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

FORM 10-Q

(Mark One)

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

For the quarterly period ended May 2, 2010

OR

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

For the transition period from _____ to _____

Commission File Number 001-07572

PHILLIPS-VAN HEUSEN CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	13-1166910
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
200 Madison Avenue, New York, New York	10016
(Address of principal executive offices)	(Zip Code)

(212) 381-3500
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes o No o

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

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

(do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

The number of outstanding shares of common stock, par value $1.00 per share, of the registrant as of June 1, 2010 was 66,314,078.

PHILLIPS-VAN HEUSEN CORPORATION
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PART I -- FINANCIAL INFORMATION
Item 1 - Financial Statements

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995: Forward-looking statements in this Quarterly Report on Form 10-Q including, without limitation, statements relating to our future revenue and cash flows, plans, strategies, objectives, expectations and intentions, including, without limitation, statements relating to the acquisition of Tommy Hilfiger B.V. and certain affiliated companies (collectively, "Tommy Hilfiger"), are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy, and some of which might not be anticipated, including, without limitation, the following: (i) our plans, strategies, ob jectives, expectations and intentions are subject to change at any time at our discretion; (ii) in connection with the acquisition of Tommy Hilfiger, we borrowed significant amounts, may be considered to be highly leveraged, and will have to use a significant portion of our cash flows to service such indebtedness, as a result of which we might not have sufficient funds to operate our businesses in the manner we intend or have operated in the past; (iii) the levels of sales of our apparel, footwear and related products, both to our wholesale customers and in our retail stores, the levels of sales of our licensees at wholesale and retail, and the extent of discounts and promotional pricing in which we and our licensees and other business partners are required to engage, all of which can be affected by weather conditions, changes in the economy, fuel prices, reductions in travel, fashion trends, consolidations, repositionings and bankruptcies in the retail industries, repositionings of brands by our licens ors and other factors; (iv) our plans and results of operations will be affected by our ability to manage our growth and inventory, including our ability to continue to develop and grow our Calvin Klein businesses in terms of revenue and profitability, and our ability to realize benefits from Tommy Hilfiger; (v) our operations and results could be affected by quota restrictions and the imposition of safeguard controls (which, among other things, could limit our ability to produce products in cost-effective countries that have the labor and technical expertise needed), the availability and cost of raw materials, our ability to adjust timely to changes in trade regulations and the migration and development of manufacturers (which can affect where our products can best be produced), and civil conflict, war or terrorist acts, the threat of any of the foregoing, or political and labor instability in any of the countries where our or our licensees' or other business partners' products are sold, produced or are planned to be sold or produced; (vi) disease epidemics and health related concerns, which could result in closed factories, reduced workforces, scarcity of raw materials and scrutiny or embargoing of goods produced in infected areas, as well as reduced consumer traffic and purchasing, as consumers limit or cease shopping in order to avoid exposure or become ill; (vii) acquisitions and issues arising with acquisitions and proposed transactions, including without limitation, the ability to integrate an acquired entity, such as Tommy Hilfiger, into us with no substantial adverse affect on the acquired entity's or our existing operations, employee relationships, vendor relationships, customer relationships or financial performance; (viii) the failure of our licensees to market successfully licensed products or to preserve the value of our brands, or their misuse of our brands; and (ix) other risks and uncertainties indicated from time to time in our filings with the Securities and Exchange Commi ssion.

We do not undertake any obligation to update publicly any forward-looking statement, including, without limitation, any estimate regarding revenue or cash flows, whether as a result of the receipt of new information, future events or otherwise.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Phillips-Van Heusen Corporation

We have reviewed the consolidated balance sheets of Phillips-Van Heusen Corporation as of May 2, 2010 and May 3, 2009 and the related consolidated statements of operations and statements of cash flows for the thirteen week periods ended May 2, 2010 and May 3, 2009. These financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures to financial data, and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the consolidated interim financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Phillips-Van Heusen Corporation as of January 31, 2010, and the related consolidated income statement, statement of changes in stockholders' equity, and statement of cash flows for the year then ended (not presented herein) and in our report dated March 31, 2010, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of January 31, 2010, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ ERNST & YOUNG LLP

New York, New York
June 10, 2010

Phillips-Van Heusen Corporation
Consolidated Balance Sheets
(In thousands, except share and per share data)

	May 2, 2010 UNAUDITED	January 31, 2010 AUDITED	May 3, 2009 UNAUDITED
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 791,595	$ 480,882	$ 282,005
Trade receivables, net of allowances for doubtful accounts of $6,638, $7,224 and $10,677	233,473	188,844	210,693
Other receivables	8,023	7,759	11,828
Inventories, net	284,840	263,788	281,489
Prepaid expenses	45,126	41,038	46,519
Other, including deferred taxes of $5,621, $5,621 and $10,049	13,330	12,572	15,985
Total Current Assets	1,376,387	994,883	848,519
Property, Plant and Equipment, net	161,452	167,474	188,754
Goodwill	428,191	419,179	388,432
Tradenames	621,135	621,135	621,135
Perpetual License Rights	86,000	86,000	86,000
Other Intangibles, net	31,258	32,056	34,737
Other Assets	25,594	18,952	26,603
Total Assets	$ 2,730,017	$2,339,679	$ 2,194,180
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
Accounts payable	$ 99,971	$ 108,494	$ 72,774
Accrued expenses	262,375	215,413	207,619
Deferred revenue	35,122	38,974	34,911
Total Current Liabilities	397,468	362,881	315,304
Long-Term Debt	399,588	399,584	399,572
Other Liabilities, including deferred taxes of $176,800, $176,449 and $180,773	419,713	408,661	455,872
Stockholders' Equity:			
Preferred stock, par value $100 per share; 150,000 total shares authorized; no shares issued or outstanding	-	-	-
Common stock, par value $1 per share; 240,000,000 shares authorized; 57,953,219; 57,139,230 and 56,787,169 shares issued	57,953	57,139	56,787
Additional capital	771,548	596,344	576,558
Retained earnings	764,495	796,282	663,009
Accumulated other comprehensive loss	(79,870)	(80,448)	(72,387)
Less: 14,075; 5,236,818 and 5,229,535 shares of common stock held in treasury, at cost	(878)	(200,764)	(200,535)
Total Stockholders' Equity	1,513,248	1,168,553	1,023,432
Total Liabilities and Stockholders' Equity	$ 2,730,017	$2,339,679	$ 2,194,180

See accompanying notes.

Phillips-Van Heusen Corporation
Consolidated Statements of Operations
Unaudited
(In thousands, except per share data)

	Thirteen Weeks Ended	
	May 2, 2010	May 3, 2009
Net sales	$530,688	$475,745
Royalty revenue	65,859	58,918
Advertising and other revenue	22,497	22,762
Total revenue	619,044	557,425
Cost of goods sold	302,011	285,599
Gross profit	317,033	271,826
Selling, general and administrative expenses	287,200	222,712
Other loss	52,390	-
(Loss) income before interest and taxes	(22,557)	49,114
Interest expense	8,382	8,366
Interest income	107	506
(Loss) income before taxes	(30,832)	41,254
Income tax (benefit) expense	(3,219)	16,543
Net (loss) income	$ (27,613)	$ 24,711
Basic net (loss) income per share	$ (0.53)	$ 0.48
Diluted net (loss) income per share	$ (0.53)	$ 0.48
Dividends declared per share	$ 0.075	$ 0.075

See accompanying notes.

Phillips-Van Heusen Corporation
Consolidated Statements of Cash Flows
Unaudited
(In thousands)

	Thirteen Weeks Ended	
	May 2, 2010	May 3, 2009
OPERATING ACTIVITIES		
Net (loss) income	$(27,613)	$ 24,711
Adjustments to reconcile to net cash used by operating activities:		
Unrealized losses on derivative instruments	52,390	-
Depreciation and amortization	12,066	12,477
Deferred taxes	(8,808)	386
Stock-based compensation expense	4,090	2,663
Impairment of long-lived assets	-	136
Changes in operating assets and liabilities:		
Trade receivables, net	(44,629)	(23,051)
Inventories, net	(21,052)	3,066
Accounts payable, accrued expenses and deferred revenue	(14,931)	(33,370)
Prepaid expenses	(4,088)	(11,239)
Other, net	11,950	2,605
Net cash used by operating activities	(40,625)	(21,616)
INVESTING ACTIVITIES[1]		
Purchase of property, plant and equipment	(4,822)	(6,200)
Contingent purchase price payments	(11,245)	(9,585)
Business acquisition	-	(5,699)
Net cash used by investing activities	(16,067)	(21,484)
FINANCING ACTIVITIES		
Net proceeds from common stock offering	364,860	-
Net proceeds from settlement of awards under stock plans	5,357	888
Excess tax benefits from awards under stock plans	2,932	106
Cash dividends on common stock	(4,174)	(3,885)
Acquisition of treasury shares	(1,570)	(171)
Net cash provided (used) by financing activities	367,405	(3,062)
Increase (decrease) in cash and cash equivalents[2]	310,713	(46,162)
Cash and cash equivalents at beginning of period	480,882	328,167
Cash and cash equivalents at end of period	$791,595	$282,005

[1] See Note 13 for information on noncash investing transactions.

[2] The effect of exchange rate changes on cash and cash equivalents was immaterial for the thirteen weeks ended May 2, 2010 and May 3, 2009.

See accompanying notes.

PHILLIPS-VAN HEUSEN CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Currency and share amounts in thousands, except per share data)

1. GENERAL

The consolidated financial statements include the accounts of Phillips-Van Heusen Corporation and its subsidiaries (the "Company"). The Company's fiscal years are based on the 52-53 week period ending on the Sunday closest to February 1 and are designated by the calendar year in which the fiscal year commences. References to a year are to the Company's fiscal year, unless the context requires otherwise.

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information. Accordingly, they do not contain all disclosures required by accounting principles generally accepted in the United States for complete financial statements. Reference should be made to the audited consolidated financial statements, including the notes thereto, included in the Company's Annual Report on Form 10-K for the year ended January 31, 2010.

The preparation of interim financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ materially from the estimates.

The results of operations for the thirteen weeks ended May 2, 2010 and May 3, 2009 are not necessarily indicative of those for a full fiscal year due, in part, to seasonal factors. The data contained in these financial statements are unaudited and are subject to year-end adjustments. However, in the opinion of management, all known adjustments (which consist only of normal recurring accruals) have been made to present fairly the consolidated operating results for the unaudited periods.

Certain reclassifications have been made to the consolidated financial statements and the notes thereto for the prior year periods to present that information on a basis consistent with the current year.

References to the brand names *Calvin Klein Collection, ck Calvin Klein, Calvin Klein, Van Heusen, IZOD, Eagle, Bass, G.H. Bass & Co., Geoffrey Beene, ARROW, Tommy Hilfiger, CHAPS, Sean John, Trump, Donald J. Trump Signature Collection, JOE Joseph Abboud, Kenneth Cole New York, Kenneth Cole Reaction, MICHAEL Michael Kors, Michael Kors Collection, DKNY, Elie Tahari, Nautica, Ike Behar, Ted Baker, Jones New York, J. Garcia, Claiborne, Robert Graham, U.S. POLO ASSN., Axcess* and *Timberland* and to other brand names are to registered trademarks owned by the Company or licensed to the Company by third parties and are identified by italicizing the brand name.

2. INVENTORIES

Inventories related to the Company's wholesale operations, comprised principally of finished goods, are stated at the lower of cost or market. Inventories related to the Company's retail operations, comprised entirely of finished goods, are stated at the lower of average cost or market using the retail inventory method. Under the retail inventory method, the valuation of inventories at cost is calculated by applying a cost-to-retail ratio to the retail value of inventories. Permanent and point of sale markdowns, when recorded, reduce both the retail and cost components of inventory on hand so as to maintain the already established cost-to-retail relationship. Cost for certain apparel and accessory inventories is determined using the last-in, first-out method ("LIFO"). Cost for principally all other inventories is determined using the first-in, first-out method ("FIFO"). At May 2, 2010, January 31, 2010 and May 3, 2009, no LIFO reserves w ere recorded because LIFO cost approximated FIFO cost.

3. ACQUISITIONS

Acquisition of Block Assets

The Company acquired in February 2009 from Block Corporation ("Block"), a former licensee of *Van Heusen* and *IZOD* "big and tall" sportswear in the United States, inventories and inventory purchase commitments related to the

licensed business. As part of this transaction, the license agreements between the Company and Block were terminated.
The Company paid $5,699 during the first quarter of 2009 in connection with the transaction.

Acquisition of Tommy Hilfiger

The Company acquired all of the outstanding equity interests of Tommy Hilfiger B.V. and certain affiliated companies (collectively, “Tommy Hilfiger”) from funds affiliated with Apax Partners L.P. subsequent to the close of the first quarter of 2010. Please see Note 17, “Subsequent Events,” for a further discussion.

4. GOODWILL

The changes in the carrying amount of goodwill for the period ended May 2, 2010, by segment, were as follows:

< /TR>

	Wholesale Dress Furnishings	Wholesale Sportswear and Related Products	Calvin Klein Licensing	Total
Balance as of January 31, 2010				
Goodwill, gross	$ 74,932	$ 84,553	$ 259,694	$ 419,179
Accumulated impairment losses	-	-	-	-
Goodwill, net	74,932	84,553	259,694	419,179
Contingent purchase price payments to Mr. Calvin Klein	-	-	9,425	9,425
Currency translation	(252)	-	(161)	(413)
Balance as of May 2, 2010				
Goodwill, gross	74,680	84,553	268,958	428,191
Accumulated impairment losses	-	-	-	-
Goodwill, net	$ 74,680	$ 84,553	$ 268,958	$ 428,191

The Company is required to make contingent purchase price payments to Mr. Calvin Klein in connection with the Company’s acquisition in 2003 of all of the issued and outstanding stock of Calvin Klein, Inc. and certain affiliated companies (collectively, “Calvin Klein”). Such payments are based on 1.15% of total worldwide net sales, as defined in the agreement governing the Calvin Klein acquisition, of products bearing any of the *Calvin Klein* brands and are required to be made with respect to sales made through February 12, 2018. A significant portion of the sales on which the payments to Mr. Klein are made are wholesale sales by the Company and its licensees and other partners to retailers.

5. RETIREMENT AND BENEFIT PLANS

The Company has five noncontributory defined benefit pension plans covering substantially all employees resident in the United States who meet certain age and service requirements. For those vested (after five years of service), the plans provide monthly benefits upon retirement based on career compensation and years of credited service.

The Company also has for certain of such employees an unfunded non-qualified supplemental defined benefit pension plan, which provides benefits for compensation in excess of Internal Revenue Service earnings limits and requires payments to vested employees upon, or shortly after, employment termination or retirement.

In addition to the defined benefit pension plans described above, the Company has a capital accumulation program (“CAP Plan”), which is an unfunded non-qualified supplemental defined benefit plan covering four current and 16 retired executives. Under the individual participants’ CAP Plan agreements, the participants will receive a predetermined amount during the 10 years following the attainment of age 65, provided that prior to the termination of employment with the Company, the participant has been in the CAP Plan for at least 10 years and has attained age 55.

The Company also provides certain postretirement health care and life insurance benefits to certain retirees resident in the United States. Retirees contribute to the cost of this plan, which is unfunded. During 2002, the postretirement plan was amended to eliminate benefits for active participants who, as of January 1, 2003, had not attained age 55 and 10 years of service.

Net benefit cost was recognized as follows:

	Pension Plans Thirteen Weeks Ended		CAP Plan Thirteen Weeks Ended		Postretirement Plan Thirteen Weeks Ended	
	5/2/10	5/3/09	5/2/10	5/3/09	5/2/10	5/3/09
Service cost, including plan expenses	$ 2,345	$ 1,927	$ 23	$ 18	$ -	$ -
Interest cost	4,385	4,271	233	248	339	365
Amortization of net loss (gain)	1,869	637	-	(9)	105	64
Expected return on plan assets	(5,003)	(5,074)	-	-	-	-
Amortization of prior service credit	(16)	(7)	-	-	(204)	(204)
Total	$ 3,580	$ 1,754	$ 256	$ 257	$ 240	$ 225

6. COMPREHENSIVE (LOSS) INCOME

Comprehensive (loss) income was as follows:

	Thirteen Weeks Ended	
	5/2/10	5/3/09
Net (loss) income	$(27,613)	$24,711
Foreign currency translation adjustments, net of tax (benefit) expense of $(312) and $203	(513)	334
Change related to retirement and benefit plan costs, net of tax expense of $663 and $182	1,091	299
Comprehensive (loss) income	$(27,035)	$25,344

7. DERIVATIVE FINANCIAL INSTRUMENTS

The Company entered into foreign currency forward exchange contracts to purchase €1,300,000 during the first quarter of 2010 in connection with the acquisition of Tommy Hilfiger to hedge against its exposure to changes in the exchange rate for the Euro, as a portion of the acquisition purchase price was payable in cash and denominated in Euros. Such foreign currency forward exchange contracts were not designated as hedging instruments. The Company recorded these foreign currency forward exchange contracts at their fair value of $52,390 in Accrued Expenses in its consolidated balance sheet, with the corresponding loss from the contract date through the end of the quarter recorded in Other Loss in its consolidated statement of operations. Please refer to Note 8, “Fair Value Measurements,” for disclosures on fair value measurements of the Company’s derivative financial instruments.

The Company had no other derivative instruments outstanding as of May 2, 2010. The Company had no derivative financial instruments with credit risk related contingent features as of May 2, 2010. The Company does not enter into derivative transactions for speculative or trading purposes.

8. FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (“FASB”) guidance for fair value measurements defines fair value 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 at the measurement date. It also establishes a three level hierarchy that prioritizes the inputs used to measure fair value. The three levels of the hierarchy are defined as follows:

Level 1 – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 – Observable inputs other than quoted prices included in Level 1, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, inputs

other than quoted prices that are observable for the asset or liability and inputs derived principally from or corroborated by observable market data.

Level 3 – Unobservable inputs reflecting the Company's own assumptions about the inputs that market participants would use in pricing the asset or liability based on the best information available.

In accordance with the fair value hierarchy described above, the following table shows the fair value of the Company's financial assets and liabilities that were required to be remeasured at fair value on a recurring basis during the thirteen weeks ended May 2, 2010.

	Fair Value Measurement Using			Total Fair Value at
Description	Level 1	Level 2	Level 3	5/2/10
Derivative instrument liabilities	N/A	$(52,390)	N/A	$(52,390)

Derivative instrument liabilities represent unrealized losses on foreign currency forward exchange contracts, which are measured as the difference between (i) the United States dollars to be paid at the contracts' settlement date and (ii) the United States dollar value of the foreign currency to be purchased at the period end spot rate.

There were no financial assets and liabilities that were required to be remeasured at fair value on a recurring basis during the thirteen weeks ended May 3, 2009.

There were no non-financial assets and liabilities that were required to be remeasured at fair value on a nonrecurring basis during the thirteen weeks ended May 2, 2010.

The following table shows the fair value of the Company's non-financial assets and liabilities that were required to be remeasured at fair value on a nonrecurring basis during the thirteen weeks ended May 3, 2009, and the total impairments recorded as a result of the remeasurement process.

	Fair Value Measurement Using			Fair Value as of Impairment	Total Impairments for Thirteen Weeks Ended
Description	Level 1	Level 2	Level 3	Date	5/3/09
Property and equipment	N/A	N/A	$ -	$ -	$ 136

In accordance with FASB guidance for the impairment or disposal of long-lived assets, long-lived assets held and used with a carrying amount of $136 were written down to a fair value of zero during the thirteen weeks ended May 3, 2009. Fair value was determined based on the estimated discounted future cash flows associated with the assets using current sales trends and market participant assumptions.

The carrying amounts and the fair values of the Company's cash and cash equivalents and long-term debt for the period ended May 2, 2010 were as follows:

	Carrying Amount	Fair Value
Cash and cash equivalents	$791,595	$791,595
Long-term debt	399,588	401,500

The fair values of cash and cash equivalents approximate their carrying values due to the short-term nature of these instruments. The Company estimates the fair value of its long-term debt using quoted market prices as of the last business day of the applicable quarter.

9. STOCK-BASED COMPENSATION

The Company's 2006 Stock Incentive Plan (the "2006 Plan") was approved at the Company's Annual Meeting of Stockholders held in June 2006. The 2006 Plan replaced the Company's existing 1997, 2000 and 2003 Stock Option

Plans. The 1997, 2000 and 2003 Stock Option Plans terminated on the date of such approval, other than with respect to outstanding options under those plans, which continue to be governed by the respective plan under which they were granted. Shares issued as a result of stock-based compensation transactions generally have been funded with the issuance of new shares of the Company's common stock.

The Company may grant the following types of incentive awards under the 2006 Plan: (i) non-qualified stock options ("NQs"); (ii) incentive stock options ("ISOs"); (iii) stock appreciation rights; (iv) restricted stock; (v) restricted stock units ("RSUs"); (vi) performance shares; and (vii) other stock-based awards. Each award granted under the 2006 Plan is subject to an award agreement that incorporates, as applicable, the exercise price, the term of the award, the periods of restriction, the number of shares to which the award pertains, applicable performance period(s) and performance measure(s), and such other terms and conditions as the plan committee determines.

Through May 2, 2010, the Company has granted under the 2006 Plan: (i) service-based NQs and RSUs; (ii) contingently issuable performance shares; and (iii) RSUs that are intended to satisfy the performance-based condition for deductibility under Section 162(m) of the Internal Revenue Code. According to the terms of the 2006 Plan, for purposes of determining the number of shares available for grant, each share underlying a stock option award reduces the number available by one share and each share underlying an RSU or performance share award reduces the number available by three shares for awards made before April 29, 2009 and by two shares for awards made on or after April 29, 2009. The per share exercise price of options granted under the 2006 Plan cannot be less than the closing price of the common stock on the date of grant (the business day prior to the date of grant for awards granted prior to September 21, 2006).

The Company currently has service-based NQs and ISOs outstanding under its 1997, 2000 and 2003 Stock Option Plans. Such options were granted with an exercise price equal to the closing price of the common stock on the business day immediately preceding the date of grant.

Net (loss) income for the thirteen weeks ended May 2, 2010 and May 3, 2009 included $4,090 and $2,663, respectively, of pre-tax expense related to stock-based compensation.

Options currently outstanding are generally cumulatively exercisable in four equal annual installments commencing one year after the date of grant. The vesting of options outstanding is also generally accelerated upon retirement (as defined in the applicable plan). Options are generally granted with a 10-year term.

The Company estimates the fair value of stock options granted at the date of grant using the Black-Scholes-Merton model. The estimated fair value of the options, net of estimated forfeitures, is expensed on a straight-line basis over the options' vesting period.

The following summarizes the assumptions used to estimate the fair value of service-based stock options granted during the thirteen weeks ended May 2, 2010 and May 3, 2009, respectively:

	Thirteen Weeks Ended	
	5/2/10	5/3/09
Weighted average risk-free interest rate	3.01%	2.05%
Weighted average expected option term (in years)	6.25	6.25
Weighted average expected volatility	41.75%	38.47%
Expected annual dividends per share	$ 0.15	$ 0.15
Weighted average estimated fair value per share of options granted	$26.64	$10.05

The Securities and Exchange Commission issued Staff Accounting Bulletin ("SAB") No. 110 in December 2007. SAB No. 110 allows for the continued use, under certain circumstances, of the simplified method discussed in SAB No. 107 for estimating the expected term of "plain vanilla" stock options. The Company has continued to utilize the simplified method to estimate the expected term for its stock options granted due to a lack of relevant historical data resulting, in part, from recent changes in the pool of employees receiving option grants and changes in the vesting schedule of certain grants. The Company will continue to evaluate the appropriateness of utilizing such method.

Service-based stock option activity for the thirteen weeks ended May 2, 2010 was as follows:

	Options	Weighted Average Price Per Option
Outstanding at January 31, 2010	3,616	$ 30.16
Granted	111	60.08
Exercised	256	21.95
Cancelled	2	28.27
Outstanding at May 2, 2010	3,469	$ 31.73
Exercisable at May 2, 2010	2,559	$ 30.59

Service-based RSUs granted to employees generally vest in three annual installments (25%, 25% and 50%) commencing two years after the date of grant. Service-based RSUs granted to non-employee directors vest in four equal annual installments commencing one year after the date of grant. The underlying RSU award agreements generally provide for accelerated vesting upon the award recipient's retirement (as defined in the 2006 Plan). The fair value of service-based RSUs is equal to the closing price of the Company's common stock on the date of grant and is expensed, net of estimated forfeitures, on a straight-line basis over the RSUs' vesting period.

RSU activity for the thirteen weeks ended May 2, 2010 was as follows:

	RSUs	Weighted Average Grant Date Fair Value
Non-vested at January 31, 2010	734	$ 35.85
Granted	119	61.82
Vested	61	43.41
Cancelled	4	37.38
Non-vested at May 2, 2010	788	$ 39.19

The Company granted contingently issuable performance share awards to all of the Company's executive officers during the first quarters of 2010 and 2008, subject to performance periods of two and three years, respectively. The final number of shares that will be earned, if any, is contingent upon the Company's achievement of goals for each of the performance periods based on earnings per share growth for the awards granted in 2010 and both earnings per share growth and return on equity for the awards granted in 2008 during the applicable performance cycle. Depending on the level of objectives achieved, up to a total number of 96 and 89 shares could be issued for all non-vested performance share awards granted in 2010 and 2008, respectively. The Company records expense for the contingently issuable performance shares ratably over each applicable vesting period based on fair value and the Company's current expectations of the probable number of shares th at will ultimately be issued. The fair value of the contingently issuable performance shares is equal to the closing price of the Company's common stock on the date of grant, reduced for the present value of any dividends expected to be paid on the Company's common stock during the performance cycle, as these contingently issuable performance shares do not accrue dividends prior to being earned.

Performance share activity for the thirteen weeks ended May 2, 2010 was as follows:

	Performance Shares	Weighted Average Grant Date Fair Value
Non-vested at January 31, 2010	89	$ 41.80
Granted	96	63.29
Vested	-	-
Cancelled	-	-
Non-vested at May 2, 2010	185	$ 52.92

The Company receives a tax deduction for certain transactions associated with its stock plan awards. The actual income tax benefits realized from these transactions for the thirteen weeks ended May 2, 2010 and May 3, 2009 were

$4,336 and $504, respectively. Of those amounts, $2,932 and $106, respectively, were reported as excess tax benefits. Excess tax benefits arise when the actual tax benefit resulting from a stock plan award transaction exceeds the tax benefit associated with the grant date fair value of the related stock award.

10. STOCKHOLDERS' EQUITY

Common Stock Offering

The Company sold 5,750 shares of its common stock on April 28, 2010 for an offering price of $66.50 per share before commissions and discounts to underwriters. The net proceeds of the sale after commissions, discounts and related fees, which totaled $364,860, were used to fund a portion of the Company's May 6, 2010 acquisition of Tommy Hilfiger. Of the 5,750 shares, a total of 5,250 shares were released from treasury and 500 shares were newly issued.

Warrant

The Company issued to Mr. Calvin Klein a nine-year warrant to purchase 320 shares of the Company's common stock at $28.00 per share in connection with the Company's acquisition of Calvin Klein in 2003. 160 shares of such warrant were exercised during the first quarter of 2010, and the remaining 160 shares issuable upon exercise of the warrant remained outstanding as of May 2, 2010.

11. ACTIVITY EXIT COSTS AND ASSET IMPAIRMENTS

The Company announced in the fourth quarter of 2008 that it initiated a series of actions to respond to the difficult economic conditions that existed during the second half of 2008 and were expected to (and did) continue into 2009 by restructuring certain of its operations and implementing a number of other cost reduction efforts. These restructuring initiatives were substantially completed during 2009.

The Company recorded long-lived asset impairment charges in connection with these restructuring initiatives of $136 in the first quarter of 2009. Such charges were included in corporate selling, general and administrative expenses not allocated to any reportable segments.

Liabilities recorded in connection with the restructuring were as follows:

	Liability at 1/31/10	Costs Paid During the Thirteen Weeks Ended 5/2/10	Liability at 5/2/10
Severance, termination benefits and other costs	$ 2,265	$ 905	$ 1,360
Lease termination costs	1,240	342	898
Total	$ 3,505	$ 1,247	$ 2,258

12. NET (LOSS) INCOME PER SHARE

The Company computed its basic and diluted net (loss) income per share as follows:

	Thirteen Weeks Ended	
	5/2/10	5/3/09
Net (loss) income	$(27,613)	$24,711
Weighted average common shares outstanding for basic net (loss) income per share	52,279	51,511
Weighted average impact of dilutive securities	-	371
Total shares for diluted net (loss) income per share	52,279	51,882
Basic net (loss) income per share	$ (0.53)	$ 0.48
Diluted net (loss) income per share	$ (0.53)	$ 0.48

Potentially dilutive securities excluded from the calculation of diluted net (loss) income per share were as follows:

	Thirteen Weeks Ended	
	5/2/10	5/3/09
Weighted average antidilutive securities	4,611	2,825

According to FASB guidance for earnings per share, contingently issuable shares that have not met the necessary conditions as of the end of a reporting period should not be included in the calculation of diluted net income per share for that period. The Company had contingently issuable awards that did not meet the performance conditions as of May 2, 2010 and May 3, 2009 and, therefore, were excluded from the calculation of diluted net (loss) income per share for the thirteen weeks ended May 2, 2010 and May 3, 2009. The maximum number of potentially dilutive
shares that could be issued upon vesting for such awards was 185 and 158 as of May 2, 2010 and May 3, 2009, respectively. These amounts were also excluded from the computation of weighted average antidilutive securities.

13. NONCASH INVESTING TRANSACTIONS

During the first quarters of 2010 and 2009, the Company recorded increases to goodwill of $9,425 and $8,712, respectively, related to liabilities incurred for contingent purchase price payments to Mr. Calvin Klein. Such amounts are not due or paid in cash until 45 days subsequent to the Company's applicable quarter end. As such, during the first quarters of 2010 and 2009, the Company paid $11,245 and $9,585, respectively, in cash related to contingent purchase price payments to Mr. Calvin Klein that were recorded as additions to goodwill during the fourth quarters of 2009 and 2008, respectively, which were the periods during which the liabilities were incurred.

14. SEGMENT DATA

The Company manages its operations through its operating divisions, which are aggregated into five reportable segments: (i) Wholesale Dress Furnishings; (ii) Wholesale Sportswear and Related Products; (iii) Retail Apparel and Related Products; (iv) Retail Footwear and Related Products; and (v) Calvin Klein Licensing.

Wholesale Dress Furnishings Segment - This segment consists of the Company's wholesale dress furnishings division. This segment derives revenue primarily from marketing both dress shirts and neckwear under the brand names *ARROW, Calvin Klein Collection, ck Calvin Klein, Calvin Klein, IZOD, Eagle, Sean John, Trump* (marketed as *Donald J. Trump Signature Collection* prior to January 1, 2010), *Kenneth Cole New York, Kenneth Cole Reaction, JOE Joseph Abboud, DKNY, Tommy Hilfiger, Elie Tahari, J. Garcia* and *MICHAEL Michael Kors*, as well as dress shirts under the brand names *Van Heusen, Geoffrey Beene* and *CHAPS* and neckwear under the brand names *Nautica, Ike Behar, Ted Baker, Jones New York, Michael Kors Collection, Claiborne, U.S. POLO ASSN., Axcess, Hart Schaffner Marx, Bugatti, City of London* and *Robert Graham*. In addition, the Company sold dress shirts under the *BCBG Max Azria* and *BCBG A ttitude* brand names into the fourth quarter of 2009. The Company markets its dress shirt and neckwear brands, as well as various private label brands, primarily to department, mid-tier department and specialty stores.

Wholesale Sportswear and Related Products Segment - The Company aggregates the results of its wholesale sportswear divisions into the Wholesale Sportswear and Related Products segment. This segment derives revenue primarily from marketing men's sportswear under the brand names *Van Heusen, IZOD, Geoffrey Beene, ARROW, Calvin Klein* and *Timberland,* and women's sportswear under the brand name *IZOD* to department, mid-tier department and specialty stores.

Retail Apparel and Related Products Segment - The Company aggregates the results of its Van Heusen, Izod and Calvin Klein retail divisions into the Retail Apparel and Related Products segment. This segment derives revenue principally from operating retail stores, primarily in outlet centers, which sell apparel and accessories under the brand names *Van Heusen, IZOD* and *Calvin Klein.* This segment also derives revenue from selling *Calvin Klein Collection* branded high-end collection apparel and accessories through the Company's own full price *Calvin Klein Collection* retail store located in New York City.

Retail Footwear and Related Products Segment - This segment consists of the Company's Bass retail division. This segment derives revenue principally from operating retail stores, primarily in outlet centers, which sell footwear, apparel, accessories and related products under the brand names *Bass* and *G.H. Bass & Co.*

Calvin Klein Licensing Segment - The Company aggregates the results of its Calvin Klein licensing and advertising divisions into the Calvin Klein Licensing segment. This segment derives revenue from licensing and similar arrangements worldwide relating to the use by third parties of the brand names *Calvin Klein Collection, ck Calvin Klein* and *Calvin Klein* for a broad array of products and retail services.

The following table presents summarized information by segment:

	Thirteen Weeks Ended	
	5/2/10	5/3/09
Revenue - Wholesale Dress Furnishings		
Net sales	$142,440	$130,128
Royalty revenue	1,367	1,505
Advertising and other revenue	399	448
Total	144,206	132,081
Revenue - Wholesale Sportswear and Related Products		
Net sales	169,094	150,013
Royalty revenue	2,207	2,231
Advertising and other revenue	623	962
Total	171,924	153,206
Revenue - Retail Apparel and Related Products		
Net sales	153,744	138,040
Royalty revenue	1,444	1,321
Total	155,188	139,361
Revenue - Retail Footwear and Related Products		
Net sales	58,202	52,023
Royalty revenue	195	101
Advertising and other revenue	75	35
Total	58,472	52,159
Revenue - Calvin Klein Licensing		
Royalty revenue	60,646	53,760
Advertising and other revenue	21,400	21,317
Total	82,046	75,077
Revenue – Other[1]		
Net sales	7,208	5,541
Total	7,208	5,541
Total Revenue		
Net sales	530,688	475,745
Royalty revenue	65,859	58,918
Advertising and other revenue	22,497	22,762
Total	$619,044	$557,425
Income before interest and taxes - Wholesale Dress Furnishings	$ 19,114	$ 17,002[2]
Income before interest and taxes - Wholesale Sportswear and Related Products	23,666	16,238[2]
Income before interest and taxes - Retail Apparel and Related Products	15,242	898[2]
Income (loss) before interest and taxes - Retail Footwear and Related Products	2,159	(4,278)[2]
Income before interest and taxes - Calvin Klein Licensing	39,712	35,709
Loss before interest and taxes - Other[1]	(122,450)	(16,455)
(Loss) income before interest and taxes	$ (22,557)	$ 49,114

(1) Includes corporate expenses not allocated to any reportable segments and the results of the Company's Calvin Klein Collection wholesale business, which was acquired in January 2008. Corporate expenses represent overhead operating expenses and include expenses for senior corporate management, corporate finance and information technology related to corporate infrastructure. Additionally, the Company includes all stock-based compensation expenses in corporate expenses. Corporate expenses for the thirteen weeks ended May 2, 2010 include costs of $104,028 associated with the Company's acquisition of Tommy Hilfiger, including the effects of foreign currency forward exchange contracts. Please see Note 7, "Derivative Financial Instruments," and Note 17, "Subsequent Events," for a further discussion.

(2) Income before interest and taxes for the thirteen weeks ended May 3, 2009 includes costs associated with the Company's restructuring initiatives. Such costs were included principally in selling, general and administrative expenses of the Company's segments as follows: $564 in Wholesale Dress Furnishings; $547 in Wholesale Sportswear and Related Products; $2,359 in Retail Apparel and Related Products; $477 in Retail Footwear and Related Products; and $773 in corporate expenses not allocated to any reportable segments. Please see Note 11, "Activity Exit Costs and Asset Impairments," for a further discussion.

Intersegment transactions consist of transfers of inventory principally between the Wholesale Dress Furnishings segment and the Retail Apparel and Related Products segment. These transfers are recorded at cost plus a standard markup percentage. Such markup percentage is eliminated in the Retail Apparel and Related Products segment.

15. GUARANTEES

The Company guaranteed the payment of certain purchases made by one of the Company's suppliers from a raw material vendor. The maximum amount guaranteed as of May 2, 2010 is $500. The guarantee expires on January 31, 2011.

The Company guaranteed to a former landlord the payment of rent and related costs by the tenant currently occupying space previously leased by the Company. The maximum amount guaranteed as of May 2, 2010 is approximately $3,600, which is subject to exchange rate fluctuation. The Company has the right to seek recourse of approximately $2,300 as of May 2, 2010, which is subject to exchange rate fluctuation. The guarantee expires on May 19, 2016.

16. RECENT ACCOUNTING GUIDANCE

New guidance issued but not effective until after May 2, 2010 is not expected to have a material impact on the Company's consolidated results of operations or financial position.

17. SUBSEQUENT EVENTS

Tommy Hilfiger Acquisition

The Company completed its acquisition of all of the outstanding equity interests of Tommy Hilfiger from funds affiliated with Apax Partners L.P. on May 6, 2010. Tommy Hilfiger, through its subsidiaries, designs, sources and markets men's and women's sportswear and activewear, jeanswear and childrenswear worldwide and licenses its brands worldwide over a broad range of products.

The Company believes Tommy Hilfiger's established international platform in Europe will be a strategic complement to its strong North American presence and provides the Company with the resources and expertise needed to grow its heritage brands and businesses internationally.

The Company paid €1,924,000 in cash and issued 8,044 shares of the Company's common stock, par value $1.00 per share, as consideration for the acquisition, and also assumed approximately €100,000 in liabilities of Tommy Hilfiger. The total consideration was valued at approximately $3,100,000 as of the acquisition date. This amount is subject to change based on working capital and other adjustments. The Company incurred during the thirteen weeks ended May 2, 2010 certain pre-tax costs associated with the acquisition, totaling $51,638, which are included within selling, general and administrative expenses in its financial statements. The Company entered into foreign currency forward exchange contracts to purchase €1,300,000 during the first quarter of 2010, and entered into an additional foreign currency forward exchange contract to purchase €250,000 during the second quarter of 2010, in connection

with its acquisition of Tommy Hilfiger to hedge against its exposure to changes in the exchange rate for the Euro, as a portion of the acquisition purchase price was payable in cash and denominated in Euros. The Company incurred a pre-tax loss of $52,390 during the first quarter of 2010, which was reflected in the Company's financial statements as of May 2, 2010, and an additional pre-tax loss of approximately $88,100 during the second quarter of 2010 related to these contracts.

The Company funded the cash portion and related costs of the Tommy Hilfiger acquisition with cash on hand and the net proceeds of the following activities: (i) the sale on April 28, 2010 of 5,750 shares of the Company's common stock, for an offering price of $66.50 per share before commissions and discounts to underwriters; (ii) the issuances of an aggregate of 8 shares of Series A convertible preferred stock to LNK Partners, L.P. ("LNK") and MSD Brand Investments, LLC ("MSD"), which are currently convertible into 4,189 shares of the Company's common stock, for an aggregate gross purchase price of $200,000; (iii) the issuance of $600,000 of 7 3/8% senior notes due 2020; and (iv) term loans borrowed under new credit facilities, as more fully described below.

Pro Forma Impact of the Transaction and Allocation of Consideration Transferred

Due to the limited time since the date of the acquisition, the initial accounting for this business combination is incomplete as of the date of this filing. As such, it is impracticable for the Company to make certain business combination disclosures at this time. The Company is unable to provide pro forma revenue and earnings of the combined entity, and the Company is unable to present the acquisition date fair value of and information related to assets acquired and liabilities assumed. The Company will provide this information in its second quarter 2010 10-Q filing.

New Senior Secured Credit Facilities

On May 6, 2010, the Company entered into a new senior secured credit facility, which consists of a Euro-denominated term loan A facility, a United States dollar-denominated term loan A facility, a Euro-denominated term loan B facility, a United States dollar-denominated term loan B facility, a United States dollar-denominated revolving credit facility and two multi-currency (one United States dollar and Canadian dollar, and the other Euro, Yen and Pound) revolving credit facilities. These new credit facilities provide for borrowings equal to an aggregate of approximately $2,350,000 (based on the Euro to United States dollar exchange rate in effect on May 6, 2010), consisting of (i) an aggregate of approximately $1,900,000 of term loan facilities, which has been borrowed in full; and (ii) approximately $450,000 of revolving credit facilities, for which the Company had no revolving credit borrowings and a portion of letters of credit outstanding as of May 6, 2010.

The term loan A facilities and the revolving credit facilities will mature in 2015; the term loan B facilities will mature in 2016. Borrowings under the credit facilities bear interest at a rate equal to an applicable margin plus a variable rate, each of which is determined based on the jurisdiction of such borrowings. The terms of each of the term loan A facilities require the Company to repay amounts outstanding under each such facility in amounts equal to 5% of the aggregate principal amount thereof during the first year following the closing date, 10% of the aggregate principal amount thereof during the second year following the closing date, 15% of the aggregate principal amount thereof during the third year following the closing date, 25% of the aggregate principal amount thereof during the fourth year following the closing date and 45% of the aggregate principal amount thereof during the fifth year following the closing date, in each case paid in equal quarter ly installments during the course of each such year and in each case subject to certain customary adjustments. The terms of the term loan B facilities require the Company to repay amounts outstanding under each such facility in equal quarterly installments in an amount equal to 1% of the aggregate principal amount per annum, with the balance due on the maturity date. In addition, the Company has the ability to prepay the outstanding borrowings under the new senior secured credit facility without penalty (other than customary breakage costs).

7 3/8% Senior Notes Due 2020

On May 6, 2010, the Company issued $600,000 principal amount of 7 3/8% senior notes due May 15, 2020 under an indenture, dated as of May 6, 2010, between the Company and U.S. Bank National Association, as trustee. Interest on the 7 3/8% notes is payable semi-annually in arrears on May 15 and November 15 of each year, commencing November 15, 2010.

Series A Preferred Stock

On May 6, 2010, the Company completed the sale of an aggregate of 8 shares of Series A convertible preferred stock, par value $100.00 per share, to LNK and MSD for an aggregate gross purchase price of $200,000. The Series A convertible preferred stock has a liquidation preference of $25,000 per share and is currently convertible at a price of $47.74 into 4,189 shares of common stock. The conversion price is subject to equitable adjustment in the event of the Company taking certain actions, including stock splits, stock dividends, mergers, consolidations or other capital reorganizations. The Series A convertible preferred stock is not redeemable, in whole or in part, at the Company's option or that of any holder. The holders of the Series A convertible preferred stock are entitled to vote with the holders of the Company's common stock on an as-converted basis.

Prior Senior Secured Revolving Credit Facility

On May 6, 2010, the Company terminated its $325,000 secured revolving credit facility with JP Morgan Chase Bank, N.A. as the Administrative Agent and Collateral Agent, which was scheduled to expire in July 2012.

Tender and Redemption of 2011 Notes and 2013 Notes

The Company commenced tender offers on April 7, 2010 for (i) all of the $150,000 outstanding principal amount of its notes due 2011; and (ii) all of the $150,000 outstanding principal amount of its notes due 2013. The tender offers expired on May 4, 2010, at which time approximately $100,500 in aggregate principal amount (or approximately 67%) of the notes due 2011 and approximately $134,300 in aggregate principal amount (or approximately 90%) of the notes due 2013 were validly tendered. On May 6, 2010, the Company accepted for purchase all of the notes tendered and made payment to tendering holders.

On May 6, 2010, the Company called for redemption all of its outstanding 7 1/4% senior notes due 2011, representing an aggregate principal amount of approximately $49,500 as of May 6, 2010, and all of its outstanding 8 1/8% senior notes due 2013, representing an aggregate principal amount of approximately $15,700 as of such date. The redemption prices of the notes due 2011 and 2013 were 100.000% and 101.354%, respectively, of the outstanding aggregate principal amount of the applicable note, plus accrued and unpaid interest thereon to the redemption date. As of May 6, 2010, the Company made an irrevocable cash deposit, including accrued and unpaid interest, to the trustee for the notes due 2011 and 2013. As a result, such indentures have been satisfied and effectively discharged as of May 6, 2010.

References to the brand names *Calvin Klein Collection, ck Calvin Klein, Calvin Klein, Van Heusen, IZOD, Eagle, Bass, Geoffrey Beene, ARROW, Tommy Hilfiger, CHAPS, Sean John, JOE Joseph Abboud, MICHAEL Michael Kors, Michael Kors Collection, Trump, Donald J. Trump Signature Collection, Kenneth Cole New York, Kenneth Cole Reaction, DKNY, Elie Tahari, Nautica, Ike Behar, Ted Baker, Jones New York, J. Garcia, Claiborne, Robert Graham, U.S. POLO ASSN., Axcess* and *Timberland* and to other brand names are to registered trademarks owned by us or licensed to us by third parties and are identified by italicizing the brand name.

References to the acquisition of Tommy Hilfiger refer to our May 6, 2010 acquisition from funds affiliated with Apax Partners L.P. of Tommy Hilfiger B.V. and certain affiliated companies, which companies we refer to collectively as "Tommy Hilfiger."

References to the "Mulberry acquisition" refer to our April 2008 acquisition of certain assets (including certain trademark licenses, inventories and receivables) of Mulberry Thai Silks, Inc., a manufacturer and distributor of branded neckwear in the United States, which we refer to as "Mulberry."

References to the "Superba acquisition" refer to our January 2007 acquisition of substantially all of the assets of Superba, Inc., a manufacturer and distributor of neckwear in the United States and Canada.

References to the acquisition of Calvin Klein refer to our February 2003 acquisition of Calvin Klein, Inc. and certain affiliated companies, which companies we refer to collectively as "Calvin Klein."

OVERVIEW

The following discussion and analysis is intended to help you understand us, our operations and our financial performance. It should be read in conjunction with our consolidated financial statements and the accompanying notes, which are included elsewhere in this report.

We are one of the largest apparel companies in the world, with a heritage dating back over 125 years. Our brand portfolio consists of nationally recognized brand names, including *Calvin Klein, Van Heusen, IZOD, ARROW, Bass, Eagle* and, as of the beginning of the second quarter of 2010, *Tommy Hilfiger* (previously a licensed brand), which are owned, and *Geoffrey Beene, Kenneth Cole New York, Kenneth Cole Reaction, Sean John, JOE Joseph Abboud, MICHAEL Michael Kors, Michael Kors Collection, CHAPS, Trump* (marketed as *Donald J. Trump Signature Collection* prior to January 1, 2010), *DKNY, Elie Tahari, Nautica, Ike Behar, Ted Baker, J. Garcia, Claiborne, Robert Graham, U.S. POLO ASSN., Axcess, Jones New York* and *Timberland*, which are licensed.

We completed our acquisition of Tommy Hilfiger during the second quarter of 2010. Tommy Hilfiger, through its subsidiaries, designs, sources and markets men's and women's sportswear and activewear, jeanswear and childrenswear worldwide and licenses its brands worldwide over a broad range of products.

We paid €1.924 billion in cash and issued 8.0 million shares of our common stock, par value $1.00 per share, as consideration for the acquisition, and also assumed approximately €100.0 million in liabilities of Tommy Hilfiger. We entered into foreign currency forward exchange contracts to purchase €1.3 billion during the first quarter of 2010, and entered into an additional foreign currency forward exchange contract to purchase €250.0 million during the second quarter of 2010, in connection with the acquisition of Tommy Hilfiger to hedge against our exposure to changes in the exchange rate for the Euro, as a portion of the acquisition purchase price was payable in cash and denominated in Euros.

We funded the cash portion and related costs of the Tommy Hilfiger acquisition with cash on hand and the net proceeds of the following activities: (i) the sale on April 28, 2010 of 5.8 million shares of our common stock, for an offering price of $66.50 per share before commissions and discounts to underwriters; (ii) the issuances of an aggregate of 8,000 shares of Series A convertible preferred stock to LNK Partners, L.P. ("LNK") and MSD Brand Investments, LLC ("MSD"), which are currently convertible into 4.2 million shares of our common stock, for an aggregate gross purchase price of $200.0 million; (iii) the issuance of $600.0 million of 7 3/8% senior notes due 2020; and (iv) term loans borrowed under new credit facilities. These items are more fully described in the section entitled "Liquidity and Capital Resources" below.

Our historical business strategy has been to manage and market a portfolio of nationally recognized brands at multiple price points and across multiple channels of distribution. We believe this strategy reduces our reliance on any one demographic group, merchandise preference or distribution channel. We have enhanced this strategy by expanding our portfolio of brands through acquisitions of well-known brands, such as *Calvin Klein*, *ARROW* and, now, *Tommy Hilfiger*, that offer additional geographic distribution channel and price point opportunities in our traditional categories of dress shirts and sportswear. The *Calvin Klein*, *ARROW* and, to a lesser degree, *Tommy Hilfiger* acquisitions also enhanced our business strategy by providing us with established international licensing businesses which do not require working capital investments. We have successfully pursued growth opportunities in extending the *Calvin Klein* and *ARROW* brands through licensing into additional product categories and geographic areas and may seek to do the same with *Tommy Hilfiger*. The Superba and Mulberry acquisitions helped to advance our historical strategy by adding a product category that is complementary to our heritage dress shirt business and leverages our position in dress furnishings. Our business strategy was also extended by gender with our assumption in 2007 of the wholesale *IZOD* women's sportswear collection, which was previously a licensed business. Further, in the second quarter of 2008, we began marketing men's sportswear under the *Timberland* brand in North America under a licensing arrangement with The Timberland Company. *Timberland* is an authentic outdoor traditional brand targeted to the department and specialty store channels of distribution that we believe has a unique positioning that complements our existing portfolio of sportswear brands and enables us to reach a broad er spectrum of consumers. We believe that the acquisition of Tommy Hilfiger will advance our business strategy by establishing an international platform in Europe that will be a strategic complement to our strong North American presence and provides us with the resources and expertise needed to grow our heritage brands and businesses internationally.

We have entered into license agreements with partners across the globe for our brands. A significant portion of our total income before interest and taxes is derived from international sources, which, prior to the acquisition of Tommy Hilfiger, has been primarily driven by the international component of our Calvin Klein licensing business. The acquisition of Tommy Hilfiger adds a strong operational platform that accelerates our international presence and can provide a platform for global expansion of all of our brands and businesses.

OPERATIONS OVERVIEW

During the first quarter of 2010, we generated net sales from (i) the wholesale distribution of men's dress shirts and neckwear and men's and women's sportswear; and (ii) the sale, through approximately 650 company-operated retail locations, of apparel, footwear and accessories under the brand names *Van Heusen*, *IZOD*, *Bass* and *Calvin Klein*.

As of the end of the first quarter of 2010, we operated stores principally in outlet centers in the United States. We also operated a full price store located in New York City under the *Calvin Klein Collection* brand in which we principally sell men's and women's high-end collection apparel and accessories, soft home furnishings and tableware. Additionally, we operate a limited number of retail stores located principally in the United Kingdom that primarily market *Van Heusen* brand dress furnishings.

We completed the acquisition of Tommy Hilfiger early in the second quarter of 2010. We recorded pre-tax charges in the first quarter of 2010 in connection with this acquisition that totaled $104.0 million, which includes a loss of $52.4 million associated with hedges against Euro to U.S. dollar exchange rates relating to the purchase price and transaction costs of $51.6 million. We expect to incur additional pre-tax expenses of approximately $136.1 million during the remainder of 2010 in connection with the acquisition and integration of Tommy Hilfiger, which includes the following: (i) a loss of approximately $88.1 million associated with hedges against Euro to U.S. dollar exchange rates relating to the purchase price; and (ii) transaction, restructuring and debt extinguishment costs of approximately $48.0 million. Our future operations will be significantly impacted by this acquisition, including through the operations of the Tommy Hilfiger business and the changes in our capital structure that were necessary to complete the acquisition, as more fully discussed below, along with the costs associated with the acquisition and integration.

We generate royalty, advertising and other revenue from fees for licensing the use of our trademarks. Calvin Klein royalty, advertising and other revenue, which comprised 93% of total royalty, advertising and other revenue in the first quarter of 2010, is derived under licenses and other arrangements for a broad array of products, including jeans, underwear, fragrances, eyewear, footwear, women's apparel, outerwear, watches and home furnishings.

Gross profit on total revenue is total revenue less cost of goods sold. Included as cost of goods sold are costs associated with the production and procurement of product, including inbound freight costs, purchasing and receiving costs, inspection costs, internal transfer costs and other product procurement related charges. Because there is no cost of goods sold associated with royalty, advertising and other revenue, 100% of such revenue is included in gross profit. As a result, our gross profit may not be comparable to that of other entities.

Selling, general and administrative expenses include all other expenses, excluding interest and income taxes. Salaries and related fringe benefits is generally the largest component of selling, general and administrative expenses, comprising 40% of such expenses in the first quarter of 2010. Rent and occupancy for offices, warehouses and retail stores is generally the next largest expense, comprising 17% of selling, general and administrative expenses in the first quarter of 2010.

