ICONIX BRAND GROUP, INC.
Form 424B3
June 04, 2009

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Filed Pursuant to Rule 424(b)(3)
File No. 333-159640

CALCULATION OF REGISTRATION FEE

Title of Each Class 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, par value $0.001 per share	11,500,000	$15.00	$172,500,000	$9,626(1)

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended. Payment of the registration fee at the time of filing of the registrant s registration statement on Form S-3, filed with the Securities and Exchange Commission on June 1, 2009 (File No. 333-159640), was deferred pursuant to Rules 456(b) and 457(r) under the Securities Act, and is paid herewith. Of such 11,500,000 shares, an aggregate of 800,000 shares may be sold by the selling stockholders, and the balance of such shares may be sold by the registrant.

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PROSPECTUS SUPPLEMENT

(To Prospectus dated June 1, 2009)

10,000,000 Shares

Iconix Brand Group, Inc.

Common Stock

This is an offering of common stock of Iconix Brand Group, Inc. We are offering 9,200,000 shares of our common stock and the selling stockholders identified in this prospectus supplement, including our chairman of the board, president and chief executive officer, are offering 800,000 shares. We will not receive any proceeds from the sale of shares held by the selling stockholders.

Our common stock is listed on the Nasdaq Global Market under the symbol ICON. The last reported sale price of our common stock on June 3, 2009 was $15.84 per share.

Investing in our common stock involves risks. See *Risk Factors* *beginning on page S-8 of this prospectus supplement.*

	Per Share	Total
Price to the public	$ 15.00	$ 150,000,000
Underwriting discounts and commissions	$ 0.6375	$ 6,375,000
Proceeds to Iconix (before expenses)	$ 14.3625	$ 132,135,000
Proceeds to the selling stockholders (before expenses)	$ 14.3625	$ 11,490,000

We have granted the underwriters the option to purchase 1,500,000 additional shares of common stock from the Company on the same terms and conditions set forth above if the underwriters sell more than 10,000,000 shares of common stock in this offering.

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

Barclays Capital, on behalf of the underwriters, expects to deliver the shares on or about June 9, 2009.

Barclays Capital **Lazard Capital Markets**

Credit Suisse

Prospectus Supplement dated June 3, 2009

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Prospectus Supplement

Prospectus

You should rely only on the information contained in this prospectus supplement or incorporated by reference in this prospectus supplement and the accompanying prospectus or any free writing prospectus prepared by or on behalf of us. Neither we, the selling stockholders nor the underwriters have authorized anyone to provide you with any other information. If you receive any other information, you should not rely on it. We, the selling stockholders and the underwriters are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information contained or incorporated by reference in this prospectus supplement, accompanying prospectus or any

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document incorporated by reference is accurate only as of the date of this prospectus supplement, regardless of the time of delivery of this prospectus supplement or of any sale of shares of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of common stock and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus dated June 1, 2009, gives more general information, some of which may not apply to this offering. You should read this prospectus supplement and the accompanying prospectus, including the information incorporated by reference and any free writing prospectuses we have authorized for use in connection with this offering, in their entirety before making an investment decision. To the extent there is a variation between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus on the other hand, you should rely on the information in this prospectus supplement.

Any statement contained in this prospectus supplement, the accompanying prospectus or in a document incorporated by reference herein shall be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document that also is incorporated by reference herein modifies or supersedes such statement. Any such statement or document so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

This prospectus supplement and the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus include trademarks, service marks and trade names owned by us or others. Candie®s, Bongo®, Joe Boxer®, Rampage®, Mudd® and London Fog® are the registered trademarks of our wholly-owned subsidiary, IP Holdings LLC, or IP Holdings; Badgley Mischka® is the registered trademark of our wholly-owned subsidiary, Badgley Mischka Licensing LLC; Mossimo® is the registered trademark of our wholly-owned subsidiary, Mossimo Holdings LLC; Ocean Pacific®/OP® are the registered trademarks of our wholly-owned subsidiary, OP Holdings LLC; Danskin®/Danskin Now®, Rocawear®, Starter® and Waverly® are the registered trademarks of our wholly-owned subsidiary, Studio IP Holdings LLC; and Cannon®, Royal Velvet®, Fieldcrest® and Charisma® are the registered trademarks of our wholly-owned subsidiary, Official Pillowtex LLC. Artful Dodger is owned by Scion LLC, or Scion, a joint venture in which we have a 50% interest. Ed Hardy® is owned by Hardy Way, LLC, or Hardy Way, a limited liability company in which we have a 50% interest. Each of the other trademarks, trade names or service marks of other companies appearing in this prospectus supplement, the accompanying prospectus or the information incorporated by reference into this prospectus supplement and the accompanying prospectus is the property of its respective owner.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein contain statements that we believe are forward-looking statements as that term is used in the Private Securities Litigation Reform Act of 1995 and are intended to enjoy the protection of the safe harbor for forward-looking statements provided by that Act. These forward-looking statements are based on our current expectations, assumptions, estimates and projections about our business and our industry. Forward-looking statements include statements regarding our future financial position, performance and achievements, business strategy, and plans and objectives of management for future operations, and include those relating to, among other things:

