January 30, 2016, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013). Based on this assessment and those criteria, our management concluded that, as of January 30, 2016, our internal control over financial reporting was effective. This annual report on Form 10-K does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our independent registered public accounting firm pursuant to the rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the fourth quarter of fiscal 2015 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting. Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ITEM 9B. OTHER INFORMATION

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Our officers and directors are:

- Stephen Nussdorf - Age 65. Mr. Nussdorf was appointed Chairman of our Board of Directors in February 2004 and Executive Chairman of the Board of Directors in April 2011. Mr. Nussdorf is also an executive officer of Quality King Distributors, Inc. ("Quality King"), a privately held distributor of pharmaceuticals and health and beauty care products, and he was, until our merger with Model Reorg, Inc. in August 2008 (the "Merger"), President and a Director of Model Reorg, a privately held distributor of fragrance products. Mr. Nussdorf joined Quality King in 1972 and Model Reorg in 1996 and has served in various capacities in all divisions of their businesses. Mr. Nussdorf brings to the Board critical insights into the consumer product and wholesale markets in which we operate. He is an experienced business leader with the vision and skills appropriate to serve as Executive Chairman of our Board, and the Board has benefited from his perspectives and leadership.

- Michael W. Katz - Age 68. Mr. Katz joined us in February 2004 as our President and Chief Executive Officer and as a Director. Mr. Katz has served in various capacities at Model Reorg and Quality King and their affiliated companies; he is primarily responsible for overseeing administration, finance, operations, mergers and acquisitions. Mr. Katz has participated in the design and implementation of the business strategy that has fostered the growth of Perfumania Holdings, Inc. and Quality King and their affiliated companies. From 1994 until 1996 he was Senior Vice President of Quality King. Since 1996, he has served as Executive Vice President of Quality King and was also Executive Vice President and a Director of Model Reorg. Mr. Katz is a Certified Public Accountant. Mr. Katz's strong executive leadership, financial and management experience, business acumen and knowledge of our suppliers, customers and channels of distribution are highly valued by the Board.
- Donna Dellomo - Age 51. Ms. Dellomo was appointed Vice President in September 2012 and has been our Chief Financial Officer since the merger with Model Reorg. Before that, she had served as Chief Financial Officer of Model Reorg since February 1998. Before joining Model Reorg, Ms. Dellomo was Corporate Controller for Cybex

International, Inc., a public company. Ms. Dellomo is a Certified Public Accountant.

Joseph Bouhadana - Age 45. Mr. Bouhadana was appointed a Director in September 2002. Mr. Bouhadana is Vice President Technology for INTCOMEX, a distributor of branded computer components, generic accessories and networking peripherals into the Latin America and Caribbean regions with thirteen offices in ten countries. He served as Corporate Director of Technology for INTCOMEX from January 2005 to February 2013 and as Vice President of Information Technology of Tutopia.com, a privately owned Internet service provider with a presence in nine countries in Latin America, from September 2000 to January 2005. Previously, Mr. Bouhadana was the Director of Information Technology of Parker Reorder, a publicly traded company specializing in hospitality business to business procurement, distribution and logistics systems. Mr. Bouhadana's strong technical and operational skills are an important asset to our Board. He also serves on the Audit, Compensation and Stock Option Committees, to which he makes valuable contributions.

- Paul Garfinkle - Age 75. Mr. Garfinkle joined our Board of Directors in February 2004. Mr. Garfinkle retired from the public accounting firm of BDO Seidman, LLP in June 2000 after a thirty-six year career. While at BDO Seidman, LLP, Mr. Garfinkle was an audit partner and client service director for many of the firm's most significant clients. He also served for many years as a member of the firm's board of directors and, during his last six years at the firm, as National Director of Real Estate. Mr. Garfinkle has extensive experience in the areas of accounting, finance, audit, and taxation and valuable knowledge of financial and regulatory reporting requirements. He serves as Chair of the Board's Audit Committee where his leadership and independence serve the company well. He was appointed to the Compensation Committee on December 7, 2015.