RESULTS OF OPERATIONS

Thirteen Weeks Ended May 2, 2010 Compared With Thirteen Weeks Ended May 3, 2009

Net Sales

Net sales in the first quarter of 2010 increased 11.5% to $530.7 million from $475.7 million in the first quarter of the prior year. The increase of $54.9 million was due principally to the effect of the following items:

- The addition of $31.4 million of net sales attributable to growth in our Wholesale Dress Furnishings and Sportswear and Related Products segments resulting from better performance across each of our wholesale businesses.

- The addition of $21.9 million of net sales attributable to growth in our retail segments. This was primarily driven by a comparable store sales increase in our retail businesses of 12%.

We currently estimate our 2010 full year net sales to increase from $2.07 billion in the prior year to a range of approximately $3.97 billion to $4.01 billion, due primarily to the addition of net sales of approximately $1.8 billion from the acquisition of Tommy Hilfiger. Net sales in our non-Tommy Hilfiger wholesale and retail businesses are currently projected to increase 7% to 8% as compared to the prior year. Comparable store sales in our non-Tommy Hilfiger retail businesses are currently projected to grow approximately 4% to 5%.

Royalty, Advertising and Other Revenue

Royalty, advertising and other revenue in the first quarter of 2010 increased 8.2% to $88.4 million from the prior year's first quarter amount of $81.7 million. Within the Calvin Klein Licensing segment, global licensee royalty revenue increased 13% compared to the prior year's first quarter, due primarily to strong performance in the fragrance, footwear, accessories and women's apparel businesses. Advertising and other revenue was relatively flat to the prior year's first quarter.

We currently expect that total royalty, advertising and other revenue will increase from $328.0 million to a range of approximately $380.0 million to $390.0 million for the full year 2010. This increase is due principally to the addition of royalty revenue, beginning with the second quarter of 2010, from the acquisition of Tommy Hilfiger, combined with growth within the Calvin Klein Licensing segment, as Calvin Klein royalty revenue is expected to increase 7% to 8% for the full year 2010.

Gross Profit on Total Revenue

Gross profit on total revenue in the first quarter of 2010 was $317.0 million, or 51.2% of total revenue, compared with $271.8 million, or 48.8% of total revenue in the first quarter of the prior year. The 240 basis point increase was primarily due to decreased promotional selling in our wholesale and retail businesses during the first quarter of 2010, as the prior year's first quarter included heavy promotional selling.

We currently expect that the gross profit on total revenue percentage will increase for the full year 2010 compared to the 2009 full year percentage of 49.3% due primarily to (i) the acquisition of Tommy Hilfiger, as Tommy Hilfiger has a large international presence and international markets typically have higher gross margin percentages than domestic markets, and Tommy Hilfiger has a significant retail presence and retail businesses typically have higher

gross margin percentages than wholesale businesses; and (ii) an anticipated reduction in promotional selling in 2010 as compared to 2009.

Selling, General and Administrative ("SG&A") Expenses

SG&A expenses in the first quarter of 2010 increased $64.5 million to $287.2 million, or 46.4% of total revenue, from $222.7 million, or 40.0% of total revenue, in the first quarter of the prior year. The 640 basis point increase in SG&A expenses as a percentage of total revenue was due principally to the transaction costs incurred during the first quarter of 2010 in connection with the acquisition of Tommy Hilfiger, combined with increases in advertising and incentive compensation expenses, partially offset by cost savings resulting from our 2008 restructuring initiatives.

Our full year 2010 SG&A expenses as a percentage of total revenue is expected to increase compared to the 2009 full year percentage of 39.1% principally as a result of one-time costs expected to be incurred in connection with the acquisition and integration of Tommy Hilfiger, partially offset by cost savings resulting from our 2008 restructuring initiatives.

Other Loss

We entered into foreign currency forward exchange contracts to purchase €1.3 billion during the first quarter of 2010, and entered into an additional foreign currency forward exchange contract to purchase €250.0 million during the second quarter of 2010, in connection with the acquisition of Tommy Hilfiger to hedge against our exposure to changes in the exchange rate for the Euro, as a portion of the acquisition purchase price was payable in cash and denominated in Euros. We recorded a pre-tax loss of $52.4 million during the first quarter of 2010 and we will record an additional pre-tax loss of approximately $88.1 million during the second quarter of 2010 related to these contracts.

Interest Expense, Interest Income and Debt Extinguishment

Interest expense of $8.4 million in the first quarter of 2010 was flat to the prior year's first quarter. Interest income decreased to $0.1 million in the first quarter of 2010 from $0.5 million in the first quarter of the prior year due principally to a decrease in average investment rates of return.

Net interest expense for the full year 2010 is expected to increase to a range of $134.0 million to $136.0 million from $32.2 million in the prior year principally as a result of the issuance during the second quarter of 2010 of $600.0 million of 7 3/8% senior notes due 2020 and term loans of approximately $1.9 billion borrowed under new credit facilities, the proceeds of which were used towards the purchase of Tommy Hilfiger. (Please refer to the section entitled "Liquidity and Capital Resources" below for a further discussion.)

We expect to incur a loss of approximately $6.0 million on the extinguishment of our 7 1/4% senior notes due 2011 and our 8 1/8% senior notes due 2013. Please refer to the section entitled "Liquidity and Capital Resources" below for a discussion of the tender and redemption of these notes.

Income Taxes

The income tax rate for the first quarter of 2010 was 10.4% compared with last year's first quarter rate of 40.1%. The decrease was due to the impact of the non-deductibility of certain transaction costs incurred associated with the Tommy Hilfiger acquisition, which reduced the tax benefit on the net loss that was recorded in the first quarter of 2010.

We currently anticipate that our 2010 tax expense as a percentage of pre-tax income will be between 62% and 64%, which compares with last year's full year rate of 23.5%. The increase in our tax rate as compared to the prior year is primarily due to the non-deductibility of certain transaction costs that have been or are expected to be incurred in association with the Tommy Hilfiger acquisition, combined with the effect of the lapse of the statute of limitations with respect to certain previously unrecognized tax positions in 2009. This increase is net of a favorable impact on our tax rate from our expected Tommy Hilfiger international pre-tax earnings, a significant portion of which is subject to favorable tax rates, and which earnings are expected to be permanently reinvested outside the United States. It is possible that our estimated full year rate could change from the mix of international and domestic pre-tax earnings, or from discrete events arising from spe cific transactions, audits by tax authorities or the receipt of new information.

LIQUIDITY AND CAPITAL RESOURCES

First Quarter Results

Operations

Cash used by operating activities was $40.6 million in the first quarter of 2010, which compares with $21.6 million in the first quarter of the prior year. The change in cash used by operating activities was comprised of a decrease of $8.2 million in net income adjusted for unrealized losses on derivative instruments, depreciation, amortization, stock-based compensation expense, deferred taxes and impairments, combined with net changes in working capital including the following:

- A decrease in cash flow resulting from the change in inventories during the applicable periods. While inventory balances at the end of the first quarter of 2010 were relatively flat as compared to the first quarter of 2009, inventory balances at the beginning of 2010 were lower than inventory balances at the beginning of 2009.

- A decrease in cash flow resulting from the change in net trade receivables during the applicable periods due primarily to the timing of wholesale sales and cash receipts in the first quarter of 2010 as compared to the first quarter of 2009.

- An increase in cash flow resulting from the change in accounts payable, accrued expenses and deferred revenue during the applicable periods due principally to accruals recorded during the first quarter of 2010 related to the costs incurred in connection with the acquisition of Tommy Hilfiger. Such increase was partially offset by an increase in payments of incentive compensation, as the balance of accruals for incentive compensation costs at the end of 2009 was significantly higher than the balance at the end of 2008.

- An increase in cash flow resulting from the change in prepaid expenses during the applicable periods due principally to the timing of May rent payments in our retail businesses.

Capital Expenditures

Our capital expenditures paid in cash in the first quarter of 2010 were $4.8 million.

Contingent Purchase Price Payments

In connection with the acquisition of Calvin Klein, we are obligated to pay Mr. Calvin Klein contingent purchase price payments based on 1.15% of total worldwide net sales, as defined in the agreement governing the Calvin Klein acquisition, of products bearing any of the *Calvin Klein* brands with respect to sales made through February 12, 2018. A significant portion of the sales on which the payments to Mr. Klein are made are wholesale sales by us and our licensees and other partners to retailers. Such contingent purchase price payments totaled $11.2 million in the first quarter of 2010.

Common Stock Offering

We sold 5.8 million shares of our common stock on April 28, 2010 for an offering price of $66.50 per share before commissions and discounts to underwriters. We received net proceeds of $364.9 million in connection with this common stock offering, which were used in the second quarter of 2010 to fund a portion of the purchase price for the Tommy Hilfiger acquisition.

Dividends

Our common stock, which as of May 2, 2010 was the only class of stock issued, currently pays annual dividends totaling $0.15 per share. Dividends on common stock totaled $4.2 million in the first quarter of 2010.

Cash Flow Summary

Our net cash flow in the first quarter of 2010 was $310.7 million driven primarily by net proceeds of $364.9 million received in connection with our common stock offering.

Financing Arrangements

Our capital structure as of May 2, 2010 was as follows:

(in millions)

Long-term debt	$ 399.6
Stockholders' equity	$ 1,513.2

We also had as of May 2, 2010 a $325.0 million secured revolving credit facility with JP Morgan Chase Bank, N.A. as the Administrative Agent and Collateral Agent, which was scheduled to expire in July 2012, that provided for revolving credit borrowings, as well as the issuance of letters of credit. During the first quarter of 2010, we had no revolving credit borrowings under the facility. As of May 2, 2010, we had $148.9 million of outstanding letters of credit under this facility. Such secured revolving credit facility was terminated on May 6, 2010 and replaced with a new secured revolving credit facility entered into in connection with the acquisition of Tommy Hilfiger, which is more fully discussed below.

Tommy Hilfiger Acquisition

We completed our acquisition of Tommy Hilfiger early in the second quarter of 2010. Tommy Hilfiger, through its subsidiaries, designs, sources and markets men's and women's sportswear and activewear, jeanswear and childrenswear worldwide and licenses its brands worldwide over a broad range of products.

We paid €1.924 billion in cash and issued 8.0 million shares of our common stock, par value $1.00 per share, as consideration for the acquisition, and also assumed approximately €100.0 million in liabilities of Tommy Hilfiger. The total consideration was valued at approximately $3.1 billion as of the acquisition date. This amount is subject to change based on working capital and other adjustments. We entered into foreign currency forward exchange contracts to purchase €1.3 billion during the first quarter of 2010, and entered into an additional foreign currency forward exchange contract to purchase €250.0 million during the second quarter of 2010, in connection with the acquisition of Tommy Hilfiger to h edge against our exposure to changes in the exchange rate for the Euro, as a portion of the acquisition purchase price was payable in cash and denominated in Euros.

We funded the cash portion and related costs of the Tommy Hilfiger acquisition with cash on hand and the net proceeds of the following activities: (i) the sale on April 28, 2010 of 5.8 million shares of our common stock, for an offering price of $66.50 per share before commissions and discounts to underwriters; (ii) the issuances of an aggregate of 8,000 shares of Series A convertible preferred stock to LNK and MSD, which are currently convertible into 4.2 million shares of our common stock, for an aggregate gross purchase price of $200.0 million; (iii) the issuance of $600.0 million of 7 3/8% senior notes due 2020; and (iv) term loans borrowed under new credit facilities. These items are more fully described in this Liquidity and Capital Resources section.

New Senior Secured Credit Facilities

On May 6, 2010, we entered into a new senior secured credit facility, which consists of a Euro-denominated term loan A facility, a United States dollar-denominated term loan A facility, a Euro-denominated term loan B facility, a United States dollar-denominated term loan B facility, a United States dollar-denominated revolving credit facility and two multi-currency (one United States dollar and Canadian dollar, and the other Euro, Yen and Pound) revolving credit facilities. These new credit facilities provide for borrowings equal to an aggregate of approximately $2.35 billion (based on the Euro to United States dollar exchange rate in effect on May 6, 2010), consisting of (i) an aggregate of approximately $1.9 billion of term loan facilities, which has been borrowed in full; and (ii) approximately $450.0 million of revolving credit facilities, for which we had no revolving credit borrowings and a portion of letters of credit outstanding as of May 6, 2010.

The term loan A facilities and the revolving credit facilities will mature in 2015; the term loan B facilities will mature in 2016. Borrowings under the credit facilities bear interest at a rate equal to an applicable margin plus a variable rate, each of which is determined based on the

jurisdiction of such borrowings. The terms of each of the term loan A facilities require us to repay amounts outstanding under each such facility in amounts equal to 5% of the

aggregate principal amount thereof during the first year following the closing date, 10% of the aggregate principal amount thereof during the second year following the closing date, 15% of the aggregate principal amount thereof during the third year following the closing date, 25% of the aggregate principal amount thereof during the fourth year following the closing date and 45% of the aggregate principal amount thereof during the fifth year following the closing date, in each case paid in equal quarterly installments during the course of each such year and in each case subject to certain customary adjustments. The terms of the term loan B facilities require us to repay amounts outstanding under each such facility in equal quarterly installments in an amount equal to 1% of the aggregate principal amount per annum, with the balance due on the maturity date. In addition, we have the ability to prepay the outstanding borrowings under the new senior secured credit facility without penalty (other than customary breakage costs).

7 3/8% Senior Notes Due 2020

On May 6, 2010, we issued $600.0 million principal amount of 7 3/8% senior notes due May 15, 2020 under an indenture, dated as of May 6, 2010, between us and U.S. Bank National Association, as trustee. Interest on the 7 3/8% notes is payable semi-annually in arrears on May 15 and November 15 of each year, commencing November 15, 2010.

Series A Preferred Stock

On May 6, 2010, we completed the sale of an aggregate of 8,000 shares of Series A convertible preferred stock, par value $100.00 per share, to LNK and MSD for an aggregate gross purchase price of $200.0 million. The Series A convertible preferred stock has a liquidation preference of $25,000 per share and is currently convertible at a price of $47.74 into 4.2 million shares of common stock. The conversion price is subject to equitable adjustment in the event of us taking certain actions, including stock splits, stock dividends, mergers, consolidations or other capital reorganizations. The Series A convertible preferred stock is not redeemable, in whole or in part, at our option or that of any holder. The holders of the Series A convertible preferred stock are entitled to vote with the holders of our common stock on an as-converted basis.

Tender and Redemption of 2011 Notes and 2013 Notes

We commenced tender offers on April 7, 2010 for (i) all of the $150.0 million outstanding principal amount of our notes due 2011; and (ii) all of the $150.0 million outstanding principal amount of our notes due 2013. The tender offers expired on May 4, 2010, at which time approximately $100.5 million in aggregate principal amount (or approximately 67%) of the notes due 2011 and approximately $134.3 million in aggregate principal amount (or approximately 90%) of the notes due 2013 were validly tendered. On May 6, 2010, we accepted for purchase all of the notes tendered and made payment to tendering holders.

On May 6, 2010, we called for redemption all of our outstanding 7 1/4% senior notes due 2011, representing an aggregate principal amount of approximately $49.5 million as of May 6, 2010, and all of our outstanding 8 1/8% senior notes due 2013, representing an aggregate principal amount of approximately $15.7 million as of such date. The redemption prices of the notes due 2011 and 2013 were 100.000% and 101.354%, respectively, of the outstanding aggregate principal amount of the applicable note, plus accrued and unpaid interest thereon to the redemption date. As of May 6, 2010, we made an irrevocable cash deposit, including accrued and unpaid interest, to the trustee for the notes due 2011 and 2013. As a result, such indentures have been satisfied and effectively discharged as of May 6, 2010.

Contractual Obligations

Our contractual cash obligations reflected in the contractual obligations table included in Part I, Item 7 of our Annual Report on Form 10-K for the fiscal year ended January 31, 2010 have materially changed as a result of the acquisition of Tommy Hilfiger. Please refer to the discussion above in this “Liquidity and Capital Resources” section for a description of new debt obligations that were incurred in connection with the financing of the acquisition.

SEASONALITY

Our business generally follows a seasonal pattern, which has been further impacted subsequent to our acquisition of Tommy Hilfiger. Our wholesale businesses tend to generate higher levels of sales and income in the first and third quarters, while our retail businesses tend to generate higher levels of sales and income in the fourth quarter. Royalty,

advertising and other revenue tends to be earned somewhat evenly throughout the year, although the third quarter has the highest level of royalty revenue due to higher sales by licensees in advance of the holiday selling season.

Due to the above factors, our operating results for the thirteen week period ended May 2, 2010 are not necessarily indicative of those for a full fiscal year.

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Financial instruments held by us include cash equivalents, long-term debt and foreign currency forward exchange contracts. Note 8, “Fair Value Measurements,” included in Part I, Item 1 of this report outlines the fair value of our financial instruments as of May 2, 2010. Cash and cash equivalents held by us are affected by short-term interest rates. Therefore, a change in short-term interest rates would have an impact on our interest income. Due to the currently low rates of return we are receiving on our investments, the impact of a further decrease in short-term interest rates would not have a material impact on our interest income, while an increase in short-term interest rates could have a more material impact. Given our average balance of cash and cash equivalents during the first quarter of 2010, the effect of a 10 basis point increase in short-term interest rates on our interest income would be approximately $0.5 million annually. During the second qua rter of 2010, we entered into a new senior secured credit facility, which consists of a Euro-denominated term loan A facility, a United States dollar-denominated term loan A facility, a Euro-denominated term loan B facility, a United States dollar-denominated term loan B facility, a United States dollar-denominated revolving credit facility and two multi-currency (one United States dollar and Canadian dollar, and the other Euro, Yen and Pound) revolving credit facilities. Due to the fact that, effective with the second quarter of 2010, certain of our debt is denominated in foreign currency, our interest expense in the future will be impacted by fluctuations in exchange rates. Borrowings under the credit facilities bear interest at a rate equal to an applicable margin plus a variable rate, each of which is determined based on the jurisdiction of such borrowings. As such, effective with the second quarter of 2010, our new credit facilities will expose us to market risk for changes in interest rates.

We entered into foreign currency forward exchange contracts to purchase €1.3 billion during the first quarter of 2010, and entered into an additional foreign currency forward exchange contract to purchase €250.0 million during the second quarter of 2010, in connection with our May 6, 2010 acquisition of Tommy Hilfiger to hedge against our exposure to changes in the exchange rate of the Euro, as a portion of the acquisition purchase price was payable in cash and denominated in Euros. Such foreign currency forward exchange contracts were not designated as hedging instruments. We recorded a pre-tax loss of $52.4 million during the first quarter of 2010 and we will record an additional pre-tax loss of approximately $88.1 million during the second quarter of 2010 related to these contracts. These foreign currency forward exchange contracts were settl ed on May 6, 2010, the date of the completion of the Tommy Hilfiger acquisition. We do not enter into derivative transactions for speculative or trading purposes.

Certain of our operations and license agreements expose us to fluctuations in foreign currency exchange rates, primarily the rate of exchange of the United States dollar against the Euro, the Pound, the Yen and the Canadian dollar. We are exposed to market risk for changes in exchange rates for the United States dollar in connection with our foreign operations. Our foreign operations include sales of our products to department and specialty stores throughout Canada and Europe. Sales for these foreign operations are both generated and collected in foreign currency, which exposes us to foreign exchange gains and losses between the date of the sale and the date we collect payment. The results of these operations will be adversely impacted during times of a strengthening United States dollar and favorably impacted during times of a weakening United States dollar. We are also exposed to market risk for changes in exchange rates for the United States do llar in connection with our licensing business. Most of our license agreements require the licensee to report sales to us in the licensee’s local currency but to pay us in United States dollars based on the exchange rate as of the last day of the contractual selling period. Thus, while we are not exposed to exchange rate gains and losses between the end of the selling period and the date we collect payment, we are exposed to exchange rate changes during and up to the last day of the selling period. In addition, certain of our other foreign license agreements expose us to exchange rate changes up to the date we collect payment or convert local currency payments into United States dollars. As a result, during times of a strengthening United States dollar, our foreign royalty revenue will be adversely impacted, and during times of a weakening United States dollar, our foreign royalty revenue will be favorably impacted. A foreign license agreement that requires payment in United States dollars does not expo se us to foreign exchange risk if the agreement provides for contractual minimums to be paid if the licensee’s sales do not generate royalties above the minimums and the necessary sales levels are not met.

Our exposure to fluctuations in foreign currency exchange rates has been increased by the acquisition of Tommy Hilfiger, as the Tommy Hilfiger business has significant operations outside of the United States. Accordingly, the impact of a strengthening United States dollar is now likely to have a larger negative impact on our results of operations than prior to the acquisition of Tommy Hilfiger. Our Tommy Hilfiger business purchases the majority of the products that it sells in United States dollars, which exposes the international Tommy Hilfiger business to foreign exchange risk as the United States dollar fluctuates. We expect that, from time to time, we will use foreign currency forward exchange contracts or other derivative instruments to mitigate the cash flow or market value risks associated with United States dollar denominated purchases by the Tommy Hilfiger business.

ITEM 4 - CONTROLS AND PROCEDURES

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report. Disclosure controls and procedures are controls and procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms and that such information is accumulated and communicated to our management, including our Chief E xecutive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There have been no changes in our internal control over financial reporting during the period to which this report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1A – RISK FACTORS

The risk factors included in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended January 31, 2010 have materially changed as a result of the acquisition of Tommy Hilfiger, which occurred subsequent to the first quarter of 2010. The risk factors that have been modified are set forth below.

Our level of debt could impair our financial condition.

In connection with the acquisition of Tommy Hilfiger, we borrowed $1.9 billion under a new senior secured credit facility and issued $600 million in high-yield notes. We also have $100 million of secured debentures outstanding. Our level of debt could have important consequences to investors, including:

- requiring a substantial portion of our cash flows from operations be used for the payment of interest on our debt, thereby reducing the funds available to us for our operations or other capital needs;

- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate because our available cash flow after paying principal and interest on our debt may not be sufficient to make the capital and other expenditures necessary to address these changes;

- increasing our vulnerability to general adverse economic and industry conditions because, during periods in which we experience lower earnings and cash flow, we will be required to devote a proportionally greater amount of our cash flow to paying principal and interest on our debt;

- limiting our ability to obtain additional financing in the future to fund working capital, capital expenditures, acquisitions, contributions to our pension plans and general corporate requirements;

- placing us at a competitive disadvantage to other relatively less leveraged competitors that have more cash flow available to fund working capital, capital expenditures, contributions to pension plans and general corporate requirements; and

- with respect to any borrowings we make at variable interest rates, including our newly committed revolving credit facility, leaving us vulnerable to increases in interest rates generally.

A substantial portion of our revenue and gross profit is derived from a small number of large customers and the loss of any of these customers could substantially reduce our revenue.

A few of our customers, including Macy's, Inc., J.C. Penney Company, Inc., Kohl's Corporation and Wal-Mart Stores, Inc., account for significant portions of our revenue. Sales to our five largest customers were 31% of our revenue in 2009, 32% of our revenue in 2008 and 30% of our revenue in 2007. Macy's, our largest customer, accounted for 12% of our revenue in 2009, 12% of our revenue in 2008 and 10% of our revenue in 2007. In addition, starting in Fall 2008, Tommy Hilfiger commenced a strategic alliance with Macy's providing for exclusive wholesale distribution in the United States of most men's, women's, women's plus-size and children's sportswear. The initial term of the agreement with Macy's ends on January 30, 2011 and is renewable at the option of Macy's for up to three renewal terms of three years, for a total possible term of approximately 12 years. Macy's ha s notified Tommy Hilfiger of its desire to renew the agreement for a second three-year term and the parties are currently in discussion about expanding the scope of the agreement. Discussions are expected to be concluded shortly and an extension executed, although there can be no assurance that this will be the case. For the year ended March 31, 2009, Macy's represented approximately 56% of Tommy Hilfiger's North American revenue and 6% of its total revenue. As a result of this strategic alliance, the success of Tommy Hilfiger's North American wholesale business is substantially dependent on this relationship and on Macy's ability to maintain and increase sales of Tommy Hilfiger products. Upon the expiration of the initial term of the Macy's agreement and each subsequent three-year term, Macy's may be unwilling to renew the Macy's agreement on favorable terms, or at all. In addition, our and Tommy Hilfiger's United States wholesale businesses may be affected by any ope rational or financial difficulties that Macy's experiences, including any deterioration in Macy's overall ability to attract customer traffic or in its overall liquidity position.

Aside from Tommy Hilfiger's strategic alliance with Macy's, we do not have long-term agreements with any of our customers and purchases generally occur on an order-by-order basis. A decision by any of our major customers,

whether motivated by marketing strategy, competitive conditions, financial difficulties or otherwise, to decrease significantly the amount of merchandise purchased from us or our licensing or other partners, or to change their manner of doing business with us or our licensing or other partners, could substantially reduce our revenue and materially adversely affect our profitability. During the past several years, the retail industry has experienced a great deal of consolidation and other ownership changes and we expect such changes to be ongoing. In addition, store closings by our customers decrease the number of stores carrying our apparel products, while the remaining stores may purchase a smaller amount of our products and may reduce the retail floor space designated for our brands. In the future, retailers may further consolidate, undergo restructurings or reorganizations, realign their affiliations or reposition their stores' target markets. Any of these types of actions could decrease the number of stores that carry our products or increase the ownership concentration within the retail industry. These changes could decrease our opportunities in the market, increase our reliance on a smaller number of large customers and decrease our negotiating strength with our customers. These factors could have a material adverse effect on our financial condition and results of operations.

We may not be able to continue to develop and grow our Calvin Klein and Tommy Hilfiger businesses in terms of revenue and profitability.

A significant portion of our business strategy involves growing our Calvin Klein and Tommy Hilfiger businesses. Our realization of revenue and profitability growth from Calvin Klein and Tommy Hilfiger will depend largely upon our ability to:

- continue to maintain and enhance the distinctive brand identity of the *Calvin Klein* and *Tommy Hilfiger* brands;

- continue to maintain good working relationships with Calvin Klein's and Tommy Hilfiger's licensees;

- continue to enter into new licensing agreements for the *Calvin Klein* and, to a lesser degree, *Tommy Hilfiger* brands, both domestically and internationally; and

- continue to strengthen and expand the Tommy Hilfiger North American business.

We cannot assure you that we can successfully execute any of these actions or our growth strategy for these brands, nor can we assure you that the launch of any additional product lines or businesses by us or our licensees or that the continued offering of these lines will achieve the degree of consistent success necessary to generate profits or positive cash flow. Our ability to successfully carry out our growth strategy may be affected by, among other things, our ability to enhance our relationships with existing customers to obtain additional selling space and/or add additional product lines, our ability to develop new relationships with retailers, economic and competitive conditions, changes in consumer spending patterns and changes in consumer tastes and style trends. If we fail to continue to develop and grow either the Calvin Klein or Tommy Hilfiger business in terms of revenue and profitability, our financial condition and results of operations may be materially and adversely affected.

The success of Calvin Klein and Tommy Hilfiger depends on the value of our Calvin Klein and Tommy Hilfiger brands, and if the value of either of those brands were to diminish, our business could be adversely affected.

Our success depends on our brands and their value. The *Calvin Klein* name is integral to the existing Calvin Klein business, as well as to our strategies for continuing to grow and expand Calvin Klein. The *Calvin Klein* brands could be adversely affected if Mr. Klein's public image or reputation were to be tarnished. We have similar exposure with respect to the *Tommy Hilfiger* brands. Mr. Hilfiger is closely identified with the *Tommy Hilfiger* brand and any negative perception with respect to Mr. Hilfiger could adversely a ffect the *Tommy Hilfiger* brand. In addition, under Mr. Hilfiger's employment agreement, if his employment is terminated for any reason, his agreement not to compete with Tommy Hilfiger will expire two years after such termination. Although Mr. Hilfiger could not use any *Tommy Hilfiger* trademark in connection with a competitive business, his association with a competitive business could adversely affect Tommy Hilfiger.

Our business is exposed to foreign currency exchange rate fluctuations.

Certain of our operations and license agreements expose us to fluctuations in foreign currency exchange rates, primarily the rate of exchange of the United States dollar against the Euro, the Pound, the Yen and the Canadian dollar. We are exposed to market risk for changes in exchange rates for the United States dollar in connection with our foreign operations. Our

foreign operations include sales of our products to customers throughout Canada and Europe. Sales for these foreign operations are both generated and collected in foreign currency, which exposes us to

foreign exchange gains and losses between the date of the sale and the date we collect payment. The results of these operations will be adversely impacted during times of a strengthening United States dollar. We are also exposed to market risk for changes in exchange rates for the United States dollar in connection with our licensing business. Many of our license agreements require the licensee to report sales to us in the licensee's local currency but to pay us in United States dollars based on the exchange rate as of the last day of the contractual selling period. Thus, while we are not exposed to exchange rate gains and losses between the end of the selling period and the date we collect payment, we are exposed to exchange rate changes during and up to the last day of the selling period. As a result, during times of a strengthening United States dollar, our foreign royalty revenue will be adversely impact ed.

Our exposure to fluctuations in foreign currency exchange rates has been increased by the acquisition of Tommy Hilfiger, as Tommy Hilfiger's business has significant operations outside of the United States. Accordingly, the impact of a strengthening United States dollar is now likely to have a larger negative impact on our results of operations than prior to the acquisition of Tommy Hilfiger. Our Tommy Hilfiger business purchases the majority of the products that it sells in United States dollars, which exposes the international Tommy Hilfiger business to foreign exchange risk as the United States dollar fluctuates. We expect that, from time to time, we will use foreign currency forward exchange contracts or other derivative instruments to mitigate the cash flow or market value risks associated with United Sates dollar denominated purchases by the Tommy Hilfiger business.

We have licensed businesses in countries that are or have been subject to exchange rate control regulations and have, as a result, experienced difficulties in receiving payments owed to us when due, with amounts left unpaid for extended periods of time. Although the amounts to date have been immaterial to us, as our international businesses grow and if controls are enacted or enforced in additional countries, there can be no assurance that such controls would not have a material and adverse affect on our business, financial condition or results of operations.

We primarily use foreign suppliers for our products and raw materials, which poses risks to our business operations.

All of our apparel and footwear products, excluding handmade and handfinished neckwear, are produced by and purchased or procured from independent manufacturers located in countries in Europe, the Far East, the Indian subcontinent, the Middle East, South America, the Caribbean and Central America. We believe that we are one of the largest users of shirting fabric in the world. Although no single supplier or country is expected to be critical to our production needs, any of the following could materially and adversely affect our ability to produce or deliver our products and, as a result, have a material adverse effect on our business, financial condition and results of operations:

- political or labor instability in countries where contractors and suppliers are located;
- political or military conflict involving the United States, which could cause a delay in the transportation of our products and raw materials to us and an increase in transportation costs;
- heightened terrorism security concerns, which could subject imported or exported goods to additional, more frequent or more thorough inspections, leading to delays in deliveries or impoundment of goods for extended periods or could result in decreased scrutiny by customs officials for counterfeit goods, leading to lost sales, increased costs for our anti-counterfeiting measures and damage to the reputation of our brands;
- a significant decrease in availability or increase in cost of raw materials or the inability to use raw materials produced in a country that is a major provider due to political, human rights, labor, environmental, animal cruelty or other concerns;
- disease epidemics and health-related concerns, which could result in closed factories, reduced workforces, scarcity of raw materials and scrutiny or embargoing of goods produced in infected areas;
- the migration and development of manufacturers, which could affect where our products are or are planned to be produced;
- imposition of regulations, quotas and safeguards relating to imports and our ability to adjust timely to changes in trade regulations, which, among other things, could limit our ability to produce products in cost-effective countries that have the labor and expertise needed;

- imposition of duties, taxes and other charges on imports;

- significant fluctuation of the value of the United States dollar against foreign currencies; and

- restrictions on transfers of funds out of countries where our foreign licensees are located.

Tommy Hilfiger is dependent on third parties to source its products and any disruption in the relationship with these parties or in their businesses may materially adversely affect our Tommy Hilfiger business.

Our Tommy Hilfiger business uses third parties to source the majority of its products from manufacturers. For the year ended March 31, 2009, Tommy Hilfiger outsourced approximately 85% of its sourcing functions to external buying offices. Tommy Hilfiger is a party to a non-exclusive buying agency agreement with Li & Fung Limited (which we refer to as "Li & Fung") to carry out most of its sourcing work. Li & Fung is one of the world's largest buying agencies for apparel and related goods and is Tommy Hilfiger's largest buying office. Under the terms of the agreement, we are required to use Li & Fung for at least 54% of Tommy Hilfiger's global sourcing needs. The buying agency agreement with Li & Fung is terminable by us upon 12 months' prior notice for any reason, and is terminable by either party (i) upon six months' prior notice in the event of a material breach by the other party and (ii) immediately upon the occurrence of certain bankruptcy or insolvency events. Tommy Hilfiger also uses other third-party buying offices for a portion of its sourcing and has retained a small in-house sourcing team. Any interruption in the operations of Li & Fung or Tommy Hilfiger's other buying offices, or the failure of Li & Fung or Tommy Hilfiger's other buying offices to perform effectively their services for Tommy Hilfiger, could result in material delays, reductions of shipments and increased costs. Furthermore, such events could harm Tommy Hilfiger's wholesale and retail relationships. Although alternative sourcing companies exist, we may be unable to source *Tommy Hilfiger* products through other third parties, if at all, on terms commercially acceptable to us and on a timely basis. Any disruption in Tommy Hilfig er's relationship with its buying offices or their businesses, particularly Li & Fung, could have a material adverse effect on our cash flows, business, financial condition and results of operations.

A significant portion of our revenue is dependent on royalties and licensing.

Royalty, advertising and other revenue from Calvin Klein's three largest licensing partners accounted for approximately 67% of its royalty, advertising and other revenue in 2009. Royalty, advertising and other revenue from Tommy Hilfiger's three largest licensing partners accounted for approximately 31% of its royalty, advertising and other revenue in its year ended March 31, 2009. We also derive licensing revenue from our *Van Heusen, IZOD, Bass, G.H. Bass & Co.* and *ARROW* brand names, as well as from the sublicensing of *Geoffrey Beene*. The operating profit associated with our royalty, advertising and other reven ue is significant because the operating expenses directly associated with administering and monitoring an individual licensing or similar agreement are minimal. Therefore, the loss of a significant licensing partner, whether due to the termination or expiration of the relationship, the cessation of the licensing partner's operations or otherwise (including as a result of financial difficulties of the partner), without an equivalent replacement, could materially affect our profitability.

While we generally have significant control over our licensing partners' products and advertising, we rely on our licensing partners for, among other things, operational and financial controls over their businesses. Our licensing partners' failure to successfully market licensed products or our inability to replace our existing licensing partners could materially and adversely affect our revenue both directly from reduced royalty and advertising and other revenue received and indirectly from reduced sales of our other products. Risks are also associated with our licensing partners' ability to obtain capital; execute their business plans, including timely delivery of quality products; manage their labor relations; maintain relationships with their suppliers; manage their credit risk effectively; and maintain relationships with their customers.

Our success is dependent on the strategies and reputation of our licensors.

Our business strategy is to offer our products on a multiple brand, multiple channel and multiple price point basis. This strategy is designed to provide stability should market trends shift. As part of this strategy we license the names and brands of recognized designers and celebrities, including Kenneth Cole, Sean "Diddy" Combs (Sean John), Donald J. Trump, Michael Kors, Joseph Abboud, Donna Karan (DKNY), Ike Behar, Elie Tahari and Robert Graham. In entering into these license agreements, we target our products towards certain market segments based on consumer demographics, design, suggested pricing and channel of distribution in order to minimize competition between our own products and maximize profitability. If any of our licensors determines to "reposition" a brand we license from them, introduce similar products under similar brand names or otherwise change the parameters of

design, pricing, distrib ution, target market or competitive set, we could experience a significant downturn in that brand’s business, adversely affecting our sales and profitability. In addition, as products may be personally

associated with these designers and celebrities, our sales of those products could be materially and adversely affected if any of those individual's images, reputations or popularity were to be negatively impacted.

The loss of members of our executive management and other key employees could have a material adverse effect on our business.

We depend on the services and management experience of our executive officers who have substantial experience and expertise in our business. We also depend on other key employees involved in our licensing, design and advertising operations. Competition for qualified personnel in the apparel industry is intense, and competitors may use aggressive tactics to recruit our key employees. The unexpected loss of services of one or more of these individuals could materially adversely affect us. Additionally, the services of key members of the Tommy Hilfiger management team have been and are expected to continue to be particularly critical to ensure a smooth and timely integration of the business into the Company.

Acquisitions may not be successful in achieving intended benefits and synergies.

One component of our growth strategy contemplates our making select acquisitions if appropriate opportunities arise. Prior to completing any acquisition, including the acquisition of Tommy Hilfiger, our management team identifies expected synergies, cost savings and growth opportunities. However, these benefits may not be realized due to, among other things:

- delays or difficulties in completing the integration of acquired companies or assets;
- higher than expected costs, lower than expected cost savings and/or a need to allocate resources to manage unexpected operating difficulties;
- diversion of the attention and resources of management;
- consumers' failure to accept product offerings by us or our licensees;
- inability to retain key employees in acquired companies; and
- assumption of liabilities unrecognized in due diligence.

A significant shift in the relative sources of our earnings, adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretations could have a material adverse effect on our results of operations and cash flow.

With the acquisition of Tommy Hilfiger, we now have direct operations in a number of countries, including the United States, Canada, the Netherlands, Germany, the United Kingdom, Italy, Japan, Hong Kong and China, and the applicable statutory tax rates vary by jurisdiction. As a result, our overall effective tax rate could be materially affected by the relative level of earnings in the various taxing jurisdictions to which our earnings are subject. In addition, the tax laws and regulations in the various countries in which we operate may be subject to change and there may be changes in interpretation and enforcement of tax law. As a result, we may face increases in taxes payable if tax rates increase, or if tax laws, regulations or treaties in the jurisdictions in which we operate are modified by the competent authorities in an adverse manner.

In addition, various national and local taxing authorities periodically examine us and our subsidiaries. The resolution of an examination or audit may result in us making a payment in an amount that differs from the amount for which we may have reserved with respect to any particular tax matter, which could have a material adverse effect on our cash flows, business, financial condition and results of operations for any affected reporting period.

We and our subsidiaries are engaged in a number of intercompany transactions. Although we believe that these transactions reflect arm's length terms and that proper transfer pricing documentation is in place which should be respected for tax purposes, the transfer prices and conditions may be scrutinized by local tax authorities, which could result in additional tax becoming due.

If Tommy Hilfiger were unable to fully utilize its deferred tax assets, its profitability could be reduced.

Tommy Hilfiger has substantial deferred income tax assets on its balance sheet. This includes tax loss and foreign tax credit carryforwards in the United States and the Netherlands. Our ability to utilize these assets depends on a number of factors, including whether there will be adequate levels of taxable income in future periods to offset the tax loss carryforwards before they expire. Also, United States tax rules impose an annual limit on the amount of certain loss carryovers of Tommy Hilfiger that we can use following the acquisition, and, depending on our taxable income in tax years following the acquisition, such limit may be material. These factors could reduce the value of the deferred tax assets, which could have a material effect on our profitability.

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

ISSUER PURCHASES OF EQUITY SECURITIES

Period	(a) Total Number of Shares (or Units) Purchased[1]	(b) Average Price Paid per Share (or Unit)[1]	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
February 1, 2010 - February 28, 2010	2,836	39.29	-	-
March 1, 2010 - April 4, 2010	8,418	55.21	-	-
April 5, 2010 - May 2, 2010	16,003	62.08	-	-
Total	27,257	$57.59	-	-

(1) Our 2006 Stock Incentive Plan provides us with the right to deduct or withhold, or require employees to remit to us, an amount sufficient to satisfy any applicable tax withholding requirements applicable to stock-based compensation awards. To the extent permitted, employees may elect to satisfy all or part of such withholding requirements by tendering previously owned shares or by having us withhold shares having a fair market value equal to the minimum statutory tax withholding rate that could be imposed on the transaction. All shares shown in this table were withheld during the first quarter of 2010 in connection with the settlement of vested restricted stock units and performance shares to satisfy tax withholding requirements.

ITEM 6 - EXHIBITS

The following exhibits are included herein:

1.1	Underwriting Agreement, dated April 23, 2010, between Phillips-Van Heusen Corporation and Barclays Capital Inc., Deutsche Bank Securities Inc., Banc of America Securities LLC, Credit Suisse Securities (USA) LLC and RBC Capital Markets Corporation, the investment banking division of Royal Bank of Canada, as Representatives of the Underwriters named therein (incorporated by reference to Exhibit 1.2 to the Company's Current Report on Form 8-K, filed on April 26, 2010).
+2.1	Purchase Agreement, dated as of March 15, 2010, by and among Tommy Hilfiger Corporation, Tommy Hilfiger B.V., Tommy Hilfiger Holding S.á.r.l, Stichting Administratiekantoor Elmira, Phillips-Van Heusen Corporation, Prince 2 B.V. and, solely for the purpose of certain sections thereof, Asian and Western Classics B.V. The registrant agrees to furnish supplementally a copy of any omitted schedules to the Commission upon request.
3.1	Certificate of Incorporation (incorporated by reference to Exhibit 5 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 1977).
3.2	Amendment to Certificate of Incorporation, filed June 27, 1984 (incorporated by reference to Exhibit 3B to the Company's Annual Report on Form 10-K for the fiscal year ended February 3, 1985).
3.3	Certificate of Designation of Series A Cumulative Participating Preferred Stock, filed June 10, 1986 (incorporated by reference to Exhibit A of the document filed as Exhibit 3 to the Company's Quarterly Report on Form 10-Q for the period ended May 4, 1986).
3.4	Amendment to Certificate of Incorporation, filed June 2, 1987 (incorporated by reference to Exhibit 3(c) to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1988).

3.5	Amendment to Certificate of Incorporation, filed June 1, 1993 (incorporated by reference to Exhibit 3.5 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 1994).
3.6	Amendment to Certificate of Incorporation, filed June 20, 1996 (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the period ended July 28, 1996).
3.7	Certificate of Designations, Preferences and Rights of Series B Convertible Preferred Stock of Phillips-Van Heusen Corporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed on February 26, 2003).
3.8	Corrected Certificate of Designations, Preferences and Rights of Series B Convertible Preferred Stock of Phillips-Van Heusen Corporation, dated as of April 17, 2003 (incorporated by reference to Exhibit 3.9 to the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 2003).
3.9	Certificate of Amendment of Certificate of Incorporation, filed June 29, 2006 (incorporated by reference to Exhibit 3.9 to the Company's Quarterly Report on Form 10-Q for the period ended May 6, 2007).
3.10	Certificate Eliminating Reference to Series B Convertible Preferred Stock from Certificate of Incorporation of Phillips-Van Heusen Corporation, filed June 12, 2007 (incorporated by reference to Exhibit 3.10 to the Company's Quarterly Report on Form 10-Q for the period ended May 6, 2007).
3.11	Certificate Eliminating Reference To Series A Cumulative Participating Preferred Stock From Certificate of Incorporation (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K, filed on September 28, 2007).
3.12	Certificate of Designations of Series A Convertible Preferred Stock of Phillips-Van Heusen Corporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed May 12, 2010).
3.13	By-Laws of Phillips-Van Heusen Corporation, as amended through April 30, 2009 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed on May 5, 2009).
4.1	Specimen of Common Stock certificate (incorporated by reference to Exhibit 4 to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1981).
4.2	Indenture, dated as of November 1, 1993, between Phillips-Van Heusen Corporation and The Bank of New York, as Trustee (incorporated by reference to Exhibit 4.01 to the Company's Registration Statement on Form S-3 (Reg. No. 33-50751) filed on October 26, 1993).
4.3	First Supplemental Indenture, dated as of October 17, 2002 to Indenture dated as of November 1, 1993 between Phillips-Van Heusen Corporation and The Bank of New York, as Trustee (incorporated by reference to Exhibit 4.15 to the Company's Quarterly Report on Form 10-Q for the period ended November 3, 2002).
4.4	Second Supplemental Indenture, dated as of February 12, 2002 to Indenture, dated as of November 1, 1993, between Phillips-Van Heusen Corporation and The Bank of New York, as Trustee (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K, filed on February 26, 2003).
4.5	Indenture, dated as of May 5, 2003, between Phillips-Van Heusen Corporation and SunTrust Bank, as Trustee (incorporated by reference to Exhibit 4.13 to the Company's Quarterly Report on Form 10-Q for the period ended May 4, 2003).
4.6	Indenture, dated as of February 18, 2004 between Phillips-Van Heusen Corporation and SunTrust Bank, as Trustee (incorporated by reference to Exhibit 4.14 to the Company's Annual Report on Form 10-K for the fiscal year ended February 1, 2004).
4.7	Indenture, dated as of May 6, 2010, between Phillips-Van Heusen Corporation and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.2 to our Registration Statement on Form S-3 (Reg. No. 333-166190) filed on April 20, 2010).
+4.8	First Supplemental Indenture to 7 1/4% Senior Notes Due May 1, 2011, dated as of April 20, 2010, to Indenture, dated as of February 18, 2004, between Phillips-Van Heusen Corporation and U.S. Bank National Association (as successor to SunTrust Bank, the Predecessor Trustee), as Trustee.

+4.9	First Supplemental Indenture to 8 1/8% Senior Notes Due May 1, 2013, dated as of April 20, 2010, to Indenture, dated as of May 5, 2003, between Phillips-Van Heusen Corporation and U.S. Bank National Association (as successor to SunTrust Bank, the Predecessor Trustee), as Trustee.
+4.10	Securities Purchase Agreement, dated as of March 15, 2010, by and among Phillips-Van Heusen Corporation, LNK Partners, L.P. and LNK Partners (Parallel), L.P.
+4.11	Securities Purchase Agreement, dated as of March 15, 2010, by and between Phillips-Van Heusen Corporation and MSD Brand Investments, LLC.
+10.1	First Amendment to Second Amended and Restated Employment Agreement, dated as of January 29, 2010, between Phillips-Van Heusen Corporation and Emanuel Chirico.
+10.2	First Amendment to Second Amended and Restated Employment Agreement, dated as of January 29, 2010, between Phillips-Van Heusen Corporation and Allen Sirkin.
+10.3	First Amendment to Second Amended and Restated Employment Agreement, dated as of January 29, 2010, between Phillips-Van Heusen Corporation and Francis K. Duane.
+10.4	First Amendment to Second Amended and Restated Employment Agreement, dated as of January 29, 2010, between Calvin Klein, Inc. and Paul Thomas Murry.
+15	Acknowledgement of Independent Registered Public Accounting Firm.
+31.1	Certification of Emanuel Chirico, Chairman and Chief Executive Officer, pursuant to Section 302 of the Sarbanes – Oxley Act of 2002.
+31.2	Certification of Michael Shaffer, Executive Vice President and Chief Financial Officer, pursuant to Section 302 of the Sarbanes – Oxley Act of 2002.
+32.1	Certification of Emanuel Chirico, Chairman and Chief Executive Officer, pursuant to Section 906 of the Sarbanes – Oxley Act of 2002, 18 U.S.C. Section 1350.
+32.2	Certification of Michael Shaffer, Executive Vice President and Chief Financial Officer, pursuant to Section 906 of the Sarbanes – Oxley Act of 2002, 18 U.S.C. Section 1350.

+ Filed herewith.

Exhibits 32.1 and 32.2 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that Section. Such exhibits shall not be deemed incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

SIGNATURES

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

PHILLIPS-VAN HEUSEN CORPORATION
Registrant

Dated: June 10, 2010

/S/ BRUCE GOLDSTEIN
Bruce Goldstein
Senior Vice President and Controller
(Chief Accounting Officer)

Exhibit Index

Exhibit	Description
2.1	Purchase Agreement, dated as of March 15, 2010, by and among Tommy Hilfiger Corporation, Tommy Hilfiger B.V., Tommy Hilfiger Holding S.á.r.l, Stichting Administratiekantoor Elmira, Phillips-Van Heusen Corporation, Prince 2 B.V. and, solely for the purpose of certain sections thereof, Asian and Western Classics B.V. The registrant agrees to furnish supplementally a copy of any omitted schedules to the Commission upon request.
4.8	First Supplemental Indenture to 7 1/4% Senior Notes Due May 1, 2011, dated as of April 20, 2010, to Indenture, dated as of February 18, 2004, between Phillips-Van Heusen Corporation and U.S. Bank National Association (as successor to SunTrust Bank, the Predecessor Trustee), as Trustee.
4.9	First Supplemental Indenture to 8 1/8% Senior Notes Due May 1, 2013, dated as of April 20, 2010, to Indenture, dated as of May 5, 2003, between Phillips-Van Heusen Corporation and U.S. Bank National Association (as successor to SunTrust Bank, the Predecessor Trustee), as Trustee.
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4.11	Securities Purchase Agreement, dated as of March 15, 2010, by and between Phillips-Van Heusen Corporation and MSD Brand Investments, LLC.
10.1	First Amendment to Second Amended and Restated Employment Agreement, dated as of January 29, 2010, between Phillips-Van Heusen Corporation and Emanuel Chirico.
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32.2	Certification of Michael Shaffer, Executive Vice President and Chief Financial Officer, pursuant to Section 906 of the Sarbanes – Oxley Act of 2002, 18 U.S.C. Section 1350.

Exhibit 2.1

PURCHASE AGREEMENT

BY AND AMONG

TOMMY HILFIGER CORPORATION,

TOMMY HILFIGER B.V.,

TOMMY HILFIGER HOLDING S.à.R.L.,

STICHTING ADMINISTRATIEKANTOOR ELMIRA,

ASIAN AND WESTERN CLASSICS B.V.
(solely for the purpose of Section 3.20, Section 4.3, Section 9.2 and Article 10),

PHILLIPS-VAN HEUSEN CORPORATION

AND

PRINCE 2 B.V.

DATED AS OF MARCH 15, 2010

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EXHIBITS

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "Agreement"), dated as of March 15, 2010, is made by and among TOMMY HILFIGER CORPORATION, a British Virgin Islands corporation ("BVI Seller"), TOMMY HILFIGER B.V., a Dutch limited liability company (the "Company"), TOMMY HILFIGER HOLDING S.à.R.L., a Luxembourg limited liability company ("Lux Seller"), STICHTING ADMINISTRATIEKANTOOR ELMIRA, a foundation under Dutch law (*stichting*) (the "Foundation", together with Lux Seller, the "Sellers"), PHILLIPS-VAN HEUSEN CORPORATION, a Delaware corporation ("Buyer"), PRINCE 2, B.V., a Dutch private company with limited liability and an indirect wholly owned subsidiary of Buyer ("BV Buyer", togeth er with Buyer, the "Buyers") and, solely for the purpose of Section 3.20, Section 4.3, Section 9.2 and ARTICLE 10, ASIAN AND WESTERN CLASSICS B.V., a Dutch limited liability company ("KL Company"). The Company, Sellers and Buyer shall be referred to herein from time to time collectively as the "Parties".

WHEREAS, Sellers are the sole stockholders of the Company and together they own all of the issued and outstanding capital stock of the Company (the "Shares").

WHEREAS, BVI Seller is the sole stockholder of Tommy Hilfiger U.S.A., Inc., a Delaware corporation ("USco"), and owns beneficially and of record all of the issued and outstanding capital stock of USco (the "USco Shares").

WHEREAS, the Parties desire that, subject to the terms and conditions hereof, Buyer will purchase from Sellers, and Sellers will sell to Buyer, all of the Shares.

WHEREAS, concurrently with the execution of this Agreement, Mr. Tommy Hilfiger has entered into a binding memorandum of understanding with respect to certain amendments to his employment agreement, attached hereto as Schedule 1.1.

WHEREAS, concurrently with the execution of this Agreement, each of the individuals listed on Schedule 1.2 are entering into a term sheet, each in the forms attached hereto as Exhibit A.

NOW, THEREFORE, in consideration of the premises and the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1
CERTAIN DEFINITIONS

Section 1.1 Certain Definitions. As used in this Agreement, the following terms have the respective meanings set forth below.

"Acceptable Financing" has the meaning set forth in Section 6.9(c).

"Accounting Firm" has the meaning set forth in Section 2.3(f)(ii).

"Accounting Principles" means (i) with respect to Net Working Capital, as prepared in good faith and calculated in accordance with the same accounting methodologies, principles and procedures used in, and on a basis consistent with, those applied by the Company in preparing the Interim Financial Statements as of December 31, 2009 (including calculating reserves in accordance with the same methodology used to calculate such reserves in preparation of the Interim Financial Statements as of December 31, 2009), except that the calculation of Net Working Capital shall (A) not include any purchase accounting or other adjustment arising out of the consummation of the transactions contemplated by this Agreement, (B) not reflect, any additional type of reserve or accrual that is not reflected on the Interim Financial Statements as of December 31, 2009, (C) exclude the effect of any act, decision or event occurring on or after Closing to the extent taken or instigated by Buyer or the Group Companies after the Closing and (D) utilize the policies and procedures utilized in deriving the amounts set forth on Schedule 1.3 and (ii) with respect to Closing Date Indebtedness, as prepared in good faith and calculated in accordance with the same accounting methodologies, principles and procedures used in, and on a basis consistent with, those applied by the Company in preparing the Interim Financial Statements as of December 31, 2009 with respect to all items included in Closing Date Indebtedness. For further clarification, if alternative methodologies exist for calculating asset and liability balances for the Included Accounts or the included Indebtedness items, the methodology utilized in preparation of the Interim Financial Statements as of December 31, 2009 shall be employed.