- future revenues, expenses and profitability;
- the future development and expected growth of our business;
- projected capital expenditures;
- future outcomes of litigation and/or regulatory proceedings;
- competition;
- expectations regarding the retail sales environment;
- continued market acceptance of our current brands and our ability to market and license brands we acquire;
- our ability to continue identifying, pursuing and making acquisitions;
- the ability of our current licensees to continue executing their business plans with respect to their product lines; and
- our ability to continue sourcing licensees that can design, distribute, manufacture and sell their own product lines.

In some cases, you can identify forward-looking statements by terms such as may, should, will, could, estimate, project, predict, pote continue, anticipate, believe, plan, seek, expect, future and intend or the negative of these terms or other comparable expressions wh intended to identify forward-looking statements. These statements are only predictions and are not guarantees of future performance. They are subject to known and unknown risks, uncertainties and other factors, some of which are beyond our control and difficult to predict and could cause our actual results to differ materially from those expressed or forecasted in, or implied by, the forward-looking statements. In evaluating these forward-looking statements, you should carefully consider the risks and uncertainties described in Risk Factors below and elsewhere in this prospectus supplement and the accompanying prospectus, including in documents incorporated by reference herein and therein. Given these uncertainties, you should not place undue reliance on these forward-looking statements. In addition, these forward-looking statements reflect our view only as of the date such statements are made.

Except as required by law, we assume no obligation to update these forward-looking statements or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements even if new information becomes available in the future.

All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in or incorporated by reference into this prospectus supplement and the accompanying prospectus and does not contain all of the information you should consider in making your investment decision. To understand this offering fully, you should read this summary together with the more detailed information included elsewhere in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus and any free writing prospectus we have authorized for use in connection with this offering. You should also carefully consider the matters discussed herein in the section entitled Risk Factors.

Unless otherwise specified or the context otherwise requires, the terms Iconix, the Company, we, us and our refer to Iconix Brand Group, In Delaware corporation, and all of its subsidiaries, and the term you refers to a prospective investor. The term selling stockholders refers, collectively, to the selling stockholders named in this prospectus supplement under the caption Principal and Selling Stockholders.

Our company

We are a brand management company engaged in licensing, marketing and providing trend direction for our portfolio of owned consumer brands. We currently own 17 brands: Candie s, Bongo, Badgley Mischka, Joe Boxer, Rampage, Mudd, London Fog, Mossimo, Ocean Pacific/OP, Danskin/Danskin Now, Rocawear, Cannon, Royal Velvet, Fieldcrest, Charisma, Starter and Waverly. We license our brands to leading retailers, wholesalers and suppliers for use across a wide range of product categories, including apparel, footwear, sportswear, fashion accessories, home products and décor, and beauty and fragrance. In addition, we have a 50% investment in Scion LLC, a joint venture which owns the Artful Dodger brand and we own 50% of the membership interests in Hardy Way, LLC which owns the Ed Hardy brand and trademarks. Our brands are sold across a variety of distribution channels, from the mass tier to the luxury market. We support our brands with innovative advertising and promotional campaigns designed to increase brand awareness, and provide our licensees with coordinated trend direction to enhance product appeal and help maintain and build brand integrity.

Our business model

We believe we have an innovative business model. As opposed to operating companies that design, manufacture and distribute product, we transfer these responsibilities to our carefully selected licensees, allowing us to focus on the core elements of managing brands. As part of our licensing agreements, we maintain significant approval rights with respect to product design, packaging, channel selection and presentation to ensure consistency with our overall brand direction. Our model is further differentiated by our diverse portfolio of brands, which are sold in numerous channels across multiple product categories, as well as by our accelerated growth via acquisitions.

We believe our business model allows us to grow faster and generate higher margins with lower operating risk than under a traditional operator business model. Key aspects of our model include its:

- applicability to a broad universe of consumer brands and product categories, including apparel and home products;
- efficient approach to acquisitions, permitting us to quickly evaluate and integrate brand acquisitions;
- scalable platform that enables us to add and manage new licenses with a minimal associated increase in infrastructure;
- predictable base of minimum guaranteed royalties; and
- low overhead, absence of inventory risk and minimal working capital and capital expenditure requirements.