- Glenn H. Gopman - Age 60. Mr. Gopman became a director in April 2012, upon our acquisition of Parlux. Mr. Gopman is a Certified Public Accountant and had served as an independent director of Parlux since October 1995. Mr. Gopman holds AICPA credentials as a Chartered Global Management Accountant and Personal Financial Specialist. Since 2003, Mr. Gopman has been an owner or partner of an independent certified public accounting practice. He is presently a partner with the public accounting firm of Stroemer & Company, LLC. Until 2013, he was a principal stockholder in the public accounting firm of Levi & Gopman, P.A. Until 2002, he was a partner in the public accounting firm of Rachlin Cohen & Holtz LLP and before that, Mr. Gopman was a principal stockholder in the public accounting firm of Thaw, Gopman and Associates, P.A. He is a member of the American and Florida Institutes of Certified Public Accountants. Mr. Gopman is an officer and director of The Hebrew Free Loan Association of South Florida, Inc., a non-profit organization. Mr. Gopman possesses extensive accounting experience as a Certified Public Accountant practicing in the area of public accounting, which provides the Board of Directors with his valuable experience counseling companies with respect to the implementation and impact of accounting policies, and the use of management judgment and estimates regarding such accounting policies. He was appointed to the Compensation Committee on January 10, 2013 and to the Audit Committee on December 7, 2015.

Code of Ethics

We have adopted a Code of Business Conduct and Ethics that applies to all our Directors, officers and employees and is available free of charge by contacting us at (631) 866-4100. This includes a “code of ethics,” as defined by Securities and Exchange Commission rules, that applies to our Directors and senior financial officers, including our Chief Executive Officer and Chief Financial Officer. If we make any substantive amendment to the code of ethics or grant any waiver from any of its provisions, we will disclose the nature of such amendment or waiver in a report on Form 8-K.

Audit Committee

For the fiscal year ended January 30, 2016, Joseph Bouhadana, Paul Garfinkle (Chairman) and Glenn Gopman, all of whom are independent, as defined by Nasdaq Stock Market rules, were the members of our Audit Committee. The board of directors has determined that Mr. Garfinkle and Mr. Gopman are "audit committee financial experts" as defined by SEC rules.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors and executive officers and beneficial holders of more than 10% of any class of our equity securities to file with the Securities and Exchange

Commission initial reports of ownership and reports of changes in ownership of such equity securities. Based upon a review of such forms furnished to us or representations from reporting persons stating that they were not required to file these forms, we believe that during fiscal 2015, all Section 16(a) filing requirements were satisfied on a timely basis.

ITEM 11. EXECUTIVE COMPENSATION

The following sets forth information concerning compensation for fiscal 2015 and fiscal 2014 for our Executive Chairman, Chief Executive Officer and Chief Financial Officer (the "Named Executive Officers").

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2015 Summary Compensation Table

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Option Awards $ (1)	All Other Compensation ($) (2)	Total ($)
Stephen Nussdorf	2015	307,220	—	—	—	307,220
(Executive Chairman)	2014	301,147	—	—	23,124	324,271
Michael W. Katz	2015	346,123	—	—	15,000	361,123
(President and Chief Executive Officer)	2014	340,400	—	392,650	15,000	748,050
Donna L. Dellomo	2015	416,313	—	—	12,300	428,613
(Vice President and Chief Financial Officer)	2014	413,200	—	—	12,300	425,500

(1) Amounts listed represent the grant date fair value of the stock option awards in accordance with FASB ASC 718. These amounts represent the grant date fair value and do not represent the actual value that may be realized. For additional information regarding the assumptions used to calculate these amounts, see Note 11 to the consolidated financial statements included in Item 8 of this Form 10-K.
(2) All other compensation consists of a car lease for Mr. Nussdorf, a car allowance for Mr. Katz and a car and cellular phone allowance for Ms. Dellomo.