"Action" has the meaning set forth in Section 3.8.

"Actual Adjustment" means an amount equal to the sum of (a) the Final Closing Date Net Working Capital minus the Estimated Closing Date Net Working Capital plus (b) the Estimated Closing Date Indebtedness minus the Final Closing Date Indebtedness. The Actual Adjustment may be a negative or positive number (a negative number signifying an amount due to Buyer and a positive number signifying an amount due to Sellers).

"Adjustment Date" has the meaning set forth in the definition of "Cash Component".

"Affiliate" means, with respect to any Person, any other Person who directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, such Person. For purposes of this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlled" and "controlling" have meanings correlative thereto.

"Affiliate Transaction" has the meaning set forth in Section 3.18.

"Agreement" has the meaning set forth in the introductory paragraph to this Agreement.

"Ancillary Agreements" means the Escrow Agreement, the Termination Fee Escrow Agreement, the agreement to be entered into on substantially the same terms set forth in the form of Stockholders Agreement attached as Exhibit B (the "Stockholders Agreement") and the agreement to be entered into on substantially the same terms set forth in the Joint Venture Agreement Term Sheet attached as Exhibit C (the "Joint Venture Agreement").

"Apax" means Apax Partners, L.P.

"Applicable Ticking Fee Amount" shall mean, in each case subject to the Adjustment Date conditions having been satisfied, €170,000 for any date immediately following the Adjustment Date through the 105th calendar day after the date hereof, €255,000 for any date beginning on the 106th calendar day after the date hereof through the 135th calendar day after the date hereof and €370,000 for any date beginning on the 136th calendar day after the date hereof through the date immediately preceding the Closing Date, provided, that for any day on which the transactions contemplated by this Agreement are delayed solely as a result of a Tolling Event, the dates set forth in this definit ion shall be extended accordingly (for example, in the event that there is a Tolling Event which lasts for 20 calendar days, the dates set forth in this definition shall be deemed to read the 125th, 126th, 155th and 156th calendar days following the date hereof).

"Audited Financial Statements" has the meaning set forth in Section 3.4(a)(i).

"Business Day" means a day, other than a Saturday or Sunday, on which commercial banks in New York City are open for the general transaction of business.

"Buyer" has the meaning set forth in the introductory paragraph to this Agreement.

"Buyer Benefit Plans" has the meaning set forth in Section 6.8(a).

"Buyer Common Stock" has the meaning set forth in Section 2.3(d)(i).

"Buyer Disclosure Schedules" has the meaning set forth in the introductory paragraph to ARTICLE 5.

"Buyer Financing Term Sheet" means the term sheets contained in Section 6.9(c) of the Buyer Disclosure Schedules.

"Buyer Indemnitee" has the meaning set forth in Section 9.2.

"Buyer Material Adverse Effect" means any change, event, effect, development, circumstance or occurrence that has a material adverse effect on the financial condition, business, or results of operations of Buyer and Buyer Subsidiaries, taken as a whole; provided, however, that any fact, change, event, effect, development, circumstance, condition or occurrence arising from or related to (except, in the case of clauses (a), (b), (d), (e) or (f), to the extent disproportionately affecting Buyer and Buyer Subsidiaries relative to other companies in the industries in which Buyer and Buyer Subsidiaries operate, but taking into account for purposes of determining whether a Buyer Material Adverse Effect has occurred only the disproportionate adverse impact) (a) conditions affecting the United States economy or any other national or regional economy or the global economy generally, (b) political conditions (or changes in such conditions) in the United States or any other country or region in the world or acts of war, sabotage or terrorism (including any escalation or general worsening of any such acts of war, sabotage or terrorism) in the United States or any other country or region of the world occurring after the date hereof, (c) changes in the financial, banking or securities markets in the United States or any other country or region in the world (including, without limitation,

any disruption thereof and any decline in the price of any security or any market index), (d) changes in GAAP, IFRS or other accounting standards, (e) changes in any Laws or other binding directives issued by any Governmental Entity, (f) changes that are generally applicable to the industries in which Buyer and the Buyer Subsidiaries operate, (g) any failure by Buyer to meet any internal or published projections, forecasts or revenue or earnings predictions for any period ending on or after the date of this Agreement (provided, that the underlying causes of any such failure may be considered in determining whether a Buyer Material Adverse Effect has occurred), (h) the announcement of the proposed acquisition of the Group Companies, (i) the completion of the transactions contemplated in this Agreement or any Ancillary Agreement or any action taken with the consent of Lux Seller or (j) any changes in the share price or trading volume of Buyer Common Stock or in Buyer's credit rating (provided, that the underlying causes of any such decline may be considered in determining whether a Buyer Material Adverse Effect has occurred) shall not be taken into account in determining whether a Buyer Material Adverse Effect has occurred; provided, however, that clauses (h) and (i) shall not diminish the effect of, and shall be disregarded for purposes of, any representations and warranties set forth in Section 5.5.

"Buyer Preferred Stock" has the meaning set forth in Section 5.2(a).

"Buyer SEC Documents" has the meaning set forth in Section 5.4(a).

"Buyer Shares" has the meaning set forth in Section 5.2(a).

"Buyer Subsidiary" has the meaning set forth in Section 5.1(a).

"BV Buyer" has the meaning set forth in introductory paragraph to this Agreement.

"BVI Seller" has the meaning set forth in the introductory paragraph to this Agreement.

"Cash Component" means €1,924,000,000, provided, that in the event that the Closing shall not have occurred by June 13, 2010 (or such later date pursuant to this paragraph, the "Adjustment Date"), and as of such date or such later date (a) the Company shall have provided the Required Information at least ten (10) Business Days prior thereto and (b) Sellers, any Affiliate of Sellers and the Company shall have made complete initial filings in all material respects with respect to the Required Governmental Approvals at least thirty (30) calendar days prior thereto, the Cash Component shall be increased for each day after the Adjustment Date through and until the day immediately preceding the Closing D ate by adding thereto an amount equal to the Applicable Ticking Fee Amount per day, provided, that, in the event that, at any time, the Required Information (i) would not satisfy SEC rules and regulations applicable to a registered offering of Buyer's high yield debt securities (as specified on the Buyer Financing Term Sheet) on Form S-3 or would not be sufficient for inclusion in a customary offering memorandum for a Rule 144A private placement to Qualified Institutional Buyers of Buyer's high yield debt securities (as specified on the Buyer Financing Term Sheet) or (ii) to the extent reasonably required by Buyer, Seller's accountants will no longer provide in accordance with market practice customary "comfort" letters, including "negative assurance" comfort, with respect to the Required Information (this clause (ii) only having effect to the extent Seller's accountants so request and the relevant underwriters have agreed to provide customary

representation or engagement letters, as applicable, reasonably satisfactory to Sellers' accountants), only fifty percent of the Applicable Ticking Fee Amount will be added to the Cash Component until the 5th Business Day following the date on which Sellers provide the Required Information to Buyer which will satisfy the requirements set forth in (i) and (ii) of this proviso following which date the full amount of the Applicable Ticking Fee will thereupon begin and continue to accrue, provided further, that for any day on which the transactions contemplated by this Agreement are delayed solely as a result of a Tolling Event, the Applicable Ticking Fee Amount will not be added to the Cash Component.

"Closing" has the meaning set forth in Section 2.2.

"Closing Date" has the meaning set forth in Section 2.2.

"Closing Date Indebtedness" means, without doubling counting, the Indebtedness of the Group Companies on a consolidated basis as of immediately prior to the effective time of the Closing in excess of €58 million, net of any cash of the Group Companies as of such time and the other items specified as having a net effect on Indebtedness on Schedule 1.4. The impact of the obligations to fund the "Company" or pay the "Consideration" in connection with a "DC Transaction" (in each case as defined in the JV Term Sheet), and any contribution or payment in connection therewith, shall be disregarded and ignored in determining Closing Date Indebtedness (and, for the avoidance of doubt, 50% of any cash contribution or payment, which has occurred prior to the Closing Date, shall be treated as if it did not occur and count as cash for purposes of determining Closing Date Indebtedness); provided, that any Taxes with respect to, in connection with, or resulting from the transfer of any equity interest in either the Company (as such term is defined in Exhibit C) or the China JV from the Company or any of its Affiliates to Apax or any of its Affiliates or any other transferee of such equity interests of behalf of Apax shall be treated as Closing Date Indebtedness under this definition.

"Closing Date Net Working Capital" means the Net Working Capital as of the effective time of the Closing on the Closing Date.

"Closing Date Covered Expenses" means those Covered Expenses to be paid by Buyer as of the Closing Date and which are identified as such by Lux Seller or the Company in writing (including appropriate invoices and wire instructions) to Buyer at least three (3) Business Days prior to the Closing Date.

"Closing Value" has the meaning set forth in the definition of Minimum Stock Value.

"COBRA" means Part 6 of Subtitle B of Title I of ERISA, Section 4980B of the Code and any similar state Law.

"Code" means the Internal Revenue Code of 1986, as amended.

"Co-Investment Agreement" means the co-investment agreement by and among Apax Europe VI Funds, Apax US VII Funds, Lux Seller, the Foundation and the Company, dated as of May 9, 2006, as subsequently amended or modified.

"Company" has the meaning set forth in the introductory paragraph to this Agreement.

"Company Benefit Plans" means "employee benefit plans" as defined in Section 3(3) of ERISA, whether or not subject to ERISA, and employment, consulting, bonus, incentive or deferred compensation, vacation, stock option or other equity-based, severance, termination, retention, change of control, profit-sharing, fringe benefit or other similar plans, programs, agreements or commitments, whether written or unwritten, for the benefit of any employee, former employee, individual independent contractor, former individual independent contractor, director or former director of Sellers or any Group Company entered into, maintained or contributed to by Sellers or any Group Company or to which Sellers or any Group Company is obligated to contribute, or with respect to which Sellers or any Group Company has any liability, direct or indirect, contingent or otherwise (including any liability arising out of an indemnification, guarantee, hold harmless or similar agreement) or otherwise providing benefits to any current, former or future employee, officer, individual independent contractor or director of any Group Company or to any beneficiary or dependant thereof.

"Company Disclosure Schedules" has the meaning set forth in the introductory paragraph to ARTICLE 3.

"Company Material Adverse Effect" means any change, event, effect, development, circumstance or occurrence that has a material adverse effect on the financial condition, business, or results of operations of the Group Companies, taken as a whole; provided, however, that any fact, change, event, effect, development, circumstance, condition or occurrence arising from or related to (except, in the case of clauses (a), (b), (d), (e) or (f), to the extent disproportionately affecting the Group Companies relative to other companies in the industries in which the Group Companies operate, but taking into account for purposes of determining whether a Company Material Adverse Effect has occurred only the disproportionate adverse impact) (a) conditions affecting the United States economy, or any other national or regional economy or the global economy generally, (b) political conditions (or changes in such conditions) in the United States or any other country or region in the world or acts of war, sabotage or terrorism (including any escalation or general worsening of any such acts of war, sabotage or terrorism) in the United States or any other country or region of the world occurring after the date hereof, (c) changes in the financial, banking or securities markets in the United States or any other country or region in the world (including, without limitation, any disruption thereof and any decline in the price of any security or any market index), (d) changes in GAAP, IFRS or other accounting standards, (e) changes in any Laws or other binding directives issued by any Governmental Entity, (f) changes that are generally applicable to the industries in which the Group Companies operate, (g) any failure by the Company to meet any internal or published projections, forecasts or revenue or earnings predictions for any period ending on or after the date of this Agreement (provided, that the underlying causes of a ny such failure may be considered in determining whether a Company Material Adverse Effect has occurred), (h) the announcement of the proposed sale of the Group Companies (including the disclosure of the identity of Buyer), (i) the completion of the transactions contemplated in this Agreement or any Ancillary Agreement or any action taken with the consent of Buyer or (j) any changes in the Company's credit rating (provided, that, the underlying causes of such decline may be considered in determining whether a Company Material Adverse Effect has occurred) shall not be taken into account in determining whether a Company Material Adverse Effect has occurred; provided, however, that clauses (h) and (i) shall not diminish the effect of, and shall be disregarded for purposes of, any representations and warranties set forth in Section 3.5.

"Company Material Contracts" has the meaning set forth in Section 3.6(a).

"Confidentiality Agreement" means the confidentiality agreement, dated October 20, 2009, by and between the Company and Buyer, as amended.

"Controlled Group Liability" means any and all liabilities (a) under Title IV of ERISA, (b) under Section 302 of ERISA, (c) under Sections 412 and 4971 of the Code, (d) as a result of a failure to comply with the continuation coverage requirements of Section 601 et seq. of ERISA and Section 4980B of the Code and (e) under corresponding or similar provisions of foreign Laws, other than such liabilities that arise solely out of, or relate solely to, the Company Benefit Plans listed in Section 3.10(a) of the Company Disclosure Schedules.

"Covered Expenses" means, without duplication, (a) the collective amount due and payable by the Group Companies as of the Closing Date for all out-of-pocket costs and expenses, and fees incurred by any of the Group Companies or by or on behalf of Sellers in connection with (i) the consummation of the transactions contemplated by this Agreement and (ii) preparation, since January 1, 2009, for the Company's proposed debt recapitalization transactions, including, without limitation, the fees and expenses of accountants, financial advisors, attorneys and any other advisor of the Group Companies, or any fees or expenses paid to either Seller, or any direct or indirect shareholder of either Seller (including, for the avoidance of doubt, Apax), other than any amounts incurred by the Group Companies as of Closing in connection with the performance of the obligations set forth in Section 6.9 by any Group Company and (b) those o ther items identified on Section 1.2 of the Seller Disclosure Schedules.

"Credit Facilities" means the credit facilities identified as items 1, 2, 3, 10, 21, 22, 33, 36 and 37 on Section 3.6(a)(vii) of the Company Disclosure Schedules.

"Currency Adjusted Stock Value" means the Stock Value multiplied by the Dollar Exchange Rate on the most recent day on which the Dollar Exchange Rate is available preceding the date immediately prior to the Closing Date.

"Disposed Business" has the meaning set forth in Section 6.10(b).

"Distribution" has the meaning set forth in Section 2.1(b).

"DOJ" means the Antitrust Division of the U.S. Department of Justice.

"Dollar Exchange Rate" means the noon buying rate for dollars as announced by the Federal Reserve Bank of New York for any given date, which, for the avoidance of doubt, shall be computed as Euros per one U.S. Dollar.

"Employee Parties " has the meaning set forth in the recitals.

"Environment" means soil, surface waters, ground waters, land, stream, sediments, surface or subsurface strata and ambient air.

"Environmental Condition" means any condition with respect to the Environment on or off any Facility caused by a release of Hazardous Substances or violation of Environmental

Laws, whether or not yet discovered, which would reasonably be expected to or does result in any damages, including, without limitation, any condition resulting from the operation of the business of any Group Company or the operation of the business of any subtenant or occupant of any Facility or that of other property owners or operators of any Facility or any activity or operation formerly conducted by any person or entity on such Facility.

"Environmental Laws" means all federal, state, local and foreign statutes, regulations and ordinances concerning pollution or protection of the environment, including, without limitation, all those relating to the treatment, storage, disposal, discharge, release, threatened release, control or cleanup of any hazardous materials, substances or wastes, as such of the foregoing are promulgated and in effect on or prior to the Closing Date.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" means, with respect to any entity, trade or business, any other entity, trade or business that is a member of a group described in Section 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA that includes the first entity, trade or business, or that is a member of the same "controlled group" as the first entity, trade or business pursuant to Section 4001(a)(14) of ERISA.

"Escrow Agent" has the meaning set forth in Section 2.3(d)(i).

"Escrow Agreement" has the meaning set forth in Section 2.3(d)(i).

"Estimated Closing Date Indebtedness" has the meaning set forth in Section 2.3(a).

"Estimated Closing Date Net Working Capital" has the meaning set forth in Section 2.3(a).

"Escrow Purchase Price Amount" has the meaning set forth in Section 2.3(d)(i).

"Estimated Purchase Price Calculations" has the meaning set forth in Section 2.3(a).

"Excess Shares" has the meaning set forth in Section 2.3(c)(ii).

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Facilitating Actions" has the meaning set forth in Section 3.13(c).

"Facility" means any facility that is now or has heretofore been owned, leased or used in connection with the business of any Group Company.

"Final Closing Date Indebtedness" means the Closing Date Indebtedness as finally determined in accordance with Section 2.3(e).

"Final Closing Date Net Working Capital" means the Closing Date Net Working Capital as finally determined in accordance with Section 2.3(e).

"Financial Statements" has the meaning set forth in Section 3.4(a).

"Foundation Cash Amount" means (i) that portion of the Cash Component that the Foundation would receive at Closing pursuant to its Governing Documents, the Co-Investment Agreement, the participation agreements which it has entered with its employee participants and any option agreements to which the Foundation is a party, assuming the exercise of all outstanding options for depositary receipts in the Foundation immediately prior to Closing, assuming that the total consideration received by Sellers at Closing was the aggregate US Purchase Price plus the Initial BV Purchase Price (excluding clause (b) of the definition thereof) plus the Stock Component (valued as of the trading day prior to the Closing using the Dollar Exchange Rate as of such date) minus (ii) 20% of the Escrow Purchase Price Amount minus (iii) the aggregate Euro-equivalent value of the Management Election Shares (valu ed as of the third trading day prior to the Closing using the Dollar Exchange Rate as of such date).

"Foundation Stock Amount" means (i) that portion of the Stock Component that the Foundation would receive at Closing pursuant to its Governing Documents, the Co-Investment Agreement, the participation agreements which it has entered with its employee participants and any option agreements to which the Foundation is a party, assuming the exercise of all outstanding options for depositary receipts in the Foundation immediately prior to Closing, assuming that the total consideration received by the Sellers at Closing was the aggregate US Purchase Price plus the Initial BV Purchase Price (excluding clause (b) of the definition thereof) plus the Stock Component (valued as of the trading day prior to the Closing using the Dollar Exchange Rate as of such Day) plus (ii) the Management Election Shares minus (iii) 20% of the Stock Purchase Price Escrow minus (iv) 20% of the Stock Tax Escrow.

"Foundation" has the meaning set forth in the introductory paragraph to this Agreement.

"FTC" means the U.S. Federal Trade Commission.

"GAAP" means accounting principles generally accepted in the United States.

"Governing Documents" means the legal document(s) by which any Person (other than an individual) establishes its legal existence or which govern its internal affairs. For example, the Governing Documents of a corporate entity are limited to its certificate of incorporation and by-laws, its articles of association (including any by-laws or similar governing documents associated therewith), the Governing Documents of a limited partnership are its limited partnership agreement and certificate of limited partnership and the Governing Documents of a limited liability company are its operating agreement and certificate of formation.

"Governmental Approvals" has the meaning set forth in Section 6.5(a).

"Governmental Entity" means any United States or foreign (a) federal, state, local, municipal or other government, (b) governmental or quasi-governmental entity of any nature (including, without limitation, any governmental agency, branch, department, official or entity and any court or other tribunal), or (c) body exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature, including, without limitation, any arbitral tribunal.

"Group Companies" means, collectively, the Company and each of its Subsidiaries other than KL Company and "Group Company" means, any of the Group Companies.

"Group Company Employees" has the meaning set forth in Section 6.8(a).

"Hazardous Substance" means any substance whether solid, liquid or gaseous in nature: (a) the presence of which requires notification, investigation, or remediation under any applicable Environmental Law; (b) which is defined as "toxic", a "hazardous waste", "hazardous material" or "hazardous substance" or "pollutant" or "contaminant" under any applicable Environmental Laws; (c) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is regulated by any Governmental Entity with jurisdiction over the substance in the relevant location; (d) which contains gasoline, diesel fuel or other petroleum hydrocarbons or volatile organic compounds; (e) which contains polychlorinated biphenyls (PCBs) or asbestos or urea formaldehyde foam insulation or (f) which contains or emits radioactive particles, waves or materi als, including radon gas.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"IFRS" means the International Financial Reporting Standards as adopted by the European Union and as in effect at the time any applicable financial statements were prepared.

"IFRS Accounting Principles" has the meaning set forth in Section 3.4(b).

"Indebtedness" means, as of any time, without duplication, (a) the outstanding principal amount of, accrued and unpaid interest on, and other payment obligations (including, without limitation, any prepayment premiums or fees or penalties payable as a result of the consummation of the transactions contemplated by this Agreement) arising under, any obligations of any Group Company consisting of (i) indebtedness for borrowed money or indebtedness issued in substitution or exchange for borrowed money or for the deferred purchase price of property or services (excluding for the avoidance of doubt deferred rents, deferred landlord contributions and deferred income (which includes deferred income related to Li & Fung), and including any related interest accruals and payments in kind, as well as any indebtedness owing to any Affiliate of any Group Company (other than any Group Company), including shareholder loans but excluding any t rade payables and accrued expenses arising in the ordinary course of business), (ii) indebtedness evidenced by any note, bond, debenture or other debt security, in each case, as of such date (including any related interest accruals and payments in kind), (iii) all net payments such person would have to make in the event of an early termination, on such date, in respect of outstanding interest rate or other hedging agreements (other than currency hedging agreements) and 50% of all net payments such person would have to make (or less 50% of all net payments such person would receive) in the event of an early termination on such date, in respect of outstanding currency hedging agreements, (iv) liabilities relating to unfunded obligations with respect to defined benefit retirement and supplemental benefit plans of any Group Company, (v) finance lease obligations, (vi) all obligations of such persons issued or assumed as the deferred purchase price of property or services (excluding for the avoidance of doubt def erred rents, deferred landlord contributions and deferred income (which includes deferred income related to Li & Fung) and including, without limitation, in

respect of the Asset Purchase Agreement entered into by TH Marka ("TH Turkey") with Unitim Marka on February 27, 2009 and the acquisition of Tommy Hilfiger Japan Corporation from Itochu Corporation of Japan), (vii) all outstanding liabilities recorded relating to restructuring activities (except for any such restructuring activities taken or initiated at the request of Buyer), (viii) all payments resulting from the consummation of the transactions contemplated by this Agreement pursuant to the employee certificate bonus plan liabilities, the management participation plan, the management stock options, and other liabilities relating to retention payments initiated by Sellers subsequent to the date of this Agreement, (ix) liabilities, if any, relating to the Incremental Agreement by and between Fred Gehring and Tommy Hilfiger, B.V., dated as of May 6, 2008, (x) the principal component of al l obligations of such person as an account party in respect of letters of credit or bankers' acceptances securing obligations of a type described in clauses (i) through (ix) above to the extent such obligation would be required to be reflected as a liability on the relevant Group Company's balance sheet in accordance with the Accounting Principles; and (b) any Covered Expenses (other than those included in the above categories (without duplication)). The amounts to be included in the calculation of Indebtedness shall be derived from financial statements prepared in accordance with the Accounting Principles. For the avoidance of doubt, the calculation of Indebtedness shall be consistent with and determined in accordance with that set forth on Schedule 1.4, and Indebtedness shall not include items or types of indebtedness or liabilities that were reflected in the March 31, 2009 Audited Financial Statements but which were not included in Schedule 1.4.

"Initial BV Purchase Price" has the meaning set forth in Section 2.3(c)(ii).

"Intellectual Property Contract" means each agreement pursuant to which (a) any Group Company licenses a material Intellectual Property Right from or to any Person, (b) any Group Company consents to the use by any Person of a material Intellectual Property Right owned by a Group Company or (c) any Person consents to the use of a material Intellectual Property Right by a Group Company.

"Intellectual Property Rights" means all U.S. and foreign (a) patents and patent applications, together with reissues, continuations, continuations-in-part, revisions, divisionals, substitutions, extensions and reexaminations thereof, (b) trademarks, service marks, trade dress, logos, slogans, trade names and internet domain names, brand names and corporate names, whether registered or unregistered, and all goodwill associated therewith and all registrations, renewals and applications in connection therewith, (c) copyrights, copyrightable subject matter, copyright registrations and applications and renewals thereof, (d) trade secrets and all confidential information, know-how, formulae, models, methodologies, compositions, manufacturing and production processes and techniques, designs, drawings, specifications and inventions (whether patentable or unpatentable and whether or not reduced to practice) and improvements thereto, (e) r ights of publicity, moral rights and rights of attribution and integrity, (f) computer programs (whether in source code, object code or other form), databases and compilations and data, (g) all artwork, photographs, advertising and promotional materials and (h) all rights to pursue, recover and retain damages and costs and attorneys' fees for past, present and future infringement, misappropriation or other violation of any of the foregoing, in each case, to the extent protectable by applicable Law.

"Interim Financial Statements" has the meaning set forth in Section 3.4(a)(ii).

"Joint Venture Agreement" has the meaning set forth in the definition of Ancillary Agreements.

"KL Business" has the meaning set forth under "Business" in the contract identified as item 14 on Section 6.10(b) of the Company Disclosure Schedules.

"KL Company" has the meaning set forth in introductory paragraph to this Agreement.

"KL Shares" has the meaning set forth in Section 6.10(b).

"Law" means any federal, state, local or foreign law, statute, ordinance, rule, guideline, regulation, order, writ, decree, agency requirement, license or permit of any Governmental Entity.

"Leased Real Property" has the meaning set forth in Section 3.17.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge. For the avoidance of doubt, the term "Lien" shall not be deemed to include any license of Intellectual Property Rights.

"Loss" has the meaning set forth in Section 9.2.

"Lux Allocation" has the meaning set forth in Section 2.3(b)(i).

"Lux Cash Amount" means the sum of (i) the Initial BV Purchase Price plus (ii) the US Purchase Price minus (iii) the Foundation Cash Amount minus (iv) the Residual Cash Escrow Amount.

"Lux Seller" has the meaning set forth in the introductory paragraph to this Agreement.

"Lux Stock Amount" means the difference of the Stock Purchase Price minus the Foundation Stock Amount.

"Management Election" has the meaning set forth in Section 2.3(b).

"Management Employees" has the meaning set forth in Section 2.6.

"Management Term Sheets" means the management term sheets executed by Management Employees with respect to their election of consideration to be received in connection with the Closing.

"Management Term Sheet List" has the meaning set forth in Section 2.3(b).

"Material Group Company" shall mean the Group Companies identified on Section 1.4 of the Company Disclosure Schedule.

"Material Leases" has the meaning set forth in Section 3.17.

"Maximum Amount" has the meaning set forth in Section 6.12(a).

"Minimum Stock Value" means the average of the per share daily closing prices of a share of Buyer Common Stock on the NYSE for the twenty (20) consecutive trading days ending on and including the second trading day prior to the Closing Date (the "Closing Value"), provided that, if the Closing Value is equal to or less than the Signing Value multiplied by 0.9 the Stock Value will be equal to the Signing Value multiplied by 0.9.

"Multiemployer Plan" has the meaning set forth in Section 3.10(d).

"Multiple Employer Plan" has the meaning set forth in Section 3.10(d).

"Net Working Capital" means, with respect to the Group Companies, those adjusted total current assets of the Group Companies, on a consolidated basis, as of immediately prior to the Closing, set forth and as calculated in the manner set forth on Schedule 1.3, less those adjusted current liabilities of the Group Companies, on a consolidated basis, as of immediately prior to the Closing, set forth and as calculated in the manner set forth on Schedule 1.3 (together, the "Included Accounts"), in each case, without duplication, and as determined in a manner strictly consistent with the Accounting Principles.

For avoidance of doubt, adjusted total current assets shall exclude balances related to derivative financial instruments, any receivables owed to any Group Company by employees in respect of loans of the type described in Section 3.6(a)(v)(5) of the Company Disclosure Schedules and cash and cash equivalents. Adjusted current liabilities shall exclude amounts related to deferred consideration with respect to the Asset Purchase Agreement, if any, entered into by TH Turkey with Unitim Marka on February 27, 2009 and the acquisition of Tommy Hilfiger Japan Corporation from Itochu Corporation of Japan, employee certificate bonus plan liabilities, retention bonuses, short term borrowings, liabilities related to derivative financial instruments, both long and short term asset retirement obligations, provisions for onerous contract liabilities and restructuring liabilities and (ii) include the non-current portion of any other provisions o f the type included in the Provisions for Other Liabilities & Charges line item in the Company March 31, 2009 Audited Financial Statements. The impact of the obligations to fund the "Company" or pay the "Consideration" in connection with a "DC Transaction" (in each case as defined in the JV Term Sheet), and any contribution or payment in connection therewith, shall be disregarded and ignored in determining Net Working Capital.

Notwithstanding anything to the contrary contained herein, in no event shall "Net Working Capital" include any amounts included in Covered Expenses or Closing Date Indebtedness, or any intercompany accounts payable and receivable. Net Working Capital will exclude the adjusted total current assets and the adjusted total current liabilities related to the KL Company.

"New Plans" has the meaning set forth in Section 6.8(b).

"Non-Election Allocation" has the meaning set forth in Section 2.3(b).

"NYSE" means the New York Stock Exchange.

"Old Plans" has the meaning set forth in Section 6.8(b).

"Party", and the correlative term "Parties", has the meaning set forth in the introductory paragraph to this Agreement.

"Payoff Letters" has the meaning set forth in Section 6.9(a).

"Permitted Liens" means (a) mechanic's, materialmen's, carriers', repairers' and other Liens arising or incurred in the ordinary course of business for amounts that are not yet delinquent or are being contested in good faith, (b) Liens for Taxes, assessments or other governmental charges not yet due and payable as of the Closing Date or which are being contested in good faith, (c) encumbrances and restrictions on real property (including, without limitation, easements, covenants, rights of way and similar restrictions of record) that do not materially detract from the value of such real property or materially interfere with the Group Companies' present uses or occupancy of such real property or the business of the Group Companies, (d) Liens securing the obligations of the Group Companies under the Credit Facilities, (e) Liens granted to any lender at the Closing in connection with any financing by Buyer of the transactions contemplated hereby and (f) zoning, building codes and other land use Laws regulating the use or occupancy of real property or the activities conducted thereon which are imposed by any Governmental Entity having jurisdiction over such real property and any violation of which would not have a Company Material Adverse Effect or materially interfere with the operation of the business of the Group Companies as currently conducted.

"Person" means an individual, partnership, corporation, limited liability company, joint stock company, unincorporated organization or association, trust, joint venture, foundation, cooperative, association or other similar entity, whether or not a legal entity.

"Post-Closing Date Covered Expenses" means all Covered Expenses other than Closing Date Covered Expenses paid at Closing.

"Pre-Acquisition Reorganization Activity" has the meaning set forth in Section 6.10(a).

"Proposed Closing Date Calculations" has the meaning set forth in Section 2.3(f)(i).

"Proposed US Purchase Price" has the meaning set forth in Section 2.3(c)(i).

"Purchase Price Dispute Notice" has the meaning set forth in Section 2.3(f)(ii).

"Purchase Price Escrow Account" has the meaning set forth in Section 2.3(e)(i).

"Qualified Plans" has the meaning set forth in Section 3.10(b).

"Registered IP" has the meaning set forth in Section 3.12(b).

"Regulatory Laws" means the HSR Act, the Sherman Antitrust Act of 1890, as amended, and the rules and regulations promulgated thereunder, the Clayton Act of 1914, as amended, and the rules and regulations promulgated thereunder, the Federal Trade Commission Act of 1914, as amended, and the rules and regulations promulgated thereunder, and any other federal, state and foreign statutes, rules, regulations, orders, decrees, administrative and judicial doctrines and other Laws that are designed or intended to prohibit, restrict or regulate actions having the

purpose or effect of monopolization or restraint of trade or lessening of competition through merger or acquisition.

"Required Governmental Approvals" has the meaning set forth in Section 7.1(a).

"Required Information" has the meaning set forth in Section 6.9(e).

"Residual Cash Escrow Amount" has the meaning set forth in Section 2.3(e)(i).

"Sarbanes-Oxley Act" has the meaning set forth in Section 5.4(a).

"Schedules" has the meaning set forth in Section 10.5.

"SEC" has the meaning set forth in Section 5.4(a).

"SEC IFRS" means the International Financial Reporting Standards as issued under the International Accounting Standards Board and as of the first day of the relevant fiscal year or period.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

"Seller" has the meaning set forth in the introductory paragraph to this Agreement.

"Seller Disclosure Schedules" has the meaning set forth in the introductory paragraph to ARTICLE 4.

"Shareholder Loan" means the shareholder loan by and between Lux Seller and the Company, dated as of May 10, 2006, as subsequently amended or modified prior to the date hereof.

"Shares" has the meaning set forth in the recitals to this Agreement.

"Signing Value" means $43.74.

"Stock Component" means that number of shares of Buyer Common Stock obtained by dividing €276,000,000 by the Currency Adjusted Stock Value and rounding to the nearest whole number.

"Stock Escrow Purchase Price Amount" has the meaning set forth in Section 2.3(e)(ii).

"Stock Escrow Purchase Price Account" has the meaning set forth in Section 2.3(e)(ii).

"Stock Escrow Tax Amount" has the meaning set forth in Section 2.3(e)(iii).

"Stock Escrow Tax Account" has the meaning set forth in Section 2.3(e)(iii).

"Stock Purchase Price" shall have the meaning set forth in Section 2.3(d).

"Stock Value" means, subject to Section 2.3(c)(ii), an amount equal to the lower of (a) the Signing Value and (b) the Minimum Stock Value.

"Stockholders Agreement" has the meaning set forth in definition of Ancillary Agreements.

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which, (a) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof or (b) if a limited liability company, partnership, association or other business entity (other than a corporation), a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more Subsidiaries of such Person or a combination thereof and for this purpose, a Person or Persons own a majority ownership interest in such a busines s entity (other than a corporation) if such Person or Persons shall be allocated a majority of such business entity's gains or losses or shall be a, or control any, managing director or general partner of such business entity (other than a corporation). The term "Subsidiary" shall include all Subsidiaries of such Subsidiary.

"Sufficient Amount" shall mean, measured as of the Closing Date, the Cash Component plus Estimated Closing Date Net Working Capital minus the Target Net Working Capital (if positive), plus Buyer's good faith estimate of (a) the fees and expenses as well as any other costs and expenses which Buyer reasonably expects to incur in connection with the transactions contemplated by this Agreement and (b) amounts required to repay Indebtedness of the Group Companies and indebtedness of Buyer and its Subsidiaries intended or required to be repaid in connection with the transactions contemplated by this Agreement.

"Takeover Laws" means any "moratorium," "control share acquisition," "fair price," "supermajority," "affiliate transactions," "business combination statute or regulation" or other similar state antitakeover Laws and regulations.

"Target Net Working Capital" means €88,564,516.

"Tax" means (a) any federal, state, local, municipal or foreign income, gross receipts, franchise, estimated, alternative minimum, add-on minimum, sales, use, transfer, real property gains, registration, value added, excise, natural resources, severance, stamp, occupation, windfall profits, environmental (under Section 59A of the Code), customs, duties, real property, personal property, capital stock, social security (or similar), unemployment, disability, payroll, license, employee or other withholding, or other taxes, duties, levies, fees and assessments of any kind whatsoever, without limitation, and any interest, penalties or additions to tax in respect of, or in connection with, the foregoing (whether disputed or not), and (b) any liability in respect of amounts described in clause (a) hereof b y reason of contract, assumption, transferee liability, operation of law, Treasury Regulation Section 1.1502-6 (or any similar provision of law) or otherwise.

"Tax Audit" has the meaning set forth in Section 3.15(d).

"Tax Return" means all returns and reports (including elections, declarations, disclosures, schedules, estimates and information returns and amendments thereto) supplied or required to be supplied to a Tax authority relating to Taxes.

"Termination Date" has the meaning set forth in Section 8.1(d).

"Termination Fee" has the meaning set forth in Section 6.18.

"Termination Fee Escrow Account" has the meaning set forth in Section 6.18.

"Termination Fee Escrow Agreement" has the meaning set forth in Section 6.18.

"Tolling Event" has the meaning set forth in Section 1.1 of the Buyer Disclosure Schedules.

"U.S. Group Companies" means, collectively, USco and each of its Subsidiaries other than Tommy Hilfiger Canada Inc. and Tommy Hilfiger Canada Retail Inc.

"USco" has the meaning set forth in the recitals to this Agreement.

"USco Shares" has the meaning set forth in the recitals to this Agreement.

"US Purchase Price" means the amount to be paid to BVI Seller in accordance with Section 2.3 (c)(i).

" WARN Act " has the meaning set forth in Section 6.15 ..

"Weighted Average Cost of Debt Financing" means the weighted average per annum yield to maturity payable by Buyer and any Affiliate of Buyer in respect of the Acceptable Financing, which weighted average yield shall be determined by reference to, in the case of (x) the funded portion of any bank or bridge credit facilities whose pricing is based on a floating rate of interest, the LIBOR rate for a 3-month interest period on the date immediately prior to the Closing (which shall take into account any applicable "floor" on such LIBOR rate set forth in the financing documentation governing such bank credit facilities) plus the relevant applicable margin plus any OID (as used in this Agreement, "*OID*" means any original issue discount or upfront fees (other than arrangement fees with respect to bank credit facilities, gross spread on debt securities and other similar fees), with OID being equated to interest based on an assumed four-year life to maturity with respect to any bank credit facilities, and amortized ov er the life of the instrument with respect to the debt instruments described in clause (z) below, and in each case without any present value discount (e.g., 25 basis points of margin so utilized equals 100 basis points in OID)) thereon, (y) the funded portion of any bank or bridge credit facilities, whose pricing is based on a fixed rate of interest, the per annum yield (including OID) on such bank or bridge credit and (z) any debt securities, the per annum yield to maturity (including OID) on such debt securities.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan.

ARTICLE 2
PURCHASE AND SALE

Section 2.1 Purchase and Sale. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing:

(a) Buyer will purchase from BVI Seller, and BVI Seller will sell to Buyer, the USco Shares, free and clear of any and all Liens;

(b) immediately subsequent to the purchase and sale of the USco Shares, Seller and BVI Seller will cause the entire US Purchase Price received from Buyer to be distributed to Lux Seller and to the Foundation with the Lux Cash Amount being distributed to Lux Seller and the Foundation Cash Amount being distributed to the Foundation (such distribution the "Distribution"); and

(c) immediately subsequent to the Distribution, (i) each Seller will sell and transfer to BV Buyer, and BV Buyer will accept such purchase and transfer, the Shares owned by such Seller, collectively constituting all of the Shares, free and clear of any and all Liens and (ii) the Company shall acknowledge such transfer of the Shares. The transfer of the Shares pursuant to this Section 2.1(c) is to be effected by Sellers, Buyer and the Company before one of the civil law notaries of De Brauw Blackstone Westbroek N.V. of a notarial deed of transfer in the form attached hereto as Exhibit D, in order to give effect to such transfer in accordance with Netherlands Law.

Section 2.2 Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at 9:00 a.m., New York time, on a date to be specified by the Parties, which shall be no later than the third Business Day after satisfaction (or waiver) of the conditions set forth in ARTICLE 7 (the "Closing Date") (other than those conditions that by their terms cannot be satisfied until the Closing, but subject to the fulfillment or waiver of those conditions), at the offices of Wachtell, Lipton, Rosen & Katz, 51 West 52nd Street, New York, NY 10019, unless another time, date or place is agreed to in writing by Buyer and Seller, it being understood that the transfer of Shares in accordance with Section 2.1(c) shall occur at the offices of De Brauw Blackstone Westbroek N.V. in the Netherlands. The effective time of Closing will be 12:01 am on the Closing Date.

Section 2.3 Purchase Price.

(a) Estimated Purchase Price Calculations. No later than five (5) Business Days prior to the Closing, Lux Seller, on behalf of Sellers, shall deliver to Buyer a good faith calculation of the estimated amount of Closing Date Net Working Capital (the "Estimated Closing Date Net Working Capital") and the estimated amount of Closing Date Indebtedness (the "Estimated Closing Date Indebtedness" and together with the Estimated Closing Date Net Working Capital, the "Estimated Purchase Price Calculations"), together with reasonable supporting detail with respect to Seller's calculations. No later than ten (10) Business Days prior to the Closing, Seller shall consult with Buyer regarding the preparation of the Estimated Purchase

Price Calculations, including any estimates of such amounts. Lux Seller agrees to prepare the Estimated Purchase Price Calculations in a manner consistent with the Accounting Principles. Lux Seller's calculations shall be accompanied by reasonable detail, and, in the event that Buyer has a good faith objection, Lux Seller shall consider in good faith Buyer's objections to the Estimated Purchase Price Calculations and will revise such calculations, if based on its good faith assessment of Buyer's comments, such changes are warranted, which revised calculations shall become the applicable Estimated Purchase Price Calculations.

(b) Applicable Mechanics.

(i) Following the date of this Agreement and prior to five (5) Business Days before the Closing Date, the Foundation will conduct a survey of the Management Employees holding depositary receipts issued by the Foundation who have not entered into Management Term Sheets as of such date to determine which such participants (i) elect to enter into the Management Term Sheet and receive the cash and stock consideration described therein (the "Management Election") or (ii) receive consideration in respect of their allocable portion of the Shares to be sold by the Foundation in the same cash and stock proportions to be determined in accordance with Schedule 2.3 (the "Non-Election Allocation"). The Foundation shall inform Buyer at least three (3) Business Days prior to the Closing Date of the results of the survey, including the Management Employees who made Management Elections and the aggregate number of shares of Buyer Common Stock elected to be received by the Management Employees making Management Elections in lieu of that portion of cash consideration they would otherwise be entitled to receive in connection with the transactions hereunder in the absence of making such election (such shares, the "Management Election Shares"). Section 2.3(b) of the Seller Disclosure Schedule sets forth a list of each of the Management Employees who has entered into a Management Term Sheet as of the date hereof (the "Management Term Sheet List"). Lux Seller or the Foundation shall provide Buyer with an updated Management Term Sheet List not later than three (3) Business Days after any Management Employee enters into a Management Term Sheet, together with a schedule of estimated payments by amount and consideration type.

(ii) No later than thirty (30) days following the date hereof, Buyer shall deliver to Seller a proposed amount of the US Purchase Price (the "Proposed US Purchase Price"). Seller will review such Proposed US Purchase Price and, if within five (5) days after the receipt of such Proposed US Purchase Price, Seller has not informed Buyer of any disagreement with the Proposed US Purchase Price, the Proposed US Purchase Price shall become the US Purchase Price. If Seller disagrees with the Proposed US Purchase Price, Seller will inform Buyer of such disagreement within such five (5) day period. Buyer and Seller shall negotiate in good faith to resolve any such dispute. If Buyer and Seller fail to agree on the US Purchase Price before the date that is five (5) days following the receipt of Seller's notice of disagreement, such US Purchase Price shall be determined within a reasonable time (but in no event later than two (2) Bu siness Days prior to the Closing Date) by the Accounting Firm, which determination must be in writing and based on the fair value of USco. The US Purchase Price, as agreed upon by Buyer and Seller or determined by the Accounting Firm under this Section 2.3(c) shall be final and binding upon Buyer and Seller.

(c) Cash Component.

(i) Upon the terms and subject to the conditions of this Agreement, at the Closing, immediately prior to the Distribution, Buyer shall pay to BVI Seller the US Purchase Price.

(ii) Upon the terms and subject to the conditions of this Agreement, at the Closing, immediately subsequent to the Distribution, BV Buyer shall pay to Sellers as described in the next sentence an aggregate cash purchase price (the "Initial BV Purchase Price") equal to (a) the Cash Component minus (b) the Escrow Purchase Price Amount minus (c) the Estimated Closing Date Indebtedness minus (d) the US Purchase Price minus (e) if and to the extent that the amounts deposited in the Termination Fee Escrow Account are released to Sellers at Closing, such amounts, plus (f) the Estimated Closing Date Net Working Capital minus the Target Net Working Capital (provided, for the avoidance of doubt, if such number is a negative number, the Cash Component shall be reduced by such amount). The Foundation shall be paid the Foundation Cash Amount and Lux Seller shall be paid the Lux Cash Amount. Schedule 2.3 sets forth the methodology applicable to the determination of Foundation Cash Amount and Lux Cash Amount as applied using the illustrative amounts set forth therein.

(iii) Upon the terms and subject to the conditions of this Agreement, at the Closing, concurrent with the purchase and sale of the Shares as set forth in Section 2.1(c), Buyer shall pay on behalf of the Company, or, at Lux Seller's direction, shall cause to be funded to the Company, which shall pay all amounts payable under the Shareholder Loan (and, for the avoidance of doubt, Lux Seller hereby consents to such repayment without premium or penalty).

(iv) Upon the terms and subject to the conditions of this Agreement, immediately subsequent to the other payments set forth in this Section 2.3(c), Buyer shall pay all Closing Date Covered Expenses, provided, that Buyer's obligation to pay such expenses pursuant to this clause shall be subject to receipt by the Company prior to Closing of a final invoice reflecting all fees and expenses through the Closing Date.

(d) Stock Component.

(i) Upon the terms and subject to the conditions of this Agreement, at the Closing, Buyer shall pay and deliver to Sellers as described in the next sentence a number of shares of common stock, par value $1 per share, of Buyer ("Buyer Common Stock") equal to (1) the Stock Component minus (2) the Stock Escrow Purchase Price Amount minus (3) the Stock Escrow Tax Amount (the "Stock Purchase Price"). The Foundation shall receive the Foundation Stock Amount and Lux Seller shall receive the Lux Stock Amount. Schedule 2.3 sets forth the methodology applicable to the determination of Foundation Cash Amount and Lux Cash Amount as applied using the illustrative amounts set forth therein.

(ii) In the event that the number of shares of Buyer Common Stock to be issued to Sellers exceeds 19.99% of the then-outstanding shares of Buyer Common Stock (as calculated pursuant to Section 312.03 of the NYSE Listed Company Manual) (rounded up to the nearest whole number, the "Excess Shares"), then the Excess Shares shall not be issued, the

Stock Component shall be reduced by such number of shares and the Cash Component shall be increased by the product of the Excess Shares and the Currency Adjusted Stock Value.

(e) At the Closing, Buyer shall deposit the following escrow amounts:

(i) €25,000,000 of cash (such amount, the "Escrow Purchase Price Amount") plus, in the event that the difference between the value in sub-clause (A) of clause (ii) below minus the amount in sub-clause (B) of clause (ii) below (in each case valued as of the trading day prior to the Closing using the Dollar Exchange Rate as of such date) is a positive number, Sellers hereby agree that an additional amount of cash denominated in Euros equal to such difference shall be deposited into the Purchase Price Escrow Account (the "Residual Cash Escrow Amount"), which shall be deposited into a separate escrow account (the "Purchase Price Escrow Account") for use as set forth in Section 2.3(f), which shall be established pursuant to an escrow agreement (the "Escrow Agreement"), which Escrow Agreement shall be entered into on or prior to the Closing Date among Sellers, the Company, Buyer and an escrow agent to be mutually agreed upon among Sellers and Buyer (the "Escrow Agent") and which Escrow Purchase Price Accpunt shall be allocated 80% to Lux Seller and 20% to the Foundation.

(ii) (A) a number of shares of Buyer Common Stock equal to the lesser of (1) 3,602,849 shares of Buyer Common Stock and (B) the amount at which the Lux Stock Amount is zero (such shares, the "Stock Escrow Purchase Price Amount") in an escrow account (the "Stock Escrow Purchase Price Account") for use as set forth in Section 2.3(f), which shall be established pursuant to the Escrow Agreement and which Stock Escrow Purchase Price Amount shall be allocated 80% to Lux Seller and 20% to the Foundation; and

(iii) 3,142,019 shares of Buyer Common Stock (such shares, the "Stock Escrow Tax Amount") in an escrow account (the "Stock Escrow Tax Account") for use as set forth in Section 9.3 of the Seller Disclosure Schedules, which shall be established pursuant to the Escrow Agreement and which Stock Escrow Tax Amount shall be allocated 80% to Lux Seller and 20% to the Foundation.

(f) Determination of the Final Purchase Price.

(i) As soon as practicable, but no later than sixty (60) days after the Closing Date, Buyer shall prepare and deliver to Lux Seller a proposed calculation of the amount of Closing Date Net Working Capital and Closing Date Indebtedness (collectively, the "Proposed Closing Date Calculations") together with reasonable supporting detail with respect to Buyer's calculations. Buyer agrees to prepare the Proposed Closing Date Calculations in a manner consistent with the Accounting Principles.

(ii) If Lux Seller does not give written notice of dispute (a "Purchase Price Dispute Notice") to Buyer within sixty (60) days of receiving the Proposed Closing Date Calculations, Lux Seller and the other Parties agree that the Proposed Closing Date Calculations shall be deemed to set forth the final Closing Date Net Working Capital and Closing Date Indebtedness, in each case, for all purposes hereunder (including, without limitation, the determination of the Actual Adjustment). Items not disputed by Seller in the Purchase Price Dispute Notice shall be final and binding upon the Parties. If Seller gives a Purchase Price

Dispute Notice to Buyer within such sixty (60) day period, Buyer and Seller shall use commercially reasonable efforts to resolve the disputed items during the thirty (30) day period commencing on the date Buyer receives the applicable Purchase Price Dispute Notice from Seller. If Seller and Buyer do not agree upon a final resolution with respect to any disputed items within such thirty (30) day period, then the remaining items in dispute shall be submitted immediately to Deloitte & Touche LLP (the "Accounting Firm"). The Accounting Firm shall be required to render a determination of the applicable dispute within forty five (45) days after referral of the matter to such Accounting Firm, which determination must be in writing and must set forth, in reasonable detail, the basis therefor. The terms of appointment and engagement of the Accounting Firm shall be as agreed upon between Selle r and Buyer, and any associated engagement fees shall initially be borne 50 percent by Seller and 50 percent by Buyer; provided that the fees and expenses of the Accounting Firm shall, upon resolution of the dispute, be borne by Seller and Buyer in inverse proportion as they may prevail on matters resolved by the Accounting Firm, which proportionate allocations shall also be determined by the Accounting Firm at the time the determination of the Accounting Firm is rendered on the merits of the matters submitted. The Parties shall enter into an engagement letter with the Accounting Firm, including customary indemnity and other provisions. The scope of the disputes to be resolved by the Accounting Firm shall be limited to whether there were mathematical errors in the Proposed Closing Date Calculations or whether the calculations of Closing Date Net Working Capital and Closing Date Indebtedness were performed in accordance with the Accounting Principles, and the Accounting Firm is not entitled to make any other determination with respect to Closing Date Net Working Capital, including any determination as to whether IFRS was properly followed in calculating such amount. In connection with the resolution of any dispute, the Accounting Firm shall have access to all documents, records, work papers, facilities and personnel necessary to make its determination. The determination of such Accounting Firm shall be conclusive and binding upon the Parties. Buyer shall revise the Proposed Closing Date Calculations as appropriate to reflect the resolution of any objections thereto pursuant to this Section 2.3(e)(ii), and, as revised, such Proposed Closing Date Calculations shall be deemed to set forth the Final Net Working Capital and Final Closing Date Indebtedness, in each case, for all purposes hereunder (including, without limitation, the determination of the Actual Adjustment).

(iii) The Company shall, and shall cause each of its Subsidiaries to, make its financial records available to Seller and its accountants and other representatives at reasonable times during the review by Lux Seller of, and the resolution of any objections with respect to, the Proposed Closing Date Calculations.

(g) Adjustment to Initial Cash Purchase Price; Manner of Payment of Funds in Escrow Account.

(i) If the Actual Adjustment is a positive amount, Buyer shall pay to Seller, an aggregate cash amount in Euros equal to such positive amount (80% to Lux Seller and 20% to the Foundation) by wire transfer or delivery of immediately available funds, in each case, within three Business Days after the date on which the Final Closing Date Net Working Capital, Final Closing Debt Indebtedness and Final Assumed Liabilities are determined pursuant to Section 2.3(e) above.

(ii) If the Actual Adjustment is a negative amount, then within three Business Days after the date on which the Final Closing Date Net Work Capital and Final Closing Debt Indebtedness are finally determined pursuant to Section 2.3(e), the Parties shall deliver joint written instructions to the Escrow Agent instructing the Escrow Agent to deliver to Buyer an amount equal to the absolute value of such negative amount from the Purchase Price Escrow Account (but not including the Residual Cash Escrow Amount, if any), which shall be allocated pro rata between Lux Seller, on the one hand, and the Foundation and its employee participants on the other hand. In the event that the amount due to Buyer exceeds the amount of the Purchase Price Escrow Account (but not including the Residual Cash Escrow Amount, if any), Seller shall have the right to payment of such excess from the Stock Purchase Price Escrow Account, in which event Lux Seller and Buyer shall deliver joint written instructions to the Escrow Agent instructing the Escrow Agent to deliver to Buyer a number of shares of Buyer Common Stock (valued as of the date of payment based on (A) the closing price of a share of Buyer Common Stock on the NYSE on the most recent trading day preceding the date on which payment is made and (B) the Dollar Exchange Rate on the most recent day on which the Dollar Exchange Rate is available preceding the date on which payment is made) having a value equal to the product of such excess and 1.10, which shall be allocated pro rata between Lux Seller, on the one hand, and the Foundation and its employee participants on the other hand. In the event that the amount due to Buyer exceeds the amount of both the Purchase Price Escrow Account and the Stock Purchase Price Escrow Account, Sellers shall pay such excess to Buyer out of the Residual Cash Escrow Amount in the Purchase Price Escrow Account which shall be allocated pro rata between Lux Seller, on t he one hand, and the Foundation and its employee participants, on the other hand and then by delivering a number of shares of Buyer Common Stock (valued as of the date of payment based on (i) the closing price of a share of Buyer Common Stock on the NYSE on the most recent trading day preceding the date on which payment is made and (ii) the Dollar Exchange Rate on the most recent day on which the Dollar Exchange Rate is available preceding the date on which payment is made) having a value equal to the product of such excess and 1.10, provided, that such payments shall be made pro rata between Lux Seller, on the one hand, and the Foundation and its employee participants, on the other hand, and furthermore in no event will any Management Employees be obligated to directly or indirectly through the Foundation deliver shares of Buyer Common Stock to Buyer pursuant to this clause such that following such delivery the percentage of such Management Employee's total consideration received pursuant to Section 2.3(c) and 2.3(d) which is delivered pursuant to this Section 2.3(g)(ii) is greater than the percentage of Lux Seller's total consideration received pursuant to Section 2.3(c) and 2.3(d) which is delivered under this Section 2.3(g)(ii).