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Our business strengths

Our innovative business model differentiates us from other companies and enables us to generate strong financial results. Our business strengths include the following:

Diversified portfolio of iconic brands: We believe our diverse brand portfolio creates a natural hedge against the risks associated with dependence upon any single brand, product category or distribution channel. We seek to expand and diversify the types of licensed products being produced under our various brands, as well as diversify the channels within which licensed products are sold.

Broad and diversified network of licensees: We maintain a strong, diverse licensee network which enables us to identify and partner with best-in-class retailers and wholesalers who are leaders in their respective channels and/or product categories. This network also enables us to more easily add new licenses and product categories, replace licenses within existing product categories and quickly evaluate potential licensing streams for acquisition opportunities. As of March 31, 2009, we had granted approximately 200 direct-to-retail and wholesale licenses.

Demonstrated ability to increase brand value: We believe we have demonstrated an ability to build brand awareness and increase brand value through creative marketing, unified trend direction and careful selection of our licensees.

Established relationships with leading global retailers: We have strong relationships with many of the largest retailers in the world and believe that our existing retail relationships present additional opportunities for us, both with respect to our existing brands and with respect to potential future brands acquired by us.

Proven acquisition approach: We evaluate acquisition opportunities based primarily on brand strength and the viability of future royalty streams. This focus allows us to screen a wider pool of consumer brand candidates, identify acquisition targets more quickly and complete our due diligence more efficiently than traditional operating companies.

Acquisitions

Since October 2004, we have acquired or made investments relating to the following 17 brands:

Date acquired	**Brand**
October 2004	Badgley Mischka
July 2005	Joe Boxer
September 2005	Rampage
April 2006	Mudd
August 2006	London Fog
October 2006	Mossimo
November 2006	Ocean Pacific/OP
March 2007	Danskin/Danskin Now
March 2007	Rocawear
October 2007	Cannon, Royal Velvet, Fieldcrest and Charisma
December 2007	Starter
October 2008	Waverly

Date of investment	**Brand**
November 2007	Artful Dodger
May 2009	Ed Hardy

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Our growth strategy

Our objective is to continue building a diversified portfolio of iconic consumer brands by successfully growing our existing portfolio and by adding leading brands that leverage our brand management expertise and existing infrastructure. To achieve our objective, we intend to:

- *extend our existing brands* by adding additional product categories, expanding the brands distribution and retail presence and optimizing our licensees sales through innovative marketing that increases consumer awareness and loyalty;
- *continue our international expansion* through additional licenses and joint ventures; and
- *continue acquiring consumer brands* with high consumer awareness, broad appeal, applicability to a range of product categories and an ability to diversify our portfolio.

Additional information

We were incorporated under the laws of the State of Delaware in 1978. Our principal executive offices are located at 1450 Broadway, New York, New York 10018 and our telephone number is (212) 730-0030. Our website address, which we have included in this document as an inactive textual reference only, is *www.iconixbrand.com*. The information on our website does not constitute part of this prospectus supplement.

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The Offering

The summary below is not intended to be complete. For a more detailed description of our common stock, see Description of Capital Stock in the accompanying prospectus.

Common stock offered by us	9,200,000 shares.
Common stock offered by selling stockholders	800,000 shares, including 511,759 shares to be issued upon exercise of options.
Common stock outstanding after this offering	69,748,884 shares.
Use of proceeds	We estimate that the net proceeds from shares sold by us in this offering will be approximately $131.4 million. We intend to use these net proceeds for general corporate purposes, which may include, among other things, funding acquisitions, although we have no present commitments or agreements with respect to any such transactions. See Use of Proceeds for additional information.

We will not receive any proceeds from the sale of shares by the selling stockholders, including our chairman of the board, president and chief executive officer.

Risk Factors	Investing in our common stock involves substantial risks. You should carefully consider all the information in this prospectus supplement, the accompanying prospectus and the documents incorporated herein and therein prior to investing in our common stock. In particular, we urge you to carefully consider the factors set forth under Risk Factors.
Dividend policy	We do not anticipate paying any cash dividends on our capital stock in the foreseeable future.
Nasdaq Global Market symbol	ICON
Option to purchase additional shares of common stock	We have granted the underwriters an option to purchase up to 1,500,000 additional shares of our common stock from us. See Underwriting.

In this prospectus supplement, unless we specifically state otherwise, the number of shares of common stock to be outstanding after this offering is based on the number of shares of our common stock outstanding as of June 1, 2009, plus (1) the shares to be sold by us in this offering and (2) the 511,759 shares that will be issued upon exercise of options held by selling stockholders and sold by them in this offering. As of June 1, 2009, we had 60,037,125 shares of common stock outstanding, excluding:

- 286,900 shares of common stock underlying warrants outstanding as of June 1, 2009 at a weighted average exercise price of $16.99 per share; and

3,718,137 shares of common stock underlying options outstanding as of June 1, 2009 at a weighted average exercise price of $4.54 per share, including 511,759 shares which will be issued upon the exercise of options by selling stockholders, and sold by them, in connection with this offering.