Outstanding Equity Awards at Fiscal Year-End 2015
The following table shows all outstanding equity awards held by the Named Executive Officers at the end of fiscal 2015.

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date
Stephen Nussdorf	250,000	—	9.26	04/02/2022
Michael W. Katz	150,000	—	9.26	04/02/2022
	100,000	—	5.60	01/25/2025
Donna L. Dellomo	35,000	—	4.79	10/29/2018
	48,750	16,250	9.26	04/02/2022

Retirement Benefits and Potential Payments Upon Termination or Change of Control
No Named Executive Officer participates in any Perfumania pension plan or nonqualified defined benefit or nonqualified deferred compensation plan, and none has entered into any agreements or understandings with us that provide for payments or benefits to the Named Executive Officer in the event of the Named Executive Officer’s termination of employment, including a change of control. All option awards held by the Named Executive Officers are fully vested, so there would be no acceleration of vesting upon a change of control.
Generally, upon a termination of employment for any reason, each Named Executive Officer would be entitled to receive a cash payment of the Named Executive Officer’s base salary through the date of termination, to the extent not paid, any accrued but unused vacation pay and any unreimbursed business expenses. Perfumania may, in its sole discretion, depending upon the circumstances of the termination of employment, pay the terminated Named Executive Officer severance in such amount as then determined by the Compensation Committee.

Compensation of Directors

We pay each nonemployee director a $25,000 annual retainer. In addition, the nonemployee directors earn $10,000 per year for service as Chair of the Audit Committee, $5,000 per year for other members of the Audit Committee, $3,000 per year for service as Chair of each other committee of the board of directors, and $2,500 per year for other members of each other committee. We also reimburse their expenses in connection with their activities as directors. Nonemployee directors are eligible to receive stock options under our 2010 Equity Incentive Plan (the "2010 Plan"). They each receive a grant of options for 10,000 shares upon initial election to the board, to vest annually over three years dependent on continued board service, and a grant of options for 5,000 shares upon annual reelection to the board, vested immediately. All such options have an exercise price equal to the fair market value of a share of our common stock on the date of the grant.

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Neither Mr. Nussdorf nor Mr. Katz receives any compensation for his service as a director.
The following table sets forth certain information regarding the compensation of our nonemployee directors for their service as such for fiscal 2015:

Name	Fees Earned or Paid in Cash ($)	Options Awards ($)(1)(2)	Total ($)
Joseph Bouhadana	33,000	12,365	45,365
Paul Garfinkle	35,000	12,365	47,365
Glenn H. Gopman	27,500	12,365	39,865

(1) Amounts listed represent the grant date fair value of the stock option awards in accordance with FASB ASC 718. These amounts represent the grant date fair value and do not represent the actual value that may be realized. For additional information regarding the assumptions used to calculate these amounts, see Note 11 to the consolidated financial statements included in Item 8 of this Form 10-K.
(2) As of January 30, 2016, Perfumania's nonemployee directors held outstanding stock options in the following amounts: Joseph Bouhadana (49,000); Paul Garfinkle (49,000) and Glenn H. Gopman (37,999).

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth information as of January 30, 2016, with respect to our compensation plans under which our equity securities are authorized for issuance.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Plan Category:			
Equity compensation plans approved by stockholders	975,916	$ 8.01	1,132,646
Equity compensation plans not approved by stockholders	—	—	—
Total	975,916	$ 8.01	1,132,646

The 2010 Plan provides for equity-based awards to the Company's employees, directors and consultants. Under the 2010 Plan, the Company initially reserved 1,000,000 shares of common stock for issuance. This number automatically increases on the first trading day of each fiscal year, beginning with fiscal 2011, by an amount equal to 1 1/2% of the shares of common stock outstanding as of the last trading day of the immediately preceding fiscal year. The Company previously had two stock option plans which expired on October 31, 2010. No equity awards have been granted after this date under these plans, although all options previously granted and outstanding will remain outstanding until they are either exercised or forfeited or they expire.
The following table shows the amount of common stock beneficially owned as of January 30, 2016 by: (a) each of our directors, (b) each of our current executive officers, (c) all of our directors and current executive officers as a group

and (d) each person known by Perfumania to beneficially own more than 5% of Perfumania's outstanding common stock. Unless otherwise provided, the address of each holder is c/o Perfumania Holdings, Inc., 35 Sawgrass Drive, Suite 2, Bellport, New York 11713.