(iii) After payment of the Actual Adjustment in accordance with this Section 2.3 or the determination that no Adjustment Amount is owed to Buyer or at any time following delivery of the Proposed Closing Date Calculations the amounts in dispute, if any, are less than the aggregate amounts in the Purchase Price Escrow Account or the Stock Purchase Price Escrow Account, any remaining amounts or shares in the Purchase Price Escrow Account and/or the Stock Purchase Price Escrow Account shall be released to Sellers in accordance with the Escrow Agreement, first from the Residual Cash Escrow Amount, second from the remainder of the Stock Purchase Price Escrow Account and then from the Purchase Price Escrow Account and thereupon Sellers' obligations under Section 6.16 shall terminate.

Section 2.4 **Tax Withholding**. Notwithstanding anything to the contrary contained herein, Buyer and the Group Companies shall be entitled to withhold and deduct from the consideration otherwise payable pursuant to this Agreement such amounts as Buyer or any of the Group Companies is required to deduct and withhold with respect to the making of such payment under the Code or any provision of state, local or foreign Tax Law. To the extent that amounts are so withheld and paid over to the appropriate Tax authority, such amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding were made.

Section 2.5 **Treatment of Employees**. The Foundation will, as soon as practicable following the Closing or release of the relevant escrow amounts, take all actions necessary (a) to distribute the Foundation Cash Amount (i) to the employee participants of the Foundation (the "Management Employees") who have made a Management Election in accordance with such Management Election and (ii) to the Management Employees who have not made a Management Election in accordance with the Non-Election Allocation (as corrected at Closing to reflect actual amounts) and (b) distribute the Foundation Stock Amount (i) to the Management Employees who have made a Management Election in accordance with such Management Election to an escrow account for the benefit of such Management Employees with an escrow agent reasonably acceptable to the Parties and pursuant to the terms of an escrow agreement to be entered into by Buyer and such escrow agent on terms customary for such an agreement and (ii) to the Management Employees who have not made a Management Election in accordance with the Lux Allocation.

Section 2.6 **Adjustment to Consideration**. If at any time during the period between the date of this Agreement and the Closing Date, any change in the outstanding shares of capital stock of Buyer shall occur as a result of any reclassification, stock split (including a reverse stock split) or combination, exchange or readjustment of shares, or any stock dividend or stock distribution with a record date during such period, the Stock Component shall be equitably adjusted to provide Sellers the same economic effect as contemplated by this Agreement prior to such action, provided, that nothing in this Section 2.7(b) shall be deemed to permit or authorize any Party to effect any such change that is not otherwise authorized or permitted pursuant to this Agreement.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the disclosure schedules delivered to Buyer at or prior to the execution of this Agreement (the "Company Disclosure Schedules"), the Company represents and warrants to Buyer as follows in this ARTICLE 3. The Company Disclosure Schedules are arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this ARTICLE 3, and the disclosure in any paragraph of the Company Disclosure Schedules shall qualify the corresponding paragraph in this ARTICLE 3 and such other paragraphs if it is reasonably apparent that such disclosure is applicable to such other paragraphs.

Section 3.1 Organization and Qualification.

(a) Each Material Group Company is duly organized and validly existing under the Laws of its respective jurisdiction of organization. Section 3.1 of the Company Disclosure Schedules sets forth a true and complete list of each Group Company and each Group Company's respective jurisdiction of incorporation as of the date of this Agreement. Each Group Company has the requisite power and authority and all licenses, permits and authorizations necessary to own, lease and operate its properties and to carry on its businesses as presently conducted, except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(b) Each Group Company is duly qualified or licensed to transact business and is in good standing (or the equivalent thereof) in each jurisdiction in which the assets or property owned, leased or operated by it, or the nature of the business conducted by it, makes such qualification or licensing necessary, except where the failure to be so qualified or licensed would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(c) The Company has made available to Buyer an accurate and complete copy of each Governing Document of each Material Group Company, in each case, as in full force and effect as of the date of this Agreement. The Company is not in violation of the provisions of its Governing Documents and no other Group Company is in violation of the provisions of its Governing Documents, except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

Section 3.2 Capitalization of the Group Companies.

(a) The authorized capital stock of the Company consists of 800,000 Shares of which 200,000 are outstanding as of the date hereof. The Shares constitute the total issued and outstanding share capital of the Company, and are duly authorized, issued without defects, fully paid and non-assessable, and are not subject to and were not and will not be issued in violation of any preemptive or similar right, purchase option, call or right of first refusal or similar right other than any such rights that will cease to apply as of and after the Closing. The Shares are owned of record as set forth on Section 3.2(a) of the Company Disclosure Schedules.

(b) Except as set forth in subsection (a) above, there are (i) no shares of capital stock or other equity securities of the Company authorized, issued, reserved for issuance or outstanding, (ii) no authorized or issued and outstanding securities of any Group Company convertible into or exchangeable for, at any time, equity securities of the Company, (iii) no contracts, options, warrants, call rights, puts, convertible securities, exchangeable securities, understandings or arrangements, or outstanding obligations, whether written or oral, of any Group Company to issue, repurchase, redeem, sell, deliver or otherwise acquire or cause to be issued, repurchased, redeemed, sold, delivered or acquired, any capital stock of the Company or securities convertible into or exchangeable for any equity securities of or similar interest in the Company, or (iv) no voting trusts, proxies or other arrangements among any Group Company's stockholde rs with respect to the voting or transfers of the Shares.

(c) No Group Company directly or indirectly owns any equity or similar interest in, or any interest convertible into or exchangeable or exercisable for, at any time, any equity or similar interest in any corporation, partnership, limited liability company, joint venture or other business association or entity other than another Group Company. Section 3.2(c) of the Company Disclosure Schedules sets forth a list of each entity other than a Group Company in which a Group Company owns, directly or indirectly, any equity or equity-related securities. All outstanding equity securities of each Subsidiary of the Company have been duly authorized and validly issued, are free and clear of any preemptive rights (other than such rights as may be held by any Group Company), restrictions on transfer (other than restrictions under applicable federal, state and other securities Laws), or Liens (other than Permitted Liens) and are 100% o wned, beneficially and of record, by another Group Company.

Section 3.3 Authority. The Company has all requisite power and authority to execute and deliver this Agreement and the Ancillary Agreements and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby, all of which have been duly authorized by all necessary action on the part of the Company and no other proceeding (including, without limitation, by its equity or interest holders) on the part of the Company is necessary to authorize this Agreement and the Ancillary Agreements or to consummate the transactions contemplated hereby and thereby. The Company has duly executed and delivered this Agreement and, at or prior to the Closing will have duly executed and delivered the Ancillary Agreements to the extent a party thereto. This Agreement constitutes and, upon due execution and delivery, each of the Ancillary Agreements, to the extent the Company is a party thereto, will constitute, a valid, legal and binding agreement of the Company (assuming that this Agreement and the Ancillary Agreements have each been duly and validly authorized, executed and delivered by the other parties thereto), enforceable against the Company in accordance with their respective terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other Laws affecting the enforcement of creditors' rights generally.

Section 3.4 Financial Statements.

(a) Attached hereto as Section 3.4 of the Company Disclosure Schedules are true and complete copies of the following financial statements (such financial statements, the "Financial Statements"): the audited consolidated balance sheets of the Group Companies and KL Company as of March 31, 2007, March 31, 2008 and March 31, 2009 and the related audited consolidated statements of income, cash flows and changes in equity for the fiscal years ended March 31, 2007, March 31, 2008 and March 31, 2009, including the notes to the consolidated accounts and unqualified auditor's reports related thereto (the financial statements as of and for the year ended March 31, 2009, the "Audited Financial Statements").

(b) The Financial Statements and related notes (i) have been prepared from and are, or in the case of the unaudited consolidated balance sheet of the Group Companies and KL Company as of March 31, 2009 and December 31, 2009 and the related unaudited consolidated statements of income and cash flows for the nine-month periods ending on December 31, 2008 and December 31, 2009 including the notes thereto (such financial statements, the "Interim Financial Statements") will be prepared and will be, when delivered, in accordance with the books and records of the Group Companies, (ii) have been prepared in accordance with IFRS (or

with respect to December 31, 2008, follow IFRS principles and have been prepared by management in a manner consistent with the principles applied to the nine-month period as of and ending on December 31, 2009) and other legal and accounting requirements applicable to the Group Companies and KL Company and the IFRS principles applied by the Company in its Audited Financial Statements (the "IFRS Accounting Principles") applied on a consistent basis throughout the periods covered thereby, except as may be indicated in the notes thereto and except, in the case of the Interim Financial Statements, subject to normal year-end adjustments not expected to be material in amount and (iii) fairly present, in all material respects, the consolidated financial position of the Group Companies and KL Company as of the dates thereof and their consolidated results of operations and cash flows for the periods then ended (sub ject, in the case of the Interim Financial Statements, to the absence of footnotes and to normal year-end adjustments not expected to be material in amount and to any other adjustments described therein including the notes thereto).

(c) The books of account, minute books and other records of each Group Company are complete and correct in all material respects in accordance with customary business practices. The accounts, books and records of each Group Company are maintained in a manner substantially consistent in all material respects with past practice and have recorded therein the results of operations and the assets and liabilities of each Group Company required to be reflected under the IFRS Accounting Principles, IFRS and other legal and accounting requirements applicable to the Company and the other Group Companies. Each Group Company maintains a system of accounting and internal controls sufficient in all material respects to provide reasonable assurances that (i) financial transactions are executed in accordance with the general and specific authorization of the management of the Company, (ii) all transactions are recorded as necessary to pe rmit the preparation of financial statements in conformity with the IFRS Accounting Principles, IFRS and other legal and accounting requirements applicable to the Company and the other Group Companies and to maintain proper accountability for items, (iii) access to their respective property and assets is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for items is compared with the actual levels at reasonable intervals and appropriate action is taken with respect to any differences.

Section 3.5 Consents and Approvals; No Violations. No notice to, filing with, or authorization, consent or approval of any Governmental Entity is necessary for the execution, delivery or performance of this Agreement or the Ancillary Agreements by the Company or the consummation by the Company of the transactions contemplated hereby and thereby, except for (a) compliance with and filings under the HSR Act, (b) those set forth on Section 3.5 of the Company Disclosure Schedules and (c) those the failure of which to obtain or make, individually or in the aggregate, would not reasonably be expected to have, a Company Material Adverse Effect or otherwise prevent or materially delay the Company from performing its obligations under this Agreement or taking any action necessary to consummate the transactions contemplated by this Agreement. Neither the execution, delivery and performance o f this Agreement by the Company nor the consummation by the Company of the transactions contemplated hereby will (i) conflict with or result in any breach of any provision of any Material Group Company's Governing Documents, (ii) result in a violation or breach of, cause acceleration, allow a party to modify or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation, acceleration or modification, or right of first refusal, right of first offer or similar right) or any increased cost or

loss of benefit to any Group Company or increased benefit to another party thereto under any of the terms, conditions or provisions of any note, bond, mortgage, or indenture, or material lease, license, contract, agreement or other instrument or obligation to which any Group Company is party or by which any of their respective properties or assets may be bound, (iii) violate any Law of any Governmental Entity applicable to any Group Company or any of their respective properties or assets, or (iv) except with respect to Permitted Liens, result in the creation of any Lien upon any of the assets of any Group Company, which in the case of any of clauses (ii) through (iv) above, individually or in the aggregate, would reasonably be expected to have, a Company Material Adverse Effect or otherwise prevent or materially delay the Company from performing its obligations under this Agreement.

Section 3.6 Company Material Contracts.

(a) Section 3.6(a) of the Company Disclosure Schedules contains a correct and complete list of all of the following contracts, commitments and other agreements (whether written or oral) to which any Group Company or any of their respective assets or properties is bound (collectively, the "Company Material Contracts") as of the date hereof:

(i) all contracts, commitments and other agreements for the employment of (i) any officer or director on a full-time, part-time or other basis or (ii) any individual for the provision of consulting services in lieu of employment, in either case, providing annual compensation in excess of €500,000;

(ii) all leases and agreements under which any Group Company is lessee of or holds or operates any tangible property (other than real property), owned by any other Person, except for any lease or agreement under which the aggregate annual rental payments do not exceed €1,000,000;

(iii) all partnership agreements or joint venture agreements or similar agreements with respect to any material business of the Group Companies;

(iv) all material contracts, commitments and other agreements containing covenants of any Group Company not to compete in the apparel business in any geographical area other than such restrictions in agreements entered into with exclusive product category and territorial licenses and with agents and distributors in the ordinary course of business;

(v) all contracts, commitments and other agreements between any Group Company, on the one hand, and Sellers or Sellers' Affiliates (other than any Group Company or KL Company), on the other hand;

(vi) all contracts, commitments and other agreements that contain any put, call, right of first refusal, first offer or first negotiation that is material to the business of any Group Company;

(vii) all indentures, credit agreements, loan agreements, factoring agreements, security agreements, guarantees, notes, mortgages, letters of credit or reimbursement agreements related thereto or other evidence of Indebtedness by any Group Company (including

agreements related to interest rate or currency hedging or other swap or derivative activities) with any third party in an amount of, with respect to hedges and derivatives contracts;

(viii) all outstanding loans or advances made by the Company to any director, officer, employee, stockholder or other Affiliate of the Company (other than any intercompany indebtedness and any business-related advances to employees made in the ordinary course of business);

(ix) all collective bargaining agreements, labor contracts or other written agreements or arrangements with any labor union, employee representative body or any employee organization material to the Group Companies taken as a whole;

(x) all contracts, commitments and other agreements, in each case material to the business of the Group Companies, that are terminable by the other party or parties thereto upon a change of control of any Group Company;

(xi) all contracts, commitments and other agreements since March 31, 2009 for (1) the purchase by any Group Company of assets, materials, supplies, goods, services, machinery, equipment or other personal property (other than in the ordinary course of business) other than those that are for amounts not to exceed with respect to the United States €500,000 and with respect to operations outside of the United States, €2,000,000 annually or (2) any merger or business combination with respect to any Group Company;

(xii) all Intellectual Property Contracts;

(xiii) all settlement or conciliation agreements or similar agreements with any Governmental Entity or order or consent of a Governmental Entity to which any Group Company is subject involving future performance by the Group Company which is material to the Group Companies taken as a whole; and

(xiv) all acquisition agreements (other than with respect to inventory in the ordinary course) pursuant to which any Group Company has continuing indemnification, "earn-out" or other contingent obligations.

(b) The Company has made available to Buyer copies of each Company Material Contract in effect as of the date of this Agreement, together with all material amendments and supplements thereto in effect as of the date of this Agreement. Except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, each Company Material Contract is valid and binding on the applicable Group Company, in full force and effect, and enforceable in accordance with its terms (subject to applicable bankruptcy, insolvency, reorganization, moratorium or other Laws affecting generally the enforcement of creditors' rights and subject to general principles of equity). Except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, no default or breach by any Group Company, nor any event with respect to any Group Company that with notice or t he passage of time or both would result in a default or breach, has occurred under any Company Material Contract and, to the Company's knowledge, no default or breach, nor any event that with notice or the passage of time or both would result in a default or breach, by the other contracting parties has occurred thereunder. Except as would not reasonably

be expected to have, individually or in the aggregate, a Company Material Adverse Effect, (i) no Group Company has received since January 1, 2009 written notice of any default or breach under any Company Material Contract and no such notice is currently outstanding, and (ii) no Group Company has received written notice of the intention of any Person to terminate or reduce its obligations under, nor to the knowledge of the Company has there been any termination of or reduction of any Person's obligations under any Company Material Contract.

Section 3.7 Absence of Changes. Since the date of the Audited Financial Statements, except as otherwise contemplated or permitted by this Agreement, (a) there have not been any events, changes or developments which have had, or would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, (b) each Group Company has conducted its business in all material respects in the ordinary course consistent with past practice and (c) no Group Company has taken any action that would be prohibited by Section 6.1(a) through (f), (h), (i), (j), (k), (o) and (p) (but only with respect to the foregoing clauses) if it were taken after the date of this Agreement and prior to the Closing.

Section 3.8 Litigation. There is no judgment, suit, litigation, arbitration, claim, action, complaint, injunction, order, dispute, inquiry, arbitration or proceeding (each, an "Action") pending or, to the Company's knowledge, threatened or under investigation against any Group Company, or as to which any Group Company has received any written notice or assertion before any Governmental Entity, or for which any Group Company is obligated to indemnify a third party, which, individually or in the aggregate, would reasonably be expected to (a) have a Company Material Adverse Effect or (b) prevent or materially delay the Company from performing its obligations under this Agreement or taking any action necessary to consummate the transactions contemplated by this Agreement. No Group Company is subject to any outstanding and unsatisfied material order, writ, judgment, injun ction, settlement or decree.

Section 3.9 Compliance with Applicable Law. Except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, (a) the Group Companies hold all permits, licenses, approvals, certificates and other authorizations of and from all, and have made all notifications, registrations, certifications, declarations and filings with, Governmental Entities necessary or advisable for the lawful conduct of their respective businesses as presently conducted, and the ownership or lease of their properties and assets, (b) all such permits, licenses, approvals, certificates and other authorizations are in full force and effect, (c) the businesses of the Group Companies have been and are now being operated in compliance with all applicable Laws and (d) there is no action, suit or proceeding pending or, to the Company's knowledge, threatened in writin g by any Governmental Entity that claims any violation by any Group Company of applicable Law.

Section 3.10 Employee Plans.

(a) Section 3.10(a) of the Company Disclosure Schedules sets forth a complete list of each material Company Benefit Plan. With respect to each material Company Benefit Plan, Seller has heretofore delivered (or made available) to Buyer copies of (as applicable): (i) each Company Benefit Plan or, with respect to any such plan that is not in writing, a written description of the material terms thereof; (ii) the summary plan description; (iii) the most recent annual report, financial statement, actuarial report, determination letter from the Internal Revenue Service and

Form 5500 required to have been filed with the Internal Revenue Service; (iv) any related trust agreements, insurance contracts or other funding arrangements and (v) any communications with the Internal Revenue Service, the Department of Labor or any other Governmental Entity relating to any compliance issues in respect of any such Company Benefit Plan. Except as specifically provided in the foregoing documents delivered to Buyer, there are no amendments to any material Company Benefit Plan that have been adopted or approved nor has Seller or any Group Company taken substantial steps to make any such amendments or to adopt or approve any new material Company Benefit Plan.

(b) Section 3.10(b) of the Company Disclosure Schedules identifies each Company Benefit Plan that is intended to be a "qualified plan" within the meaning of Section 401(a) of the Code ("Qualified Plans"). The Internal Revenue Service has issued a favorable determination letter with respect to each Qualified Plan and the related trust that has not been revoked, and there are no events or circumstances that would reasonably be expected to adversely affect the qualified status of any Qualified Plan or the related trust.

(c) Each of the Company Benefit Plans has been established, operated and administered in compliance with applicable Laws, except for such non-compliance which would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. No Company Benefit Plan is, and no employee benefit plan maintained by Seller or any Group Company during the six-year period ending on the date of this Agreement has been, subject to Title IV or Section 302 of ERISA or Section 412 or 4971 of the Code. No event has occurred and, to the knowledge of Seller, there currently exists no condition or circumstances that would subject Seller or any Group Company to any (i) material liability with respect to any Company Benefit Plans, other than for the provision of benefits in accordance with the terms thereof, or (ii) material Controlled Group Liability with respect to any employee benefit plan which is not a Comp any Benefit Plan. Except as would not reasonably be expected to result in a Company Material Adverse Effect, all amounts payable by Seller or any Group Company as of the date hereof with respect to each Company Benefit Plan in respect of current or prior plan years have been paid or accrued in accordance with IFRS.

(d) No Company Benefit Plan (i) is a "multiemployer plan" (within the meaning of Section 4001(a)(3) of ERISA) ("Multiemployer Plan"), (ii) is a plan that has two or more contributing sponsors, at least two of whom are not under common control within the meaning of Section 4063 of ERISA (a "Multiple Employer Plan"), (iii) provides welfare benefits to employees or directors of any of the Group Companies beyond their termination of service, except as required by applicable Law. None of the Group Companies nor any of their respective ERISA Affiliates has, at any time during the last six years, contributed to or been obligated to contribute to any Multiemployer Plan or Multiple Employer Plan and none of the Group Companies nor any of their respective ERISA Affiliates has incurred any Withdrawal Liability that has not been satisfied in full. There has been no communication by Seller o r any Group Company which could reasonably be interpreted to promise employees retiree welfare benefits.

(e) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (either alone or in conjunction with any other event) result in, cause the accelerated vesting, funding or delivery of or increase the amount or value of, any payment or benefit to any employee, officer or director of any Group Company, or result in

any limitation on the right of any Group Company or any of its Subsidiaries to amend, merge, terminate or receive a reversion of assets from any Company Benefit Plan or related trust. No Company Benefit Plan provides for the gross-up or reimbursement of Taxes under Sections 4999 or 409A of the Code, or otherwise.

(f) Each Company Benefit that is a "nonqualified deferred compensation plan" (as defined in Section 409A(d)(1) of the Code) that is subject to Section 409A of the Code has since (i) January 1, 2005 been maintained and operated in good faith compliance with Section 409A of the Code and Notice 2005-1, (ii) October 3, 2004, not been "materially modified" (within the meaning of Notice 2005-1) and (iii) January 1, 2009, been in documentary and operational compliance in all material respects with Section 409A of the Code.

(g) Except as would not reasonably be expected to result in a Company Material Adverse Effect, all Company Benefit Plans subject to the Laws of any jurisdiction outside of the United States (i) have been maintained in accordance with all applicable requirements, (ii) if they are intended to qualify for special tax treatment meet all material requirements for such treatment and (iii) if they are intended to be funded and/or book-reserved are fully funded and/or book reserved, as appropriate, based upon reasonable actuarial assumptions.

Section 3.11 Environmental Matters. Except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect:

(a) The Group Companies are in compliance with all applicable Environmental Laws.

(b) The Group Companies hold and are in compliance with all permits, licenses and other authorizations that are required pursuant to applicable Environmental Laws in order to operate as they currently operate.

(c) To the Company's knowledge, there are no Environmental Conditions present at, on, or under, any Facility, as a result of activities of any Group Company or any of their employees or agents or as a result of activities of any other Person, which would reasonably be expected, under any applicable Environmental Law or agreement with any Person (A) to give rise to any liability of any Group Company, or to the imposition of a statutory Lien on any Leased Real Property or (B) to require any response or remedial or other action, including, without limitation, any investigation, reporting, monitoring or cleanup.

(d) No Group Company has received in the past three years any currently unresolved written notice, order, citation, complaint, or directive of any violation of, or liability under (including, without limitation, any investigatory, corrective or remedial obligation), any Environmental Laws, other than incidental or immaterial matters.

(e) No Group Company has treated, stored, disposed of, arranged for (or to the Company's knowledge permitted) the disposal of, transported, handled, or released any Hazardous Substance in violation of any applicable Environmental Laws.

(f) Notwithstanding any other representations and warranties in this Agreement, the representations and warranties in this Section 3.11 shall be the Company's only representations and warranties concerning Environmental Laws or Hazardous Substances.

Section 3.12 Intellectual Property.

(a) The Group Companies own, are validly licensed to use or otherwise have a right to use all material Intellectual Property Rights used in or necessary for the conduct of the business of the Group Companies as currently conducted, free and clear of all Liens other than Permitted Liens. All material Registered IP is valid and enforceable and free and clear of any Lien other than Permitted Liens. The Company does not own any material common law Intellectual Property Rights (other than those common law rights in any Registered IP) and, except as set forth on Section 3.6(a)(xi) of the Company Disclosure Schedule, there are no Intellectual Property Rights owned by third parties that are material to or necessary for the conduct of the business of the Group Companies as currently conducted. Except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, (i) & nbsp;there is not pending against or, to the Company's knowledge, threatened in writing against any Group Company any claim by any third party contesting the validity, enforceability, use or ownership of any Intellectual Property Rights owned by such Group Company, or alleging that any Group Company is infringing on or misappropriating any Intellectual Property Rights of a third party in any respect, and to the Company's knowledge, there is no basis for any such claim, (ii) there are no claims pending or, to the Company's knowledge, threatened in writing that have been brought by any Group Company against any third party alleging infringement of any Intellectual Property Rights owned by such Group Company, and, to the Company's knowledge, there is no basis for any such claim, (iii) no Group Company has received any written notice that any of the Intellectual Property Rights currently used by the Group Companies infringes upon or otherwise violates the rights of others and to the Company&# 146;s knowledge, there is no basis for any such claim, and (iv) there are no claims pending or, to the Company's knowledge, threatened in writing contesting the right of any Group Company to make, use, distribute, import, export, sell or promote any of the products or services currently sold or offered by any Group Company.

(b) Section 3.12 of the Company Disclosure Schedules sets forth a true, complete and correct list of all: (i) all registrations and applications for registration in the name of any Group Company for any Intellectual Property Rights ("Registered IP"), and (ii) all pending, threatened in writing and actual written claims, actions and proceedings (including those in Patent and Trademark Offices and courts in the United States and throughout the world) relating to any Intellectual Property Rights owned by the Group Companies. Consummation of the transactions contemplated by this Agreement will not materially alter, impair, result in the loss of or require payments of any additional amounts with respect to Intellectual Property Rights owned by the Group Companies.

(c) Except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, no Intellectual Property Right owned by any Group Company is subject to any outstanding Action pursuant to which a Group Company was a party or any agreement to which a Group Company is a party restricting the use of such Intellectual Property Rights by the Group Companies.

(d) Except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, each Group Company takes commercially reasonable measures to protect and preserve its Intellectual Property Rights and the confidentiality of all trade secrets and other confidential information that comprise any Intellectual Property Rights owned by any Group Company.

(e) To the Company's knowledge, each third party that is a party to a material Intellectual Property Contract with a Group Company is in compliance in all material respects with the terms of such Intellectual Property Contract, and no event has occurred which, with the lapse of time or the giving of notice or both, would constitute a material breach of such Intellectual Property Contract. The Group Companies have not affirmatively waived, and do not have actual knowledge of any other waiver, of any of their material rights, claims or remedies arising under, or pursuant to, any material Intellectual Property Contract.

Section 3.13 Labor Matters.

(a) No Group Company is a party to, or bound by, any collective bargaining agreement or other contract with any labor organization or other representatives of employees of any Group Company. No labor organization or group of employees of any Group Company has made a pending demand for recognition or certification, there are no representation or certification proceedings or petitions seeking a representation proceeding presently pending or, to the knowledge of Company, threatened to be brought or filed with the National Labor Relations Board or any other labor relations tribunal or authority, and there are no organizational efforts (to the Company's knowledge), strikes, work stoppages, slowdowns, lockouts, material arbitrations or material grievances, or other material labor disputes pending or, to the knowledge of the Company, threatened against or involving employees of any Group Company, except for those, in each case th at would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(b) Except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, each Group Company is in compliance with all applicable Laws relating to labor, employment, termination of employment or similar matters, including but not limited to Laws relating to discrimination, disability, labor relations, hours of work, payment of wages and overtime wages, pay equity, immigration, workers compensation, working conditions, employee scheduling, occupational safety and health, family and medical leave and employee terminations, and have not engaged in any unfair labor practices or similar prohibited practices, and there are no Actions of any nature pending or, to the knowledge of Seller, threatened against any Group Company brought by or on behalf of any applicant for employment, any current or former employee, any person alleging to be a current or former employee, any class of the foregoi ng or any Governmental Entity, relating to any such Law, or alleging breach of any express or implied contract of employment, wrongful termination of employment, or alleging any other discriminatory, wrongful or tortious conduct in connection with the employment relationship.

(c) Seller or the applicable Group Company has taken, prior to the date hereof, all actions as are necessary to enable the Parties to carry out the transactions contemplated by this

Agreement with respect to trade unions, works councils, employee representatives and employees (collectively, the "Facilitating Actions").

Section 3.14 Insurance. Section 3.14 of the Company Disclosure Schedules contains a list (together with their respective termination dates) of all material insurance policies owned by the Company. All such insurance policies are in full force and effect in all material respects, all premiums thereon have been timely paid except for failures to make timely payments which have not resulted in the suspension or loss of rights or coverage, and no written notice of cancellation, termination or non-renewal has been received by Seller or the Company with respect to any such insurance policy. Since January 1, 2009, there has been no material claim by Seller or the Company pending under any such insurance policies as to which coverage has been denied.

Section 3.15 Tax Matters.

(a) Each Group Company has prepared and duly and timely filed with the appropriate domestic, federal, state, local and foreign taxing authorities, or has had prepared and duly and timely filed on its behalf, all material Tax Returns, required to be filed with respect to the Group Companies and has timely paid, or has had timely paid on its behalf, all material Taxes owed or payable by it, including, without limitation, Taxes which any Group Company is obligated to withhold, including with respect to payments made or owing to employees, creditors, shareholders or other third parties.

(b) All material Tax Returns filed with respect to each of the Group Companies are true, complete and correct in all material respects, and each of the Group Companies has maintained all material records required to be maintained for tax purposes.

(c) Adequate accruals have been made on the Financial Statements for all material Taxes of the Group Companies not yet due and payable in accordance with the Accounting Principles. All material Taxes for any period ending after the date of such Financial Statements have been or will be incurred in the ordinary course of business.

(d) No Group Company is currently the subject of a material Tax audit, examination or other administrative or judicial proceeding with respect to Taxes, and no such material audit, examination or other proceeding has been threatened.

(e) No Group Company (nor any consolidated, combined, unitary or affiliated group of which any of them is or has been a member) has consented to extend or waive the time, or is the beneficiary of any extension or waiver of time, in which any material Tax may be assessed or collected by any taxing authority, and no request for any such extension or waiver is currently pending.

(f) No claim has been made by any taxing authority in a jurisdiction where any Group Company does not file Tax Returns that any such Group Company is or may be subject to taxation by that jurisdiction.

(g) None of the Group Companies (i) joins or has joined in the filing of any affiliated, aggregate, consolidated, combined or unitary federal, state, local or foreign Tax Return other than the income Tax Return for any such group of which Seller or a Group Company is the

common parent, (ii) has any liability for the Taxes of any person, other than the Group Companies, under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign Law), as a transferee or successor or by contract.

(h) None of the Group Companies (i) has been within the past two (2) years a "distributing corporation" or a "controlled corporation" in a distribution intended to qualify under Section 355(a) of the Code or (ii) has participated in a "listed transaction" within the meaning of Treasury Regulation Section 1.6011-4.

(i) None of the U.S. Group Companies is a "United States Real Property Holding Corporation," and no non-U.S. Group Company holds a "United States real property interest," each within the meaning of Section 897 of the Code. None of the Group Companies is a real estate investment company within the meaning of Section 4 of the Dutch Legal Transfer Taxes Act (*Wet op belastingen van rechtsverkeer 1970*).

(j) There are no material Liens on any of the assets of any of the Group Companies with respect to Taxes, other than Permitted Liens.

(k) Seller has made available to Buyer complete and accurate copies of all Dutch, U.S. federal income Tax Returns and all other material Tax Returns filed by or with respect to the Group Companies in the past three years.

(l) Each of Tommy Hilfiger Retail LLC, Karl Lagerfeld LLC, Tommy Hilfiger Licensing, LLC and Tommy Hilfiger Group BV qualifies, and has since the date of its formation qualified, to be treated as a disregarded entity for U.S. federal, state and local income tax purposes, and the Company qualifies, and has since the date of its formation qualified, to be treated as a disregarded entity or a partnership for U.S. federal, state and local income tax purposes, and neither any holder of any interest therein nor Seller has taken a position inconsistent with such treatment with regard to any U.S. federal, state or local Tax.

(m) To the best of Sellers' knowledge, all transactions between Seller and the Group Companies or between the Group Companies have been and are on fully arms' length terms. The Group Companies have complied in all material respects with rules regarding transfer pricing and have made available to Buyer true and complete copies of all material transfer pricing studies or reports prepared with respect to the Group Companies.

(n) Sellers and the Group Companies have made available to Buyer all material corporate income Tax rulings (including *vaststellingsovereenkomst*) issued by, and all material agreements entered into with, any taxing authority that are currently in effect. With respect to all such Tax rulings and agreements, the relevant Group Companies have supplied all information to the relevant taxing authority in connection with any such Tax rulings or agreements and fully and accurately disclosed to the relevant taxing authority all facts and circumstances with respect to the issuances of such Tax ruling or the entering into such agreement. No facts or circumstances have arisen since any such Tax ruling or agreement was entered into which would cause the Tax ruling or agreement to become invalid or ineffective.

(o) No interest deduction of any of the U.S. Group Companies or any of their subsidiaries is deferred, limited or disallowed as a result of the application of Section 163(j) of the Code (or any similar provision of state, local or foreign Law).

(p) Except for BVI Seller, which is tax resident in the Netherlands, each Group Company is and at all times has been resident in its place of incorporation and is not and has not at any times been treated as resident in any other jurisdiction (including and double taxation arrangement). No Group Company is or has been subject to Tax in any jurisdiction other than its place of incorporation by virtue of having a permanent establishment, a permanent representative or other place of business or taxable presence in that jurisdiction.

(q) No Group Company has been a passive foreign investment company within the meaning of Section 1297 of the Code, a shareholder directly or indirectly in a passive foreign investment company from which it derives a material Tax liability, or a controlled foreign corporation within the meaning of Section 957 of the Code.

(r) There has not been any tainted transaction within the meaning of article 15ai of the Dutch 1969 Corporate Income Tax Act (*Wet op de vennootschapsbelasting 1969)* between any of the Group Companies that form a fiscal unity (*fiscale eenheid)* for corporate income tax purposes.

Section 3.16 Brokers. No broker, finder, financial advisor or investment banker is entitled to any broker's, finder's, financial advisor's, investment banker's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by and/or on behalf of the Company or any of its Affiliates, in each case, for which a Group Company is liable (other than if a Seller Expense).

Section 3.17 Real Property. Section 3.17 of the Company Disclosure Schedules sets forth (whether as lessee or lessor) a list of all leases, subleases, licenses or other agreements for the use or occupancy of real property, including all master or superior leases, (such real property, the "Leased Real Property") to which any Group Company is a party or by which any of them is bound, in each case, as of the date of this Agreement (each a "Material Lease" and collectively the "Material Leases"), regardless of whether the terms thereof have commenced, except for any lease or agreement pursuant to which any Group Company holds Leased Real Property under which the aggregate annual rental payments do not exceed €500,000. Such list is complete and accurate in all materi al respects. Except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, (a) the Company or a Subsidiary of the Company has a valid leasehold interest in each Material Lease, subject only to Permitted Liens, (b) each Material Lease is valid and binding on the Group Company party thereto (and to the Company's knowledge, on the other parties thereto), and is in full force and effect and enforceable in accordance with its terms (subject to proper authorization and execution of such Material Lease by the other party thereto and subject to applicable bankruptcy, insolvency, reorganization, moratorium or other Laws affecting generally the enforcement of creditors' rights and subject to general principles of equity) and (b) no Person other than the Group Companies leases, subleases or licenses or otherwise occupies the Leased Real Property. Except as would not reasonably be expected to have, individually or in the aggregate, a Company Mate rial Adverse Effect, (i) each of the Group Companies, and, to the Company's

knowledge, each of the other parties thereto, has performed in all respects all obligations required to be performed by it under each Material Lease and (ii) none of the Group Companies (nor, to the Company's knowledge, any of the other parties thereto) is in breach or default (nor has any event occurred which, with the giving of notice or lapse of time, or both, would constitute such breach or default) under any of the Material Leases to which each such entity is a party. Except as would not reasonably be expected to have individually or in the aggregate, a Company Material Adverse Effect, no Group Company has received written notice of any condemnation proceeding or proposed action or agreement for taking in lieu of condemnation, nor to the Company's knowledge, is any such proceeding, action or agreement pending or threatened, with respect to any portion of any Leased Real Property. The Company has made available to Buyer copies of all Material Leases in effect as of the date of this Agreement, together with all material amendments and supplements thereto in effect as of the date of this Agreement.

Section 3.18 Transactions with Affiliates. Section 3.18 of the Company Disclosure Schedules sets forth all arrangements (other than ordinary course employment and benefit arrangements) between any Group Company, on the one hand, and any director, officer, or Affiliate of Seller, the Company or Apax or any other Person in which any director, officer, stockholder or Affiliate of Seller, the Company or Apax has a financial interest, on the other hand (each an "Affiliate Transaction"). Except as set forth in Section 3.18 of the Company Disclosure Schedules, as of the Closing Date, none of the Group Companies will have any liabilities (contingent or otherwise) for any terminated Affiliate Transactions. To the Company's knowledge, none of the Group Companies or Apax and their respective Affiliates, directors, officers or employees possesses, directly or indire ctly, any material financial interest in, or is a director, officer or employee of, any Person (other than any Group Company) which is a material client, supplier, customer, lessor, lessee or competitor of any Group Company.

Section 3.19 No Undisclosed Liabilities. No Group Company has any liabilities of any kind, whether accrued, contingent, absolute, determined, determinable or otherwise, other than (a) liabilities disclosed or provided for in the Audited Financial Statements or disclosed in the notes thereto, (b) liabilities disclosed or provided for in the Interim Financial Statements, (c) liabilities incurred in the ordinary course of business consistent with past practice since March 31, 2009 and not material to any Group Company or (d) liabilities which would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect after giving effect to any benefits associated with any such liabilities.

Section 3.20 KL Group Companies. KL Company and the Company hereby represent and warrant to Buyer (a) the only material assets and liabilities of KL Company are those set forth on Section 6.10(b) of the Company Disclosure Schedules (such assets and liabilities of the KL Company set forth on Section 6.10(b) of the Company Disclosure Schedules and the KL Shares collectively, the "Disposed Business") and (b) the KL Business (the "KL Business") has been and is being conducted only through KL Company and all assets and liabilities relating to the KL Business are those held by or associated with KL Company.

Section 3.21 No Additional Representations. Except for the representations and warranties made by the Company in this ARTICLE 3, pursuant to any certificate to be delivered pursuant to ARTICLE 7 or in any Ancillary Agreement, neither the Company nor any other

Person makes any express or implied representation or warranty with respect to the Group Companies or their respective businesses, operations, assets, liabilities, conditions (financial or otherwise) or prospects, and the Company hereby disclaims any such other representations or warranties. In particular, without limiting the foregoing disclaimer, neither the Company nor any other Person makes or has made any representation or warranty to Buyer, or any of its Affiliates or representatives with respect to any financial projection, forecast, estimate, budget or prospect information relating to any of the Group Companies or their respective businesses, except for the representations and warranties made by the Company in this ARTICLE 3, pursuant to any certificate to be delivered pursuant to ARTICLE 7 or in any Ancillary Agreement, any oral or written information presented to Buyer or any of its Affiliate s or representatives in the course of their due diligence investigation of the Company, the negotiation of this Agreement or in the course of the transactions contemplated hereby.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth in the disclosure schedules delivered to Buyer at or prior to the execution of this Agreement (the "Seller Disclosure Schedules"), each Seller (and, where applicable, BVI Seller, KL Company or the Foundation), severally with respect to itself, and not jointly represents and warrants to Buyer as follows in this ARTICLE 4. The Seller Disclosure Schedules are arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this ARTICLE 4, and the disclosure in any paragraph of the Seller Disclosure Schedules shall qualify the corresponding paragraph in this ARTICLE 4 and such other paragraphs if it is reasonably apparent that such disclosure is applicable to such other paragraphs.

Section 4.1 Organization and Qualification.

(a) Lux Seller is a Luxembourg limited liability company, and the Foundation is a foundation under Dutch law (*stichting*), in each case duly organized, validly existing and in good standing (or the equivalent thereof) under the Laws of their jurisdictions in all material respects.

(b) Lux Seller is duly qualified or licensed to transact business and is in good standing (or the equivalent thereof) in each jurisdiction in all material respects where the actions required to be performed by it hereunder make such qualification or licensing necessary. The Foundation is not authorized to transact any business except as permitted by its governing documents.

(c) Sellers have made available to Buyer accurate and complete copies of Sellers' Governing Documents, as in full force and effect as of the date of this Agreement. No Seller is in violation of the provisions of its Governing Documents.

Section 4.2 Title to the Shares.

(a) Sellers are the sole owners of all of the Shares, and each Seller has good and marketable title to the relevant Shares, free and clear of any and all Liens. No Seller is a party to any option, warrant, purchase right or other contract or commitment (other than this Agreement) obligating it to sell, transfer, pledge or otherwise dispose of any capital stock of the

Company. No Seller is a party to any voting trust, proxy or other agreement or understanding with respect to the voting of any share capital of the Company. Shares constitute the whole of the issued and outstanding share capital of the Company. Shares have been validly issued and fully paid and are free and clear of Liens. Sellers are the sole legal and beneficial owner of the Shares. The Sellers are entitled to sell and transfer title to the Shares to the BV Buyer.

(b) BVI Seller owns of record and beneficially all of the USco Shares (which shares constitute all of the outstanding capital stock of USco), and BVI Seller has good and marketable title to the USco Shares, free and clear of any and all Liens. BVI Seller is not party to any option, warrant, purchase right or other contract or commitment (other than this Agreement) obligating BVI Seller to sell, transfer, pledge or otherwise dispose of any capital stock of USco. BVI Seller is not a party to any voting trust, proxy or other agreement or understanding with respect to the voting of any share capital of USco.

Section 4.3 Authority.

(a) Lux Seller has all requisite power and authority to execute and deliver this Agreement and the Ancillary Agreements and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby, all of which have been duly authorized by all necessary action on the part of such Seller and no other proceeding (including, without limitation, by its equity or interest holders) on the part of such Seller is necessary to authorize this Agreement and the Ancillary Agreements or to consummate the transactions contemplated hereby and thereby. Lux Seller has duly executed and delivered this Agreement and at or prior to the Closing will have duly executed and delivered the Ancillary Agreements. This Agreement constitutes and, upon due execution and delivery, each of the Ancillary Agreements will constitute, a valid, legal and binding agreement of Lux Seller (assuming that this Agreeme nt and the Ancillary Agreements have each been duly and validly authorized, executed and delivered by the other parties thereto), enforceable against Lux Seller in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other Laws affecting the enforcement of creditors' rights generally.

(b) BVI Seller has all requisite power and authority to execute and deliver this Agreement and the Ancillary Agreements and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby, all of which have been duly authorized by all necessary action on the part of BVI Seller and no other proceeding (including, without limitation, by its equity or interest holders) on the part of BVI Seller is necessary to authorize this Agreement and the Ancillary Agreements or to consummate the transactions contemplated hereby and thereby. BVI Seller has duly executed and delivered this Agreement and at or prior to the Closing will have duly executed and delivered the Ancillary Agreements. This Agreement constitutes and, upon due execution and delivery, each of the Ancillary Agreements will constitute, a valid, legal and binding agreement of BVI Seller (assuming that this Agreement and the Ancillary Agreements have each been duly and validly authorized, executed and delivered by the other parties thereto), enforceable against BVI Seller in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other Laws affecting the enforcement of creditors' rights generally.

(c) KL Company has all requisite power and authority to execute and deliver this Agreement and the Ancillary Agreements and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby, all of which have been duly authorized by all necessary action on the part of KL Company and no other proceeding (including, without limitation, by its equity or interest holders) on the part of KL Company is necessary to authorize this Agreement and the Ancillary Agreements or to consummate the transactions contemplated hereby and thereby. KL Company has duly executed and delivered this Agreement and at or prior to the Closing will have duly executed and delivered the Ancillary Agreements. This Agreement constitutes and, upon due execution and delivery, each of the Ancillary Agreements will constitute, a valid, legal and binding agreement of KL Company (assuming that this Agreement and the Ancillary Agreements have each been duly and validly authorized, executed and delivered by the other parties thereto), enforceable against KL Company in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other Laws affecting the enforcement of creditors' rights generally.

(d) The Foundation has all requisite power and authority to execute and deliver this Agreement and the Ancillary Agreements and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby, all of which have been duly authorized by all necessary action on the part of the Foundation and no other proceeding (including, without limitation, by its equity or interest holders) on the part of the Foundation is necessary to authorize this Agreement and the Ancillary Agreements or to consummate the transactions contemplated hereby and thereby. the Foundation has duly executed and delivered this Agreement and at or prior to the Closing will have duly executed and delivered the Ancillary Agreements. This Agreement constitutes and, upon due execution and delivery, each of the Ancillary Agreements will constitute, a valid, legal and binding agreement of the Foundation (assuming that this Agreement and the Ancillary Agreements have each been duly and validly authorized, executed and delivered by the other parties thereto), enforceable against the Foundation in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other Laws affecting the enforcement of creditors' rights generally.

Section 4.4 Consents and Approvals; No Violations. No notice to, filing with, or authorization, consent or approval of any Governmental Entity is necessary for the execution, delivery or performance of this Agreement or the Ancillary Agreements by Sellers or the consummation by Sellers of the transactions contemplated hereby and thereby, except for (a) compliance with and filings under the HSR Act, (b) those set forth on Section 4.4 of the Seller Disclosure Schedules and (c) those the failure of which to obtain or make, individually or in the aggregate, would not reasonably be expected to prevent or materially delay Sellers from performing Sellers' obligations under this Agreement or taking any action necessary to consummate the transactions contemplated by this Agreement. Neither the execution, delivery and performance of this Agreement by Sellers nor the consummation by Seller s of the transactions contemplated hereby will (i) conflict with or result in any breach of any provision of Sellers' Governing Documents, (ii) result in a violation or breach of, cause acceleration, allow a party to modify or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation, acceleration, or modification, or right of first refusal, right of first offer or similar right) or any increased cost or loss of benefit to Sellers' or

increased benefit to another party thereto under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, license, contract, agreement or other instrument or obligation to which Sellers' are parties or by which any of its properties or assets may be bound, (iii) violate any Law of any Governmental Entity applicable to Sellers or the Shares or (iv) result in the creation of any Lien upon the Shares, which in the case of any of clauses (ii) through (iv) above, individually or in the aggregate, would reasonably be expected to prevent or materially delay Sellers from performing Sellers' obligations under this Agreement or taking any action necessary to consummate the transactions contemplated by this Agreement.

Section 4.5 Litigation. There is no Action pending or, to such Seller's knowledge, threatened or under investigation against such Seller, or as to which such Seller has received any written notice or assertion before any Governmental Entity, or for which Seller is obligated to indemnify a third party, which, individually or in the aggregate, would reasonably be expected to prevent or materially delay such Seller from performing its obligations under this Agreement or taking any action necessary to consummate the transactions contemplated by this Agreement.

Section 4.6 Brokers. No broker, finder financial advisor or investment banker is entitled to any broker's, finder's, financial advisor's, investment banker's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by and/or on behalf of Seller or any of its Affiliates for which Lux Seller or any of its Affiliates may be liable.

Section 4.7 Investment Decision. Sellers or Sellers' authorized representative have received, have had ample opportunity to review and have reviewed, a copy of this Agreement and such other documents and information as Sellers have deemed appropriate to make its own analysis and decision to enter into this Agreement and to acquire the Stock Component. Each Seller has such knowledge and experience in business and financial matters to enable such Seller to understand and evaluate this Agreement and form of investment decision with respect thereto. Each Seller will be receiving the Stock Component for investment and not with a view toward or for the sale in connection with any distribution thereof, or with any present intention of distributing or selling the Stock Component, except to Management Employees as Affiliates of such Seller as permitted under the Stockholders Agreement. Sellers acknowledge that the Stock Component has not been registered under the Securities Act or any foreign or state securities Laws, and agrees that the Buyer Common Stock may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of without registration under the Securities Act, except pursuant to an exemption from such registration available under the Securities Act, and without compliance with foreign securities Laws, in each case, to the extent applicable.

Section 4.8 No Additional Representations. Except for the representations and warranties made by Sellers in this ARTICLE 4, pursuant to any certificate to be delivered pursuant to ARTICLE 7 or in an Ancillary Agreement, neither Sellers nor any other Person makes any express or implied representation or warranty with respect to Sellers, and Sellers hereby disclaims any such other representations or warranties. In particular, without limiting the foregoing disclaimer, neither Sellers nor any other Person makes or has made any representation or warranty to Buyer, or any of its Affiliates or representatives, except for the representations and warranties made by Sellers in this ARTICLE 4, pursuant to any certificate to be delivered pursuant to ARTICLE 7 or in an Ancillary Agreement, any oral or written information presented

to Buyer or any of its Affiliates or representatives in the course of their due diligence investigation of the Company, the negotiation of this Agreement or in the course of the transactions contemplated hereby.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF BUYER

Except as set forth in the Buyer SEC Documents (excluding any disclosures set forth in any risk factor section thereof or in any section relating to forward-looking statements) and in the disclosure schedules delivered to Sellers and the Company at or prior to the execution of this Agreement (the "Buyer Disclosure Schedules"), Buyer represents and warrants to Sellers and the Company as follows in this ARTICLE 5. The Buyer Disclosure Schedules are arranged in paragraphs corresponding to the lettered and numbered paragraphs contained in this ARTICLE 5, and the disclosure in any paragraph of the Buyer Disclosure Schedules shall qualify the corresponding paragraph in this ARTICLE 5 and such other paragraphs if it is reasonably apparent that such disclosure is applicable to such other paragraphs.

Section 5.1 Organization and Qualification.

(a) Buyer and each of its Subsidiaries (collectively, the "Buyer Subsidiaries", and each, a "Buyer Subsidiary") are duly organized, validly existing and in good standing (or the equivalent thereof) under the Laws of their respective jurisdiction of organization in all material respects. Buyer and the Buyer Subsidiaries have the requisite power and authority and all licenses, permits and authorizations necessary to own, lease and operate its properties and to carry on their businesses as presently conducted, except as would not reasonably be expected to have, individually or in the aggregate, a Buyer Material Adverse Effect or prevent or materially delay Buyer from performing its obligations under this Agreement.

(b) Buyer and each Buyer Subsidiary is duly qualified or licensed to transact business and is in good standing (or the equivalent thereof) in each jurisdiction in which the assets or property owned, leased or operated by it, or the nature of the business conducted by it, makes such qualification or licensing necessary, except where the failure to be so qualified or licensed would not reasonably be expected to have, individually or in the aggregate, a Buyer Material Adverse Effect.

(c) Buyer has made available to the Company an accurate and complete copy of its Governing Documents as in full force and effect as of the date of this Agreement. Buyer is not in violation of the provisions of its Governing Documents.

Section 5.2 Capitalization of Buyer and Buyer Subsidiaries.

(a) The authorized capital stock of Buyer consists of 240,000,000 shares of Buyer Common Stock, par value $1 per share, and 150,000 shares of preferred stock, par value $100 per share ("Buyer Preferred Stock," and, together with Buyer Common Stock, "Buyer Shares"). As of March 11, 2010, there were (i) 57,175,152 shares of Buyer Common Stock issued, 51,935,498 shares of Buyer Common Stock outstanding and no shares of Buyer Preferred Stock issued and outstanding; (ii) 3,587,950 options to purchase Buyer Common Stock issued and outstanding; (iii) restricted unit awards in respect of 733,003 shares of Buyer Common Stock and

(iv) performance share awards in respect of a maximum of 89,050 shares of Buyer Common Stock. All outstanding Buyer Shares and shares of capital stock of any material Buyer Subsidiary are duly authorized, validly issued, fully paid and non-assessable, and are not subject to and were not and will not be issued in violation of any preemptive or similar right, purchase option, call or right of first refusal or similar right. The Buyer Common Stock to be issued pursuant to this Agreement shall be, when issued on the Closing Date, duly authorized, validly issued, fully paid and non-assessable, and not subject to or issued in violation of any preemptive or similar right, purchase option, call or right of first refusal or similar right.

(b) Except as set forth in subsection (a) above, as of the date of this Agreement, there are (i) no other shares of capital stock or other equity securities of Buyer authorized, issued, reserved for issuance or outstanding, (ii) no other authorized or issued and outstanding securities of Buyer convertible into or exchangeable for, at any time, equity securities of Buyer, (iii) no contracts, options, warrants, call rights, puts, convertible securities, exchangeable securities, understandings or arrangements, or outstanding obligations, whether written or to Buyer's knowledge, oral, of Buyer to issue, repurchase, redeem, sell, deliver or otherwise acquire or cause to be issued, repurchased, redeemed, sold, delivered or acquired, any capital stock of Buyer or securities convertible into or exchangeable for any equity securities of or similar interest in Buyer or (iv) no voting trusts, proxies or other arrangements among Buyer' s stockholders with respect to the voting or transfers of Buyer Shares. There are no dividends or other distributions with respect to Buyer Shares that have been declared but remain unpaid.