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Unless we specifically state otherwise, information in this prospectus supplement regarding the number of shares of our common stock outstanding after this offering also assumes that (a) none of the circumstances necessary for the conversion of our outstanding 1.875% Convertible Senior Subordinated Notes due 2012 has occurred and (b) the underwriters do not exercise their option to purchase up to 1,500,000 additional shares of our common stock within 30 days after the date of this prospectus supplement.

Risk Factors

An investment in our common stock involves certain risks that a potential investor should carefully evaluate prior to making an investment in our common stock. See Risk Factors in this prospectus supplement and in the documents incorporated by reference herein.

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Summary Consolidated Financial Information

The following tables set forth summary consolidated financial data for the periods and as of the dates indicated. The summary historical consolidated financial data presented as of December 31, 2008 and for the fiscal years ended December 31, 2008, 2007 and 2006 (fiscal 2008, fiscal 2007, and fiscal 2006, respectively) have been derived from our historical audited consolidated financial statements, which are included and/or incorporated by reference in this prospectus supplement and the accompanying prospectus. The summary historical consolidated financial data presented as of March 31, 2009 and for the three months ended March 31, 2009 and 2008 (the Current Quarter and Prior Year Quarter, respectively) have been derived from our unaudited condensed consolidated financial statements which are incorporated by reference in this prospectus supplement and the accompanying prospectus, which in the opinion of our management included all adjustments, consisting of primarily normal recurring adjustments, that we considered necessary for a fair presentation of our financial position and results of operations as of such date and for such unaudited periods. The historical results are not necessarily indicative of results to be expected for future periods, and results for the three months ended March 31, 2009 are not necessarily indicative of results that may be expected for the entire year ending December 31, 2009.

The as adjusted information included in the balance sheet data as of March 31, 2009 gives effect, at that date, to our sale of 9,200,000 shares of common stock in this offering, the issuance of 511,759 shares upon the exercise of options by the selling stockholders at a weighted-average exercise price of $1.24 per share and our receipt of the estimated net proceeds therefrom, after deducting the underwriting discounts and commissions and other expenses of this offering. See Use of Proceeds. We adopted Financial Accounting Standards Board Staff Position APB 14-1 Accounting for Convertible Debt Instruments That May Be Settled in Cash Upon Conversion , or FSP APB 14-1, and retrospectively applied it to all applicable periods presented herein.

	Three Months Ended March 31,		Fiscal Year Ended December 31,(3)		
	2009	**2008(1)**	**2008(1)**	**2007(1)**	**2006**
(In thousands except per share data)					
Consolidated statements of operations data:					
Licensing and other revenue	$ 50,501	$ 55,667	$ 216,761	$ 160,004	$ 80,694
Selling, general and administrative expenses	16,270	18,711	73,816	44,254	24,527
Operating income(2)	34,177	36,765	142,052	121,789	53,673
Other expenses net(5)	9,798	11,380	44,967	31,231	13,837
Net income(4)	15,649	16,521	62,908	60,264	32,501
Earnings per share:					
Basic	$ 0.27	$ 0.29	$ 1.09	$ 1.06	$ 0.81
Diluted	$ 0.26	$ 0.27	$ 1.03	$ 0.98	$ 0.72
Weighted average number of common shares outstanding:					
Basic	58,044	57,422	57,810	56,694	39,937
Diluted	60,892	61,350	61,248	61,426	45,274
Consolidated statements of cash flow data:(6)					
Net cash provided by operating activities	$ 25,717	$ 19,126	$ 89,243	$ 83,687	$ 29,331
Cash flows used in investing activities:					
Purchase of property and equipment	$ (11)	$ (438)	$ (6,281)	$ (134)	$ (739)
Acquisition of Mudd					(46,728)
Purchase of London Fog trademarks					(31,034)
Acquisition of Mossimo, net of cash acquired					(85,438)
Acquisition of Ocean Pacific					(10,491)
Acquisition of Danskin				(71,302)	
Acquisition of Rocawear				(206,057)	
Acquisition of Official-Pillowtex				(233,781)	
Acquisition of Starter				(60,319)	
Acquisition of Artful Dodger by Scion LLC				(13,358)	
Acquisition of Waverly			(27,619)		
Investment in joint venture			(2,000)		
Additions to trademarks	(58)	(106)	(1,420)	(215)	(2,328)
Payment of accrued expenses related to acquisitions			(1,630)		
Earn-out payment on acquisition	(6,667)		(6,124)		
Collection of promissory notes		500	1,000		
Purchase of marketable securities					