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Name of Beneficial Owner	Total Number of Shares Beneficially Owner (1)		Percent of Class
Principal Shareholders			
Stephen and Glenn Nussdorf	7,134,352	(2)	42.9%
Arlene Nussdorf	2,189,201	(3)	13.7%
Rene Garcia	4,364,991	(4)	24.7%
Shawn C. Carter	1,726,450	(5)	10.0%
Other Directors and Executive Officers			
Michael W. Katz	259,127	(6)	1.6%
Donna L. Dellomo	83,750	(7)	*
Joseph Bouhadana	49,000	(8)	*
Paul Garfinkle	49,000	(9)	*
Glenn H. Gopman	59,431	(10)	*
All directors and executive officers as a group (6 persons)	7,634,660	(11)	44.6%

* Less than 1%

(1) For purposes of this table, beneficial ownership is computed pursuant to Rule 13d-3 under the Exchange Act; the inclusion of shares as beneficially owned should not be construed as an admission that such shares are beneficially owned for purposes of the Exchange Act. Under the rules of the Securities and Exchange Commission, a person is deemed to be a "beneficial owner" of a security if he or she has or shares the power to vote or direct the voting of such security or the power to dispose of or direct the disposition of such security. Accordingly, more than one person may be deemed to be a beneficial owner of the same security.

(2) Stephen Nussdorf beneficially owns his shares with his brother Glenn Nussdorf. Includes (a) 250,000 shares of common stock issuable upon the exercise of stock options currently exercisable or exercisable within 60 days of January 30, 2016 (b) 443,757 shares issuable upon exercise of warrants held by each of Stephen and Glenn Nussdorf and (c) 133,333 shares owned by their mother.

(3) Amount includes 443,757 shares issuable upon exercise of warrants held by Ms. Nussdorf.

(4) Mr. Rene Garcia, his family trusts, and related entities are members of a group that is the beneficial owner of the shares. Includes warrants to purchase an aggregate of 2,153,722 shares of common stock.

(5) Includes (a) 1,299,784 shares issuable upon the exercise of warrants held by Shawn Carter directly and (b) 426,666 shares issuable upon the exercise of warrants held by Marcy Fragrance Trading Co. LLC.

(6) Includes 250,000 shares of common stock issuable upon the exercise of stock options currently exercisable or exercisable within 60 days of January 30, 2016.

(7) Includes 83,750 shares of common stock issuable upon the exercise of stock options currently exercisable or exercisable within 60 days of January 30, 2016.

(8) Includes 49,000 shares of common stock issuable upon the exercise of stock options currently exercisable or exercisable within 60 days of January 30, 2016.

(9) Includes 49,000 shares of common stock issuable upon the exercise of stock options currently exercisable or exercisable within 60 days of January 30, 2016.

(10) Includes 37,999 shares of common stock issuable upon the exercise of stock options currently exercisable or exercisable with 60 days of January 30, 2016.

(11) Includes (a) 719,749 shares of common stock issuable upon the exercise of stock options currently exercisable or exercisable within 60 days of January 30, 2016 and (b) warrants to purchase 887,514 shares of common stock.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE
Information responsive to this item is incorporated by reference from Notes 6 and 8 to our consolidated financial statements included in Item 8.