Section 5.3 Authority. Buyer has all requisite power and authority to execute and deliver this Agreement and the Ancillary Agreements and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby, all of which have been duly authorized by all necessary action on the part of Buyer and no other proceeding (including, without limitation, by its equityholders) on the part of Buyer is necessary to authorize this Agreement and the Ancillary Agreements or to consummate the transactions contemplated hereby and thereby. No vote of Buyer's equityholders is required to approve this Agreement or for Buyer to consummate the transactions contemplated hereby. Buyer has duly executed and delivered this Agreement and at or prior to the Closing will have duly executed and delivered the Ancillary Agreements. This Agreement constit utes, and, upon due execution and delivery, each of the Ancillary Agreements will constitute a valid, legal and binding agreement of Buyer (assuming that this Agreement and the Ancillary Agreements have each been duly and validly authorized, executed and delivered by the other parties thereto), enforceable against Buyer in accordance with their respective terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other Laws affecting the enforcement of creditors' rights generally.

Section 5.4 Reports; Financial Statements; Liabilities.

(a) Buyer has filed or furnished all forms, documents and reports required to be filed or furnished prior to the date of this Agreement by it with the U.S. Securities and Exchange Commission (the "SEC"), together with all certifications required pursuant to the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), since February 3, 2008 (the "Buyer SEC Documents"), each of which, in each case as of its date, or, if amended, as finally amended prior to the date of this Agreement, complied in all material respects with the applicable requirements of the

Securities Act and the Exchange Act, as the case may be, and the applicable rules and regulations promulgated thereunder, and none of the Buyer SEC Documents as of the day of the filing contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. None of Buyer's Subsidiaries is required to file with, or furnish to, the SEC any form, document or report. As of the date of this Agreement, there are no material unresolved comments issued by the staff of the SEC with respect to any of the Buyer SEC Documents.

(b) The consolidated financial statements of Buyer and related notes included in the Buyer SEC Documents (if amended, as of the date of the last such amendment filed prior the date of this Agreement) (i) have been prepared from and are in accordance with the books and records of Buyer, (ii) have been prepared in accordance with GAAP (or with respect to unaudited interim financial statements, follow GAAP principles and have been prepared by management in a manner consistent with prior interim principles), the published rules and regulations of the SEC with respect thereto and other legal and accounting requirements applicable to Buyer, except as may be indicated in the notes thereto and except, in the case of unaudited interim financial statements, for the absence of footnotes and subject to normal year-end adjustments not expected to be material in amount and (ii) fairly present in all material respects the consolidated financial pos ition of Buyer and its consolidated Subsidiaries as of the dates thereof and their consolidated results of operations and cash flows for the periods then ended (subject, in the case of unaudited interim financial statements, to the absence of footnotes and to normal year-end adjustments not expected to be material in amount and to any other adjustments described therein, including in the notes thereto) in conformity with GAAP (except in the case of unaudited statements, as permitted by the SEC) applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto).

(c) As of the date of this Agreement, there are no material liabilities or obligations of Buyer or any of its Subsidiaries of any nature, whether or not accrued, contingent or otherwise, that would be required by GAAP to be reflected on a consolidated balance sheet of Buyer, other than those that (i) are reflected or reserved against on the Buyer consolidated financial statements (including all related notes and schedules) of Buyer included in the Buyer SEC Documents; (ii) have been incurred in the ordinary course of business of Buyer and its Subsidiaries; (iii) are contemplated by this Agreement or incurred in connection with the execution of this Agreement or the consummation of the transactions contemplated hereby; (iv) would not be reasonably expected to have individually or in the aggregate, a Buyer Material Adverse Effect or (v) have been discharged or paid off.

(d) Buyer is in compliance in all material respects with (i) the applicable provisions of the Sarbanes-Oxley Act and (ii) the applicable listing and corporate governance rules and regulations of the NYSE.

Section 5.5 Consents and Approvals; No Violations. No notice to, filing with, or authorization, consent or approval of any Governmental Entity is necessary for the execution, delivery or performance of this Agreement or the Ancillary Agreements by Buyer or the consummation by Buyer of the transactions contemplated hereby and thereby, except for (a) compliance with and filings under the HSR Act, (b) those set forth on Section 5.5 of the Buyer

Disclosure Schedules and (c) those the failure of which to obtain or make, individually or in the aggregate, would not reasonably be expected to have a Buyer Material Adverse Effect. Neither the execution, delivery and performance of this Agreement by Buyer nor the consummation by Buyer of the transactions contemplated hereby will (i) conflict with or result in any breach of any provision of Buyer or Buyer Subsidiaries' Governing Documents, (ii) result in a violation or breach of, cause acceleration, allow a party to modify or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation, acceleration or modification, or right of first refusal, right of first offer or similar right) or any increased cost or loss of benefit to Buyer or any Buyer Subsidiary or increased benefit to another party thereto under any of the terms, conditions or provi sions of any note, bond, mortgage, indenture, lease, license, contract, agreement or other instrument or obligation to which Buyer or any Buyer Subsidiary is a party or by which any of its properties or assets may be bound, (iii) violate any Law of any Governmental Entity applicable to Buyer or any Buyer Subsidiary or any of their respective properties or assets or (iv) result in the creation of any Lien upon any of the assets of Buyer or any Buyer Subsidiary, which in the case of any of clauses (ii) through (iv) above, individually or in the aggregate, would reasonably be expected to have a Buyer Material Adverse Effect or prevent or materially delay Buyer from performing its obligations under this Agreement or taking any action necessary to consummate the transactions contemplated by this Agreement.

Section 5.6 **Litigation.** There is no Action pending, or, to Buyer's knowledge, threatened or under investigation against Buyer or any Buyer Subsidiary, or as to which Buyer or any Buyer Subsidiary has received any written notice or assertion before any Governmental Entity, or for which Buyer or any Buyer Subsidiary is obligated to indemnify a third party except those which, individually or in the aggregate, would not reasonably be expected to have a Buyer Material Adverse Effect. No Buyer or Buyer Subsidiary is subject to any outstanding and unsatisfied order, writ, judgment, injunction, settlement or decree, except those which, individually or in the aggregate, would not reasonably be expected to have a Buyer Material Adverse Effect or prevent or materially delay Buyer from performing its obligations under this Agreement or taking any action necessary to consummate the transactions c ontemplated by this Agreement.

Section 5.7 **Compliance with Applicable Law**. Since February 3, 2008, except as would not reasonably be expected to have, individually or in the aggregate, a Buyer Material Adverse Effect, (a) Buyer and each Buyer Subsidiary hold all permits, licenses, approvals, certificates and other authorizations of and from all, and have made all notifications, registrations, certifications, declarations and filings with, Governmental Entities necessary or advisable for the lawful conduct of their respective businesses as presently conducted, and the ownership or lease of their properties and assets, (b) all such permits, licenses, approvals, certificates and other authorizations are in full force and effect, (c) the businesses of Buyer and each Buyer Subsidiary have been and are now being operated in compliance with all applicable Laws of all Governmental Entities and (d) there is no action, suit or p roceeding pending or, to Buyer's knowledge, threatened in writing by any Governmental Entity that claims any material violation by Buyer or any Buyer Subsidiary of applicable Law.

Section 5.8 Tax.

(a) Except as would not have and would not reasonably be expected to have, individually or in the aggregate, a Buyer Material Adverse Effect, (i) Buyer and each of the Buyer Subsidiaries have timely filed, or have caused to be timely filed, all Tax Returns required to be filed by Buyer and each of the Buyer Subsidiaries, (ii) all such Tax Returns are true, complete and accurate in all respects and (iii) all Taxes shown to be due on such Tax Returns, or otherwise owed, have been or will be timely paid in full.

(b) Except as would not have and would not reasonably be expected to have, individually or in the aggregate, a Buyer Material Adverse Effect, (i) no Tax authority has asserted, or threatened in writing to assert, any Tax liability in connection with an audit or other administrative or court proceeding involving Taxes of Buyer or any Buyer Subsidiaries, (ii) neither Buyer nor any Buyer Subsidiary has distributed stock of another corporation or has had its stock distributed in a transaction that was purported or intended to be governed, in whole or in part, by Section 355 or Section 361 of the Code within the preceding five (5) years, (iii) neither Buyer nor any Buyer Subsidiary has participated, or is currently participating, in a "listed transaction" as defined in Treasury Regulations Section 1.6011-4(b), and (iv) neither Buyer nor any of Buyer Subsidiary is a party to any agreement o r arrangement relating to the apportionment, sharing, assignment or allocation of Taxes (other than an agreement or arrangement solely among the members of a group the common parent of which is Buyer or any Buyer Subsidiary), or has any liability for Taxes of any Person (other than Buyer or any Buyer Subsidiary) under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or foreign Law), as a transferee or successor or by contract.

Section 5.9 Intellectual Property. Except as would not reasonably be expected to, individually or in the aggregate, have a Buyer Material Adverse Effect: (a) Buyer and its Subsidiaries own or have the right to use the Intellectual Property Rights used in or necessary for the conduct of their businesses, free and clear of any Lien other than Permitted Liens, (b) to the knowledge of Buyer, the current registrations and applications for Intellectual Property Rights owned by Buyer and its Subsidiaries are subsisting valid and enforceable, (c) to the knowledge of Buyer, the conduct of Buyer's business does not infringe or violate the Intellectual Property Rights of any Person, and there is no written action, complaint, suit, proceeding or investigation pending or, to Buyer's knowledge, threatened against Buyer or any of its Subsidiaries alleging any such infringement or violation and (d) t o the Buyer's knowledge, the Intellectual Property Rights owned by Buyer are not being infringed or violated by any Person.

Section 5.10 Absence of Certain Developments. Since the date of the most recent consolidated audited financial statements of Buyer included in the Buyer SEC Documents, there have not been any events, changes or developments which have had, or would reasonably be expected to have, individually or in the aggregate, a Buyer Material Adverse Effect.

Section 5.11 Solvency. Buyer is not, and, assuming the accuracy of (a) the representations of the Company and Seller in this Agreement and (b) the financial projections provided by Seller to Buyer, after giving effect to the transactions contemplated hereby, to the knowledge of Buyer will not: (i) be insolvent (either because its financial condition is such that the sum of its debts is greater than the fair market value of its assets or because the fair saleable

value of its assets is less than the amount required to pay its probable liability on its existing debts as they mature); (ii) have unreasonably small capital with which to engage in its business; or (iii) have incurred debts beyond its ability to pay them as they become due.

Section 5.12 DGCL Section 203. The Board of Directors has taken all action necessary to exempt from the provisions of Section 203 of the Delaware General Corporation Law, this Agreement and any acquisition by Seller or its Affiliates of the Stock Component pursuant to this Agreement. To Buyer's knowledge, no other Takeover Laws are applicable to this Agreement or the transactions contemplated hereby.

Section 5.13 Financing. Buyer and the Company have engaged in discussions with a number of financial institutions regarding the provision of debt financing in an amount sufficient to consummate the transactions contemplated by this Agreement. Buyer has delivered to Sellers a true and complete copy of any commitment letters relating to such financing entered into by Buyer on or prior to the date hereof.

Section 5.14 Investment Decision. Buyer or Buyer's authorized representative have received, have had ample opportunity to review and have reviewed, a copy of this Agreement and such other documents and information as Buyer has deemed appropriate to make Buyer' own analysis and decision to enter into this Agreement and to acquire the Shares. Except to the extent Buyer has otherwise advised Seller in writing, to the knowledge of Buyer, none of the representations and warranties contained in ARTICLE 3 or ARTICLE 4 are untrue or incorrect in any material respect. Buyer has such knowledge and experience in business and financial matters to enable Buyer to understand and evaluate this Agreement and form of investment decision with respect thereto. Buyer acknowledges that the Shares have not been registered under the Securities Act or any foreign or state securities Laws, and agree that the Shares may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of without registration under the Securities Act, except pursuant to an exemption from such registration available under the Securities Act, and without compliance with foreign securities Laws, in each case, to the extent applicable.

Section 5.15 No Additional Representations. Except for the representations and warranties made by Buyer in this ARTICLE 5, pursuant to any certificate to be delivered pursuant to ARTICLE 7 or in an Ancillary Agreement, none of Buyer, or any other Person makes any express or implied representation or warranty with respect to Buyer or its Subsidiaries or their respective businesses, operations, assets, liabilities, conditions (financial or otherwise) or prospects, and Buyer hereby disclaims any such other representations or warranties. In particular, without limiting the foregoing disclaimer, none of Buyer or any other Person makes or has made any representation or warranty to the Company or any of its Affiliates or representatives with respect to any financial projection, forecast, estimate, budget or prospect information relating to Buyer, any of its Sub sidiaries or their respective businesses, except for the representations and warranties made by Buyer in this ARTICLE 5, pursuant to any certificate to be delivered pursuant to ARTICLE 7 or in an Ancillary Agreement, any oral or written information presented to the Company or any of its Affiliates or representatives in the course of their due diligence investigation of Buyer, the negotiation of this Agreement or in the course of the transactions contemplated hereby.

ARTICLE 6
COVENANTS

Section 6.1 **Conduct of Business of the Company** . Except as may be required by Law, may be consented in writing by Buyer (which consent shall not be unreasonably withheld or delayed), and may be expressed by this Agreement (including, for the avoidance of doubt, any action set forth in Section 6.10, Section 6.1 of the Company Disclosure Schedules, or Exhibit C), from and after the date hereof until the earlier of the Closing Date or the termination of this Agreement in accordance with its terms, the Company shall, and shall cause each other Group Company to, and Lux Seller shall cause each of the Group Companies to, (a) conduct its business in all material respects in the ordinary course consistent with past practice and (b) use commercially reasonable efforts to (i) preserve substantially intact its business organization and to preserve the prese nt commercial relationships of the Group Companies with significant customers, suppliers and other third parties with whom the Group Companies have significant business relations and (ii) retain the services of the Group Companies' key employees. Without limiting the generality of the foregoing, except as may be required by Law or any Governmental Entity, may be consented in writing by Buyer (which consent shall not be unreasonably withheld or delayed), or expressed by this Agreement (including, for the avoidance of doubt, any action set forth in Section 6.10, Section 6.1 of the Company Disclosure Schedules or Exhibit C), from the date hereof until the earlier of the Closing Date and the Termination Date, the Company shall not and shall cause each other Group Company not to, and Lux Seller shall cause the Group Companies not to, do any of the following:

(a) issue, sell or pledge, dispose of, encumber, deliver or authorize or propose the issuance, sale or pledge, disposition, encumbrance or delivery of (i) any shares of capital stock or voting securities of any class of any of the Group Companies (including the Shares and the USco Shares), or securities convertible into or exchangeable for any such shares, or any rights, warrants or options to acquire any such shares or other convertible securities of any of the Group Companies or (ii) any other securities in respect of, in lieu of, or in substitution for shares of capital stock of any of the Group Companies (including the Shares and the USco Shares) outstanding on the date hereof;

(b) (i) make any payments in cash or in kind, or advance or loan any funds to Sellers or any of their Affiliates, otherwise declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of its capital stock or equity interests, except for dividends or other distributions by any Subsidiary of the Company to the Company or any other Subsidiary of the Company, or (ii) adjust, split, combine, or reclassify any of its capital stock or other voting securities or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock or other securities;

(c) redeem, purchase or otherwise acquire any outstanding shares of the capital stock of the Company or any of the Group Companies which are not wholly-owned, directly or indirectly, by the Company;

(d) (i) sell, lease, license, transfer or otherwise dispose of (by merger, consolidation or sale of stock or assets or otherwise) any material corporation, partnership or other

business organization or division or any of its material property or material assets or (ii) create any Lien (other than a Permitted Lien) on any material property or assets, other than sales, leases, licenses, transfers and dispositions in the ordinary course of business, as may be required by applicable Law or any Governmental Authority in order to permit or facilitate the consummation of the transactions contemplated hereby;

(e) adopt any amendment to the Governing Documents of any of the Material Group Companies;

(f) incur any Indebtedness not repayable in connection with the Closing (other than letters of credit to secure supplies of goods in the ordinary course consistent with past practice and letters of credit in Europe in an individual amount not in excess of €100,000 for security on leases and property related transactions, in each case entered into in the ordinary course of business);

(g) except to the extent required by Law or by Company Material Contracts or the terms of the Company Benefits Plans (each as in existence as of the date hereof), (i) increase the compensation or benefits payable or to become payable to the directors, officers, consultants or employees of any Group Company, other than for increases in annual base salary in the ordinary course of business consistent with past practice (including, for this purpose, the normal salary review process conducted each year), (ii) become a party to, establish, adopt, enter into or amend any Company Benefit Plan, any arrangement that would be a Company Benefit Plan if it were in effect on the date hereof or any collective bargaining, (iii) accelerate the vesting or payment or cause to be funded or otherwise secure the payment of any compensation and/or benefits, (iv) grant any cash or equity based bonus or incentive awards, (v) hire any officers or manag ers at any Group Company except to the extent such hires are reasonably necessary to replace officers or managers in key positions who are no longer employed after the date hereof, (vi) terminate the employment of any officers of any Group Company or any Management Employee or (vii) materially change any actuarial or other assumptions used to calculate funding obligations with respect to any Company Benefit Plan or materially change the manner in which contributions to such plans are made or the basis on which such contributions are determined, except as may be required by the Accounting Principles;

(h) make any loans, advances or capital contributions, other than loans or advances in the ordinary course of business consistent with past practice (including advances for travel and other normal business expenses to directors, officers and employees, but excluding loans or other advances to officers and directors);

(i) directly or indirectly engage in any Affiliate Transaction (other than (i) between Group Companies or (ii) with respect to employment relationships and compensation, benefits, travel advances and employee loans in the ordinary course of business);

(j) merge or consolidate with or into any other Person, dissolve or liquidate or acquire any businesses or assets (other than acquisitions of inventory in the ordinary course consistent with past practice);

(k) make any change in any method of accounting other than those required by changes in Accounting Principles as contemplated by this Agreement;

(l) enter into a written contract that would be a Company Material Contract if entered into prior to the date hereof; provided that such restriction shall not apply with respect to contracts of the type described in Sections 3.6(a)(ii), (xi) and (xii) entered into with respect to business of the Company conducted outside of the United States in the ordinary course consistent with past practice, provided, that the Company shall consult with Buyer reasonably in advance of entering into any such contract.

(m) (i) with respect to the business of the Company conducted in the United States, authorize or make any capital expenditures (A) relating to information technology, in excess of $100,000, (B) relating to store maintenance, development or expansion in excess of $500,000, or (C) relating to all other matters, in excess of $250,000 and (ii) with respect to the business of the Company conducted outside of the United States, authorize or make any capital expenditures in excess of the amounts set forth in the Company's fiscal 2011 capital expenditure budget as provided to Buyer;

(n) enter into any settlement or release with respect to any claim relating to the business of any Group Company, other than in the ordinary course of business consistent with past practice, but not, in any individual case, in excess of €250,000;

(o) (i) make, change or revoke any material Tax election, (ii) change any material method of reporting income or deductions for Tax purposes, (iii) settle or compromise any material Tax claim, audit or dispute, (iv) file any material amended Tax Return, (v) extend or waive the period of limitations for the payment or assessment of any material Tax of any Group Company, (vi) obtain any material ruling with respect to Taxes or enter into any material agreement with any taxing authority, or (vii) make or surrender any claim for a material refund of Taxes; or

(p) authorize any, or commit or agree to take any, of the foregoing actions.

Section 6.2 Conduct of Business of Buyer. Except as may be required by Law, may be consented to in writing by Lux Seller (which consent shall not be unreasonably withheld or delayed), and may be expressed by this Agreement, from and after the date hereof until the earlier of the Closing Date or the termination of this Agreement in accordance with its terms, Buyer shall, and shall cause its Subsidiaries to, (i) conduct its business in all material respects in the ordinary course consistent with past practice and (ii) use commercially reasonable efforts to (A) preserve substantially intact its business organization and preserve the present commercial relationships of its Subsidiaries with significant customers, suppliers and other third parties with whom Buyer has significant business relations and (B) retain the services of its key employees. Without limiting the generality of the foregoin g, except as may be required by law, may be consented to in writing by Lux Seller (which consent shall not be unreasonably withheld or delayed), and may be expressed by this Agreement (including any action set forth in Section 6.2 of the Buyer Disclosure Schedules), Buyer shall not, and shall cause each of its Subsidiaries not to do any of the following:

(a) (i) declare, set aside or pay any extraordinary dividend or distribution in respect of Buyer Common Stock, (ii) split, combine or reclassify the Buyer Common Stock or (iii) redeem, purchase or otherwise acquire any outstanding shares of the capital stock of Buyer unless, in each case, Buyer shall also equitably adjust the Stock Component to provide Seller with the same economic effect as though the Stock Component had been issued to Seller on the date immediately preceding such action;

(b) adopt any amendment to the Governing Documents of Buyer that would reasonably be expected to adversely affect the rights of the "Investors" under the Stockholders Agreement after the Closing; or

(c) authorize any, or commit or agree to take any, of the foregoing actions.

Section 6.3 Tax Matters.

(a) Buyer shall be entitled to make an election pursuant to Section 338(g) of the Code and, if applicable, similar elections under any applicable state or local Laws, with respect to the Non-U.S. Group Companies. Nothing in this Section 6.3 or anywhere in this Agreement shall be construed to prohibit Buyer from making any such election with respect to the Non-US Group Companies. Buyer shall not make an election under Section 338 of the Code or, if applicable, any similar election under any applicable state or local laws, with respect to any Group Company that is not a Non-US Group Company. "Non-US Group Company" means any Group Company other than a Group Company created or organized under the laws of the United States, any state thereof or the District of Columbia.

(b) Lux Seller shall cause any Tax sharing agreement or similar arrangement between Lux Seller or any Affiliate of Lux Seller (other than a Group Company), on the one hand, and any Group Company on the other hand, to be terminated with respect to such Group Company on or prior to the Closing Date.

(c) All transfer Taxes, recording fees and other similar Taxes that are imposed on any of the Parties by any Governmental Entity in connection with the transactions contemplated by this Agreement shall be borne by Buyer.

(d) Lux Seller and the Group Companies shall permit Buyer to participate in discussions among Lux Seller and/or any of the Group Companies and any taxing authority regarding the treatment of intangibles owned by Lux Seller or any Group Company or to which Lux Seller or any Group Company has any rights, including, without limitation, as a licensee, and neither Lux Seller nor any Group Company will engage in any such discussions without Buyer's participation, or take any action in connection with such discussions, in each case without Buyer's prior written consent, which shall not be unreasonably withheld.

(e) Prior to the Closing, Lux Seller and the Group Companies shall use their reasonable efforts to cooperate in Buyer's development and implementation of a comprehensive Tax planning strategy for Buyer and the Group Companies for the period following the Closing Date and to obtain any Tax rulings reasonably requested by Buyer; provided that Buyer shall be obligated to pay all out-of pocket fees or expenses (including any incremental Taxes) of Sellers and Sellers' Affiliates in connection with any such cooperation or requests.

(f) Any payment made by one party to another party pursuant to this Agreement shall be treated as a purchase price adjustment, except to the extent prohibited by applicable Law.

Section 6.4 Access to Information. From and after the date hereof until the earlier of the Closing Date or the termination of this Agreement in accordance with its terms, upon reasonable notice, and subject to applicable Law and the restrictions contained in the confidentiality agreements to which the Group Companies are subject, the Company shall use its reasonably best efforts to provide to Buyer and its authorized representatives during normal business hours reasonable access to all employees, representatives and all manufacturing facilities, offices warehouses and other facilities used in the operation of the business of the Group Companies, to all books, records, agreements, documents, information, data and files of the Group Companies and with such additional accounting, financing, operating and other data and information regarding the Group Companies as Buyer may reasonably request (in a manner so as to not interfere with the normal business operations of any Group Company). All of such information shall be treated as confidential information pursuant to the terms of the Confidentiality Agreement, the provisions of which are by this reference hereby incorporated herein.

Section 6.5 Efforts to Consummate.

(a) Subject to the terms and conditions herein provided, each of the Sellers, Buyer and the Company shall use reasonable best efforts to promptly take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable under this Agreement and applicable Laws to consummate and make effective as promptly as practicable after the date hereof the transactions contemplated by this Agreement, including (i) preparing as promptly as practicable all necessary applications, notices, petitions, filings, ruling requests, and other documents and to obtain as promptly as practicable all consents, waivers, licenses, orders, registrations, approvals, permits, rulings, authorizations and clearances necessary or advisable to be obtained from any Governmental Entity in order to consummate the transactions contemplated by this Agreement (collectively, the "Governmental Approvals") and (ii) as pro mptly as practicable taking all steps as may be necessary to obtain all such Governmental Approvals. In furtherance and not in limitation of the foregoing, each party hereto agrees to (A) make an appropriate and complete filing of a Notification and Report Form pursuant to the HSR Act with respect to the transactions contemplated hereby within five (5) Business Days of the date of this Agreement, (B) make all other required filings pursuant to other Regulatory Laws with respect to the transactions contemplated hereby as promptly as practicable, and (C) not extend any waiting period under the HSR Act or enter into any agreement with the FTC or the DOJ or any other Governmental Entity not to consummate the transactions contemplated by this Agreement, except with the prior written consent of the other party hereto (which shall not be unreasonably withheld, conditioned or delayed). Each Party shall supply as promptly as practicable any additional information or documentation that may be requested pur suant to the HSR Act or any other Regulatory Law and use its reasonable best efforts to take all other actions necessary, proper or advisable to cause the expiration or termination of the applicable waiting periods under the HSR Act and any other Regulatory Law as soon as possible. Notwithstanding anything to the contrary contained herein, nothing in this Agreement shall require the Buyer to arrange or obtain Financing that is not Acceptable Financing.

(b) Each of Buyer, on the one hand, and Sellers and the Company, on the other hand, shall, in connection with the actions referenced in Section 6.5(a) to obtain all Governmental Approvals for the transactions contemplated by this Agreement under the HSR Act or any other Regulatory Law, (i) cooperate in all respects with each other in connection with any communication, filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by a private party; (ii) keep the other party and/or its counsel informed of any communication received by such party from, or given by such party to, the FTC, the DOJ or any other U.S. or other Governmental Entity and of any communication received or given in connection with any proceeding by a private party, in each case regarding any of the transactions contemplated hereby; (iii) consult with each other in advance of any meeting or conference with the FTC, the DOJ or any other Governmental Entity or, in connection with any proceeding by a private party, with any other person, and to the extent permitted by the FTC, the DOJ or such other Governmental Entity or other person, give the other party and/or its counsel the opportunity to attend and participate in such meetings and conferences; and (iv) permit the other party and/or its counsel to review in advance any submission, filing or communication (and documents submitted therewith) intended to be given by it to the FTC, the DOJ or any other Governmental Entity; provided, that materials may be redacted to remove references concerning the valuation of the businesses of the Company and its Subsidiaries. Buyer, Sellers and the Company may, as each deems advisable and necessary, reasonably designate any competitively sensitive material to be provided to the other under this Section 6.5(b) as "Antitrust Counsel Only Material." Such materials and the information co ntained therein shall be given only to the outside antitrust counsel of the recipient and will not be disclosed by such outside counsel to employees, officers or directors of the recipient unless express permission is obtained in advance from the source of the materials (Buyer, Sellers, or the Company, as the case may be) or its legal counsel.

(c) In furtherance and not in limitation of the covenants of the parties contained in Sections 6.5(a) and 6.5(b), each of Buyer, Sellers and the Company shall use its reasonable best efforts to (i) avoid the entry of, or to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order, whether temporary, preliminary or permanent, that would restrain, prevent or delay the Closing on or before the Termination Date, including defending through litigation on the merits any claim asserted in any court with respect to the transactions contemplated by this Agreement by the FTC, the DOJ or any other applicable Governmental Entity or any private party; and (ii) avoid or eliminate each and every impediment under any Regulatory Law so as to enable the Closing to occur as soon as possible (and in any event no later than the Termination Date), including (x) proposing, negotiating, committing to and eff ecting, by consent decree, hold separate order, or otherwise, the sale, divestiture or disposition of such businesses, product lines or assets of Buyer, the Company and their respective Subsidiaries, (y) otherwise taking or committing to take actions that after the Closing would limit Buyer's and/or its Subsidiaries' freedom of action with respect to, or its or their ability to operate and/or retain, one or more of the businesses, product lines or assets of Buyer, the Company and/or their respective Subsidiaries, and (z) agreeing to divest, sell, dispose of, hold separate, or otherwise take or commit to take any action that limits its freedom of action with respect to, or Buyer's or Buyer's Subsidiaries' ability to operate or retain, any of the businesses, product lines or assets of Buyer, the Company or any of their respective Subsidiaries; provided, however, that any action contemplated by clauses (x), (y) and (z) is conditioned upon the consummation of the transactions contemplate d by this Agreement and that nothing contained in this Agreement shall require Buyer to take any actions specified in this Section 6.5(c) that would reasonably be expected to have a

Buyer Material Adverse Effect on a pro forma basis assuming the consummation of the transactions contemplated hereby.

(d) Without limiting any other obligation under this Agreement, during the period from the date of this Agreement until the Closing Date, each of Buyer and each Seller shall not, and shall cause its Subsidiaries and controlled Affiliates to not, take or agree to take any action that would reasonably be expected to prevent the parties from obtaining any Governmental Approval in connection with the transactions contemplated by this Agreement, or to prevent or materially delay or impede the consummation of the transactions contemplated herein including obtaining Acceptable Financing.

(e) Sellers and the Company shall give prompt written notice to Buyer, and Buyer shall give prompt written notice to Sellers and the Company, of (i) the occurrence, or failure to occur, of any event which occurrence or failure to occur has resulted in or would reasonably be expected to result in the failure to satisfy or be able to satisfy any of the conditions specified in ARTICLE 7 and such written notice shall specify the condition which has failed or will fail to be satisfied, (ii) any written notice from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement and (iii) any written notice from any Governmental Entity in connection with the transactions contemplated by this Agreement; provided, that the delivery of any notice pursuant to this Section 6.5(e) shall not limit or otherwise affect the remedies available here under to Buyer or Sellers and the Company.

Section 6.6 Public Announcements. Buyer, on the one hand, and the Company and Sellers, on the other hand, shall consult with one another and obtain one another's approval (such approval not to be unreasonably withheld or delayed) before issuing or permitting any agent or Affiliate to issue any press release, or otherwise making or permitting any agent or Affiliate to make any public statements, with respect to the transactions contemplated by this Agreement, and shall not issue any such press release or make any such public statement prior to such consultation and approval; provided that each Party may make any such announcement which it in good faith believes, based on advice of counsel, is necessary or advisable in connection with any requirement of Law, it being understood and agreed that each Party shall provide the other Parties with copies of any such announcement reaso nably in advance of such issuance and in good faith consider such Party's comments thereon.

Section 6.7 Exclusive Dealing. During the period from the date of this Agreement until the earlier of the Closing Date or the termination of this Agreement in accordance with its terms, Sellers will not, and will use reasonable best efforts to cause their respective Subsidiaries and controlled Affiliates, and each of their respective officers, directors, employees, representatives, consultants, financial advisors, attorneys, accountants or other agents not to, (i) solicit, encourage, seek, initiate, facilitate or engage in any discussions or negotiations with or (ii) provide any information to or enter into any agreement with, any Person (other than Buyer and/or its Affiliates) concerning (x) any purchase of all or substantially all of the Shares, any merger or business combination, any sale or all or substantially all of the assets of the Company or any similar transaction, and shall immediate ly cease any discussions or negotiations that are ongoing and promptly request the return or destruction of any documents and information provided to any Person in connection which such discussion. Sellers and the Company, as the

case may be, shall enforce any existing confidentiality agreements relating to the Company or the business of any Group Company and not waive any material rights thereunder.

Section 6.8 Employee Benefit Matters.

(a) Buyer shall provide, or cause its Subsidiaries to provide, the employees of the Group Companies who are employed by the Group Companies as of the Closing Date and who remain employed with Buyer and its Subsidiaries (including the Group Companies) thereafter (the "Group Company Employees") with (i) from and after the Closing Date through (x) the first anniversary of the Closing Date with respect to Group Company Employees based in the United States or Canada (the "North American Group Company Employees") and (y) the second anniversary of the Closing Date with respect to Group Company Employees other than the North American Group Company Employees, the same base salaries and annual bonus opportunities provided to such Group Company Employees as of the date of this Agreement and (ii) from and after the Closing Date through (x) December 31, 2010, with respect to North American Group Company Employees and (y) December 31, 2011 with respect to Group Company Employees other than the North American Group Company Employees, retirement and welfare benefits (including through participation and coverage under Buyer's and its Subsidiaries' (excluding, for these purposes, after the Closing Date, the Group Companies) retirement and welfare benefit plans (the "Buyer Benefit Plans")) that are no less favorable, in the aggregate, than the retirement and welfare benefits provided to Group Company Employees immediately prior to the date of this Agreement; provided, that continued participation and coverage following the Closing Date under the Company Benefit Plans as in effect immediately prior to the Closing Date shall be deemed to satisfy the obligations under clause (ii) of this sentence, it being understood that the Group Company Employees may commence participating in the comparable Buyer Benefit Plans on different dates following the Closing Date with respect to different compara ble Buyer Benefit Plans.

(b) For all purposes (including purposes of vesting, eligibility to participate and level of benefits) under the employee benefit plans of Buyer and its Subsidiaries providing benefits to any Group Company Employees after the Closing Date (including the Company Benefits Plans) (the "New Plans"), each Group Company Employee shall be credited with his or her years of service with the Group Companies and their predecessors before the Closing Date, to the same extent as such Group Company Employee was entitled, before the Closing Date, to credit for such service under any similar Group Company employee benefit plan in which such Group Company Employee participated or was eligible to participate immediately prior to the Closing Date, provided that the foregoing shall not apply (i) with respect to benefit accrual under any defined benefit pension plan, (ii) for purposes of any New Plan under which similarly-s ituated employees of Buyer and its Subsidiaries do not receive credit for prior service, (iii) for purposes of any New Plan that is grandfathered or frozen, either with respect to level of benefits or participation or (iv) to the extent that its application would result in a duplication of benefits with respect to the same period of service. In addition, and without limiting the generality of the foregoing, to the extent legally permissible, (i) each Group Company Employee shall be immediately eligible to participate, without any waiting time, in any and all New Plans to the extent coverage under such New Plan is replacing comparable coverage under a Company Benefit Plan in which such Group Company Employee participated immediately before the Closing Date (such plans, collectively, the "Old Plans"), and (ii) for purposes of each New Plan providing

medical, dental, pharmaceutical, life insurance and/or vision benefits to any Group Company Employee, Buyer shall, or shall cause the Surviving Corporation to, cause all pre-existing condition exclusions and actively-at-work requirements of such New Plan to be waived for such employee and his or her covered dependents, unless such conditions would not have been waived under the comparable Old Plans of the Company or its Subsidiaries in which such employee participated immediately prior to the Closing Date and Buyer shall, or shall cause the Company to, cause any eligible expenses incurred by such employee and his or her covered dependents during the portion of the plan year of the Old Plan ending on the date such employee's participation in the corresponding New Plan begins to be taken into account under such New Plan for purposes of satisfying all deductible, coinsurance, maximum out-of-pocket and lifetime maximum l imitations or requirements applicable to such employee and his or her covered dependents for the applicable plan year as if such amounts had been paid in accordance with such New Plan.

(c) From and after the Closing Date, Buyer shall, or shall cause the Company and its Subsidiaries to, honor all obligations under the Company Benefit Plans in accordance with their terms as in effect immediately before the Closing Date, provided that nothing herein shall prohibit Buyer or the Company from amending, suspending or terminating any particular Company Benefit Plan to the extent permitted by its terms and applicable Law.

(d) With respect to any Group Company Employees based outside of the United States, Buyer's obligations under this Section 6.8 shall be modified to the extent necessary to comply with applicable Laws of the countries and political subdivisions thereof in which such Group Company Employees are based.

(e) Lux Seller shall, or shall cause the applicable Group Company to, take all Facilitating Actions that are required to be taken after the date hereof, whether by Law or otherwise, as soon as reasonably practicable following the date hereof (and in any event prior to the Closing Date).

(f) In order to facilitate satisfying the requirements of Section 280G(b)(5)(A)(ii) of the Code, the Company shall, on or prior to the Closing Date, have submitted to a vote of the stockholders of the Company (or other relevant entity) for their determination all payments or benefits for which there is no contractual entitlement or with respect to which any contractual entitlement has been waived that in the absence of such a vote could reasonably be viewed as "parachute payments" (within the meaning of Section 280G of the Code and the regulations thereunder) made to any individuals that are "disqualified individuals" within the meaning of Section 280G of the Code and the regulations thereunder; provided, that such stockholder vote shall be structured in a manner intended to meet the requirements of Section 280G(b)(5)(B) of the Code and the regulations thereunder, and shall be in a form reasonably sa tisfactory to Buyer.

(g) Without limiting the generality of Section 10.7, the provisions of this Section 6.8 are solely for the benefit of the Parties, and no current or former director, officer, employee or any other individual associated therewith shall be regarded for any purpose as a third party beneficiary of this Agreement. Nothing contained in this Agreement shall constitute or be

deemed to be an amendment to any Company Benefit Plan or any other compensation or benefit plan, program or arrangement of the Group Companies for any purpose.

Section 6.9 Termination of Indebtedness; Financing; Financing Cooperation.

(a) Lux Seller shall deliver to Buyer at least three Business Days prior to the Closing Date copies of deeds of release or other documentation (the "Release Documentation"), in a form reasonably acceptable to Buyer (including, if applicable, language providing authorization to Buyer, from and after the Closing Date, to file all Uniform Commercial Code termination statements and any release and similar documents, in each case, as are necessary to effectuate, or reflect of public record, the release and discharge of any guarantees and security interests, liens and other security evidenced by financing statements or other filings, including if applicable all Uniform Commercial Code statements) (subject to completion of local filings and notifications to record any such releases), from the administrative agent or other applicable persons under the Credit Facilities stating that such Credit Facilities are or will be upon delivery of funds arranged by Buyer paid in full, and Seller will use its reasonable best efforts to also have included in any such Release Documentation, if applicable, a statement that all obligations of the Company and its Subsidiaries under such Credit Facility are terminated, and all commitments in respect of each Credit Facility terminated and shall deliver all instruments necessary or desirable for the satisfaction, release and discharge of all security interests, mortgages, liens and other security granted over the Company's and its Subsidiaries' properties and assets securing such obligations (subject to delivery of funds as arranged by Buyer, if necessary and subject to completion of local filings and notifications to record any such actions) immediately upon receipt on the Closing Date by the administrative agents or other applicable persons of the amounts specified in the Release Documentation.

(b) Sellers shall, and shall cause the Company and its Subsidiaries to, deliver all notices and take all other actions required by the terms of the Credit Facilities or reasonably requested by Buyer in order to permit repayment on the Closing Date of all outstanding Indebtedness under the Credit Facilities on the terms thereof.

(c) Buyer shall use its reasonable best efforts to arrange and obtain debt financing as soon as reasonably practicable, taking into account the anticipated timing of the Closing and Buyer's commercial judgment, acting in good faith, (i) resulting in net proceeds in an amount that, when funded, together with available cash resources of Buyer, is at least equal to the Sufficient Amount, (ii) on terms that are substantially consistent with or not substantially less favorable to Buyer, in Buyer's good faith commercial judgment, than the terms set forth in the Buyer Financing Term Sheet (other than proposed interest rates and other items included in Weighted Average Cost of Debt Financing set forth therein) or on such other terms and conditions as are acceptable to Buyer in its sole discretion (it being understood that any provision in Financing that provides for less than $450 million of borrowing availability under the revolvi ng credit facility on the Closing Date and after giving effect to the borrowings to fund the transactions hereunder shall be deemed to be substantially less favorable to Buyer), and (iii) for which, as of the Closing Date, the Weighted Average Cost of Debt Financing of such debt financing is not in excess of the amount set forth on Section 6.9(a) of the Buyer Disclosure Schedules (the "Acceptable Financing" and any of Buyer's financing for the transactions described in this Agreement, the "Financing")); provided that (a) notwithstanding anything to the

contrary contained herein, nothing in this Agreement shall require the Buyer to arrange or obtain Financing that is not Acceptable Financing; and (b) in the event that Buyer accepts Financing with cash proceeds equal to the Sufficient Amount (less other available cash resources of Buyer) which does not otherwise meet the terms of Acceptable Financing, such financing shall be considered Acceptable Financing under this Agreement.

(d) In furtherance of the foregoing covenant, if Acceptable Financing is available to Buyer, Buyer hereby agrees to use its reasonable best efforts to (i) negotiate and enter into definitive agreements with respect to such Acceptable Financing which are otherwise reasonably acceptable to Buyer, and (subject to the provisions of clause (c)(ii) above) to offer customary fees, discounts and other incentives to potential financing sources, (ii) satisfy on a timely basis all conditions applicable to such Acceptable Financing in such definitive agreements, and (iii) if financing is available to Buyer that is Acceptable Financing, Buyer will use reasonable best efforts to consummate the Acceptable Financing at or prior to the Closing. Buyer shall keep the Company and Lux Seller informed periodically and on request by Seller as to its progress regarding obtaining the Acceptable Financing (including promptly providing copies of any agre ements entered into with respect to any Financing) and shall consider in good faith any suggestions or recommendations the Company or Lux Seller may have with respect to the Acceptable Financing, including potential financing sources as well as the structure of the Acceptable Financing.

(e) Prior to the Closing, the Group Companies shall, as promptly as reasonably practicable, use reasonable best efforts to, and shall use reasonable best efforts to cause their respective representatives to, at Buyer's sole expense for any and all reasonable and documented out-of-pocket expenses, provide to Buyer such cooperation reasonably requested by Buyer to the extent necessary, proper or advisable in connection with the Financing, including: (i) participating in a reasonable number of meetings, presentations, road shows, due diligence sessions and sessions with rating agencies; (ii) assisting with the preparation of materials for rating agency presentations, offering documents, private placement memoranda, bank information memoranda, prospectuses and similar documents required in connection with the Financing, including execution and delivery of customary representation letters in connection with bank information memoranda ; provided that any private placement memoranda or prospectuses in relation to securities need not be issued by any Group Company; (iii) furnishing Buyer and its financing sources with the financial statements and other information regarding the Group Companies set forth on Schedule 6.9(e) (such information in this clause (iii), the "Required Information"); (iv) using reasonable best efforts to cooperate with and assist Buyer in obtaining customary accountants' comfort letters including "negative assurance" comfort (provided that the relevant financing institutions shall have provided customary representation or engagement letters, as applicable to Sellers accountants) and consents of accountants for use of their reports in any materials relating to the Financing, legal opinions, appraisals, surveys, title insurance and other customary documentation and items relating to Acceptable Financing as reasonably requested by Buyer; (v) executing and deliver ing, as of the Closing, any pledge and security documents, other definitive financing documents, or other certificates or documents, as may be reasonably requested by Buyer (including a certificate of the chief financial officer of any Group Company with respect to solvency matters) and otherwise reasonably facilitating the pledging of collateral (including cooperation in connection with the pay-off of existing indebtedness and the release of related Liens in accordance with their respective terms); (vii) taking commercially reasonable

actions necessary to (A) permit the prospective lenders involved in the Financing to evaluate the Company's current assets, cash management and accounting systems, policies and procedures relating thereto for the purposes of establishing collateral arrangements as of the Closing and (B) establish, effective as of the Closing, bank and other accounts and blocked account agreements and lock box arrangements in connection with the Financing; (viii) taking all corporate actions, subject to the Closing, reasonably requested by Buyer that are necessary or customary to permit the consummation of the Acceptable Financing and to permit the proceeds thereof, to be made available to the Company and Seller on the Closing Date to consummate the transactions contemplated by this Agreement; it being understood that the Company shall have satisfied its obligations set forth in this Section 6.9(e) if the Company shall have use d its reasonable best efforts to comply with such obligations whether or not any applicable deliverables are actually obtained or provided or any applicable actions are consummated. The Company will notify Buyer of any material error, mistake or omission in the Required Information or the other information provided pursuant to this Section 6.9(e) that it becomes aware of and if requested by Buyer will use its reasonable best efforts to promptly correct such error, mistake or omission. The Company hereby consents to the use of its and its Subsidiaries' logos in connection with the Financing; provided that such logos are used solely in a manner that is not intended to nor is reasonably likely to harm or disparage any Group Company, the reputation or goodwill of any Group Company or any of the Group Companies' assets, including their logos and marks. No Group Company shall be required, under the provisions of this Section 6.9 or otherwise in connecti on with any Financing (x) to pay any commitment or other similar fee prior to the Closing that is not advanced or substantially simultaneously reimbursed by Buyer or (y) to incur any out-of-pocket expense unless such expense is reimbursed by Buyer upon request or on the earlier of the Closing or termination of this Agreement in accordance with ARTICLE 8. Buyer shall indemnify and hold harmless each of the Group Companies from and against any and all losses suffered or incurred by them in connection with (1) any action taken by them at the request of Buyer pursuant to this Section 6.9 or in connection with the arrangement of the Financing or (2) any information utilized in connection therewith (other than information provided by the Group Companies or any Seller). Nothing contained in this Section 6.9 or otherwise shall require the Company to be an issuer or other obligor with respect to the Financing prior to the Closing.

Section 6.10 Pre-Acquisition Reorganization.

(a) The Company shall, and shall cause each of its Subsidiaries, to take such actions prior to the Closing Date (each, a "Pre-Acquisition Reorganization Activity") in the manner Buyer or Sellers may reasonably request, to be effective and completed on or immediately prior to the Closing Date, provided that the Pre-Acquisition Reorganization Activity would not be reasonably likely to impair or delay the consummation of the transactions described herein, or be reasonably likely to result in any adverse financial, tax or other consequence for Sellers or Buyer, respectively. No such Pre-Acquisition Reorganization Activity shall, if taken as requested, be considered to constitute a breach of the representations or warranties or covenants hereunder. Without limiting the foregoing, a "Pre-Acquisition Reorganization Activity" may include any internal reorganizations, liquidations, contributions or consolidations of the Group Companies, or a capitalization, transfer or cancellation of any intercompany debt requested to be capitalized, transferred or cancelled by Buyer. Buyer shall be obligated to pay all out-of-pocket fees and expenses (including any incremental Taxes) of Sellers and Sellers' Affiliates and shareholders in connection with any Pre-Acquisition Reorganization Activity requested by Buyer.

Notwithstanding any other provision of this Agreement, any amounts for which Buyer is obligated to pay pursuant to the previous sentence shall not be taken into account in determining any purchase price adjustment pursuant to Section 2.3. Sellers shall be obligated to pay all out-of-pocket fees and expenses (including any incremental Taxes) of Buyer, Buyer's Affiliates and the Group Companies in connection with any Pre-Acquisition Reorganization Activity requested by Sellers.

(b) Sellers and the Company shall take such actions prior to the Closing Date as are necessary to transfer, or cause the transfer of, (i) all of the shares (the "KL Shares") of KL Company such that the KL Shares are no longer held, directly or indirectly, by any Group Company and (ii) any assets or liabilities relating to the KL Business which are not otherwise transferred as a result of the transfer of the KL Shares.

(c) The Parties agree to cooperate in the consideration and implementation of alternative structures to effect the transactions contemplated by this Agreement, including, without limitation, causing one or more Group Companies to be separately purchased from its or their direct shareholders or interest holders, as long as such alternative would not be reasonably likely to impair or delay the consummation of the transaction described herein, or be reasonably likely to result in any adverse financial, tax or other consequence for Sellers or Sellers' Affiliates and shareholders.

Section 6.11 Ancillary Agreements. Between the date of this Agreement and the Closing Date, Buyer and Lux Seller shall (a) negotiate the Joint Venture Agreement in good faith consistent with the terms set forth in Exhibit C, and shall enter into such agreement on or prior to the Closing Date and (b) negotiate the other Ancillary Agreements in good faith and on customary terms. Lux Seller shall keep Buyer promptly informed of any negotiations and other actions in connection with the Joint Venture Agreement.

Section 6.12 Indemnification and Insurance.

(a) Buyer agrees that (i) all rights to exculpation and indemnification for acts or omissions occurring at or prior to the Closing Date, whether asserted or claimed prior to, at or after the Closing Date (including any matters arising in connection with the transactions contemplated by this Agreement), now existing in favor of the current or former directors, officers or employees (in their capacity as such and not as shareholders or optionholders of the Company), as the case may be, of the Company as provided in their respective Governing Documents entered into on or prior to the date hereof, copies of which have been provided to Buyer, or in any agreement shall survive the transactions contemplated by this Agreement and shall continue in full force and effect, and (ii) Buyer shall maintain in effect provisions in the Governing Documents of each of the Group Companies regarding indemnification of officers and directors that are subs tantively identical to those contained in the Governing Documents of each of the Group Companies, in each case for a period of at least six (6) years from the date of this Agreement. Following the Closing Date, Buyer shall cause the Company to honor any indemnification agreements of the Company and its Subsidiaries with any of their respective directors, officers and employees existing as of the date hereof, copies of which have previously been provided to Buyer. For a period of six (6) years from and after the Closing Date, the Buyer shall either cause to be maintained in effect the current policies of directors' and officers' liability insurance and fiduciary

liability insurance maintained by the Company or provide substitute policies or purchase a "tail policy," in either case, of at least the same coverage and amounts containing terms and conditions which are, in the aggregate, no less advantageous in any material manner to the insureds with respect to claims arising from facts or events that occurred on or before the Closing Date, except that in no event shall Buyer be required to pay with respect to such insurance policies in respect of any one policy year more than 200% of the annual premium payable by the Company for such insurance for the year ending March 31, 2009 (the "Maximum Amount"), and if Buyer is unable to obtain the insurance required it shall obtain as much comparable insurance as possible for the years within such six-year period for an annual premium equal to the Maximum Amount, in respect of each policy year within such period.

(b) The provisions of this Section 6.12 are intended to be for the benefit of, and shall be enforceable by, each of the Indemnified Managers and their heirs and legal representatives.

(c) The rights of the Indemnified Managers and their heirs and legal representatives under this section shall be in addition to any rights such Indemnified Managers may have under the Governing Documents of the Company or any of its Subsidiaries, any agreements between such persons and the Company or any of its Subsidiaries, or any applicable Laws.

Section 6.13 Section 16 Matters. Prior to the Closing, Buyer shall take all actions reasonably necessary to approve in advance in accordance with the procedures set forth in Rule 16b-3 promulgated under the Exchange Act, any acquisitions of shares of Buyer Common Stock (including derivative securities) resulting from the transactions contemplated by this Agreement by each Person associated with the Company who is subject to Section 16 of the Exchange Act (or who will become subject to Section 16 of the Exchange Act as a result of the transactions contemplated hereby) with respect to equity securities of Buyer.

Section 6.14 Compliance with WARN Act and Similar Statutes. Sellers shall not, and shall cause the Group Companies not to, at any time prior to the Closing Date, effectuate (i) a "plant closing" or "mass layoff" as defined in the Worker Adjustment and Retraining Notification Act of 1988 (the " WARN Act ") affecting in whole or in part any site of employment, facility, operating unit or employee of the Company or (ii) any similar action under any comparable state, local or foreign Law requiring notice to employees in the event of a plant closing or layoff, in each case without complying with the notice provisions and all other provisions of the WARN Act and any comparable state, local or foreign Law.

Section 6.15 NYSE Approval. Buyer shall use its reasonable best efforts to cause the shares of Buyer Common Stock included in the Stock Purchase Price to be approved for listing on the NYSE, subject to official notice of issuance, prior to Closing.

Section 6.16 Treatment of Stock Purchase Price. Subject to Section 2.6, Sellers shall not distribute the Stock Purchase Price to any other Person until the Actual Adjustment has been finally determined in accordance with Section 2.3(e).

Section 6.17 Insurance Cooperation. Lux Seller and the Company shall, and shall cause the Group Companies to, provide Buyer with such assistance as Buyer shall reasonably request in obtaining representations and warranties insurance coverage on such terms and in such amounts as Buyer shall deem appropriate (for the avoidance of doubt, Buyer shall pay all fees and expenses associated with such insurance), which assistance shall include, without limitation (a) permitting insurers or potential insurers access to any online or virtual data room which has been provided to Buyer, (b) permitting insurers or potential insurers access to other diligence materials and to Sellers' counsel prior to Closing, (c) participation by Sellers and Sellers' counsel in meetings with representatives of the potential insurers and (d) cooperation by Sellers and Sellers' counsel with other customary reques ts in connection with obtaining such insurance; provided, however, that Lux Seller and the Group Companies shall not be obligated to assume or undertake any potential liability to the provider of such insurance or to Buyer or to take any action which would increase the conditionality of the Closing.

Section 6.18 Escrow Termination Fee. Buyer will, in the event that the Closing has not occurred by the 90th day following the date of this Agreement (regardless of the reasons therefor), deposit on such date €69,000,000 of cash (the "Termination Fee") into a separate escrow account (the "Termination Fee Escrow Account") which shall be established with the Escrow Agent pursuant to an escrow agreement on substantially the same terms as the Escrow Agreement, the purpose of which is to provide funds to pay the Termination Fee pursuant to Section 8.2 (the "Termination Fee Escrow Agreement").

Section 6.19 Covered Expenses. Following the Closing, in the event that any Person makes a claim for the payment of any Post-Closing Covered Expenses owed to such Person but not paid pursuant to Section 2.3(c)(iii), if and to the extent that any such Post-Closing Covered Expenses were included in the Estimated Closing Date Indebtedness, the Buyer and its Subsidiaries shall pay any such claimed amount and the Sellers shall have no liability therefor.

Section 6.20 Intercompany Receivables. All intercompany related receivables and payables between KL Group Companies and the Company will be settled prior to Closing.

ARTICLE 7
CONDITIONS TO CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT

Section 7.1 Conditions to the Obligations of the Company, Buyer and Sellers. The obligations of the Company, Buyer and Sellers to consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver (to the extent permitted by applicable Law by the Party for whose benefit such condition exists) of the following conditions:

(a) any applicable waiting period (and any extension thereof) under the HSR Act relating to the transactions contemplated by this Agreement shall have expired or been terminated, and any applicable approval pursuant to the competition Laws of Germany and Austria shall have been obtained (the "Required Governmental Approvals"); and

(b) no statute, rule, regulation, executive order, decree, temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent

jurisdiction or other Governmental Entity or other legal restraint or prohibition preventing the consummation of the transactions contemplated by this Agreement shall be in effect and no proceeding or lawsuit shall have been commenced by any Governmental Entity with authority over any jurisdiction in which the Company or Buyer have material operations or presence for the purpose of obtaining any such order, decree, injunction, restraint or prohibition and no written notice shall have been received by any Party from any such Governmental Entity indicating an intent to restrain, prevent, materially delay or restructure the transactions contemplated hereby; provided, however, that each of Buyer, Sellers and the Company shall have used commercially reasonable efforts to prevent the entry of any such injunction or other order or the commencement of any such proceeding or lawsuit and to appeal as promptly as possi ble any injunction or other order that may be entered.

Section 7.2 Other Conditions to the Obligations of Buyer. The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction or, to the extent permitted by applicable Law, waiver by Buyer of the following further conditions:

(a) all Governmental Approvals shall have been obtained or made and shall be in full force and effect, except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect;

(b) the representations and warranties of the Company set forth in ARTICLE 3 shall be true and correct in all respects as of the date hereof and as of the Closing Date as though made on and as of the Closing Date, except (i) to the extent such representations and warranties are made on and as of a specified date, in which case the same shall continue on the Closing Date to be true and correct as of the specified date and (ii) to the extent the failure of such representations and warranties (other than those set forth in the second and third sentences of Section 3.2(a), which shall be true and correct in all material respects and other than those set forth in clause (a) of Section 3.7 and in Section 3.19, which shall be true and correct in all respects) to be true and correct as of such dates would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect; pr ovided, that for the purposes of the foregoing clause, the qualifications as to "materiality," "material," "in all material respects" and "Company Material Adverse Effect" contained in such representations and warranties (other than those set forth in clause (a) of Section 3.7 and in Section 3.19) shall not be given effect;

(c) the representations and warranties of Sellers set forth in ARTICLE 4 shall be true and correct in all respects as of the date hereof and as of the Closing Date as though made on and as of the Closing Date, except (i) to the extent such representations and warranties are made on and as of a specified date, in which case the same shall continue on the Closing Date to be true and correct as of the specified date and (ii) to the extent the failure of such representations and warranties (other than those set forth in the first sentence of Section 4.2, which shall be true and correct in all material respects) to be true and correct as of such dates would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the ability of Sellers to consummate the transactions contemplated by this Agreement, including, but not limited to, Buyer's acquisition of the USco Shares and/or BV Bu yer's acquisition of the Shares at the Closing; provided, that for the purposes of the foregoing clause, the qualifications as to

"materiality," "material," "in all material respects" and "Company Material Adverse Effect" contained in such representations and warranties shall not be given effect;

(d) the Company and Sellers shall have each performed and complied in all material respects with all covenants required to be performed or complied with by the Company or Sellers, respectively, under this Agreement on or prior to the Closing Date;

(e) prior to or at the Closing, the Company, Sellers and BVI Seller, as applicable, shall have delivered the following in form and substance reasonably acceptable to Buyer:

(i) certificates representing the USco Shares, duly endorsed in blank or accompanied by stock powers or any other proper instrument of assignment endorsed in blank in proper form;

(ii) a certificate of an authorized executive officer of the Company, dated as of the Closing Date, to the effect that the conditions specified in Section 7.2(b) and Section 7.2(d) have been satisfied by the Company;

(iii) a certificate of authorized executive officers of Sellers, dated as of the Closing Date, to the effect that the conditions specified in Section 7.2(c) and Section 7.2(d) have been satisfied by Sellers;

(f) notice from USco satisfying the requirements of Treasury Regulation Sections 1.897-2(h)(2) and 1.1445-2(c)(3)(i) and certifying that the stock of USco is not a U.S. real property interest;

(g) the Ancillary Agreements shall have been executed by Seller or the Company, as the case may be;

(h) Sellers shall have complied with the obligations set forth in Section 6.8(f) to submit the matters specified;

(i) the Company shall have received and provided Buyer with copies of the Release Documentation in a form reasonably satisfactory to Buyer; and

(j) Buyer shall have received the proceeds of the Acceptable Financing.

Section 7.3 Other Conditions to the Obligations of the Company and Sellers. The obligations of the Company and Sellers to consummate the transactions contemplated by this Agreement are subject to the satisfaction or, to the extent permitted by applicable Law, waiver by the Company and Sellers of the following further conditions:

(a) the representations and warranties of Buyer set forth in ARTICLE 5 shall be true and correct in all respects (i) as of the date hereof and (ii) as of the Closing Date as though made on and as of the Closing Date, except (A) to the extent such representations or warranties are made on and as of a specified date, in which case the same shall continue on the Closing Date to be true and correct as of the specified date and (B) in the case of clauses (i) and (ii) to the extent

the failure of such representations and warranties (other than those set forth in clause (a) of Section 5.10, which shall be true and correct in all respects) to be so true and correct as of such dates would not have a Buyer Material Adverse Effect or be reasonably be expected to have, individually or in the aggregate, a material adverse effect on the ability of Buyer to perform its obligations hereunder; provided, that for the purposes of the foregoing clause, the qualifications as to "materiality," "material," "in all material respects" and "Buyer Material Adverse Effect" contained in such representations and warranties (other than those set forth in clause (a) of Section 5.10) shall not be given effect.

(b) Buyer shall have performed and complied in all material respects with all covenants required to be performed or complied with by Buyer under this Agreement on or prior to the Closing Date;

(c) prior to or at the Closing, Buyer shall have delivered the following in form and substance reasonably acceptable to the Company:

(i) the US Purchase Price and the Initial Cash Purchase Price by wire transfer of immediately available funds to accounts designated in writing by Lux Seller, which Lux Seller shall designate not less than two business days prior to the Closing Date;

(ii) share certificates representing the Stock Purchase Price;

(iii) a certificate of an authorized executive officer of Buyer, dated as of the Closing Date, to the effect that the conditions specified in Section 7.3(a) and Section 7.3(b) have been satisfied; and

(d) the Ancillary Agreements shall have been executed by Buyer.

Section 7.4 Frustration of Closing Conditions. No Party may rely on the failure of any condition set forth in this ARTICLE 7 to be satisfied if such failure was caused by (a) such Party's failure to use reasonable best efforts to cause the Closing to occur, as required by Section 6.5 or (b) any other material breach of this Agreement.

ARTICLE 8
TERMINATION; AMENDMENT; WAIVER

Section 8.1 Termination. This Agreement may be terminated and the transactions contemplated by this Agreement may be abandoned at any time prior to the Closing.

(a) by mutual written consent of Buyer and Lux Seller;

(b) by Buyer, if the Company or Sellers breach or fail to perform any of their respective representations, warranties, covenants or other agreements contained in this Agreement such that the conditions to Closing set forth in Section 7.2(b), Section 7.2(c) or Section 7.2(d) are incapable of being satisfied prior to the Termination Date;

(c) by Lux Seller, if Buyer breaches or fails to perform any of its representations, warranties, covenants or other agreements contained in this Agreement such that

the conditions to Closing set forth in Section 7.3(a) or Section 7.3(b) are incapable of being satisfied prior to the Termination Date;

(d) by either Buyer or Lux Seller if the transactions contemplated by this Agreement shall not have been August 16, 2010 (the "Termination Date"), unless the failure to consummate the transactions contemplated by this Agreement is the result of a material breach by Buyer (in the case of termination by Buyer) or a material breach by Seller or the Company (in the case of termination by Seller) of their respective obligations or covenants under this Agreement, provided, that, in the event that the transactions contemplated by this Agreement shall not have been consummated by the Termination Date solely due to a Tolling Event, the Termination Date shall be extended until the 15th Business Day following the resolution of such Tolling Event; or

(e) by either Buyer or by Seller, if any Governmental Entity with authority over any jurisdiction in which the Company or Buyer have material operations shall have issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Closing and such order, decree or ruling or other action shall have become final and nonappealable; provided, that the Party seeking to terminate this Agreement pursuant to this Section 8.1(e) shall have used commercially reasonable efforts to remove such order, decree, ruling, judgment or injunction.

Section 8.2 Termination Fee. Immediately after a termination of this Agreement pursuant to Section 8.1, Buyer and Sellers agree that Buyer and Sellers shall deliver joint written instructions to the Escrow Agent instructing the Escrow Agent to immediately deliver to Lux Seller, on behalf of Sellers, the Termination Fee from the Termination Fee Escrow Account unless either (i) this Agreement is terminated pursuant to Section 8.1(a) and Buyer and Lux Seller agree as part of such termination that the Termination Fee is not due to Sellers, or (ii) the failure of the Closing to occur is primarily the result of a willful and material breach by Sellers or the Company of this Agreement, which breach would result in the failure of any condition set forth in Section 7.1 or Section 7.2 to be satisfied; whereupon the occurrence of the events set forth under clauses (i) and (ii) of this Section 8.2, Buyer and Lux Seller shall deliver joint written instructions to the Escrow Agent instructing the Escrow Agent to deliver to Buyer the Termination Fee from the Termination Fee Escrow Account. If the Termination Fee is paid or, following Buyer's instruction to the Escrow Agent to release the Termination Fee, due to Lux Seller, on behalf of Sellers, Buyer shall have no further liability, whether in law or equity, with respect to this Agreement or the transactions contemplated hereby to Sellers or the Company or any Affiliate thereof, other than payment of the Termination Fee, except in a circumstance in which the failure of the Closing to occur is primarily the result of any willful and material breach by Buyer or BV Buyer of this Agreement.

Section 8.3 Effect of Termination. In the event of the termination of this Agreement pursuant to Section 8.1, this entire Agreement shall forthwith become void (and there shall be no liability or obligation on the part of Buyer, Seller or the Company or their respective officers, directors or equityholders) with the exception of (a) the provisions of this Section 8.1, the last sentence of Section 6.4, and ARTICLE 10, and (b) any liability of any Party for any willful and material breach of its obligations under this Agreement prior to such termination. "Willful and material breach" shall mean a material breach that is a consequence of an act undertaken by the

breaching party with the knowledge (actual or constructive) that the taking of such act would, or would be reasonably expected to, cause a breach of this Agreement.

Section 8.4 Amendment. This Agreement may be amended or modified only by a written agreement executed and delivered by duly authorized officers of Buyer, Sellers, and the Company. This Agreement may not be modified or amended except as provided in the immediately preceding sentence and any amendment by any Party or Parties effected in a manner which does not comply with this Section 8.1(h) shall be void.

Section 8.5 Extension; Waiver. At any time prior to the Closing, Sellers may, on behalf of Sellers and the Company, (a) extend the time for the performance of any of the obligations or other acts of Buyer contained herein, (b) waive any inaccuracies in the representations and warranties of Buyer contained herein or in any document, certificate or writing delivered by Buyer pursuant hereto or (c) waive compliance by Buyer with any of the agreements or conditions contained herein. At any time prior to the Closing, Buyer may (i) extend the time for the performance of any of the obligations or other acts of the Company or Sellers contained herein, (ii) waive any inaccuracies in the representations and warranties of the Company and Seller contained herein or in any document, certificate or writing delivered by the Company or Sellers pursuant hereto or (iii) waive compliance by the Company and Sellers with any of the agreements or conditions contained herein. Any agreement on the part of any Party to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such Party. The failure or delay on the part of any Party to assert any of its rights hereunder shall not constitute a waiver of such rights.

ARTICLE 9
NON-SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 9.1 Non-Survival of Representations, Warranties and Covenants. None of the representations, warranties, covenants and other agreements in this Agreement or in any instrument delivered pursuant to this Agreement, including any rights arising out of any breach of such representations, warranties, covenants and other agreements, shall survive Closing, except for those covenants and agreements contained herein and therein (including Section 6.12) that by their terms are to be performed in whole or in part after Closing and this Article 9 and Article 10.

Section 9.2 KL Business Indemnification; Further Assurances. From the date of this Agreement, until the third anniversary of the Closing, KL Company shall indemnify, defend and hold Buyer and/or its respective officers, directors, employees, Affiliates and/or agents (each a "Buyer Indemnitee") harmless from any damages, losses, liabilities, obligations, taxes, claims of any kind, interest or expenses (including, without limitation, reasonable attorneys' fees and expenses (each, a "Loss") suffered or paid, directly or indirectly, (a) as a result of, in connection with or arising out of any breach of any representation or warranty made by KL Company contained in Section 3.21 or (b) relating to, in connection with or arising out of the Disposed Business. In the event that Lux Seller or KL Company transfers a majority of the assets of KL Company, Seller and KL Company shall cause the purchaser or transferee of such assets to assume KL Company's obligations related to the Disposed Business pursuant to this ARTICLE 9. The amount of any and all Losses determined in connection with this Section 9.2 shall be

determined net of (i) any amounts actually recovered by any Buyer Indemnitee under insurance policies and (ii) any net tax benefits actually realized by Buyer through a reduction in Taxes otherwise payable. The provisions of this Section 9.2 shall be binding on any successor to or assign of KL Company.

Section 9.3 Further Indemnity. Buyer Indemnitees shall be indemnified in respect of the matters set forth on Schedule 9.3, subject to the limitations, procedures and terms set forth on such Schedule.

ARTICLE 10
MISCELLANEOUS

Section 10.1 Entire Agreement; Assignment. This Agreement, together with the schedules and exhibits hereto, and the Ancillary Agreements, (a) constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter hereof and (b) shall not be assigned by any Party (whether by operation of law or otherwise) without the prior written consent of Buyer, in the case of the Company or Sellers, or the Company and Sellers, in the case of Buyer; provided, however, that Buyer may assign its rights hereunder to any of its wholly owned Subsidiaries without consent, provided that no such assignment shall relieve Buyer of any of its obligations hereunder, and, following the Closing Date, each of Buyer and any permitted assigne e may assign its rights and obligations hereunder without consent in connection with a sale of all or substantially all of Buyer's assets, as long as the transferee assumes Buyer's obligations hereunder. Any attempted assignment of this Agreement not in accordance with the terms of this Section 10.1 shall be void.

Section 10.2 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt in the case of in-person delivery, or upon confirmation (on a Business Day, or if received on a day that is not a Business Day, as of the next Business Day, of facsimile delivery or delivery by mail or overnight service)) by delivery in person, by facsimile (followed by overnight courier), or by registered or certified mail (postage prepaid, return receipt requested) to the other Parties as follows:

To Buyer:

Phillips-Van Heusen Corporation
200 Madison Avenue
New York, New York 10016
Attention: Mark D. Fischer, Esq.
Senior Vice President
Facsimile: 212 381-3993
with a copy (which shall not constitute notice to Buyer) to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street

New York, New York 10019
Attention: Andrew J. Nussbaum, Esq.
Gregory E. Ostling, Esq.
Facsimile: 212 403-2000

To Sellers:

c/o Apax Partners, L.P.
601 Lexington Avenue
New York, New York 10016
Attention: Christian Stahl
Facsimile: 646 417-5519
with a copy (which shall not constitute notice to Sellers) to:

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attention: Robert E. Spatt, Esq.
Ryerson Symons, Esq.
Facsimile: 212 455-2502
To the Company (prior to the Closing):

Tommy Hilfiger B.V.
Stadhouderskade 6
1054 ES Amsterdam,
The Netherlands
Attn. Ludo Onnink
Fax: +31 20 589 9880

with a copy (which shall not constitute notice to the Company) to:

Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Attention: Robert E. Spatt, Esq.
Ryerson Symons, Esq.
Facsimile: 212 455-2502
or to such other address as the Party to whom notice is given may have previously furnished to the others in writing in the manner set forth above.

Section 10.3 Governing Law. This Agreement, including Section 10.13, shall be governed by and construed in accordance with the Laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware

or any other jurisdiction) that would cause the application of the Law of any jurisdiction other than the State of Delaware.

Section 10.4 Fees and Expenses. Except as otherwise set forth in this Agreement, all fees and expenses incurred in connection with this Agreement and the transactions contemplated by this Agreement, including, without limitation, the fees and disbursements of counsel, financial advisors and accountants, shall be paid by the Party incurring such fees or expenses.

Section 10.5 Construction; Interpretation. The term "this Agreement" means this Purchase Agreement together with all the disclosure schedules to this Agreement (the "Schedules") and exhibits hereto, as the same may from time to time be amended, modified, supplemented or restated in accordance with the terms hereof. The headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement. No Party, nor its respective counsel, shall be deemed the drafter of this Agreement for purposes of construing the provisions hereof, and all provisions of this Agreement shall be construed according to their fair meaning and not strictly for or against any Party. Unless otherwise indicated to the contrary herein by the context or use thereof: (a) the words, "herein," 47;hereto," "hereof" and words of similar import refer to this Agreement as a whole, including, without limitation, the Schedules and exhibits, and not to any particular section, subsection, paragraph, subparagraph or clause contained in this Agreement, (b) masculine gender shall also include the feminine and neutral genders, and vice versa; and (c) words importing the singular shall also include the plural, and vice versa. Except as otherwise provided herein, any reference to "€" or "$" herein includes references to other currencies based on applicable conversion rates as of the date preceding the date of this Agreement.

Section 10.6 Exhibits and Schedules. All Exhibits and Schedules, or documents expressly incorporated into this Agreement, are hereby incorporated into this Agreement and are hereby made a part hereof as if set out in full in this Agreement. Any item disclosed in any Schedule referenced by a particular section in this Agreement shall be deemed to have been disclosed with respect to every other section in this Agreement if the relevance of such disclosure to such other sections is reasonably apparent. The specification of any dollar or euro amount in the representations or warranties contained in this Agreement or the inclusion of any specific item in any Schedule is not intended to imply that such amounts, or higher or lower amounts or the items so included or other items, are or are not material, and no Party shall use the fact of the setting of such amounts or the inclusion of any s uch item in any dispute or controversy as to whether any obligation, items or matter not described herein or included in a Schedule is or is not material for purposes of this Agreement.

Section 10.7 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each Party and its successors and permitted assigns and, except as provided in Section 6.12 (which is intended to be for the benefit of the Persons covered thereby and may be enforced by such Persons), and ARTICLE 9, nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement. Notwithstanding the foregoing, any financial institution which provides Financing is intended to, and shall, be a third party beneficiary of the agreements contained in Section 10.11(b)(ii) and 10.12(b).

Section 10.8 Severability. If any term or other provision of this Agreement is invalid, illegal or unenforceable, all other provisions of this Agreement shall remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party.

Section 10.9 Counterparts; Facsimile Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or scanned pages shall be effective as delivery of a manually executed counterpart to this Agreement.

Section 10.10 Knowledge. For all purposes of this Agreement, the phrases "to the Company's knowledge" and "known by the Company", "to Sellers' knowledge" and "known by Sellers", and to "Buyer's knowledge" and "known by Buyer", and any derivations thereof shall mean, as of the applicable date, the actual knowledge (after reasonable inquiry of the persons in the organization having primary responsibility for the applicable matter (and shall in no event encompass constructive, imputed or similar concepts of knowledge)) of those individuals set forth on Section 10.10 of the Company Disclosure Schedules and Buyer Disclosure Schedules, respectively, none of whom shall have any personal liability or obligations regarding such knowledge.

Section 10.11 Waiver of Jury Trial. Each Party hereby waives, to the fullest extent permitted by Law, any right to trial by jury of any claim, demand, action, or cause of action (a) arising under this Agreement or (b)(i) in any way connected with or related or incidental to the dealings of the Parties in respect of this Agreement or any of the transactions related hereto or (ii) any Financing, in each case, whether now existing or hereafter arising, and whether in contract, tort, equity, or otherwise. Each Party hereby further agrees and consents that any such claim, demand, action, or cause of action shall be decided by court trial without a jury and that the Parties may file a copy of this Agreement with any court as written evidence of the consent of the Parties to the waiver of their right to trial by jury.

Section 10.12 Jurisdiction and Venue.

(a) Each of the Parties hereby irrevocably submit to the jurisdiction of the Delaware Court of Chancery or in the event (but only in the event) that such court does not have subject matter jurisdiction over such action or proceeding, in the United States District Court for the District of Delaware in respect of the interpretation and enforcement of the provisions of this Agreement and of the documents referred to in this Agreement, and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or of any such document, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in the Delaware Court of Chancery, or in the event (but only in the event) that such court does not have subject matter jurisdiction over such action or proceeding, in the United Sta tes District Court for the District of Delaware, or that this Agreement or any such document may not be enforced in or by such courts, and the parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in the Delaware Court of Chancery, or in the event (but only in the event) that such court does not have subject matter jurisdiction over such

action or proceeding, in the United States District Court for the District of Delaware. The parties hereby consent to and grant the Delaware Court of Chancery, or in the event (but only in the event) that such court does not have subject matter jurisdiction over such action or proceeding, the United States District Court for the District of Delaware, jurisdiction over the person of such parties and, to the extent permitted by Law, over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 10.2 or in such other manner as may be permitted by Law shall be valid and sufficient service thereof.

(b) Each of the parties hereto agrees that it will not (and it will not permit its controlled Affiliates to) bring or support any action, cause of action, claim, cross-claim or third-party claim of any kind or description, whether in law or in equity, whether in contract or in tort or otherwise, against any source of Financing in any way relating to this Agreement or any of the transactions contemplated by this Agreement, including, but not limited to, any dispute arising out of or relating in any way to the arrangement, underwriting or provision thereof, in any forum other than the Supreme Court of the State of New York, County of New York, or if under applicable law exclusive jurisdiction is vested in the federal courts, the United States District Court for the Southern District of New York (and appellate courts thereof); provided, that the foregoing shall not apply to the extent that any agreement entered into after the date hereof between any party hereto (or its affiliate) and any source of Financing provides otherwise (which further agreement shall only bind the parties hereto with their consent).

Section 10.13 Remedies; Limitation on Damages; Liabilities.

(a) Any Person having any rights under any provision of this Agreement shall be entitled to enforce such rights specifically (without posting a bond or other security). All such rights and remedies shall be cumulative and non-exclusive, and may be exercised singularly or concurrently. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached.

(b) Each Party agrees that, in the event of any breach or threatened breach by any other Party of any covenant or obligation contained in this Agreement, the non-breaching Party shall be entitled to seek and obtain (i) a decree or order of specific performance to enforce the observance and performance of such covenant or obligation, and (ii) an injunction restraining such breach or threatened breach. In circumstances where Buyer or Sellers are obligated to consummate the transactions contemplated by this Agreement and such transactions have not been consummated (other than as a result of the other party's refusal to close in violation of this Agreement) each of Buyer and each Seller expressly acknowledges and agrees that the other party and its shareholders shall have suffered irreparable harm, that monetary damages will be inadequate to compensate such other party and its shareholders, and that such other party on be half of itself and its shareholders shall be entitled to enforce specifically Buyer's or Sellers', as the case may be, obligation to consummate such transactions.

(c) Notwithstanding anything to the contrary contained herein, the parties acknowledge and agree that neither Sellers nor any Group Company shall be entitled to enforce specifically the obligations of Buyer to consummate the transactions contemplated by this

Agreement unless all of the conditions set forth in Section 7.1 and Section 7.2 shall have been satisfied or waived, including, for the avoidance of doubt, Section 7.2(j). If (i) financing is available to Buyer that is Acceptable Financing and (ii) all of the conditions set forth in Section 7.1 and Section 7.2 (other than Section 7.2(j)) shall have been satisfied or waived, Sellers shall be entitled to an injunction, specific performance and other equitable relief to cause Buyer to borrow the proceeds of the Acceptable Financing.

(d) Each party further agrees that no other party or any other Person shall be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section 10.13, and each party irrevocably waives any right it may have to require the obtaining, furnishing or posting of any such bond or similar instrument.

(e) No Party shall be liable for any consequential, punitive or special damages related to any breach of this Agreement or any claim for indemnification hereunder.

(f) The liabilities and obligations of each Seller hereunder shall be several and not joint.

* * * * *

IN WITNESS WHEREOF, each of the Parties has caused this Purchase Agreement to be duly executed on its behalf as of the day and year first above written.

TOMMY HILFIGER CORPORATION

By: /s/ Ludovicus Rudolf Onnink
Name: Ludovicus Rudolf Onnink
Title: Director

TOMMY HILFIGER HOLDING S.à R.L

By: /s/ Christian Stahl
Name: Christian Stahl
Title:

By: /s/ Frank Ehmer
Name: Frank Ehmer
Title: Class A Manager

TOMMY HILFIGER B.V.

By: /s/ Fred Gehring
Name: Fred Gehring
Title:
By: /s/ Ludovicus Rudolf Onnink
Name: Ludovicus Rudolf Onnink
Title: Director

ASIAN AND WESTERN CLASSICS B.V.

By: /s/ Fred Gehring
Name: Fred Gehring
Title:
By: /s/ Ludovicus Rudolf Onnink
Name: Ludovicus Rudolf Onnink
Title: Director

PHILLIPS-VAN HEUSEN CORPORATION

By: /s/ Mark D. Fischer
Name: Mark D. Fischer
Title: Senior Vice President

PRINCE 2 B.V.

By: /s/ Mark D. Fischer
Name: Mark D. Fischer
Title: Authorized Person

STICHTING ADMINISTRATIEKANTOOR ELMIRA

By /s/ Matthijs Shütte
Name: Matthijs Shütte
Title: Managing Director

Exhibit A – Forms of Management Term Sheets

Exhibit B - Form of Stockholders Agreement

Exhibit C – Joint Venture Agreement Term Sheet

Exhibit D – Form of Notarial Deed of Transfer

Exhibit 4.8

PHILLIPS-VAN HEUSEN CORPORATION,

Issuer

and

U.S. BANK NATIONAL ASSOCIATION

Trustee

FIRST SUPPLEMENTAL INDENTURE
Dated as of April 20, 2010

$150,000,000

7-1/4% Senior Notes Due May 1, 2011

This **FIRST SUPPLEMENTAL INDENTURE** is dated as of April 20, 2010, between PHILLIPS-VAN HEUSEN CORPORATION, a Delaware corporation (the "Company"), and U.S. BANK NATIONAL ASSOCIATION (as successor to SUNTRUST BANK, the "Predecessor Trustee"), as Trustee (the "Trustee").

RECITALS

WHEREAS, the Company and the Predecessor Trustee entered into an Indenture, dated as of February 18, 2004 (the "Indenture"), pursuant to which the Company issued $150,000,000 in aggregate principal amount of the 7-1/4% Senior Notes due February 15, 2011, which were subsequently exchanged for substantially identical 7-1/4% Senior Notes due February 15, 2011 that were registered under the Securities Act of 1933 (the "Notes") (capitalized terms used herein without definition have the respective meanings given to them in the Indenture);

WHEREAS, Section 10.02 of the Indenture provides that with the written consent of the Holders of at least a majority in principal amount of the outstanding Notes, the Company and the Trustee may enter into an indenture or indentures supplemental to the Indenture for the purpose of adding any provisions to or changing in any manner or eliminating any provisions of the Indenture or of modifying in any manner the rights of the Holders under the Indenture, including the definitions therein, except in certain cases where consent of the Holder of each outstanding Note affected is required;

WHEREAS, the Company and the Trustee desire to amend the Indenture with the written consent of Holders of at least a majority in principal amount of the outstanding Notes;

WHEREAS, pursuant to an Offer to Purchase and Consent Solicitation Statement dated April 7, 2010 (as may be amended or supplemented from time to time, the "Tender Offer"), the Company has offered to purchase any and all of the outstanding Notes and has proposed certain amendments to the Indenture;

WHEREAS, the Holders of at least a majority in principal amount of the Notes outstanding have tendered their Notes for purchase by the Company in connection with the Tender Offer and consented to the proposed amendments described in this First Supplemental Indenture pursuant to consent documents obtained prior to the execution hereof; and

WHEREAS, all things necessary to make this First Supplemental Indenture when executed by the parties hereto a valid and binding agreement of and supplement to the Indenture have been done and performed;

NOW, THEREFORE, to comply with the provisions of the Indenture and in consideration of the above premises, the Company and the Trustee covenant and agree for the benefit of each other and for the equal and proportionate benefit of the respective Holders of the Notes as follows:

1.1 This First Supplemental Indenture is supplemental to the Indenture and does and shall be deemed to form a part of, and shall be construed in connection with and as part of the Indenture for any and all purposes, including but not limited to discharge of the Indenture as provided in Article 9 of the Indenture. Every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

1.2 Article 4, Sections 5.02, 5.03, 5.04, 5.05, 5.06, 5.07, 5.08, 5.09, 5.10, 5.11, 5.14, 6.01 and 6.02 of the Indenture are deleted in their entirety and each of the foregoing is hereby replaced with the following text: "[Reserved]".

1.3 Section 7.01 of the Indenture is amended in its entirety to read as follows:

"SECTION 7.01. Events of Default.

Each of the following is an "Event of Default":

(1) a default in the payment of interest on the Notes when due, which continues for 30 days;

(2) a default in the payment of principal of any Note when due at its Stated Maturity, upon optional redemption, upon required purchase, upon declaration of acceleration or otherwise; or

(3) the failure by the Company or any Restricted Subsidiary to comply for 60 days after notice with its other covenants, obligations, warranties or agreements contained in this Indenture.

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

A default under clause (3) will not constitute an Event of Default until the Trustee or the Holders of at least 25% in principal amount of the outstanding Notes notify the Company of the default and the Company does not cure such default within the time specified after receipt of such notice. Such notice must specify the Default, demand that it be remedied and state that such notice is a "Notice of Default".

The Company shall deliver to the Trustee, within 30 days after the occurrence thereof, written notice in the form of an Officers' Certificate of any event which with the giving of notice or the lapse of time would become an Event of Default under clause (3), its status and what action the Company is taking or proposes to take with respect thereto."

1.4 Section 7.02 of the Indenture is hereby amended in its entirety to read as follows:

“SECTION 7.02. Acceleration.

If an Event of Default occurs and is continuing, the Trustee by notice to the Company, or the Holders of at least 25% in principal amount of the Securities by notice to the Company and the Trustee, may declare the principal of and accrued but unpaid interest on all the Securities to be due and payable. Upon such a declaration, such principal and interest shall be due and payable immediately. The Holders of a majority in principal amount of the Securities by notice to the Trustee may rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing Events of Default have been cured or waived except nonpayment of principal or interest that has become due solely because of acceleration. No such rescission shall affect any subsequent Default or impair any right consequent thereto.”

1.5 Any terms defined in the Indenture which are used in any Sections of the Indenture which are deleted by any Section of this First Supplemental Indenture and which are not otherwise used in any other Section of the Indenture not affected by this First Supplemental Indenture are hereby deleted.

2.1 This First Supplemental Indenture shall become effective upon execution hereof by the Trustee and the Company. Sections 1.2, 1.3, 1.4 and 1.5 of this First Supplemental Indenture shall not become operative until the opening of business on the day on which the Company gives oral notice (confirmed in writing) or written notice to the Trustee, as depositary, that the Notes tendered by the Holders pursuant to the Tender Offer have been accepted for payment.

3.1 Except as specifically modified herein, the Indenture and the Notes are in all respects ratified and confirmed and shall remain in full force and effect in accordance with their terms. This First Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered under the Indenture shall be bound thereby. Nothing in this First Supplemental Indenture or the Notes, express or implied, shall give to any Person, other than the parties hereto and thereto and their successors hereunder and thereunder and the Holders of the Notes, any benefit of any legal or equitable right, remedy or claim under the Indenture, this First Supplemental Indenture or the Notes.

3.2 Except as otherwise expressly provided herein, no duties, responsibilities or liabilities are assumed, or shall be construed to be assumed, by the Trustee, by reason of this First Supplemental Indenture. This First Supplemental Indenture is executed and accepted by the Trustee subject to all the terms and conditions set forth in the Indenture with the same force and effect as if those terms and conditions were repeated in their entirety herein and made applicable to the Trustee with respect hereto.

3.3THIS FIRST SUPPLEMENTAL INDENTURE AND THE NOTES SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

3.4 The parties may sign any number of copies of this First Supplemental Indenture. Each signed copy shall be an original, but all of such executed copies together shall represent the same agreement.

3.5 In case any provision of this First Supplemental Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

3.6 The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this First Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Company.

[Signature Page Follows]

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed, all as of the date first written above.

PHILLIPS-VAN HEUSEN CORPORATION

By: /s/ Mark D. Fischer
Name: Mark D. Fischer
Title: Senior Vice President

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Jack Ellerin
Name: Jack Ellerin
Title: Vice President

[Signature Page to First Supplemental Indenture]

Exhibit 4.9

PHILLIPS-VAN HEUSEN CORPORATION,

Issuer

and

U.S. BANK NATIONAL ASSOCIATION

Trustee

FIRST SUPPLEMENTAL INDENTURE
Dated as of April 20, 2010

$150,000,000

8-1/8% Senior Notes Due May 1, 2013

This **FIRST SUPPLEMENTAL INDENTURE** is dated as of April 20, 2010, between PHILLIPS-VAN HEUSEN CORPORATION, a Delaware corporation (the "Company"), and U.S. BANK NATIONAL ASSOCIATION (as successor to SUNTRUST BANK, the "Predecessor Trustee"), as Trustee (the "Trustee").

RECITALS

WHEREAS, the Company and the Predecessor Trustee entered into an Indenture, dated as of May 5, 2003 (the "Indenture"), pursuant to which the Company issued $150,000,000 in aggregate principal amount of the 8-1/8% Senior Notes due May 1, 2013, which were subsequently exchanged for substantially identical 8-1/8% Senior Notes due May 1, 2013 that were registered under the Securities Act of 1933 (the "Notes") (capitalized terms used herein without definition have the respective meanings given to them in the Indenture);

WHEREAS, Section 10.02 of the Indenture provides that with the written consent of the Holders of at least a majority in principal amount of the outstanding Notes, the Company and the Trustee may enter into an indenture or indentures supplemental to the Indenture for the purpose of adding any provisions to or changing in any manner or eliminating any provisions of the Indenture or of modifying in any manner the rights of the Holders under the Indenture, including the definitions therein, except in certain cases where consent of the Holder of each outstanding Note affected is required;

WHEREAS, the Company and the Trustee desire to amend the Indenture with the written consent of Holders of at least a majority in principal amount of the outstanding Notes;

WHEREAS, pursuant to an Offer to Purchase and Consent Solicitation Statement dated April 7, 2010 (as may be amended or supplemented from time to time, the "Tender Offer"), the Company has offered to purchase any and all of the outstanding Notes and has proposed certain amendments to the Indenture;

WHEREAS, the Holders of at least a majority in principal amount of the Notes outstanding have tendered their Notes for purchase by the Company in connection with the Tender Offer and consented to the proposed amendments described in this First Supplemental Indenture pursuant to consent documents obtained prior to the execution hereof; and

WHEREAS, all things necessary to make this First Supplemental Indenture when executed by the parties hereto a valid and binding agreement of and supplement to the Indenture have been done and performed;

NOW, THEREFORE, to comply with the provisions of the Indenture and in consideration of the above premises, the Company and the Trustee covenant and agree for the benefit of each other and for the equal and proportionate benefit of the respective Holders of the Notes as follows:

1.1 This First Supplemental Indenture is supplemental to the Indenture and does and shall be deemed to form a part of, and shall be construed in connection with and as part of the Indenture for any and all purposes, including but not limited to discharge of the Indenture as provided in Article 9 of the Indenture. Every Holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

1.2 Article 4, Sections 5.02, 5.03, 5.04, 5.05, 5.06, 5.07, 5.08, 5.09, 5.10, 5.11, 5.14, 6.01 and 6.02 of the Indenture are deleted in their entirety and each of the foregoing is hereby replaced with the following text: "[Reserved]".

1.3 Section 7.01 of the Indenture is hereby amended in its entirety to read as follows:

"SECTION 7.01. Events of Default.

Each of the following is an "Event of Default":

(1) a default in the payment of interest on the Notes when due, which continues for 30 days;

(2) a default in the payment of principal of any Note when due at its Stated Maturity, upon optional redemption, upon required purchase, upon declaration of acceleration or otherwise; or

(3) the failure by the Company or any Restricted Subsidiary to comply for 60 days after notice with its other covenants, obligations, warranties or agreements contained in this Indenture.

The foregoing will constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

A default under clause (3) will not constitute an Event of Default until the Trustee or the Holders of at least 25% in principal amount of the outstanding Notes notify the Company of the default and the Company does not cure such default within the time specified after receipt of such notice. Such notice must specify the Default, demand that it be remedied and state that such notice is a "Notice of Default".

The Company shall deliver to the Trustee, within 30 days after the occurrence thereof, written notice in the form of an Officers' Certificate of any event which with the giving of notice or the lapse of time would become an Event of Default under clause (3), its status and what action the Company is taking or proposes to take with respect thereto."

1.4 Section 7.02 of the Indenture is hereby amended in its entirety to read as follows:

"SECTION 7.02. Acceleration.

If an Event of Default occurs and is continuing, the Trustee by notice to the Company, or the Holders of at least 25% in principal amount of the Securities by notice to the Company and the Trustee, may declare the principal of and accrued but unpaid interest on all the Securities to be due and payable. Upon such a declaration, such principal and interest shall be due and payable immediately. The Holders of a majority in principal amount of the Securities by notice to the Trustee may rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing Events of Default have been cured or waived except nonpayment of principal or interest that has become due solely because of acceleration. No such rescission shall affect any subsequent Default or impair any right consequent thereto."

1.5 Any terms defined in the Indenture which are used in any Sections of the Indenture which are deleted by any Section of this First Supplemental Indenture and which are not otherwise used in any other Section of the Indenture not affected by this First Supplemental Indenture are hereby deleted.

2.1 This First Supplemental Indenture shall become effective upon execution hereof by the Trustee and the Company. Sections 1.2, 1.3, 1.4 and 1.5 of this First Supplemental Indenture shall not become operative until the opening of business on the day on which the Company gives oral notice (confirmed in writing) or written notice to the Trustee, as depositary, that the Notes tendered by the Holders pursuant to the Tender Offer have been accepted for payment.

3.1 Except as specifically modified herein, the Indenture and the Notes are in all respects ratified and confirmed and shall remain in full force and effect in accordance with their terms. This First Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered under the Indenture shall be bound thereby. Nothing in this First Supplemental Indenture or the Notes, express or implied, shall give to any Person, other than the parties hereto and thereto and their successors hereunder and thereunder and the Holders of the Notes, any benefit of any legal or equitable right, remedy or claim under the Indenture, this First Supplemental Indenture or the Notes.

3.2 Except as otherwise expressly provided herein, no duties, responsibilities or liabilities are assumed, or shall be construed to be assumed, by the Trustee, by reason of this First Supplemental Indenture. This First Supplemental Indenture is executed and accepted by the Trustee subject to all the terms and conditions set forth in the Indenture with the same force and

effect as if those terms and conditions were repeated in their entirety herein and made applicable to the Trustee with respect hereto.

3.3THIS FIRST SUPPLEMENTAL INDENTURE AND THE NOTES SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK BUT WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

3.4 The parties may sign any number of copies of this First Supplemental Indenture. Each signed copy shall be an original, but all of such executed copies together shall represent the same agreement.

3.5 In case any provision of this First Supplemental Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

3.6 The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this First Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Company.

[Signature Page Follows]

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed, all as of the date first written above.

PHILLIPS-VAN HEUSEN CORPORATION

By: /s/ Mark D. Fischer
Name: Mark D. Fischer
Title: Senior Vice President

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Jack Ellerin
Name: Jack Ellerin
Title: Vice President

[Signature Page to First Supplemental Indenture]

Exhibit 4.10

SECURITIES PURCHASE AGREEMENT

by and among

LNK PARTNERS, L.P.

LNK PARTNERS (PARALLEL), L.P.

and

PHILLIPS-VAN HEUSEN CORPORATION

Dated as of March 15, 2010

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SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (the "Agreement"), dated as of 15, 2010, by and among between Phillips-Van Heusen Corporation, a Delaware corporation (the "Company"), LNK Partners, L.P., a Delaware limited partnership, and LNK Partners (Parallel), L.P., a Delaware limited partnership (together, with LNK Partners, L.P., the "Investors"). Capitalized terms not otherwise defined where used shall have the meanings ascribed thereto in Article I.

WHEREAS, simultaneous with the entry into this Agreement, the Company, Prince 2 B.V., Tommy Hilfiger Holding S.a r.l, Tommy Hilfiger Corporation, Tommy Hilfiger B.V., Stichting Administratiekantoor Elmira, and Asian and Western Classics B.V. have entered into that certain Purchase Agreement (the "Purchase Agreement") pursuant to which the Company and one of its Affiliates are purchasing all of the outstanding capital stock of Tommy Hilfiger B.V. and Tommy Hilfiger U.S.A., Inc.;

WHEREAS, the Company, on or prior to Closing, will authorize a new series of Preferred Stock, par value $100.00 per share, designated the "Series A Convertible Preferred Stock" (the "Series A Stock"), which will be convertible into shares of common stock, par value $1.00 per share, of the Company ("Company Common Stock") in accordance with the terms of the Certificate of Designations governing the Series A Stock, and which shall have such other rights, designations and privileges as set forth in the form attached hereto as Exhibit A (the "Series A Certificate of Designations");

WHEREAS, subject to the terms and conditions of this Agreement, the Investors have agreed to purchase from the Company, and the Company has agreed to sell to the Investors, the Series A Shares; and

WHEREAS, the Company and the Investors desire to set forth certain agreements herein.

NOW THEREFORE, in consideration of the premises and the representations, warranties and agreements herein contained and intending to be legally bound hereby, the parties hereby agree as follows:

ARTICLE I

Definitions

Section 1.01. Definitions. As used in this Agreement, the following terms shall have the meanings set forth below:

"Action" has the meaning set forth in Section 3.01(f).

"Acquisition Transactions" means the transactions provided for in the Purchase Agreement, including the financing thereof, as of the date hereof together with (a) such immaterial amendments, modifications and waivers that do not materially affect the anticipated benefits to the Company of such transactions, or (b) such other amendments, modifications and

waivers as consented to by the Investors who have agreed to purchase at least 50.1% of the Series A Stock. For the avoidance of doubt, any amendments or modifications which increase the purchase price to be paid under the terms of the Purchase Agreement by no more than 2.0% in the aggregate (excluding the effect of any amendments or modifications to the purchase price due to the operation of the working capital, net debt or other adjustments that are provided for under the terms of the Purchase Agreement as in effect on the date hereof) shall not be deemed an amendment or modification that requires the consent of the Investors who have agreed to purchase at least 50.1% of the Series A Stock.

"Affiliate" of a Person has the meaning set forth in Rule 12b-2 under the Exchange Act. Notwithstanding anything to the contrary set forth in this Agreement, no limited partner or similar participant of an Investor shall be deemed an Affiliate of such Investor.

"Agreement" means this Agreement, as amended, modified or supplemented from time to time, in accordance with the terms hereof, together with any exhibits, schedules or other attachments hereto.

"Business Day" means a day, other than a Saturday or Sunday, on which commercial banks in New York City are open for the general transaction of business. For purposes of notice, notice will allow notice until 11:59 p.m. on a particular day, and two (2) Business Day's notice will in no event be less than 48 hours.

"Closing" and "Closing Date" have the meanings set forth in Section 2.02(a).

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" has the meaning set forth in the preamble hereto.

"Company Common Stock" has the meaning set forth in the recitals hereto.

"Company Disclosure Schedule" has the meaning set forth in Section 3.01.

"Company Preferred Stock" has the meaning set forth in Section 3.01(b).

"Company SEC Documents" has the meaning set forth in Section 3.01(d).

"Company Shares" has the meaning set forth in Section 3.01(b).

"Company Subsidiary" has the meaning set forth in Section 3.01(a).

"DOJ" means the Antitrust Division of the U.S. Department of Justice.

"End Date" has the meaning set forth in Section 6.03(c).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"FTC" means the U.S. Federal Trade Commission.

"GAAP" means the United States generally accepted accounting principles.

"Governing Documents" means the legal document(s) by which any Person (other than an individual) establishes its legal existence or which govern its internal affairs. For example, the Governing Documents of a Delaware corporation are its certificate of incorporation and by-laws, the Governing Documents of a limited partnership are its limited partnership agreement and certificate of limited partnership and the Governing Documents of a limited liability company are its operating agreement and certificate of formation.

"Governmental Entity" means any U.S. or foreign (a) federal, state, local, municipal or other government, (b) governmental or quasi-governmental entity of any nature (including, without limitation, any governmental agency, branch, department, official or entity and any court or other tribunal) or (c) body exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature, including, without limitation, any arbitral tribunal.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"IFRS" means the International Financial Reporting Standards as promulgated by the International Accounting Standards Board.

"Intellectual Property Rights" means all U.S. and foreign (a) patents and patent applications, together with reissues, continuations, continuations-in-part, revisions, divisionals, substitutions, extensions and reexaminations thereof, (b) trademarks, service marks, trade dress, logos, slogans, trade names and internet domain names, brand names and corporate names, whether registered or unregistered, and all goodwill associated therewith and all registrations, renewals and applications in connection therewith, (c) copyrights, copyrightable subject matter, copyright registrations and applications and renewals thereof, (d) trade secrets and all confidential information, know-how, formulae, models, methodologies, compositions, manufacturing and production processes and techniques, designs, drawings, specifications and inventions (whether patentable or unpatentable and whether or not reduced to practice) and improveme nts thereto, (e) rights of publicity, moral rights and rights of attribution and integrity, (f) computer programs (whether in source code, object code or other form), databases and compilations and data, (g) all artwork, photographs, advertising and promotional materials and (h) all rights to pursue, recover and retain damages and costs and attorneys' fees for past, present and future infringement, misappropriation or other violation of any of the foregoing, in each case, to the extent protectable by applicable Law.

"Investors" has the meaning set forth in the preamble hereto.

"Law" means any applicable federal, state, local or foreign law, statute, ordinance, rule, guideline, regulation, order, writ, decree, agency requirement, license or permit of any Governmental Entity.

"Liability" means any debt, liability or obligation, whether known or unknown, asserted or unasserted, accrued, absolute, contingent or otherwise, whether due or to become due.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge. For the avoidance of doubt, the term "Lien" shall not be deemed to include any license of Intellectual Property Rights.

"Material Adverse Effect" means any change, event, effect, development, circumstance or occurrence that has a material adverse effect on the financial condition, business, or results of operations of the Company and the Company Subsidiaries, taken as a whole; provided, however, that any fact, change, event, effect, development, circumstance, condition or occurrence arising from or related to (except, in the case of clauses (a), (b), (d), (e) or (f), to the extent disproportionately affecting the Company and the Company Subsidiaries relative to other companies in the industries in which the Company and the Company Subsidiaries operate, but taking into account for purposes of determining whether a Material Adverse Effect has occurred only the disproportionate adverse impact) (a) conditions affecting the United States economy or any other national or regional economy or the global economy generally, (b) political conditions (or changes in such conditions) in the United States or any other country or region in the world or acts of war, sabotage or terrorism (including any escalation or general worsening of any such acts of war, sabotage or terrorism) in the United States or any other country or region of the world occurring after the date hereof, (c) changes in the financial, banking or securities markets in the United States or any other country or region in the world (including, without limitation, any disruption thereof and any decline in the price of any security or any market index), (d) changes in GAAP, IFRS or other accounting standards, (e) changes in any Laws or other binding directives issued by any Governmental Entity, (f) changes that are generally applicable to the industries in which the Company and the Company Subsidiaries operate, (g) any failure by the Company to meet any internal or published projections, forecasts or revenue or earnings predictions for any period ending on or after the d ate of this Agreement (provided, that the underlying causes of any such failure may be considered in determining whether a Material Adverse Effect has occurred), (h) the announcement of the Acquisition Transactions, (i) the completion of the transactions contemplated in this Agreement or the Stockholder Agreement or any action taken with the consent of the Investors or (j) any changes in the share price or trading volume of the Company Common Stock or in the Company's credit rating (provided, that the underlying causes of any such decline may be considered in determining whether a Material Adverse Effect has occurred) shall not be taken into account in determining whether a Material Adverse Effect has occurred; provided, however, that clauses (h) and (i) shall not diminish the effect of, and shall be disregarded for purposes of, any representations and warranties set forth in Section 3.01(e).

"MSD Purchase Agreement" means that certain Securities Purchase Agreement, dated as of even date herewith, by and between the Company and MSD Brand Investments, LLC.

"NYSE" means the New York Stock Exchange.

"Public Offering" means a registered public offering of Common Stock undertaken by the Company that will be effected prior to, or simultaneously with, the closing of the Acquisition Transactions.

"Purchase Agreement" has the meaning set forth in the recitals hereto.

"Purchase Price" means $100,000,000.

"Person" or "person" means an individual, corporation, limited liability company, association, partnership, group (as such term is used in Section 13(d)(3) of the Exchange Act), trust, joint venture, business trust or unincorporated organization, or a government or any agency or political subdivision thereof.

"Sarbanes-Oxley Act" has the meaning set forth in Section 3.01(d).

"SEC" means the U.S. Securities and Exchange Commission, including the staff thereof.

"Securities" has the meaning set forth in Section 3.02(a).

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Series A Certificate of Designations" has the meaning set forth in the recitals hereto.

"Series A Shares" has the meaning set forth in Section 2.01.

"Series A Stock" has the meaning set forth in the recitals hereto.

"Stock Purchase" has the meaning set forth in Section 2.01.

"Stockholder Agreement" means the agreement to be entered into on substantially the same terms as set forth in the form of Stockholder Agreement attached as Exhibit B.

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which, (a) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof or (b) if a limited liability company, partnership, association or other business entity (other than a corporation), a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more Subsidiaries of such Person or a combination thereof and for this purpose, a Person or Persons own a majority ownership interest in such a business entity (other than a corporation) if such Person or Persons shall be allocated a majority of such business entity's gains or losses or shall be a, or control any, managing director or general partner of such business entity (other than a corporation). The term "Subsidiary" shall include all Subsidiaries of such Subsidiary.

"Tax" means (a) any federal, state, local, municipal or foreign income, gross receipts, franchise, estimated, alternative minimum, add-on minimum, sales, use, transfer, real property gains, registration, value added, excise, natural resources, severance, stamp, occupation, windfall profits, environmental (under Section 59A of the Code), customs, duties, real property,

personal property, capital stock, social security (or similar), unemployment, disability, payroll, license, employee or other withholding, or other taxes, duties, levies, fees and assessments of any kind whatsoever, without limitation, and any interest, penalties or additions to tax in respect of, or in connection with, the foregoing (whether disputed or not), and (b) any liability in respect of amounts described in clause (a) hereof by reason of contract, assumption, transferee liability, operation of law, Treasury Regulation Section 1.1502-6 (or any similar provision of law) or otherwise.

"Tax Return" means all returns and reports (including elections, declarations, disclosures, schedules, estimates and information returns and amendments thereto) supplied or required to be supplied to a Tax authority relating to Taxes.

Section 1.02. General Interpretive Principles. Whenever used in this Agreement, except as otherwise expressly provided or unless the context otherwise requires, any noun or pronoun shall be deemed to include the plural as well as the singular and to cover all genders. The name assigned this Agreement and the section captions used herein are for convenience of reference only and shall not be construed to affect the meaning, construction or effect hereof. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." Unless otherwise specified, the terms "hereto," "hereof," "herein" and similar terms refer to this Agreement as a whole (including the exhibits, schedules and disclosure statements hereto), and references herein to Articles or Sections refer to Articles or Sections of this Agreement.

ARTICLE II

Sale and Purchase of the Series A Stock

Section 2.01. Sale and Purchase of the Series A Stock. Subject to all of the terms and conditions of this Agreement, and in reliance upon the representations and warranties hereinafter set forth, at the Closing, the Company will sell to the Investors free and clear of all liens, and the Investors will purchase from the Company, the number of shares of Series A Stock as specified on Schedule 1 for the Purchase Price (the "Stock Purchase"). The shares of Series A Stock to be issued and sold by the Company to the Investors pursuant to this Agreement are collectively referred to as the "Series A Shares".