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Perfumania’s Related Party Transaction Policy

It is the Company’s policy that all related party transactions be disclosed to the Audit Committee of the Board of Directors for review and approval. The Committee reviews all relationships and transactions reported to it in which the Company and any of its directors, executive officers or principal stockholders, or any of their immediate family members, are participants to determine whether such persons have a direct or indirect material interest. The Company’s Chief Financial Officer is primarily responsible for the development and implementation of processes and controls to obtain information from such persons with respect to related person transactions and for then determining, based on the facts and circumstances, whether the Company or a related person has a direct or indirect material interest in the transaction. In the course of its review and approval or ratification of a disclosable related party transaction, the Audit Committee considers:

- the nature of the related person's interest in the transaction;
- the material terms of the transaction, including, without limitation, the amount and type of transaction;
- the importance of the transaction to the related person;
- the importance of the transaction to Perfumania;
- whether the transaction would impair the judgment of a director or executive officer to act in Perfumania's best interest; and
- any other matters the Committee deems appropriate.

Any member of the Audit Committee who is a related person with respect to a transaction under review may not participate in the deliberations or vote respecting approval or ratification of the transaction, provided, however, that such director may be counted in determining the presence of a quorum at a meeting of the Committee that considers the transaction.

The Company's Board of Directors has determined that Joseph Bouhadana, Paul Garfinkle and Glenn H. Gopman are independent, as defined by Nasdaq Stock Market rules.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The aggregate fees billed by CohnReznick LLP for fiscal 2015 and 2014 are as follows.

Fees	Fiscal 2015	Fiscal 2014
Audit Fees (1)	$562,500	$550,000
Audit-Related Fees	—	—
Tax Fees	—	—
All Other Fees	—	—
Total Fees	$562,500	$550,000

(1) “Audit Fees” consist of fees billed for professional services rendered in connection with the audit of our consolidated annual financial statements and the review of our interim consolidated financial statements included in quarterly reports.

The Audit Committee considered and determined that the provision of services as described above was compatible with maintaining CohnReznick LLP's independence. The Audit Committee pre-approved the engagement of CohnReznick LLP for all professional services. The pre-approval process generally involves the full Audit Committee's evaluating and approving the particular engagement before the commencement of services.

PART IV.

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this report:

(1) Financial Statements

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An index to financial statements for the fiscal periods ended January 30, 2016 and January 31, 2015 appears on page 24.

(1) Financial Statement Schedules

None

(2) Exhibits

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SIGNATURES

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

Perfumania Holdings, Inc.

By: /s/ MICHAEL W. KATZ
Michael W. Katz, President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ DONNA L. DELLOMO
Donna L. Dellomo, Vice President and Chief Financial Officer
(Principal Accounting Officer)

Date: April 29, 2016

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

SIGNATURES	TITLE	DATE
/s/ MICHAEL W. KATZ Michael W. Katz	President and Chief Executive Officer, Director (Principal Executive Officer)	April 29, 2016
/s/ STEPHEN NUSSDORF Stephen Nussdorf	Executive Chairman of the Board of Directors	April 29, 2016
/s/ DONNA L. DELLOMO Donna L. Dellomo	Vice President and Chief Financial Officer (Principal Accounting Officer)	April 29, 2016
/s/ JOSEPH BOUHADANA Joseph Bouhadana	Director	April 29, 2016
/s/ PAUL GARFINKLE Paul Garfinkle	Director	April 29, 2016
/s/ GLENN H. GOPMAN Glenn H. Gopman	Director	April 29, 2016