Section 2.02. Closing. i) Subject to the satisfaction or waiver of the conditions set forth in this Agreement, the purchase and sale of the Series A Shares hereunder (the "Closing") shall take place at the offices of Wachtell, Lipton, Rosen & Katz, 51 West 52nd Street, New York, NY 10019. The Closing shall take place concurrently with the closing of the Acquisition Transactions (the date that the Closing occurs, the "Closing Date").

(b) At the Closing: (i) the Company will deliver to the Investors, as set forth on Schedule 1, the Series A Shares, in certificated or book entry form as the parties shall agree; (ii) each of the Investors, in full payment for the number of Series A Shares as set forth on Schedule 1, will deliver or cause to be delivered to the Company immediately available funds, by wire transfer to such account as the Company shall specify, in the amount of that portion of the Purchase Price as set forth on Schedule 1 and (iii) each party shall take or cause to happen such

other actions, and shall execute and deliver such other instruments or documents, as shall be required under Article VI.

ARTICLE III

Representations and Warranties

Section 3.01. Representations and Warranties of the Company. Except as disclosed in the forms, documents and reports filed by the Company with the SEC since February 3, 2008 (excluding any risk factor disclosures contained in such documents under the heading "Risk Factors" and any disclosure of risks included in any "forward-looking statements" disclaimer or other statements that are similarly non-specific and predictive or forward-looking in nature) or in the disclosure schedule (the "Company Disclosure Schedule") delivered by the Company to the Investors at or prior to the execution of this Agreement, the Company represents and warrants to the Investors as follows:

(a) Organization and Good Standing of the Company; Organizational Documents. The Company and each of its Subsidiaries (collectively, the "Company Subsidiaries", and each, a "Company Subsidiary") are duly organized, validly existing and in good standing (or the equivalent thereof) under the Laws of their respective jurisdiction of organization in all material respects. The Company and the Company Subsidiaries have the requisite power and authority and all licenses, permits and authorizations necessary to own, lease and operate its properties and to carry on their businesses as presently conducted, except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or prevent or materially delay the Company from performing its obligations under this Agreement. The Company and each Company Subsidiary is duly qualifie d or licensed to transact business and is in good standing (or the equivalent thereof) in each jurisdiction in which the assets or property owned, leased or operated by it, or the nature of the business conducted by it, makes such qualification or licensing necessary, except where the failure to be so qualified or licensed would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. The Company has made available to the Investors an accurate and complete copy of its Governing Documents as in full force and effect as of the date of this Agreement. The Company is not in violation of the provisions of its Governing Documents.

(b) Capitalization.

(i) The authorized capital stock of Company consists of 240,000,000 shares of Company Common Stock, par value $1.00 per share, and 150,000 shares of preferred stock, par value $100.00 per share ("Company Preferred Stock" and, together with Company Common Stock, "Company Shares"). As of March 11, 2010, there were (A) 57,175,152 shares of Company Common Stock issued and 51,935,498 shares of Company Common Stock outstanding and no shares of Company Preferred Stock issued and outstanding; (B) 3,587,950 options to purchase Company Common Stock issued and outstanding; (C) restricted unit awards in respect of 733,003 shares of Company Common Stock and (D) performance share awards in respect of a maximum of]89,050 shares of Company Common Stock. All outstanding Company Shares are duly authorized, validly issued, fully paid and non-assessable, and are not subject to and were

not and will not be issued in violation of any preemptive or similar right, purchase option, call or right of first refusal or similar right. The Series A Shares to be issued pursuant to this Agreement shall be, when issued on the Closing Date, duly authorized, validly issued, fully paid and non-assessable, and not subject to or issued in violation of any preemptive or similar right, purchase option, call or right of first refusal or similar right.

(ii) Except as set forth in subsection (i) above or pursuant to the Acquisition Transactions, as of the date of this Agreement, there are (A) no other shares of capital stock or other equity securities of the Company authorized, issued, reserved for issuance or outstanding, (B) no other authorized or issued and outstanding securities of the Company convertible into or exchangeable for, at any time, equity securities of the Company, (C) no contracts, options, warrants, call rights, puts, convertible securities, exchangeable securities, understandings or arrangements, or outstanding obligations, whether written or oral, of the Company to issue, repurchase, redeem, sell, deliver or otherwise acquire or cause to be issued, repurchased, redeemed, sold, delivered or acquired, any capital stock of the Company or securities convertible into or exchangeable for any equity securities of or similar interests in the Company or (D) no voting trusts, proxies or other arrangements among the Company's stockholders with respect to the voting or transfers of the Company Shares. There are no dividends or other distributions with respect to Company Shares that have been declared but remain unpaid.

(c) Authority. The Company has all requisite power and authority to execute and deliver this Agreement and the Stockholder Agreement and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby, all of which have been duly authorized by all necessary action on the part of the Company and no other proceeding (including, without limitation, by its equityholders) on the part of the Company is necessary to authorize this Agreement and the Stockholder Agreement or to consummate the transactions contemplated hereby and thereby. No vote of the Company's equityholders is required to approve this Agreement or for the Company to consummate the transactions contemplated hereby. The Company has duly executed and delivered this Agreement and at or prior to the Closing will have duly executed and delivered the Stockholder Agreement. ;This Agreement constitutes, and, upon due execution and delivery, the Stockholder Agreement will constitute a valid, legal and binding agreement of the Company (assuming that this Agreement and the Stockholder Agreement have each been duly and validly authorized, executed and delivered by the other parties thereto), enforceable against the Company in accordance with their respective terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other Laws affecting the enforcement of creditors' rights generally.

(d) Reports; Financial Statements; Liabilities.

(i) The Company has filed or furnished all forms, documents and reports required to be filed or furnished prior to the date of this Agreement by it with the SEC, together with all certifications required pursuant to the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), since February 3, 2008 (the "Company SEC Documents"), each of which, in each case as of its date, or, if amended, as finally amended prior to the date of this Agreement, complied in all material respects with the applicable requirements of

the Securities Act and the Exchange Act, as the case may be, and the applicable rules and regulations promulgated thereunder, and none of the Company SEC Documents as of the day of the filing contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. None of the Company Subsidiaries is required to file with, or furnish to, the SEC any form, document or report. As of the date of this Agreement, there are no material unresolved comments issued by the staff of the SEC with respect to any of the Company SEC Documents.

(ii) The consolidated financial statements of the Company and related notes included in the Company SEC Documents (if amended, as of the date of the last such amendment filed prior the date of this Agreement) (i) have been prepared from and are in accordance with the books and records of the Company, (ii) have been prepared in accordance with GAAP (or with respect to unaudited interim financial statements, follow GAAP principles and have been prepared by management in a manner consistent with prior interim principles), the published rules and regulations of the SEC with respect thereto and other legal and accounting requirements applicable to the Company, except as may be indicated in the notes thereto and except, in the case of unaudited interim financial statements, for the absence of footnotes and subject to normal year-end adjustments not expected to be material in amount and (ii) fairly present in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as of the dates thereof and their consolidated results of operations and cash flows for the periods then ended (subject, in the case of unaudited interim financial statements, to the absence of footnotes and to normal year-end adjustments not expected to be material in amount and to any other adjustments described therein, including in the notes thereto) in conformity with GAAP (except in the case of unaudited statements, as permitted by the SEC) applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto).

(iii) As of the date of this Agreement, there are no material liabilities or obligations of the Company or any of its Subsidiaries of any nature, whether or not accrued, contingent or otherwise, that would be required by GAAP to be reflected on a consolidated balance sheet of the Company, other than those that (A) are reflected or reserved against on the Company consolidated financial statements (including all related notes and schedules) of the Company included in the Company SEC Documents; (B) have been incurred in the ordinary course of business of the Company and its Subsidiaries; (C) are contemplated by this Agreement or incurred in connection with the execution of this Agreement or the consummation of the transactions contemplated hereby; (D) would not be reasonably expected to have individually or in the aggregate, a Material Adverse Effect or (E) have been discharged or paid off.

(iv) The Company is in compliance in all material respects with (A) the applicable provisions of the Sarbanes-Oxley Act and (B) the applicable listing and corporate governance rules and regulations of the NYSE.

(e) Consents and Approvals; No Violations. No notice to, filing with, or authorization, consent or approval of any Governmental Entity is necessary for the execution,

delivery or performance of this Agreement or the Stockholder Agreement by the Company or the consummation by the Company of the transactions contemplated hereby and thereby, except for (A) compliance with and filings under the HSR Act, (B) those set forth on Section 3.01(e) of the Company Disclosure Schedules and (C) those the failure of which to obtain or make, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Neither the execution, delivery and performance of this Agreement by the Company nor the consummation by the Company of the transactions contemplated hereby will (1) conflict with or result in any breach of any provision of the Company or Company Subsidiaries' Governing Documents, (2) result in a violation or breach of, cause acceleration, allow a party to modify or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation, acceleration or modification, or right of first refusal, right of first offer or similar right) or any increased cost or loss of benefit to the Company or any Company Subsidiary or increased benefit to another party thereto under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, license, contract, agreement or other instrument or obligation to which Company or any Company Subsidiary is a party or by which any of its properties or assets may be bound, (3) violate any Law of any Governmental Entity applicable to the Company or any Company Subsidiary or any of their respective properties or assets or (iv) result in the creation of any Lien upon any of the assets of the Company or any Company Subsidiary, which in the case of any of clauses (2) through (4) above, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect or prevent or materially delay the Company from performing its obligations under this Agreement or taking any action necessary to consummate the transactions contemplated by this Agreement.

(f) Litigation. There is no judgment, suit, litigation, arbitration, claim, action, complaint, injunction, order, dispute, inquiry, investigation arbitration or proceeding (each, an "Action") pending, or, to the Company's knowledge, threatened or under investigation against the Company or any Company Subsidiary, or as to which the Company or any Company Subsidiary has received any written notice or assertion before any Governmental Entity, or for which the Company or any Company Subsidiary is obligated to indemnify a third party except those which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Neither the Company nor any Company Subsidiary is subject to any outstanding and unsatisfied order, writ, judgment, injunction, settlement or decree, except those which, individually or in the aggregate, would not reasonably be ex pected to have a Material Adverse Effect or prevent or materially delay the Company from performing its obligations under this Agreement or taking any action necessary to consummate the transactions contemplated by this Agreement.

(g) Compliance with Applicable Law. Since February 3, 2008, except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (a) the Company and each Company Subsidiary hold all permits, licenses, approvals, certificates and other authorizations of and from all, and have made all notifications, registrations, certifications, declarations and filings with, Governmental Entities necessary or advisable for the lawful conduct of their respective businesses as presently conducted, and the ownership or lease of their properties and assets, (b) all such permits, licenses, approvals, certificates and other authorizations are in full force and effect, (c) the businesses of the Company and each Company Subsidiary have been and are now being operated in compliance with all applicable Laws of all Governmental Entities and (d) there is no action, suit or

proceeding pending or, to the Company's knowledge, threatened in writing by any Governmental Entity that claims any material violation by the Company or any Company Subsidiary of applicable Law.

(h) Tax Matters.

(i) Except as would not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (A) the Company and each Company Subsidiary have timely filed, or have caused to be timely filed, all Tax Returns required to be filed by the Company and each of the Company Subsidiaries, (B) all such Tax Returns are true, complete and accurate in all respects and (C) all Taxes shown to be due on such Tax Returns, or otherwise owed, have been or will be timely paid in full.

(ii) Except as would not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (i) no Tax authority has asserted, or threatened in writing to assert, any Tax liability in connection with an audit or other administrative or court proceeding involving Taxes of the Company or any Company Subsidiaries, (ii) neither Company nor any Company Subsidiary has distributed stock of another corporation or has had its stock distributed in a transaction that was purported or intended to be governed, in whole or in part, by Section 355 or Section 361 of the Code within the preceding five (5) years, (iii) neither the Company nor any Company Subsidiary has participated, or is currently participating, in a "listed transaction" as defined in Treasury Regulations Section 1.6011-4(b), and (iv) neither Company nor any of Company Sub sidiary is a party to any agreement or arrangement relating to the apportionment, sharing, assignment or allocation of Taxes (other than an agreement or arrangement solely among the members of a group the common parent of which is Company or any Company Subsidiary), or has any liability for Taxes of any Person (other than the Company or any Company Subsidiary) under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local or foreign Law), as a transferee or successor or by contract.

(i) Intellectual Property. Except as would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect: (a) the Company and its Subsidiaries own or have the right to use the Intellectual Property Rights used in or necessary for the conduct of their businesses, free and clear of any Lien other than permitted liens, (b) to the knowledge of the Company, the current registrations and applications for Intellectual Property Rights owned by the Company and its Subsidiaries are subsisting valid and enforceable, (c) to the knowledge of the Company, the conduct of the Company's business does not infringe or violate the Intellectual Property Rights of any Person, and there is no written action, complaint, suit, proceeding or investigation pending or, to the Company's knowledge, threatened against the Company or any Company Subsidiaries alleging any such infringement o r violation and (d) to the Company's knowledge, the Intellectual Property Rights owned by the Company are not being infringed or violated by any Person.

(j) Absence of Certain Developments. Since the date of the most recent consolidated audited financial statements of the Company included in the Company SEC

Documents, except as otherwise contemplated or permitted by this Agreement, there have not been any events, changes or developments which have had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(k) Solvency. The Company is not, and, assuming the accuracy of (a) the representations of the other parties to the Purchase Agreement that are set forth in the Purchase Agreement and (b) the financial projections provided by Seller (as such term is defined in the Purchase Agreement) to the Company, after giving effect to the Acquisition Transactions, to the knowledge of Seller, will not: (i) be insolvent (either because its financial condition is such that the sum of its debts is greater than the fair market value of its assets or because the fair saleable value of its assets is less than the amount required to pay its probable liability on its existing debts as they mature); (ii) have unreasonably small capital with which to engage in its business; or (iii) have incurred debts beyond its ability to pay them as they become due.

(l) Purchase Agreement. The Company has provided each of the Investors with a complete copy of the Purchase Agreement, including all schedules and exhibits thereto.

(m) No Additional Representations. Except for the representations and warranties made by the Company in this Section 3.01, neither the Company nor any other Person makes any express or implied representation or warranty with respect to the Company or any of its Subsidiaries or their respective businesses, operations, assets, liabilities, conditions (financial or otherwise) or prospects, and the Company hereby disclaims any such other representations or warranties. In particular, without limiting the foregoing disclaimer, neither the Company nor any other Person makes or has made any representation or warranty to the Investors, or any of their respective Affiliates or representatives with respect to (i) any financial projection, forecast, estimate, budget or prospect information relating to the Company or any of its Subsidiaries or their respective businesses, or (ii) except for the repr esentations and warranties made by the Company in this Section 3.01, any oral or written information presented to the Investors or any of their Affiliates or representatives in the course of their due diligence investigation of the Company, the negotiation of this Agreement or in the course of the transactions contemplated hereby.

Section 3.02. Representations and Warranties of the Investors. Each of the Investors, jointly and severally, represent and warrant to the Company as follows:

(a) Private Placement.

(i) The Investor is (A) an “accredited investor” within the meaning of Rule 501 of Regulation D promulgated under the Securities Act; (B) aware that the sale of the Series A Shares and the Company Common Stock issuable upon conversion of the Series A Stock being issued and sold pursuant to this Agreement (collectively, the “Securities”) to it is being made in reliance on a private placement exemption from registration under the Securities Act and (C) acquiring the Securities for its own account.

(ii) The Investor understands and agrees that the Securities are being offered in a transaction not involving any public offering within the meaning of the Securities Act, that such Securities have not been and, except as contemplated by the Stockholder

Agreement, will not be registered under the Securities Act and that such Securities may be offered, resold, pledged or otherwise transferred only (A) in a transaction not involving a public offering, (B) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), (C) pursuant to an effective registration statement under the Securities Act or (D) to the Company or one of its Subsidiaries, in each of cases (A) through (D) in accordance with any applicable state and federal securities laws, and that it will notify any subsequent purchaser of Securities from it of the resale restrictions referred to above, as applicable.

(iii) The Investor understands that, unless sold pursuant to a registration statement that has been declared effective under the Securities Act or in compliance with Rule 144 thereunder, the Company may require that the Securities bear a legend or other restriction substantially to the following effect (it being agreed that if the Securities are not certificated, other appropriate restrictions shall be implemented to give effect to the following):

"THIS SECURITY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THIS SECURITY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. THE HOLDER OF THIS SECURITY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) THIS SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) IN A TRANSACTION NOT INVOLVING A PUBLIC OFFERING, (II) PURSUANT TO ANY OTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, INCLUDING RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (III) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (IV) TO THE COMPANY OR ANY OF ITS SUBSIDIARIES, IN EACH OF CASES (I) THROUGH (IV) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL NOTIFY ANY SUBSEQUENT PURCHASER OF THIS SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE. THIS SECURITY MAY ONLY BE TRANSFERRED IN ACCORDANCE WITH THE TERMS OF THE STOCKHOLDER AGREEMENT, DATED AS OF [●], 2010, BY AND AMONG PHILLIPS-VAN HEUSEN CORPORATION, LNK PARTNERS, L.P. AND LNK PARTNERS (PARALLEL), L.P."

(iv) The Investor (A) is able to fend for itself in the transactions contemplated by this Agreement; (B) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its prospective investment in the Securities and (C) has the ability to bear the economic risks of its prospective investment, and can afford the complete loss of such investment.

(v) The Investor acknowledges that (A) it has conducted its own investigation of the Company, Tommy Hilfiger B.V., the Acquisition Transactions and the terms of the Securities, (B) it has had access to the Company's public filings with the SEC and to such financial and other information as it deems necessary to make its decision to purchase the

Securities and (C) has been offered the opportunity to conduct such review and analysis of the business, assets, condition, operations and prospects of the Company and its Subsidiaries, and of Tommy Hilfiger B.V. and its Subsidiaries, and to ask questions of the Company and received answers thereto, each as it deemed necessary in connection with the decision to purchase the Securities. The Investor further acknowledges that it has had such opportunity to consult with its own counsel, financial and tax advisors and other professional advisers as it believes is sufficient for purposes of the purchase of the Securities. The foregoing, however, does not limit or modify the representations and warranties of the Company in Section 3.01 of this Agreement or the right of the Investor to rely on such representations and warranties.

(vi) The Investor understands that the Company will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements in connection with the issuance and sale of the Series A Shares.

(vii) Except for the representations and warranties contained in Section 3.01 (including any references in such Section to the forms, documents and reports filed by the Company with the SEC since January 1, 2008), the Investor acknowledges that neither the Company nor any Person on behalf of the Company makes, and the Investor has not relied upon, any other express or implied representation or warranty with respect to the Company or any of its Subsidiaries or with respect to any other information provided to the Investor in connection with the transactions contemplated by this Agreement. Furthermore, the Investor acknowledges that neither the Company nor any other Person makes or has made any representation or warranty to the Investor, or any of its Affiliates or representatives with respect to any financial projection, forecast, estimate, budget or prospect information relating to the Company or any of its Sub sidiaries or their respective businesses.

(b) Organization. Each Investor has been duly organized and is validly existing in the jurisdiction and as the form of business entity set forth on Schedule 1.

(c) Governmental Consents. No consent, approval, order or authorization of, or registration, qualification, declaration or filing with, any federal, state or local governmental authority on the part of the Investor is required in connection with the purchase of the Series A Shares (and the Company Common Stock issuable upon conversion of the Series A Shares) or the consummation of any other transaction contemplated by this Agreement, except for: (i) compliance with applicable state securities laws and (ii) the filing with the SEC of such reports under the Exchange Act as may be required in connection with this Agreement and the transactions contemplated by this Agreement.

(d) Authority. The Investor has all requisite power and authority to execute and deliver this Agreement and the Stockholder Agreement and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby, all of which have been duly authorized by all necessary action on the part of the Investor and no other proceeding on the part of the Investor is necessary to authorize this Agreement and the Stockholder Agreement or to consummate the transactions contemplated hereby and thereby. The Investor has duly executed and delivered this Agreement and at or prior to the Closing will

have duly executed and delivered the Stockholder Agreement. This Agreement constitutes, and, upon due execution and delivery, the Stockholder Agreement will constitute, a valid, legal and binding agreement of the Investor (assuming that this Agreement and the Stockholder Agreement have each been duly and validly authorized, executed and delivered by the other parties thereto), enforceable against the Investor in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other Laws affecting the enforcement of creditors' rights generally.

(e) No Default or Violation. The execution, delivery and performance of and compliance with this Agreement and the Stockholder Agreement by the Investor will not (i) result in any default or violation of the Governing Documents of the Investor, (ii) result in any default or violation of any material note, bond, mortgage, indenture, lease, license, contract, agreement or other instrument or obligation to which the Investor is a party or by which any of its properties or assets may be bound or in any default or violation of any material judgment, order or decree of any Governmental Entity or (iii) be in conflict with or constitute, with or without the passage of time or giving of notice, a default under any such provision, require any consent or waiver under any such provision, or result in the creation of any mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of the Inves tor pursuant to any such provision, or the suspension, revocation, impairment or forfeiture of any material permit, license, authorization or approval applicable to the Investor, its business or operations, or any of its assets or properties pursuant to any such provision, except in the case of clauses (ii) and (iii) as would not, individually or in the aggregate, reasonably be expected to prevent or materially delay or impair the ability of the Investor to consummate the transactions contemplated by this Agreement.

(f) Sufficient Funds. The Investor has commitments for, and as of the Closing Date will have, sufficient funds to consummate the transactions required to be consummated by it hereunder.

ARTICLE IV

Covenants of the Company

The Company covenants and agrees that for so long as the Series A Shares are outstanding:

Section 4.01. Maintain Listing. The Company will use commercially reasonable efforts to (a) maintain the listing and trading of its Company Common Stock on the NYSE, for so long as the Company qualifies for such listing under the rules and regulations of the NYSE and (b) comply in all material respects with the Company's reporting, filing, and other obligations, under the rules and regulations of the NYSE. The Company will promptly provide to the Investors copies of any notices it receives from the NYSE regarding the continued eligibility of the Company Common Stock for listing.

Section 4.02. Secure Listing. The Company shall use commercially reasonable efforts to cause the shares of Company Common Stock issuable upon conversion of the Series A

Shares, upon issuance, shall have been duly listed, pending notice of issuance, on the NYSE and the Company shall maintain such listing in accordance with Section 4.01.

Section 4.03. Transfer Taxes. The Company shall be responsible for any Liability with respect to any transfer, stamp or similar non-income Taxes that may be payable in connection with the execution, delivery and performance of this Agreement including, without limitation, any such Taxes with respect to the issuance of the Series A Shares or shares of Company Common Stock issuable upon conversion thereof.

Section 4.04. Updates and Notifications. The Company agrees to provide the Investor with periodic updates regarding the status of the Purchase Agreement including the status of the various closing conditions under the Purchase Agreement, any material developments related to the Purchase Agreement and the financing, and the likely timing of closing.

ARTICLE V

Additional Agreements of the Parties

Section 5.01. Taking of Necessary Action. Subject to the conditions set forth in Article VI hereof, each of the parties hereto agrees to use all reasonable best efforts promptly to take or cause to be taken all action and promptly to do or cause to be done all things reasonably necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated hereby. Each party shall execute and deliver both before and after the Closing such further certificates, agreements and other documents and take such other actions as another party may reasonably request to consummate or implement the transactions contemplated hereby or to evidence such events or matters.

Section 5.02. HSR. The Company and the Investors shall, as promptly as practicable following the execution and delivery of this Agreement, submit all filings required by the HSR Act to the FTC and the DOJ and thereafter provide any supplemental information requested in connection therewith pursuant to the HSR Act and make any similar filing within, to the extent reasonably practicable, a similar time frame with any other Governmental Entity for which such filing is required. Any such notification and report form and supplemental information will be in substantial compliance with the requirements of the HSR Act or other applicable antitrust regulation. The Company and the Investors shall furnish to each other such necessary informati on and reasonable assistance as the other may request in connection with its preparation of any filing or submission which is necessary under the HSR Act or other applicable antitrust regulation. The Company and the Investors shall request early termination of the applicable waiting period under the HSR Act and any other applicable antitrust regulation shall respond with reasonable diligence and dispatch to any request for additional information made in response to such filings or information requests made by any other Governmental Entity and shall keep each other apprised of any communications with, and inquiries or requests for additional information from the FTC, DOJ or any other Governmental Entity and shall comply with any inquiry or request made thereby.

Section 5.03. Publicity. The parties agree not to issue any announcement, press release, public statement or other information to the press or any third party with respect to this Agreement or the transactions contemplated hereby without obtaining the prior approval of the other parties hereto (which approval shall not be unreasonably withheld); provided, however, that nothing contained herein shall prevent any party hereto, at any time, from furnishing any required information to any Governmental Entity or from issuing any announcement, press release, public statement or other information to the press or any third party with respect to this Agreement or the transactions contemplated hereby if required by Law; provided, further, that the parties agree to consult with each other as to the conte nt of any release so required and consider in good faith the comments of the other thereon.

Section 5.04. Public Offering. Each of the Investors agree, jointly and severally, that neither it nor its Affiliates will purchase shares of Company Common Stock in a Public Offering.

ARTICLE VI

Conditions; Termination

Section 6.01. Conditions of the Investors. The obligations of the Investor to complete the Stock Purchase are subject to satisfaction or waiver of each of the following conditions precedent:

(a) Representations and Warranties. The representations and warranties of the Company contained in Section 3.01 shall, disregarding all qualifications and exceptions contained therein as to materiality of Material Adverse Effect, be true and correct at and as of the Closing Date as if made at and as of such time, except for any inaccuracies which, individually or in the aggregate have not had and would not reasonably be likely to have a Material Adverse Effect.

(b) Covenants. The Company shall have performed in all material respects all of its covenants and obligations in this Agreement that are to be performed at or prior to the Closing.

(c) Company Certificate. The Company shall have delivered to the Investor a certificate, dated as of the Closing Date, signed by an authorized executive officer to the effect that the conditions set forth in Sections 6.01(a) and (b) have been satisfied.

(d) Certificate of Designation. The Company shall adopt and file with the Secretary of State of the State of Delaware the Series A Certificate of Designations.

(e) Stockholder Agreement. The Company shall have duly executed and delivered to the Investors the Stockholder Agreement.

(f) HSR Act. All filing and other requirements under the HSR Act shall have been satisfied and the applicable waiting period with respect to the Stock Purchase under the HSR Act shall have expired or been terminated.

(g) No Adverse Law, Action or Decision or Injunction. There shall be no statute, rule, regulation, executive order, decree, temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other Governmental Entity or other legal restraint or prohibition preventing the consummation of the transactions contemplated by this Agreement in effect and no proceeding or lawsuit shall have been commenced by any Governmental Entity or other third party for the purpose of obtaining any such order, decree, injunction, restraint or prohibition and no written notice shall have been received by any party from any such Governmental Entity indicating an intent to restrain, prevent, materially delay or restructure the transaction contemplated hereby.

(h) Acquisition Transactions. The Company shall have consummated the Acquisition Transactions in accordance with the terms of the Purchase Agreement.

(i) Resolutions. The Company shall have provided to the Investor copies of a resolution of the Board of Directors of the Company approving this Agreement and the consummation of the transactions contemplated hereby and such resolution shall be in full force and effect.

Section 6.02. Conditions of the Company. The obligation of the Company to complete the Stock Purchase is subject to satisfaction or waiver of each of the following conditions precedent:

(a) Representations and Warranties. The representations and warranties of the Investor contained in this Agreement shall be true and correct in all material respects on and as of the date hereof and on and as of the Closing Date as if made on and as of the Closing Date (except for any such representations or warranties made as of the date hereof or as of another date, which shall be true and correct as of such date).

(b) Covenants. The Investor shall have performed in all material respects all of its covenants and obligations in this Agreement that are to be performed at or prior to the Closing.

(c) Investor Certificate. Each of the Investors shall have delivered to the Company a certificate, dated as of the Closing Date, signed by an authorized executive officer of each Investor to the effect that the conditions set forth in Sections 6.02(a) and (b) have been satisfied.

(d) Stockholder Agreement. Each of the Investors shall have duly executed and delivered to the Company the Stockholder Agreement.

(e) HSR Act. All filing and other requirements under the HSR Act shall have been satisfied and the applicable waiting period with respect to the Stock Purchase under the HSR Act shall have expired or been terminated.

(f) No Adverse Law, Action or Decision or Injunction. There shall be no Law of, and no Action pending by, a Governmental Entity of competent jurisdiction that seeks to restrain, enjoin or prevent the consummation of the transactions contemplated hereby, and there

shall not be in effect any order, decree or injunction of a court or agency of competent jurisdiction which enjoins or prohibits consummation of the transactions contemplated hereby.

Section 6.03. Termination. This Agreement may be terminated at any time prior to the Closing:

(a) Mutual Consent. By mutual consent of the Investors and the Company in a written instrument;

(b) Purchase Agreement Termination. By either the Investors or the Company in the event that the Purchase Agreement shall have been terminated;

(c) End Date. By either the Investors or the Company in the event that the Closing does not occur by the close of business on December 31, 2010 (the "End Date"); provided, that, notwithstanding the foregoing, no party hereto may terminate this Agreement pursuant to this Section 6.03(c) if the failure of the Closing to occur by the End Date was caused by the failure of such party to act in good faith or to use its reasonable best efforts to cause the Closing to occur;

(d) Breaches by the Company. By the Investors, if there has been a material violation or breach by the Company of any covenant, agreement, representation or warranty contained in this Agreement which has prevented the satisfaction of any condition to the obligations of the Investors set forth in Section 6.01 at the Closing and such violation or breach has not been waived by the Investors or, in the case of a covenant or agreement breach, cured by the Company within the earlier of the closing of the transactions contemplated by the Purchase Agreement and 30 days after notice thereof to the Company by the Investors;

(e) Breaches by the Investors. By the Company, if there has been a material violation or breach by the any of the Investors of any covenant, agreement, representation or warranty contained in this Agreement which has prevented the satisfaction of any condition to the obligations of the Company set forth in Section 6.02 at the Closing and such violation or breach has not been waived by the Company or, in the case of a covenant or agreement breach, cured by the Investors within 30 days after notice thereof to the Investors by the Company (for the avoidance of doubt, the Company shall not have the right to terminate this Agreement if there has been a breach of the MSD Purchase Agreement); or

(f) Governmental Authority. By either the Investors or the Company if there shall be any Law of, or Action pending by, a Governmental Entity of competent jurisdiction that seeks to restrain, enjoin or prevent the consummation of the transactions contemplated hereby, or there shall be in effect any order, decree or injunction of a court or agency of competent jurisdiction which enjoins or prohibits consummation of the transactions contemplated hereby.

Section 6.04. Effect of Termination. In the event of termination of this Agreement by either or both of the Company and the Investors pursuant to Section 6.03, written notice thereof shall forthwith be given by the terminating party to the other, and this Agreement shall thereupon terminate and become void and have no effect, and the transactions contemplated hereby shall be abandoned without further action by the parties hereto, except that the provisions of Section 5.04, this Section 6.04, Section 7.01 (except in the event that this Agreement was

terminated by the Company pursuant to Section 6.03(e)) and Article VIII shall survive the termination of this Agreement and except that neither party shall be relieved or released from any liabilities or damages arising out of any breach of this Agreement. For the avoidance of doubt, the termination of the MSD Purchase Agreement shall not affect any of the provisions of this Agreement.

ARTICLE VII

Fees, Expenses and Costs

Section 7.01. Reimbursement of Legal Expenses. The Company agrees to pay at the earlier of the Closing and the termination of this Agreement pursuant to the terms hereof all reasonable and documented legal fees and expenses owed by the Investors to Kirkland & Ellis LLP, incurred in connection with this Agreement, such amount payable by the Company to be subject to a cap to be agreed between the parties.

Section 7.02. Commitment Fee. The Company agrees to pay to a Person designated by the Investors who have agreed to purchase at least 50.1% of the Series A Stock which shall not be an Investor at the Closing a commitment fee equal to 100 basis points (1.0%) of the Purchase Price in immediately available funds by wire transfer to an account specified by the Investors who have agreed to purchase at least 50.1% of the Series A Stock.

Section 7.03. Transaction Fee. The Company agrees to pay to a Person designated by the Investors who have agreed to purchase at least 50.1% of the Series A Stock which shall not be an Investor at the Closing a transaction fee equal to 400 basis points (4.0%) of the Purchase Price in immediately available funds by wire transfer to an account specified by the Investors who have agreed to purchase at least 50.1% of the Series A Stock.

ARTICLE VIII

Miscellaneous

Section 8.01. Non-Survival of Representations and Warranties. None of the representations, warranties, covenants and other agreements in this Agreement or in any instrument delivered pursuant to this Agreement, including any rights arising out of any breach of such representations, warranties, covenants and other agreements, shall survive Closing, except for (a) the representations and warranties set forth in the last sentence of Section 3.01(b)(i), which shall survive indefinitely, (b) those covenants and agreements contained herein that by their terms are to be performed in whole or in part after Closing and (c) this Article VIII.

Section 8.02. Notices. All notices, requests, demands, consents and other communications given or required to be given under this Agreement and under the related documents shall be in writing and delivered to the applicable party at the address indicated below:

If to the Company: Phillips-Van Heusen Corporation
200 Madison Avenue

New York, New York 10016
Attention: Mark D. Fischer, Esq.
Facsimile: 212-381-3993

with a copy (which shall not constitute notice) to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attention: Andrew J. Nussbaum, Esq.
Gregory E.
Ostling, Esq.
Facsimile: (212) 403-2000

If to the Investors: LNK Partners, L.P.
81 Main Street
White Plains, New York 10601
Attention: David A. Landau
Fax: 914-824-5901
Telephone: 914-824-5900

and

LNK Partners (Parallel), L.P.
c/o LNK Partners, L.P.
81 Main Street
White Plains, New York 10601
Attention: David A. Landau
Fax: 914-824-5901
Telephone: 914-824-5900

with a copy (which shall not constitute notice) to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022

Attention: Kim Taylor

Facsimile: 212-446-6460

Telephone: 212-446-4800

or, as to each party at such other address as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section 8.02. Any notices shall be in writing, including facsimile communication with electronic confirmation, and may be delivered in person or sent by overnight delivery service. Notice shall be effective upon sending the facsimile (with electronic confirmation), upon delivery in person or after one Business Day with respect to overnight delivery service.

Section 8.03. Entire Agreement; Amendment. This Agreement and the Stockholder Agreement contain the entire understanding of and all agreements between the parties hereto with respect to the subject matter hereof and supersedes any prior or contemporaneous agreement or understanding, oral or written, pertaining to any such matters which agreements or understandings shall be of no force or effect for any purpose; provided, however, that the terms of any confidentiality agreement between the parties hereto (or their Affiliates) previously entered into, to the extent not inconsistent with any provisions of this Agreement or the Stockholder Agreement, shall continue to apply; and provided, further that, subje ct to applicable federal securities laws, the Investor and their Affiliates shall be permitted to continue to use confidential information (subject to the confidentiality requirements of the confidentiality agreement) in connection with any proposed investment in the Company. This Agreement may not be amended or supplemented in any manner except by mutual agreement of the parties and as set forth in a writing signed by the parties hereto or their respective successors in interest. The waiver of any beach of any provision under this Agreement by any party shall not be deemed to be a waiver of any preceding or subsequent breach under this Agreement. No such waiver shall be effective unless in writing.

Section 8.04. Assignment; Third Party Beneficiaries. Neither this Agreement, nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of Law or otherwise) without the prior written consent of the other parties; provided, however, that (a) each Investor may assign its rights, interests and obligations under this Agreement to an Affiliate of such Investor and (b) in the event of such assignment, the assignee shall agree in writing to be bound by the provisions of this Agreement. This Agreement shall not confer any rights or remedies upon any Person other than the parties to this Agreement and thei r respective successors and permitted assigns.

Section 8.05. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to constitute any original, but all of which together shall constitute one and the same document.

Section 8.06. Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Law of any jurisdiction other than the State of Delaware.

Section 8.07. Jurisdiction and Venue. The parties hereby irrevocably submit to the jurisdiction of the Delaware Court of Chancery or, in the event (but only in the event) that such court does not have subject matter jurisdiction over such action or proceeding, in the United States District Court for the District of Delaware in respect of the interpretation and enforcement of the provisions of this Agreement and of the documents referred to in this Agreement, and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or of any such document, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in the Delaware Court of Chancery, or in the event (but only in the event) that such court does not have subject matter jurisdiction over such action or proceeding, in the United States District Court for the District of Delaware, or that this Agreement or any such

document may not be enforced in or by such courts, and the parties irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in the Delaware Court of Chancery, or in the event (but only in the event) that such court does not have subject matter jurisdiction over such action or proceeding, in the United States District Court for the District of Delaware. The parties hereby consent to and grant the Delaware Court of Chancery, or in the event (but only in the event) that such court does not have subject matter jurisdiction over such action or proceeding, the United States District Court for the District of Delaware, jurisdiction over the person of such parties and, to the extent permitted by Law, over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 8.02 or in such other manner as may be permitted by Law shall be valid and sufficient service thereof.

Section 8.08. Tax Characterization. Unless otherwise required by a final "determination", as defined in Section 1313(a) of the Code, the parties agree to treat the Series A Stock as stock other than preferred stock for U.S. federal, and to the extent applicable, state and local tax purposes.

Section 8.09. U.S. Withholding Tax Forms. Each Investor shall provide to the Company at the Closing a properly completed and duly executed U.S. Internal Revenue Service Form W-9.

Section 8.10. Expenses. Except as expressly provided herein or in the Stockholder Agreement, each party shall bear its own costs and expenses (including attorneys' fees) incurred in connection with this Agreement and the Stockholder Agreement and the transactions contemplated hereby.

Section 8.11. Remedies; Waiver. To the extent permitted by Law, all rights and remedies existing under this Agreement are cumulative to, and are exclusive of, any rights or remedies otherwise available under applicable Law. No failure on the part of any party to exercise, or delay in exercising, any right hereunder shall be deemed a waiver thereof, nor shall any single or partial exercise preclude any further or other exercise of such or any other right.

Section 8.12. Waiver of Jury Trial. THE PARTIES HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (A) ARISING UNDER THIS AGREEMENT OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES IN RESPECT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY, IN EACH CASE, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. THE PARTIES HEREBY FURTHER AGREE AND CONSENT THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES MAY FILE A COPY OF THIS AGREEMENT WITH ANY COURT AS WRIT TEN EVIDENCE OF THE CONSENT OF THE PARTIES TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

Section 8.13. Severability. If any provision of this Agreement is determined to be invalid, illegal or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect; provided that the economic and legal substance of any of the transactions contemplated hereby is not affected in any manner materially adverse to any party. In the event of any such determination, the parties agree to negotiate in good faith to modify this Agreement to fulfill as closely as possible the original intent and purpose hereof. To the extent permitted by law, the parties hereby to the same extent waive any provision of Law that renders any provision hereof prohibited or unenforceable in any respect**.**

Section 8.14. Specific Performance. Each party agrees that, in the event of any breach or threatened breach by any other party of any covenant or obligation contained in this Agreement, the non-breaching party shall be entitled to seek and obtain (i) a decree or order of specific performance to enforce the observance and performance of such covenant or obligation, and (ii) an injunction restraining such breach or threatened breach. In circumstances where any party hereto is obligated to consummate the transactions contemplated by this Agreement and such transactions have not been consummated (other than as a result of another party's refusal to close in violation of this Agreement) each party expressly acknowledges and agrees that the other parties and their respective stockholders shall have suffered irreparable harm, that monetary damages will be inadequate to compensate such other party and its stockholders, and that such other party on behalf of itself and its shareholders shall be entitled to enforce specifically the breaching party's obligation to consummate such transactions.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto or by their respective duly authorized officers, all as of the date first above written.

PHILLIPS-VAN HEUSEN CORPORATION

By: /s/ Mark D. Fischer
Name: Mark D. Fischer
Title: Senior Vice President

[Securities Purchase Agreement Signature Page]

LNK PARTNERS, L.P.

By: LNK GenPar, L.P.
Its: General Partner

By: LNK MGP, LLC
Its: General Partner

By: /s/ David A. Landau
Name: David A. Landau
Its: President

LNK PARTNERS (PARALLEL), L.P.

By: LNK GenPar, L.P.
Its: General Partner

By: LNK MGP, LLC
Its: General Partner

By: /s/ David A. Landau
Name: David A. Landau
Its: President

Schedule 1

Investors

Investor	**Portion of Purchase Price**	**Jurisdiction of Incorporation**	**Form of Entity**	**Series A Shares**
LNK Partners, L.P.	$93,114,814.81	Delaware	Limited partnership	3,724.59
LNK Partners (Parallel), L.P.	$6,885,185.19	Delaware	Limited partnership	275.41

Exhibit A

Form of Series A Certificate of Designations

Exhibit B

Form of Stockholder Agreement

Exhibit 4.11

SECURITIES PURCHASE AGREEMENT

by and between

MSD BRAND INVESTMENTS, LLC

and

PHILLIPS-VAN HEUSEN CORPORATION

Dated as of March 15, 2010

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SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (the "Agreement"), dated as of March 15, 2010, by and between Phillips-Van Heusen Corporation, a Delaware corporation (the "Company") and MSD Brand Investments, LLC, a Delaware limited liability company (the "Investor"). Capitalized terms not otherwise defined where used shall have the meanings ascribed thereto in Article I.

WHEREAS, simultaneous with the entry into this Agreement, the Company, Prince 2 B.V., Tommy Hilfiger Holding S.a r.l, Tommy Hilfiger Corporation, Tommy Hilfiger B.V., Stichting Administratiekantoor Elmira, and Asian and Western Classics B.V. have entered into that certain Purchase Agreement (the "Purchase Agreement") pursuant to which the Company and one of its Affiliates are purchasing all of the outstanding capital stock of Tommy Hilfiger B.V. and Tommy Hilfiger U.S.A., Inc.;

WHEREAS, the Company, on or prior to Closing, will authorize a new series of Preferred Stock, par value $100.00 per share, designated the "Series A Convertible Preferred Stock" (the "Series A Stock"), which will be convertible into shares of common stock, par value $1.00 per share, of the Company ("Company Common Stock") in accordance with the terms of the Certificate of Designations governing the Series A Stock, and which shall have such other rights, designations and privileges as set forth in the form attached hereto as Exhibit A (the "Series A Certificate of Designations");

WHEREAS, subject to the terms and conditions of this Agreement, the Investor has agreed to purchase from the Company, and the Company has agreed to sell to the Investor, the Series A Shares; and

WHEREAS, the Company and the Investor desire to set forth certain agreements herein.

NOW THEREFORE, in consideration of the premises and the representations, warranties and agreements herein contained and intending to be legally bound hereby, the parties hereby agree as follows:

ARTICLE I

Definitions

Section 1.01. Definitions. As used in this Agreement, the following terms shall have the meanings set forth below:

"Action" has the meaning set forth in Section 3.01(f).

"Acquisition Transactions" means the transactions provided for in the Purchase Agreement, including the financing thereof, as of the date hereof together with (a) such immaterial amendments, modifications and waivers that do not materially affect the anticipated benefits to the Company of such transactions, or (b) such other amendments, modifications and waivers as consented to by the Investor. For the avoidance of doubt, any amendments or

modifications which increase the purchase price to be paid under the terms of the Purchase Agreement by no more than 2.0% in the aggregate (excluding the effect of any amendments or modifications to the purchase price due to the operation of the working capital, net debt or other adjustments that are provided for under the terms of the Purchase Agreement as in effect on the date hereof) shall not be deemed an amendment or modification that requires the consent of the Investor.

"Affiliate" of a Person has the meaning set forth in Rule 12b-2 under the Exchange Act. Notwithstanding anything to the contrary set forth in this Agreement, no limited partner or similar participant of an Investor shall be deemed an Affiliate of such Investor.

"Agreement" means this Agreement, as amended, modified or supplemented from time to time, in accordance with the terms hereof, together with any exhibits, schedules or other attachments hereto.

"Business Day" means a day, other than a Saturday or Sunday, on which commercial banks in New York City are open for the general transaction of business. For purposes of notice, notice will allow notice until 11:59 p.m. on a particular day, and two (2) Business Day's notice will in no event be less than 48 hours.

"Closing" and "Closing Date" have the meanings set forth in Section 2.02(a).

"Code" means the Internal Revenue Code of 1986, as amended.

"Company" has the meaning set forth in the preamble hereto.

"Company Common Stock" has the meaning set forth in the recitals hereto.

"Company Disclosure Schedule" has the meaning set forth in Section 3.01.

"Company Preferred Stock" has the meaning set forth in Section 3.01(b).

"Company SEC Documents" has the meaning set forth in Section 3.01(d).

"Company Shares" has the meaning set forth in Section 3.01(b).

"Company Subsidiary" has the meaning set forth in Section 3.01(a).

"DOJ" means the Antitrust Division of the U.S. Department of Justice.

"End Date" has the meaning set forth in Section 6.03(d).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"FTC" means the U.S. Federal Trade Commission.

"GAAP" means the United States generally accepted accounting principles.

"Governing Documents" means the legal document(s) by which any Person (other than an individual) establishes its legal existence or which govern its internal affairs. For example, the Governing Documents of a Delaware corporation are its certificate of incorporation and by-laws, the Governing Documents of a limited partnership are its limited partnership agreement and certificate of limited partnership and the Governing Documents of a limited liability company are its operating agreement and certificate of formation.

"Governmental Entity" means any U.S. or foreign (a) federal, state, local, municipal or other government, (b) governmental or quasi-governmental entity of any nature (including, without limitation, any governmental agency, branch, department, official or entity and any court or other tribunal) or (c) body exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature, including, without limitation, any arbitral tribunal.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"IFRS" means the International Financial Reporting Standards as promulgated by the International Accounting Standards Board.

"Intellectual Property Rights" means all U.S. and foreign (a) patents and patent applications, together with reissues, continuations, continuations-in-part, revisions, divisionals, substitutions, extensions and reexaminations thereof, (b) trademarks, service marks, trade dress, logos, slogans, trade names and internet domain names, brand names and corporate names, whether registered or unregistered, and all goodwill associated therewith and all registrations, renewals and applications in connection therewith, (c) copyrights, copyrightable subject matter, copyright registrations and applications and renewals thereof, (d) trade secrets and all confidential information, know-how, formulae, models, methodologies, compositions, manufacturing and production processes and techniques, designs, drawings, specifications and inventions (whether patentable or unpatentable and whether or not reduced to practice) and improveme nts thereto, (e) rights of publicity, moral rights and rights of attribution and integrity, (f) computer programs (whether in source code, object code or other form), databases and compilations and data, (g) all artwork, photographs, advertising and promotional materials and (h) all rights to pursue, recover and retain damages and costs and attorneys' fees for past, present and future infringement, misappropriation or other violation of any of the foregoing, in each case, to the extent protectable by applicable Law.

"Investor" has the meaning set forth in the preamble hereto.

"Law" means any applicable federal, state, local or foreign law, statute, ordinance, rule, guideline, regulation, order, writ, decree, agency requirement, license or permit of any Governmental Entity.

"Liability" means any debt, liability or obligation, whether known or unknown, asserted or unasserted, accrued, absolute, contingent or otherwise, whether due or to become due.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge. For the avoidance of doubt, the term "Lien" shall not be deemed to include any license of Intellectual Property Rights.

"LNK" means either LNK Partners, L.P. and LNK Partners (Parallel), L.P.

"LNK Purchase Agreement" means that certain Securities Purchase Agreement, dated as of even date herewith, by and among the Company, LNK Partners, L.P. and LNK Partners (Parallel), L.P.

"Material Adverse Effect" means any change, event, effect, development, circumstance or occurrence that has a material adverse effect on the financial condition, business, or results of operations of the Company and the Company Subsidiaries, taken as a whole; provided, however, that any fact, change, event, effect, development, circumstance, condition or occurrence arising from or related to (except, in the case of clauses (a), (b), (d), (e) or (f), to the extent disproportionately affecting the Company and the Company Subsidiaries relative to other companies in the industries in which the Company and the Company Subsidiaries operate, but taking into account for purposes of determining whether a Material Adverse Effect has occurred only the disproportionate adverse impact) (a) conditions affecting the United States economy or any other national or regional economy or the global economy generally, (b) political conditions (or changes in such conditions) in the United States or any other country or region in the world or acts of war, sabotage or terrorism (including any escalation or general worsening of any such acts of war, sabotage or terrorism) in the United States or any other country or region of the world occurring after the date hereof, (c) changes in the financial, banking or securities markets in the United States or any other country or region in the world (including, without limitation, any disruption thereof and any decline in the price of any security or any market index), (d) changes in GAAP, IFRS or other accounting standards, (e) changes in any Laws or other binding directives issued by any Governmental Entity, (f) changes that are generally applicable to the industries in which the Company and the Company Subsidiaries operate, (g) any failure by the Company to meet any internal or published projections, forecasts or revenue or earnings predictions for any period ending on or after the d ate of this Agreement (provided, that the underlying causes of any such failure may be considered in determining whether a Material Adverse Effect has occurred), (h) the announcement of the Acquisition Transactions, (i) the completion of the transactions contemplated in this Agreement or the Stockholder Agreement or any action taken with the consent of the Investor or (j) any changes in the share price or trading volume of the Company Common Stock or in the Company's credit rating (provided, that the underlying causes of any such decline may be considered in determining whether a Material Adverse Effect has occurred) shall not be taken into account in determining whether a Material Adverse Effect has occurred; provided, however, that clauses (h) and (i) shall not diminish the effect of, and shall be disregarded for purposes of, any representations and warranties set forth in Section 3.01(e).

"Notice Termination Date" has the meaning set forth in Section 5.04(a).

"NYSE" means the New York Stock Exchange.

"Offering" means either a public or private offering (in each cases, whether registered or unregistered) undertaken by the Company or any of its Subsidiaries of Company Common Stock or securities convertible into or exercisable or exchangeable for Company Common Stock, with respect to private offerings only that would result in aggregate gross cash proceeds in excess of $30,000,000 (without regard to any underwriting discount or commission), that, in either case, will be effected prior to, or simultaneously with, the closing of the Acquisition Transactions. For the avoidance of doubt, the preferred stock offering provided for in the LNK Purchase Agreement shall not constitute an "Offering" hereunder.

"Offering Notice" has the meaning set forth in Section 5.03.

"Offer Notice Date" has the meaning set forth in Section 5.04(b).

"Purchase Agreement" has the meaning set forth in the recitals hereto.

"Purchase Price" means $100,000,000.

"Person" or "person" means an individual, corporation, limited liability company, association, partnership, group (as such term is used in Section 13(d)(3) of the Exchange Act), trust, joint venture, business trust or unincorporated organization, or a government or any agency or political subdivision thereof.

"Sarbanes-Oxley Act" has the meaning set forth in Section 3.01(d).

"SEC" means the U.S. Securities and Exchange Commission, including the staff thereof.

"Securities" has the meaning set forth in Section 3.02(a).

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Series A Certificate of Designations" has the meaning set forth in the recitals hereto.

"Series A Shares" has the meaning set forth in Section 2.01.

"Series A Stock" has the meaning set forth in the recitals hereto.

"Stock Purchase" has the meaning set forth in Section 2.01.

"Stockholder Agreement" means the agreement to be entered into on substantially the same terms as set forth in the form of Stockholder Agreement attached as Exhibit B.

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which, (a) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time

owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof or (b) if a limited liability company, partnership, association or other business entity (other than a corporation), a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more Subsidiaries of such Person or a combination thereof and for this purpose, a Person or Persons own a majority ownership interest in such a business entity (other than a corporation) if such Person or Persons shall be allocated a majority of such business entity's gains or losses or shall be a, or control any, managing director or general partner of such business entity (other than a corporation). The term "Subsidiary" shall include all Subsidiaries of such Subsidiary.

"Tax" means (a) any federal, state, local, municipal or foreign income, gross receipts, franchise, estimated, alternative minimum, add-on minimum, sales, use, transfer, real property gains, registration, value added, excise, natural resources, severance, stamp, occupation, windfall profits, environmental (under Section 59A of the Code), customs, duties, real property, personal property, capital stock, social security (or similar), unemployment, disability, payroll, license, employee or other withholding, or other taxes, duties, levies, fees and assessments of any kind whatsoever, without limitation, and any interest, penalties or additions to tax in respect of, or in connection with, the foregoing (whether disputed or not), and (b) any liability in respect of amounts described in clause (a) hereof by reason of contract, assumption, transferee liability, operation of law, Treasury Regulation Section 1.1502-6 (or any similar provision of law) or otherwise.

"Tax Return" means all returns and reports (including elections, declarations, disclosures, schedules, estimates and information returns and amendments thereto) supplied or required to be supplied to a Tax authority relating to Taxes.

"Termination Notice" means a written notice that the Investor is exercising its right to terminate this Agreement pursuant to Section 6.03(c).

Section 1.02. General Interpretive Principles. Whenever used in this Agreement, except as otherwise expressly provided or unless the context otherwise requires, any noun or pronoun shall be deemed to include the plural as well as the singular and to cover all genders. The name assigned this Agreement and the section captions used herein are for convenience of reference only and shall not be construed to affect the meaning, construction or effect hereof. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." Unless otherwise specified, the terms "hereto," "hereof," "herein" and simi lar terms refer to this Agreement as a whole (including the exhibits, schedules and disclosure statements hereto), and references herein to Articles or Sections refer to Articles or Sections of this Agreement.