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EXHIBIT	DESCRIPTION
3.1	Amended and Restated Articles of Incorporation, as amended through August 8, 2008 (incorporated by reference to Exhibit 3.1 to the Company's Form 10-K filed July 2, 2009).
3.2	Articles of Amendment to Amended and Restated Articles of Incorporation, filed April 17, 2012 (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed April 19, 2012).
3.3	Bylaws (incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-4 (File No. 333-179124)).
4.1	Form of Second Amended and Restated Subordinated Promissory Note, dated as of April 18, 2012, issued by Model Reorg Acquisition LLC for the benefit of each of Trust Under Article 2 of the Trust Agreement Dated November 1, 1998 With Glenn Nussdorf as Grantor, Glenn Nussdorf 15 Year Grantor Retained Annuity Trust dated 11/2/98, Trust Under Article 2 of the Trust Agreement Dated November 1, 1998 With Stephen Nussdorf as Grantor, Stephen Nussdorf 15 Year Grantor Retained Annuity Trust dated 11/2/98, Trust Under Article 2 of the Trust Agreement Dated November 1, 1998 With Arlene Nussdorf as Grantor, and Arlene Nussdorf 15 Year Grantor Retained Annuity Trust dated 11/2/98 (collectively, the "Nussdorf Trusts"), together with schedule of Note amounts (incorporated by reference to Exhibit 4.1 to the Company's Form 8-K filed April 19, 2012).
4.2	Amendment No. 1, dated as of April 25, 2014, to Second Amended and Restated Promissory Notes dated as of April 18, 2012 issued by Model Reorg Acquisition, LLC for the benefit of the Nussdorf Trusts (incorporated by reference to Exhibit 4.2 to the Company's Form 10-K filed May 1, 2014).
4.3	Amended and Restated Subordinated Promissory Note, dated as of January 7, 2011, issued by Model Reorg Acquisition LLC for the benefit of Quality King Distributors, Inc. (incorporated by reference to Exhibit 4.7 to the Company's Form 10-K filed April 28, 2011).
4.4	Amendment No. 1, dated as of April 25, 2014, to Amended and Restated Promissory Note dated as of January 7, 2011 issued by Model Reorg Acquisition, LLC for the benefit of Quality King Distributors, Inc. (incorporated by reference to Exhibit 4.4 to the Company's Form 10-K filed May 1, 2014).
4.5	Nussdorf Subordinated Secured Convertible Note and Security Agreement dated March 9, 2004, with Amendments dated as of January 24, 2006 and August 11, 2008 (incorporated by reference to Exhibit 4.8 to the Company's Form 10-K filed July 2, 2009).
4.6	Amended and Restated Subordination Agreement dated as of April 18, 2012, by and among the Nussdorf Trusts and Wells Fargo Bank, National Association, as Administrative Agent and Collateral Agent for the Lenders under the Perfumania Holdings, Inc. Credit Agreement dated as of January 7, 2011 (incorporated by reference to Exhibit 4.2 to the Company's Form 8-K filed April 19, 2012).
4.7	Subordination Agreement dated as of January 7, 2011, among Quality King Distributors, Inc., and Wells Fargo Bank, National Association, as Administrative Agent and Collateral Agent for the Lenders under the Credit Agreement (incorporated by reference to Exhibit 4.10 to the Company's Form 10-K filed April 28, 2011).
4.8	Subordination Agreement dated as of January 7, 2011, among the Company, Stephen Nussdorf, Glenn Nussdorf, and Wells Fargo Bank, National Association, as Administrative Agent and Collateral Agent for

	the Lenders under the Credit Agreement (incorporated by reference to Exhibit 4.11 to the Company's Form 10-K filed April 28, 2011).
4.9	Form of Warrant issued to the former Model Reorg, Inc. shareholders on August 11, 2008 (incorporated by reference to Exhibit 4.8 to the Company’s Form 10-Q filed December 17, 2008).
4.10	Form of Licensor Warrant issued on April 18, 2012 by Perfumania Holdings, Inc. to holders of outstanding Parlux Fragrances, Inc. warrants (incorporated by reference to Exhibit 4.3 to the Company's Form 8-K filed April 19, 2012).

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4.11	Form of Artistic Brands Warrant issued on April 18, 2012 by Perfumania Holdings, Inc. to Artistic Brands Development LLC and its designees (incorporated by reference to Exhibit 4.5 to the Company's Form 8-K filed April 19, 2012).
10.1	2010 Equity Incentive Plan (incorporated by reference to Appendix A to the Company's Proxy Statement filed September 23, 2010).*
10.2	2000 Stock Option Plan, as amended, including form of option agreement (incorporated by reference to Exhibit 10.2 to the Company's Form 10-K filed July 2, 2009).*
10.3	2000 Directors Stock Option Plan, including form of option agreement (incorporated by reference to Exhibit 10.3 to the Company's Form 10-K filed July 2, 2009).*
10.4	Lease Agreement between Perfumania, Inc. and Victory Investment Group, LLC, dated October 21, 2002 (incorporated by reference to Exhibit 10.4 to the Company's Form 10-K filed July 2, 2009).
10.5	Sub-Sublease, dated as of October 1, 2007, by and between Quality King Distributors, Inc. and Model Reorg, Inc. (incorporated by reference to Exhibit 10.6 to the Company's Form 10-Q filed December 17, 2008).
10.6	Credit Agreement, dated as of January 7, 2011, among the Company, Quality King Fragrance, Inc., Scents Of Worth, Inc., Five Star Fragrance Company, Inc., Northern Group, Inc., Perfumania, Inc., Magnifique Parfumes And Cosmetics, Inc., Ten Kesef II, Inc., Perfumania.com, Inc., and Perfumania Puerto Rico, Inc., as Borrowers, the other credit parties signatory thereto, as Credit Parties, the lenders signatory thereto from time to time, as Lenders, Wells Fargo Bank, National Association, as Administrative Agent, Collateral Agent and Swing Line Lender, Bank of America, N.A., as Syndication Agent, Regions Bank and RBS Business Capital, a division of RBS Asset Finance, Inc., as Co-Documentation Agents, and Wells Fargo Capital Finance, LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Joint Lead Arrangers and Joint Bookrunners (the "Credit Agreement") (incorporated by reference to Exhibit 10.6 to Perfumania's Form 10-K filed April 28, 2011).
10.7	Amendment No. 1 to the Credit Agreement and Consent dated as of December 23, 2011 (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on December 23, 2011).
10.8	Amendment No. 2 to the Credit Agreement, dated as of April 25, 2014 (incorporated by reference to Exhibit 10.8 to the Company's Form 10-K filed May 1, 2014).
10.9	Registration Rights Agreement dated August 11, 2008 by and among the Company and the former Model Reorg, Inc. shareholders (incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q filed December 17, 2008).
10.10	Services Agreement, dated as of August 11, 2008, between the Company and Quality King Distributors, Inc. (incorporated by reference to Exhibit 10.3 to the Company's Form 10-Q filed December 17, 2008).
10.11	Stockholders Agreement, dated as of December 23, 2011, by and among the Company, Rene Garcia, JM-CO Capital Fund, LLC, Jacavi Investments, LLC, Aqua Capital Fund, LLC, Jacqueline Maria Garcia 2006 Family Trust, Carolina Maria Garcia 2006 Family Trust and the Irrevocable Trust for Victor Garcia (incorporated by reference to Exhibit 10.12 to the Company's Registration Statement on Form S-4 (File No. 333-179124)).
10.12	

	Letter Agreement, dated December 23, 2011, by and among the Company, Parlux Fragrances, Inc., Artistic Brands Development, LLC and Rene Garcia (incorporated by reference to Exhibit 10.13 to the Company's Registration Statement on Form S-4 (File No. 333-179124)).
10.13	Letter Agreement, dated December 23, 2011, by and among the Company, Artistic Brands Development, LLC, S Carter Enterprises, LLC and Shawn Carter (incorporated by reference to Exhibit 10.14 to the Company's Registration Statement on Form S-4 (File No. 333-179124)). (Portions of this exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.)
21.1	Subsidiaries of the Registrant

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23.1 Consent of CohnReznick LLP

31.1 Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2 Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32.2 Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Indicates a management contract or compensatory plan or arrangement