ARTICLE II

Sale and Purchase of the Series A Stock

Section 2.01. Sale and Purchase of the Series A Stock. Subject to all of the terms and conditions of this Agreement, and in reliance upon the representations and warranties

hereinafter set forth, at the Closing, the Company will sell to the Investor free and clear of all liens, and the Investor will purchase from the Company, the number of shares of Series A Stock as specified on Schedule 1 for the Purchase Price (the "Stock Purchase"). The shares of Series A Stock to be issued and sold by the Company to the Investor pursuant to this Agreement are collectively referred to as the "Series A Shares".

Section 2.02. Closing. i) Subject to the satisfaction or waiver of the conditions set forth in this Agreement, the purchase and sale of the Series A Shares hereunder (the "Closing") shall take place at the offices of Wachtell, Lipton, Rosen & Katz, 51 West 52nd Street, New York, NY 10019. The Closing shall take place concurrently with the closing of the Acquisition Transactions (the date that the Closing occurs, the "Closing Date").

(b) At the Closing: (i) the Company will deliver to the Investor, as set forth on Schedule 1, the Series A Shares, in certificated or book entry form as the parties shall agree; (ii) the Investor, in full payment for the number of Series A Shares as set forth on Schedule 1, will deliver or cause to be delivered to the Company immediately available funds, by wire transfer to such account as the Company shall specify, in the amount of the Purchase Price, and (iii) each party shall take or cause to happen such other actions, and shall execute and deliver such other instruments or documents, as shall be required under Article VI.

ARTICLE III

Representations and Warranties

Section 3.01. Representations and Warranties of the Company. Except as disclosed in the forms, documents and reports filed by the Company with the SEC since February 3, 2008 (excluding any risk factor disclosures contained in such documents under the heading "Risk Factors" and any disclosure of risks included in any "forward-looking statements" disclaimer or other statements that are similarly non-specific and predictive or forward-looking in nature) or in the disclosure schedule (the "Company Disclosure Schedule") delivered by the Company to the Investor at or prior to the execution of this Agreement, the Company represents and warrants to the Investor as follows:

(a) Organization and Good Standing of the Company; Organizational Documents. The Company and each of its Subsidiaries (collectively, the "Company Subsidiaries", and each, a "Company Subsidiary") are duly organized, validly existing and in good standing (or the equivalent thereof) under the Laws of their respective jurisdiction of organization in all material respects. The Company and the Company Subsidiaries have the requisite power and authority and all licenses, permits and authorizations necessary to own, lease and operate its properties and to carry on their businesses as presently conducted, except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or prevent or materially delay the Company from performing its obligations under this Agreement. The Company and each Company Subsidiary is duly qualifie d or licensed to transact business and is in good standing (or the equivalent thereof) in each jurisdiction in which the assets or property owned, leased or operated by it, or the nature of the business conducted by it, makes such qualification or licensing necessary, except where the failure to be so qualified or licensed would not reasonably be expected to have, individually or in the aggregate, a Material

Adverse Effect. The Company has made available to the Investor an accurate and complete copy of its Governing Documents as in full force and effect as of the date of this Agreement. The Company is not in violation of the provisions of its Governing Documents.

(b) Capitalization.

(i) The authorized capital stock of Company consists of 240,000,000 shares of Company Common Stock, par value $1.00 per share, and 150,000 shares of preferred stock, par value $100.00 per share ("Company Preferred Stock" and, together with Company Common Stock, "Company Shares"). As of March 11, 2010, there were (A) 57,175,152 shares of Company Common Stock issued and 51,935,498 shares of Company Common Stock outstanding and no shares of Company Preferred Stock issued and outstanding; (B) 3,587,950 options to purchase Company Common Stock issued and outstanding; (C) restricted unit awards in respect of 733,003 shares of Company Common Stock and (D) performance share awards in respect of a maximum of]89,050 shares of Company Common Stock. All outstanding Company Shares are duly authorized, validly issued, fully paid and non-assessable, and are not subject to and were no t and will not be issued in violation of any preemptive or similar right, purchase option, call or right of first refusal or similar right. The Series A Shares to be issued pursuant to this Agreement shall be, when issued on the Closing Date, duly authorized, validly issued, fully paid and non-assessable, and not subject to or issued in violation of any preemptive or similar right, purchase option, call or right of first refusal or similar right.

(ii) Except as set forth in subsection (i) above or pursuant to the Acquisition Transactions, as of the date of this Agreement, there are (A) no other shares of capital stock or other equity securities of the Company authorized, issued, reserved for issuance or outstanding, (B) no other authorized or issued and outstanding securities of the Company convertible into or exchangeable for, at any time, equity securities of the Company, (C) no contracts, options, warrants, call rights, puts, convertible securities, exchangeable securities, understandings or arrangements, or outstanding obligations, whether written or oral, of the Company to issue, repurchase, redeem, sell, deliver or otherwise acquire or cause to be issued, repurchased, redeemed, sold, delivered or acquired, any capital stock of the Company or securities convertible into or exchangeable for any equity securities of or similar interests in the Company or (D) no voting trusts, proxies or other arrangements among the Company's stockholders with respect to the voting or transfers of the Company Shares. There are no dividends or other distributions with respect to Company Shares that have been declared but remain unpaid.

(c) Authority. The Company has all requisite power and authority to execute and deliver this Agreement and the Stockholder Agreement and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby, all of which have been duly authorized by all necessary action on the part of the Company and no other proceeding (including, without limitation, by its equityholders) on the part of the Company is necessary to authorize this Agreement and the Stockholder Agreement or to consummate the transactions contemplated hereby and thereby. No vote of the Company's equityholders is required to approve this Agreement or for the Company to consummate the transactions contemplated hereby. The Company has duly executed and delivered this

Agreement and at or prior to the Closing will have duly executed and delivered the Stockholder Agreement. This Agreement constitutes, and, upon due execution and delivery, the Stockholder Agreement will constitute a valid, legal and binding agreement of the Company (assuming that this Agreement and the Stockholder Agreement have each been duly and validly authorized, executed and delivered by the other parties thereto), enforceable against the Company in accordance with their respective terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other Laws affecting the enforcement of creditors' rights generally.

(d) Reports; Financial Statements; Liabilities.

(i) The Company has filed or furnished all forms, documents and reports required to be filed or furnished prior to the date of this Agreement by it with the SEC, together with all certifications required pursuant to the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), since February 3, 2008 (the "Company SEC Documents"), each of which, in each case as of its date, or, if amended, as finally amended prior to the date of this Agreement, complied in all material respects with the applicable requirements of the Securities Act and the Exchange Act, as the case may be, and the applicable rules and regulations promulgated thereunder, and none of the Company SEC Documents as of the day of the filing contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumst ances under which they were made, not misleading. None of the Company Subsidiaries is required to file with, or furnish to, the SEC any form, document or report. As of the date of this Agreement, there are no material unresolved comments issued by the staff of the SEC with respect to any of the Company SEC Documents.

(ii) The consolidated financial statements of the Company and related notes included in the Company SEC Documents (if amended, as of the date of the last such amendment filed prior the date of this Agreement) (i) have been prepared from and are in accordance with the books and records of the Company, (ii) have been prepared in accordance with GAAP (or with respect to unaudited interim financial statements, follow GAAP principles and have been prepared by management in a manner consistent with prior interim principles), the published rules and regulations of the SEC with respect thereto and other legal and accounting requirements applicable to the Company, except as may be indicated in the notes thereto and except, in the case of unaudited interim financial statements, for the absence of footnotes and subject to normal year-end adjustments not expected to be material in amount and (ii) fairly present in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as of the dates thereof and their consolidated results of operations and cash flows for the periods then ended (subject, in the case of unaudited interim financial statements, to the absence of footnotes and to normal year-end adjustments not expected to be material in amount and to any other adjustments described therein, including in the notes thereto) in conformity with GAAP (except in the case of unaudited statements, as permitted by the SEC) applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto).

(iii) As of the date of this Agreement, there are no material liabilities or obligations of the Company or any of its Subsidiaries of any nature, whether or not accrued, contingent or otherwise, that would be required by GAAP to be reflected on a consolidated balance sheet of the Company, other than those that (A) are reflected or reserved against on the Company consolidated financial statements (including all related notes and schedules) of the Company included in the Company SEC Documents; (B) have been incurred in the ordinary course of business of the Company and its Subsidiaries; (C) are contemplated by this Agreement or incurred in connection with the execution of this Agreement or the consummation of the transactions contemplated hereby; (D) would not be reasonably expected to have individually or in the aggregate, a Material Adverse Effect or (E) have been discharged or paid off.

(iv) The Company is in compliance in all material respects with (A) the applicable provisions of the Sarbanes-Oxley Act and (B) the applicable listing and corporate governance rules and regulations of the NYSE.

(e) Consents and Approvals; No Violations. No notice to, filing with, or authorization, consent or approval of any Governmental Entity is necessary for the execution, delivery or performance of this Agreement or the Stockholder Agreement by the Company or the consummation by the Company of the transactions contemplated hereby and thereby, except for (A) compliance with and filings under the HSR Act, (B) those set forth on Section 3.01(e) of the Company Disclosure Schedules and (C) those the failure of which to obtain or make, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Neither the execution, delivery and performance of this Agreement by the Company nor the consummation by the Company of the transactions contemplated hereby will (1) conflict with or result in any breach of any provision of the Company or Company Subsidiaries' Governing Documents, (2) result in a violation or breach of, cause acceleration, allow a party to modify or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation, acceleration or modification, or right of first refusal, right of first offer or similar right) or any increased cost or loss of benefit to the Company or any Company Subsidiary or increased benefit to another party thereto under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, license, contract, agreement or other instrument or obligation to which Company or any Company Subsidiary is a party or by which any of its properties or assets may be bound, (3) violate any Law of any Governmental Entity applicable to the Company or any Company Subsidiary or any of their respective properties or assets or (iv) result in the creation of any Lien upon any of the assets of the Company or any Company Subsidiary, which in the case of any of clauses (2) th rough (4) above, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect or prevent or materially delay the Company from performing its obligations under this Agreement or taking any action necessary to consummate the transactions contemplated by this Agreement.

(f) Litigation. There is no judgment, suit, litigation, arbitration, claim, action, complaint, injunction, order, dispute, inquiry, investigation arbitration or proceeding (each, an "Action") pending, or, to the Company's knowledge, threatened or under investigation against the Company or any Company Subsidiary, or as to which the Company or any Company Subsidiary has received any written notice or assertion before any Governmental Entity, or for which the Company or any Company Subsidiary is obligated to indemnify a third party except

those which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Neither the Company nor any Company Subsidiary is subject to any outstanding and unsatisfied order, writ, judgment, injunction, settlement or decree, except those which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect or prevent or materially delay the Company from performing its obligations under this Agreement or taking any action necessary to consummate the transactions contemplated by this Agreement.

(g) Compliance with Applicable Law. Since February 3, 2008, except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (a) the Company and each Company Subsidiary hold all permits, licenses, approvals, certificates and other authorizations of and from all, and have made all notifications, registrations, certifications, declarations and filings with, Governmental Entities necessary or advisable for the lawful conduct of their respective businesses as presently conducted, and the ownership or lease of their properties and assets, (b) all such permits, licenses, approvals, certificates and other authorizations are in full force and effect, (c) the businesses of the Company and each Company Subsidiary have been and are now being operated in compliance with all applicable Laws of all Governmental Entities and (d) there is no action, suit or proceed ing pending or, to the Company's knowledge, threatened in writing by any Governmental Entity that claims any material violation by the Company or any Company Subsidiary of applicable Law.

(h) Tax Matters.

(i) Except as would not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (A) the Company and each Company Subsidiary have timely filed, or have caused to be timely filed, all Tax Returns required to be filed by the Company and each of the Company Subsidiaries, (B) all such Tax Returns are true, complete and accurate in all respects and (C) all Taxes shown to be due on such Tax Returns, or otherwise owed, have been or will be timely paid in full.

(ii) Except as would not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (i) no Tax authority has asserted, or threatened in writing to assert, any Tax liability in connection with an audit or other administrative or court proceeding involving Taxes of the Company or any Company Subsidiaries, (ii) neither Company nor any Company Subsidiary has distributed stock of another corporation or has had its stock distributed in a transaction that was purported or intended to be governed, in whole or in part, by Section 355 or Section 361 of the Code within the preceding five (5) years, (iii) neither the Company nor any Company Subsidiary has participated, or is currently participating, in a "listed transaction" as defined in Treasury Regulations Section 1.6011-4(b), and (iv) neither Company nor any of Company Sub sidiary is a party to any agreement or arrangement relating to the apportionment, sharing, assignment or allocation of Taxes (other than an agreement or arrangement solely among the members of a group the common parent of which is Company or any Company Subsidiary), or has any liability for Taxes of any Person (other than the Company or any Company Subsidiary) under Treasury

Regulations Section 1.1502-6 (or any similar provision of state, local or foreign Law), as a transferee or successor or by contract.

(i) Intellectual Property. Except as would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect: (a) the Company and its Subsidiaries own or have the right to use the Intellectual Property Rights used in or necessary for the conduct of their businesses, free and clear of any Lien other than permitted liens, (b) to the knowledge of the Company, the current registrations and applications for Intellectual Property Rights owned by the Company and its Subsidiaries are subsisting valid and enforceable, (c) to the knowledge of the Company, the conduct of the Company's business does not infringe or violate the Intellectual Property Rights of any Person, and there is no written action, complaint, suit, proceeding or investigation pending or, to the Company's knowledge, threatened against the Company or any Company Subsidiaries alleging any such infringement o r violation and (d) to the Company's knowledge, the Intellectual Property Rights owned by the Company are not being infringed or violated by any Person.

(j) Absence of Certain Developments. Since the date of the most recent consolidated audited financial statements of the Company included in the Company SEC Documents, except as otherwise contemplated or permitted by this Agreement, there have not been any events, changes or developments which have had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(k) Solvency. The Company is not, and, assuming the accuracy of (a) the representations of the other parties to the Purchase Agreement that are set forth in the Purchase Agreement and (b) the financial projections provided by Seller (as such term is defined in the Purchase Agreement) to the Company, after giving effect to the Acquisition Transactions, to the knowledge of Seller, will not: (i) be insolvent (either because its financial condition is such that the sum of its debts is greater than the fair market value of its assets or because the fair saleable value of its assets is less than the amount required to pay its probable liability on its existing debts as they mature); (ii) have unreasonably small capital with which to engage in its business; or (iii) have incurred debts beyond its ability to pay them as they become due.

(l) Purchase Agreement. The Company has provided the Investor with a complete copy of the Purchase Agreement, including all schedules and exhibits thereto.

(m) No Additional Representations. Except for the representations and warranties made by the Company in this Section 3.01, neither the Company nor any other Person makes any express or implied representation or warranty with respect to the Company or any of its Subsidiaries or their respective businesses, operations, assets, liabilities, conditions (financial or otherwise) or prospects, and the Company hereby disclaims any such other representations or warranties. In particular, without limiting the foregoing disclaimer, neither the Company nor any other Person makes or has made any representation or warranty to the Investor, or any of its Affiliates or representatives with respect to (i) any financial projection, forecast, estimate, budget or prospect information relating to the Company or any of its Subsidiaries or their respective businesses, or (ii) except for the representations an d warranties made by the Company in this Section 3.01, any oral or written information presented to the Investor or any of its Affiliates or

representatives in the course of their due diligence investigation of the Company, the negotiation of this Agreement or in the course of the transactions contemplated hereby.

Section 3.02. Representations and Warranties of the Investor. The Investor represents and warrants to the Company as follows:

(a) Private Placement.

(i) The Investor is (A) an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the Securities Act; (B) aware that the sale of the Series A Shares and the Company Common Stock issuable upon conversion of the Series A Stock being issued and sold pursuant to this Agreement (collectively, the "Securities") to it is being made in reliance on a private placement exemption from registration under the Securities Act and (C) acquiring the Securities for its own account.

(ii) The Investor understands and agrees that the Securities are being offered in a transaction not involving any public offering within the meaning of the Securities Act, that such Securities have not been and, except as contemplated by the Stockholder Agreement, will not be registered under the Securities Act and that such Securities may be offered, resold, pledged or otherwise transferred only (A) in a transaction not involving a public offering, (B) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), (C) pursuant to an effective registration statement under the Securities Act or (D) to the Company or one of its Subsidiaries, in each of cases (A) through (D) in accordance with any applicable state and federal securities laws, and that it will notify any subsequent purchaser of Securities from it of the resale restrictions referred to above, as applic able.

(iii) The Investor understands that, unless sold pursuant to a registration statement that has been declared effective under the Securities Act or in compliance with Rule 144 thereunder, the Company may require that the Securities bear a legend or other restriction substantially to the following effect (it being agreed that if the Securities are not certificated, other appropriate restrictions shall be implemented to give effect to the following):

"THIS SECURITY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THIS SECURITY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. THE HOLDER OF THIS SECURITY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) THIS SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) IN A TRANSACTION NOT INVOLVING A PUBLIC OFFERING, (II) PURSUANT TO ANY OTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, INCLUDING RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (III) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (IV) TO THE COMPANY OR ANY OF ITS SUBSIDIARIES, IN EACH OF CASES (I)

THROUGH (IV) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL NOTIFY ANY SUBSEQUENT PURCHASER OF THIS SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE. THIS SECURITY MAY ONLY BE TRANSFERRED IN ACCORDANCE WITH THE TERMS OF THE STOCKHOLDER AGREEMENT, DATED AS OF [●], 2010, BY AND BETWEEN PHILLIPS-VAN HEUSEN CORPORATION AND MSD BRAND INVESTMENTS, LLC."

(iv) The Investor (A) is able to fend for itself in the transactions contemplated by this Agreement; (B) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its prospective investment in the Securities and (C) has the ability to bear the economic risks of its prospective investment, and can afford the complete loss of such investment.

(v) The Investor acknowledges that (A) it has conducted its own investigation of the Company, Tommy Hilfiger B.V., the Acquisition Transactions and the terms of the Securities, (B) it has had access to the Company's public filings with the SEC and to such financial and other information as it deems necessary to make its decision to purchase the Securities and (C) has been offered the opportunity to conduct such review and analysis of the business, assets, condition, operations and prospects of the Company and its Subsidiaries, and of Tommy Hilfiger B.V. and its Subsidiaries, and to ask questions of the Company and received answers thereto, each as it deemed necessary in connection with the decision to purchase the Securities. The Investor further acknowledges that it has had such opportunity to consult with its own counsel, financial and tax advisors and other professional advisers as it believes is sufficient for purposes of the purchase of the Securities. The foregoing, however, does not limit or modify the representations and warranties of the Company in Section 3.01 of this Agreement or the right of the Investor to rely on such representations and warranties.

(vi) The Investor understands that the Company will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements in connection with the issuance and sale of the Series A Shares.

(vii) Except for the representations and warranties contained in Section 3.01 (including any references in such Section to the forms, documents and reports filed by the Company with the SEC since January 1, 2008), the Investor acknowledges that neither the Company nor any Person on behalf of the Company makes, and the Investor has not relied upon, any other express or implied representation or warranty with respect to the Company or any of its Subsidiaries or with respect to any other information provided to the Investor in connection with the transactions contemplated by this Agreement. Furthermore, the Investor acknowledges that neither the Company nor any other Person makes or has made any representation or warranty to the Investor, or any of its Affiliates or representatives with respect to any financial projection, forecast, estimate, budget or prospect information relating to the Company or any of its Sub sidiaries or their respective businesses.

(b) Organization. The Investor has been duly organized and is validly existing in the jurisdiction and as the form of business entity set forth on Schedule 1.

(c) Governmental Consents. No consent, approval, order or authorization of, or registration, qualification, declaration or filing with, any federal, state or local governmental authority on the part of the Investor is required in connection with the purchase of the Series A Shares (and the Company Common Stock issuable upon conversion of the Series A Shares) or the consummation of any other transaction contemplated by this Agreement, except for: (i) compliance with applicable state securities laws and (ii) the filing with the SEC of such reports under the Exchange Act as may be required in connection with this Agreement and the transactions contemplated by this Agreement.

(d) Authority. The Investor has all requisite power and authority to execute and deliver this Agreement and the Stockholder Agreement and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby, all of which have been duly authorized by all necessary action on the part of the Investor and no other proceeding on the part of the Investor is necessary to authorize this Agreement and the Stockholder Agreement or to consummate the transactions contemplated hereby and thereby. The Investor has duly executed and delivered this Agreement and at or prior to the Closing will have duly executed and delivered the Stockholder Agreement. This Agreement constitutes, and, upon due execution and delivery, the Stockholder Agreement will constitute, a valid, legal and binding agreement of the Investor (assuming that this Agreement and the Stockhol der Agreement have each been duly and validly authorized, executed and delivered by the Company), enforceable against the Investor in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other Laws affecting the enforcement of creditors' rights generally.

(e) No Default or Violation. The execution, delivery and performance of and compliance with this Agreement and the Stockholder Agreement by the Investor will not (i) result in any default or violation of the Governing Documents of the Investor, (ii) result in any default or violation of any material note, bond, mortgage, indenture, lease, license, contract, agreement or other instrument or obligation to which the Investor is a party or by which any of its properties or assets may be bound or in any default or violation of any material judgment, order or decree of any Governmental Entity or (iii) be in conflict with or constitute, with or without the passage of time or giving of notice, a default under any such provision, require any consent or waiver under any such provision, or result in the creation of any mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of the Inves tor pursuant to any such provision, or the suspension, revocation, impairment or forfeiture of any material permit, license, authorization or approval applicable to the Investor, its business or operations, or any of its assets or properties pursuant to any such provision, except in the case of clauses (ii) and (iii) as would not, individually or in the aggregate, reasonably be expected to prevent or materially delay or impair the ability of the Investor to consummate the transactions contemplated by this Agreement.

(f) Sufficient Funds. The Investor has commitments for, and as of the Closing Date will have, sufficient funds to consummate the transactions required to be consummated by it hereunder.

ARTICLE IV

Covenants of the Company

The Company covenants and agrees that for so long as the Series A Shares are outstanding:

Section 4.01. Maintain Listing. The Company will use commercially reasonable efforts to (a) maintain the listing and trading of its Company Common Stock on the NYSE, for so long as the Company qualifies for such listing under the rules and regulations of the NYSE and (b) comply in all material respects with the Company's reporting, filing, and other obligations, under the rules and regulations of the NYSE. The Company will promptly provide to the Investor copies of any notices it receives from the NYSE regarding the continued eligibility of the Company Common Stock for listing.

Section 4.02. Secure Listing. The Company shall use commercially reasonable efforts to cause the shares of Company Common Stock issuable upon conversion of the Series A Shares, upon issuance, shall have been duly listed, pending notice of issuance, on the NYSE and the Company shall maintain such listing in accordance with Section 4.01.

Section 4.03. Transfer Taxes. The Company shall be responsible for any Liability with respect to any transfer, stamp or similar non-income Taxes that may be payable in connection with the execution, delivery and performance of this Agreement including, without limitation, any such Taxes with respect to the issuance of the Series A Shares or shares of Company Common Stock issuable upon conversion thereof.

Section 4.04. Updates and Notifications. The Company agrees to provide the Investor with periodic updates regarding the status of the Purchase Agreement including the status of the various closing conditions under the Purchase Agreement, any material developments related to the Purchase Agreement and the financing and the likely timing of closing.

ARTICLE V

Additional Agreements of the Parties

Section 5.01. Taking of Necessary Action. Subject to the conditions set forth in Article VI hereof, each of the parties hereto agrees to use all reasonable best efforts promptly to take or cause to be taken all action and promptly to do or cause to be done all things reasonably necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated hereby. Each party shall execute and deliver both before and after the Closing such further certificates, agreements and other documents and take such other actions as another party may reasonably request to consummate or implement the transactions contemplated hereby or to evidence such events or matters.

Section 5.02. Publicity. The parties agree not to issue any announcement, press release, public statement or other information to the press or any third party with respect to this Agreement or the transactions contemplated hereby without obtaining the prior approval of the

other parties hereto (which approval shall not be unreasonably withheld); provided, however, that nothing contained herein shall prevent any party hereto, at any time, from furnishing any required information to any Governmental Entity or from issuing any announcement, press release, public statement or other information to the press or any third party with respect to this Agreement or the transactions contemplated hereby if required by Law; provided, further, that the parties agree to consult with each other as to the content of any release so required and consider in good faith the comments of the other thereon.

Section 5.03. Offering. No later than two (2) Business Days prior to the Company's commencement of an Offering, the Company shall notify the Investor of its intention to commence an Offering, which notice shall contain a reasonable description of such Offering (such notice, an "Offering Notice"). The Company shall not consummate such Offering within two (2) Business Days of the Investor's receipt of an Offering Notice. The Investor agrees that neither it nor its controlled Affiliates will purchase shares of Company Common Stock in an Offering.

Section 5.04. Termination Notice.

(a) In the event the Investor delivers a Termination Notice within two (2) Business Days of the Investor's receipt of an Offering Notice and the Company does not consummate the Offering to which such Termination Notice is related within twenty-four (24) days of the Company's receipt of the Termination Notice (the "Notice Termination Date"), then (i) such Termination Notice shall thereupon become void and have no effect, and (ii) prior to the Company either (A) continuing such Offering or (B) commencing another Offering, the Company shall (I) in the case of subclause (A), deliver to the Investor a new Offering Notice within two (2) Business Days of the Notice Termination Date; provided, that the Company shall not consummate such Offering within two (2) Business Days of the Investor's receipt of the new Offering Notice or (II) in the event of subclause (B), be obligated to deliv er a new Offering Notice pursuant to, and in compliance with, the terms of Section 5.03.

(b) In the event the Investor does not deliver a Termination Notice within two (2) Business Days of the Investor's receipt of an Offering Notice with respect to an Offering and the Company does not consummate the Offering to which the Offering Notice is related within twenty-four (24) days of the Company's delivery of the Offering Notice (the "Offer Notice Date"), then prior to the Company either (A) continuing such Offering or (B) commencing another Offering, the Company shall (I) in the case of subclause (A), deliver to the Investor a new Offering Notice within two (2) Business Days of the Offer Notice Date; provided, that the Company shall not consummate such Offering within two (2) Business Days of the Investor's receipt of the new Offering Notice or (II) in the event of subclause (B), be obligated to deliver a new Offering Notice pursuant to, and in compliance with, the t erms of Section 5.03.

ARTICLE VI

Conditions; Termination

Section 6.01. Conditions of the Investor. The obligations of the Investor to complete the Stock Purchase are subject to satisfaction or waiver of each of the following conditions precedent:

(a) Representations and Warranties. The representations and warranties of the Company contained in Section 3.01 shall, disregarding all qualifications and exceptions contained therein as to materiality of Material Adverse Effect, be true and correct at and as of the Closing Date as if made at and as of such time, except for any inaccuracies which, individually or in the aggregate have not had and would not reasonably be likely to have a Material Adverse Effect.

(b) Covenants. The Company shall have performed in all material respects all of its covenants and obligations in this Agreement that are to be performed at or prior to the Closing.

(c) Company Certificate. The Company shall have delivered to the Investor a certificate, dated as of the Closing Date, signed by an authorized executive officer to the effect that the conditions set forth in Sections 6.01(a) and (b) have been satisfied.

(d) Certificate of Designation. The Company shall adopt and file with the Secretary of State of the State of Delaware the Series A Certificate of Designations.

(e) Stockholder Agreement. The Company shall have duly executed and delivered to the Investor the Stockholder Agreement.

(f) No Adverse Law, Action or Decision or Injunction. There shall be no statute, rule, regulation, executive order, decree, temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other Governmental Entity or other legal restraint or prohibition preventing the consummation of the transactions contemplated by this Agreement in effect and no proceeding or lawsuit shall have been commenced by any Governmental Entity or other third party for the purpose of obtaining any such order, decree, injunction, restraint or prohibition and no written notice shall have been received by any party from any such Governmental Entity indicating an intent to restrain, prevent, materially delay or restructure the transaction contemplated hereby.

(g) Acquisition Transactions. The Company shall have consummated the Acquisition Transactions in accordance with the terms of the Purchase Agreement, and the transactions contemplated by the LNK Purchase Agreement shall have been consummated except to the extent that (i) the failure to consummate the transactions contemplated by the LNK Purchase Agreement is the result of a breach of the terms of such agreement by LNK and (ii) the Company is pursuing either monetary or equitable remedies against LNK in connection with such breach.

(h) Resolutions. The Company shall have provided to the Investor copies of a resolution of the Board of Directors of the Company approving this Agreement and the consummation of the transactions contemplated hereby and such resolution shall be in full force and effect.

Section 6.02. Conditions of the Company. The obligation of the Company to complete the Stock Purchase is subject to satisfaction or waiver of each of the following conditions precedent:

(a) Representations and Warranties. The representations and warranties of the Investor contained in this Agreement shall be true and correct in all material respects on and as of the date hereof and on and as of the Closing Date as if made on and as of the Closing Date (except for any such representations or warranties made as of the date hereof or as of another date, which shall be true and correct as of such date).

(b) Covenants. The Investor shall have performed in all material respects all of its covenants and obligations in this Agreement that are to be performed at or prior to the Closing.

(c) Investor Certificate. The Investor shall have delivered to the Company a certificate, dated as of the Closing Date, signed by an authorized executive officer to the effect that the conditions set forth in Sections 6.02(a) and (b) have been satisfied.

(d) Stockholder Agreement. The Investor shall have duly executed and delivered to the Company the Stockholder Agreement.

(e) No Adverse Law, Action or Decision or Injunction. There shall be no Law of, and no Action pending by, a Governmental Entity of competent jurisdiction that seeks to restrain, enjoin or prevent the consummation of the transactions contemplated hereby, and there shall not be in effect any order, decree or injunction of a court or agency of competent jurisdiction which enjoins or prohibits consummation of the transactions contemplated hereby.

Section 6.03. Termination. This Agreement may be terminated at any time prior to the Closing:

(a) Mutual Consent. By mutual consent of the Investor and the Company in a written instrument;

(b) Purchase Agreement Termination. By either the Investor or the Company in the event that the Purchase Agreement shall have been terminated;

(c) Offering. By the Investor, if (i) the Investor delivers a Termination Notice to the Company in accordance with Section 5.04 and (ii) the Company consummates the Offering with respect to which such Offering Notice was delivered within twenty-four (24) days of the Company's receipt of such Termination Notice.

(d) End Date. By either the Investor or the Company in the event that the Closing does not occur by the close of business on December 31, 2010 (the "End Date");

provided, that, notwithstanding the foregoing, no party hereto may terminate this Agreement pursuant to this Section 6.03(d) if the failure of the Closing to occur by the End Date was caused by the failure of such party to act in good faith or to use its reasonable best efforts to cause the Closing to occur;

(e) Breaches by the Company. By the Investor, if there has been a material violation or breach by the Company of any covenant, agreement, representation or warranty contained in this Agreement which has prevented the satisfaction of any condition to the obligations of the Investor set forth in Section 6.01 at the Closing and such violation or breach has not been waived by the Investor or, in the case of a covenant or agreement breach, cured by the Company within the earlier of the closing of the transactions contemplated by the Purchase Agreement and 30 days after notice thereof to the Company by the Investor;

(f) Breaches by the Investor. By the Company, if there has been a material violation or breach by the Investor of any covenant, agreement, representation or warranty contained in this Agreement which has prevented the satisfaction of any condition to the obligations of the Company set forth in Section 6.02 at the Closing and such violation or breach has not been waived by the Company or, in the case of a covenant or agreement breach, cured by the Investor within 30 days after notice thereof to the Investor by the Company (for the avoidance of doubt, the Company shall not have the right to terminate this Agreement if there has been a breach of the LNK Purchase Agreement); or

(g) Governmental Authority. By either the Investor or the Company if there shall be any Law of, or Action pending by, a Governmental Entity of competent jurisdiction that seeks to restrain, enjoin or prevent the consummation of the transactions contemplated hereby, or there shall be in effect any order, decree or injunction of a court or agency of competent jurisdiction which enjoins or prohibits consummation of the transactions contemplated hereby.

Section 6.04. Effect of Termination. In the event of termination of this Agreement by either or both of the Company and the Investor pursuant to Section 6.03, written notice thereof shall forthwith be given by the terminating party to the other, and this Agreement shall thereupon terminate and become void and have no effect, and the transactions contemplated hereby shall be abandoned without further action by the parties hereto, except that the provisions of Section 5.03, Section 5.04, this Section 6.04, Section 7.01 (except in the event that this Agreement was terminated by the Company pursuant to Section 6.03(f)) and Article VIII shall survive the termination of this Agreement and except that neither party shall be relieved or released from any liabilities or dama ges arising out of any breach of this Agreement. For the avoidance of doubt, the termination of the LNK Purchase Agreement shall not affect any of the provisions of this Agreement.

ARTICLE VII

Fees, Expenses and Costs

Section 7.01. Reimbursement of Legal Expenses. The Company agrees to pay at the earlier of the closing of the Acquisition Transactions and the termination of the Purchase Agreement pursuant to the terms hereof all reasonable and documented legal fees and expenses

owed by the Investor to Kirkland & Ellis LLP, incurred in connection with this Agreement, such amount payable by the Company to be subject to a cap to be agreed between the parties.

Section 7.02. Commitment Fee. The Company agrees to pay to the Investor at the Closing a commitment fee equal to 100 basis points (1.0%) of the Purchase Price in immediately available funds by wire transfer to an account specified by the Investor.

Section 7.03. Transaction Fee. The Company agrees to pay to the Investor at the Closing a transaction fee equal to 400 basis points (4.0%) of the Purchase Price in immediately available funds by wire transfer to an account specified by the Investor.

Section 7.04. Use of Fees. In the interest of efficiency, the Investor is hereby permitted to deduct all or a portion of the fees payable to the Investor pursuant to Sections 7.02 and 7.03 from the Purchase Price.

ARTICLE VIII

Miscellaneous

Section 8.01. Non-Survival of Representations and Warranties. None of the representations, warranties, covenants and other agreements in this Agreement or in any instrument delivered pursuant to this Agreement, including any rights arising out of any breach of such representations, warranties, covenants and other agreements, shall survive Closing, except for (a) the representations and warranties set forth in the last sentence of Section 3.01(b)(i), which shall survive indefinitely, (b) those covenants and agreements contained herein that by their terms are to be performed in whole or in part after Closing and (c) this Article VIII.

Section 8.02. Notices. All notices, requests, demands, consents and other communications given or required to be given under this Agreement and under the related documents shall be in writing and delivered to the applicable party at the address indicated below:

If to the Company: Phillips-Van Heusen Corporation
200 Madison Avenue
New York, New York 10016
Attention: Mark D. Fischer, Esq.
Facsimile: 212-381-3993

with a copy (which shall not constitute notice) to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attention: Andrew J. Nussbaum, Esq.
Gregory E.
Ostling, Esq.
Facsimile: (212) 403-2000

If to the Investor: MSD Brand Investments, LLC
645 Fifth Avenue, 21st Floor
New York, New York 10022
Attention: General Counsel
Fax: 212-303-1772
Telephone: 212-303-1650

with a copy (which shall not constitute notice) to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022

Attention: Kim Taylor

Facsimile: 212-446-6460

Telephone: 212-446-4800

or, as to each party at such other address as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section 8.02. Any notices shall be in writing, including facsimile communication with electronic confirmation, and may be delivered in person or sent by overnight delivery service. Notice shall be effective upon sending the facsimile (with electronic confirmation), upon delivery in person or after one Business Day with respect to overnight delivery service.

Section 8.03. Entire Agreement; Amendment. This Agreement and the Stockholder Agreement contain the entire understanding of and all agreements between the parties hereto with respect to the subject matter hereof and supersedes any prior or contemporaneous agreement or understanding, oral or written, pertaining to any such matters which agreements or understandings shall be of no force or effect for any purpose; provided, however, that the terms of any confidentiality agreement between the parties hereto (or their Affiliates) previously entered into, to the extent not inconsistent with any provisions of this Agreement or the Stockholder Agreement, shall continue to apply; and provided, further that, subject to applicable federal sec urities laws, the Investor and its Affiliates shall be permitted to continue to use confidential information (subject to the confidentiality requirements of the confidentiality agreement) in connection with any proposed investment in the Company. This Agreement may not be amended or supplemented in any manner except by mutual agreement of the parties and as set forth in a writing signed by the parties hereto or their respective successors in interest. The waiver of any beach of any provision under this Agreement by any party shall not be deemed to be a waiver of any preceding or subsequent breach under this Agreement. No such waiver shall be effective unless in writing.

Section 8.04. Assignment; Third Party Beneficiaries. Neither this Agreement, nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of Law or otherwise) without the prior written consent of the other parties; provided, however, that (a) the Investor may assign its rights, interests and obligations under this Agreement to an Affiliate and (b) in the event of such assignment, the assignee shall agree in writing to be bound by the provisions of this Agreement. This Agreement shall not

confer any rights or remedies upon any Person other than the parties to this Agreement and their respective successors and permitted assigns.

Section 8.05. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to constitute any original, but all of which together shall constitute one and the same document.

Section 8.06. Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Law of any jurisdiction other than the State of Delaware.

Section 8.07. Jurisdiction and Venue. The parties hereby irrevocably submit to the jurisdiction of the Delaware Court of Chancery or, in the event (but only in the event) that such court does not have subject matter jurisdiction over such action or proceeding, in the United States District Court for the District of Delaware in respect of the interpretation and enforcement of the provisions of this Agreement and of the documents referred to in this Agreement, and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or of any such document, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in the Delaware Court of Chancery, or in the event (but only in the event) that such court does not have subject matter jurisdiction over such action or proceeding, in the United States District Court for the District of Delaware, or that this Agreement or any such document may not be enforced in or by such courts, and the parties irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in the Delaware Court of Chancery, or in the event (but only in the event) that such court does not have subject matter jurisdiction over such action or proceeding, in the United States District Court for the District of Delaware. The parties hereby consent to and grant the Delaware Court of Chancery, or in the event (but only in the event) that such court does not have subject matter jurisdiction over such action or proceeding, the United States District Court for the District of Delaware, jurisdiction over the person of such parties and, to the extent permitted by Law, over the subject matter of such dispute and agree that mailing of pr ocess or other papers in connection with any such action or proceeding in the manner provided in Section 8.02 or in such other manner as may be permitted by Law shall be valid and sufficient service thereof.

Section 8.08. Tax Characterization. Unless otherwise required by a final "determination", as defined in Section 1313(a) of the Code, the parties agree to treat the Series A Stock as stock other than preferred stock for U.S. federal, and to the extent applicable, state and local tax purposes.

Section 8.09. U.S. Withholding Tax Forms. The Investor shall provide to the Company at the Closing a properly completed and duly executed U.S. Internal Revenue Service Form W-9.

Section 8.10. Expenses. Except as expressly provided herein or in the Stockholder Agreement, each party shall bear its own costs and expenses (including attorneys'

fees) incurred in connection with this Agreement and the Stockholder Agreement and the transactions contemplated hereby.

Section 8.11. Remedies; Waiver. To the extent permitted by Law, all rights and remedies existing under this Agreement are cumulative to, and are exclusive of, any rights or remedies otherwise available under applicable Law. No failure on the part of any party to exercise, or delay in exercising, any right hereunder shall be deemed a waiver thereof, nor shall any single or partial exercise preclude any further or other exercise of such or any other right.

Section 8.12. Waiver of Jury Trial. THE PARTIES HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (A) ARISING UNDER THIS AGREEMENT OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES IN RESPECT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY, IN EACH CASE, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. THE PARTIES HEREBY FURTHER AGREE AND CONSENT THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES MAY FILE A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

Section 8.13. Severability. If any provision of this Agreement is determined to be invalid, illegal or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect; provided that the economic and legal substance of any of the transactions contemplated hereby is not affected in any manner materially adverse to any party. In the event of any such determination, the parties agree to negotiate in good faith to modify this Agreement to fulfill as closely as possible the original intent and purpose hereof. To the extent permitted by law, the parties hereby to the same extent waive any provision of Law that renders any provision hereof prohibited or unenforceable in any respect**.**

Section 8.14. Specific Performance. Each party agrees that, in the event of any breach or threatened breach by any other party of any covenant or obligation contained in this Agreement, the non-breaching party shall be entitled to seek and obtain (i) a decree or order of specific performance to enforce the observance and performance of such covenant or obligation, and (ii) an injunction restraining such breach or threatened breach. In circumstances where any party hereto is obligated to consummate the transactions contemplated by this Agreement and such transactions have not been consummated (other than as a result of another party's refusal to close in violation of this Agreement) each party expressly acknowledges and agrees that the other parties and their respective stockholders shall have suffered irreparable harm, that monetary damages will be inadequate to compensate such other party and its stockholders, and that such other party on behalf of itself and its shareholders shall be entitled to enforce specifically the breaching party's obligation to consummate such transactions.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto or by their respective duly authorized officers, all as of the date first above written.

PHILLIPS-VAN HEUSEN CORPORATION

By: /s/ Mark D. Fischer
Name: Mark D. Fischer
Title: Senior Vice President

[Securities Purchase Agreement Signature Page]

MSD BRAND INVESTMENTS, LLC

By: /s/ Marcello Liguori
Name: Marcello Liguori
Its: Vice President

[Securities Purchase Agreement Signature Page]

Schedule 1

Investor

Investor	**Portion of Purchase Price**	**Jurisdiction of Incorporation**	**Form of Entity**	**Series A Shares**
MSD Brand Investments, LLC	$100,000,000	Delaware	Limited liability company	4,000

Exhibit A

Form of Series A Certificate of Designations

Exhibit B

Form of Stockholder Agreement

Exhibit 10.1

FIRST AMENDMENT TO SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT

FIRST AMENDMENT TO SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Amendment"), dated January 29, 2010, between PHILLIPS-VAN HEUSEN CORPORATION, a Delaware corporation ("PVH" and, together with its affiliates and subsidiaries, the "Company"), and EMANUEL CHIRICO (the "Executive").

W I T N E S S E T H:

WHEREAS, the Company has previously entered into that certain Second Amended and Restated Employment Agreement with the Executive, dated as of December 23, 2008 (the "Employment Agreement"); and

WHEREAS, the parties desire to amend the Employment Agreement to clarify the formula used to determine payouts under Sections 3(b) and 3(f) of the Employment Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Employment Agreement.

2. Clarifications. In order to clarify the amounts payable under Sections 3(b) and 3(f) of the Employment Agreement, Sections 3(b) and 3(f)(ii) of the Employment Agreement are hereby deleted in their entirety and the following substituted in lieu thereof.

(a) Substitution for Section 3(b).

(b) Termination without Cause by the Company or for Good Reason by the Executive Prior to a Change in Control. The Company may also terminate the Executive's employment with the Company at any time without Cause, and the Executive may terminate his employment with the Company at any time for Good Reason (as defined below in Section 3(f)(i)(B)). If the Company terminates the Executive's services without Cause or the Executive terminates his employment with the Company for Good Reason, other than during the two-year period following a Change in Control (as defined below in Section 3(f)(i)(A)), the Executive shall be entitled to receive from the Company (i) the portion of the Base Salary for periods prior to the effective date of termination accrued but unpaid (if any); (ii) all unreimbursed expenses (if any), subject to Section 2(d); (iii) an aggregate amount (the "Severance Amount") equal to two times the sum of (A) the Base Salary plus (B) an amount equal to the same percentage of the Executive's Base Salary that the Executive's "target" level payout was set at under the Company's annual bonus plan (if any) in respect of the fiscal year prior to the fiscal year during which the termination occurs; and (iv) the payment or provision of any Other Benefits. The Severance Amount shall be paid in 48 substantially equal payments (each such installment shall be treated as a separate payment as defined under Treasury Regulation § 1.409A-2(b)(2)) on the same

schedule that Base Salary was paid immediately prior to the Executive's date of termination, commencing on the first such scheduled payroll date that occurs on or following the date that is 30 days after the Executive's termination of employment, subject to the Executive's compliance with the requirement to deliver the release contemplated pursuant to Section 4(a)In addition, if the Company terminates the Executive's employment with the Company without Cause or the Executive terminates his employment with the Company for Good Reason, then the Company shall also provide to the Executive, during the two-year period following the Executive's date of termination, medical, dental, life and disability insurance coverage for the Executive and the members of his family which is not less favorable to the Executive than the group medical, dental, life and disability insurance coverage carried by the Company for the Executive and the members of his family immediately prior to such termination of employment; *provided*, *however*, that the obligations set forth in this sentence shall terminate to the extent the Executive obtains comparable medical, dental, life or disability insurance coverage from any other employer during such period, but the Executive shall not have any obligation to seek or accept employment during such period, whether or not any such employment would provide comparable medical and dental insurance coverage; and *provided further*, *however*, that the Executive shall be obligated to pay an amount equal to the active employee contribution, if any, for each such coverage. For the avoidance of doubt, the payment of the Severance Amount shall be in lieu of any amounts payable under the Company's severance policy (as then in effect) and the Executive hereby waives any and all rights thereunder. If the Executive is a "s pecified employee" (as determined under the Company's policy for identifying specified employees) on the date of his "separation from service" (within the meaning of Section 409A) and if any portion of the Severance Amount would be considered "deferred compensation" under Section 409A, all payments of the Severance Amount (other than payments that satisfy the short-term deferral rule, as defined in Treasury Regulation §1.409A-1(b)(4), or that are treated as separation pay under Treasury Regulation §1.409A-1(b)(9)(iii) or §1.409A-1(b)(9)(v)) shall not be paid or commence to be paid on any date prior to the first business day after the date that is six months following the Executive's separation from service. The first payment that can be made shall include the cumulative amount of any amounts that could not be paid during such six-month period. In addition, interest will accrue at the 10-year T-bill rate (as in effect as of the first business day of the calendar year in which the separation from service occurs) on all payments not paid to the Executive prior to the first business day after the sixth month anniversary of his separation from service that otherwise would have been paid during such six-month period had this delay provision not applied to the Executive and shall be paid with the first payment after such six-month period. Notwithstanding the foregoing, payments delayed pursuant to this six-month delay requirement shall commence earlier in the event of the Executive's death prior to the end of the six-month period. For purposes hereof, the Executive shall have a "separation from service" upon his death or other termination of employment for any reason.

(b) Substitution for Section 3(f)(ii).

(ii) Obligations of the Company upon a Termination by the Executive for Good Reason or the Company for any reason other than death, Disability or Cause during the Two-Year Period following a Change in Control. If within two years after the occurrence of a Change in Control, the Executive terminates his employment with the Company for Good Reason or the Company terminates the Executive's employment for any reason other than death, Disability or Cause, the Company (or the then former Company subsidiary employing the Executive), or the consolidated, surviving or transferee Person in the event of a Change in Control pursuant to a consolidation, merger or sale of assets, shall pay to the Executive, in a lump sum immediately subsequent to the date of such termination, (A) the portion of the Base Salary for periods prior to the effective date of termination accrued but unpaid (if any); (B) all unreimbursed expenses (if any), sub ject to Section 2(d); (C) an aggregate amount equal to three times the Executive's "cash compensation" (as defined below in this Section 3(f)(ii)); and (D) the payment or provision of any Other Benefits. The severance amount described in clause (C) of the immediately preceding sentence shall be paid (x) in a lump sum, if the Change in Control event constitutes a "change in the ownership" or a "change in the effective control" of the Company or a "change in the ownership of a substantial portion of a corporation's assets" (each within the meaning of Section 409A), or (y) in 72 substantially equal payments, if the Change in Control event does not so comply with Section 409A. The lump sum amount shall be paid, or the installment payments shall commence, as applicable, on the first scheduled payroll date (in accordance with the Company's payroll schedule in effect for the Executive immediately prior to such termination) that occurs on or fol lowing the date that is 30 days after the Executive's termination of employment; *provided*, *however*, that the payment of such severance amount is subject to the Executive's compliance with the requirement to deliver the release contemplated pursuant to Section 4(a). Any such installment payment shall be treated as a separate payment as defined under Treasury Regulation §1.409A-2(b)(2). For purposes of this Section 3(f)(ii), "cash compensation" shall mean the sum of (1) the Base Salary, (2) an amount equal to the same percentage of the Executive's Base Salary that the Executive's "target" level payout was set at under the Company's annual bonus plan (if any) in respect of the fiscal year prior to the fiscal year during which the termination occurs; and (3) an amount equal to the average annual cash awards (if any, except as provided in the proviso hereto) paid to and/or accrued with respect to the Executive during the two completed fis cal years of the Company immediately preceding the date of termination under the Company's Long Term Incentive Plan (or any successor cash-based long term incentive plan, which for the avoidance of doubt shall include, for purposes of this Section 3(f)(ii), any plan under which the award opportunity is denominated as a dollar amount, even if the actual award amount is satisfied in equity), *provided*, that if the Long Term Incentive Plan (or any successor cash-based long term incentive plan) is discontinued and not replaced with a cash-based long term incentive plan, for purposes of determining the average annual cash compensation under clause (C)(2) above, the amounts equal to the payments made or accrued (to the extent earned but unpaid) to or for the Executive under the Company's Long Term Incentive Plan (or any successor cash-based long term incentive plan) with

respect to the final two completed performance cycles under such plan shall be included. Upon the termination of employment with the Company for Good Reason by the Executive or upon the involuntary termination of employment with the Company of the Executive for any reason other than death, Disability or Cause, in either case within two years after the occurrence of a Change in Control, the Company (or the then former Company subsidiary employing the Executive), or the consolidated, surviving or transferee Person in the event of a Change in Control pursuant to a consolidation, merger or sale of assets, shall also provide, for the period of three consecutive years commencing on the date of such termination of employment, medical, dental, life and disability insurance coverage for the Executive and the members of his family which is not less favorable to the Executive than the group medical, dental, life and disability insu rance coverage carried by the Company for the Executive and the members of his family either immediately prior to such termination of employment or immediately prior to the occurrence of such Change in Control, whichever is greater; *provided*, *however*, that the obligations set forth in this sentence shall terminate to the extent the Executive obtains comparable medical, dental, life or disability insurance coverage from any other employer during such three-year period, but the Executive shall not have any obligation to seek or accept employment during such three-year period, whether or not any such employment would provide comparable medical, dental, life and disability insurance coverage. For the avoidance of doubt, the amounts payable under clause (C) of this Section 3(f)(ii) as severance shall be in lieu of any amounts payable under the Company's severance policy and the Executive hereby waives any and all rights thereunder. Notwithstanding anything in this Section 3(f)(ii) t o the contrary, if the Executive is a "specified employee" (as determined under the Company's policy for identifying specified employees) on the date of his "separation from service" (within the meaning of Section 409A) and if any portion of the severance amount described in clause (C) of the first sentence of this Section 3(f)(ii) would be considered "deferred compensation" under Section 409A, such severance amount shall not be paid or commence to be paid on any date prior to the first business day after the date that is six months following the Executive's separation from service (unless any such payment(s) shall satisfy the short-term deferral rule, as defined in Treasury Regulation §1.409A-1(b)(4) of his "separation from service" (within the meaning of Section 409A) and if any portion of the severance amount described in clause (C) of the first sentence of this Section 3(f)(ii) would be considered "deferred compensation" under Section 409A, such severance). In addition, interest will accrue at the 10-year T-bill rate (as in effect as of the first business day of the calendar year in which the separation from service occurs) on such lump sum amount or installment payments, as applicable, not paid to the Executive prior to the first business day after the sixth month anniversary of his separation from service that otherwise would have been paid during such six-month period had this delay provision not applied to the Executive and shall be paid at the same time at which the lump sum payment or the first installment payment, as applicable, is made after such six-month period. Notwithstanding the foregoing, a payment delayed pursuant to the preceding three sentences shall commence earlier in the event of the Executive's death prior to the end of the six-month period.

3. Continued Effectiveness of the Employment Agreement. The Employment Agreement is, and shall continue to be, in full force and effect, except as otherwise provided in this Amendment and except that all references to the Employment Agreement set forth in the Employment Agreement and any other agreements to which the parties hereto are parties which have been executed prior to the date hereof and referring to the Employment Agreement shall mean the Employment Agreement, as amended by this Amendment.

4. Miscellaneous.

(a) This Amendment shall be effective as of December 23, 2008.

(b) This Amendment may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same amendment.

(c) This Amendment shall be construed without regard to any presumption or other rule requiring construction against the drafting party.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first set forth above.

PHILLIPS-VAN HEUSEN CORPORATION

By /s/ Mark D. Fischer
Name: Mark D. Fischer
Title: Senior Vice President

/s/ Emanuel Chirico
Emanuel Chirico

Exhibit 10.2

FIRST AMENDMENT TO SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT

FIRST AMENDMENT TO SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Amendment"), dated January 29, 2010, between PHILLIPS-VAN HEUSEN CORPORATION, a Delaware corporation ("PVH" and, together with its affiliates and subsidiaries, the "Company"), and ALLEN SIRKIN (the "Executive").

W I T N E S S E T H:

WHEREAS, the Company has previously entered into that certain Second Amended and Restated Employment Agreement with the Executive, dated as December 23, 2008 (the "Employment Agreement"); and

WHEREAS, the parties desire to amend the Employment Agreement to clarify the formula used to determine payouts under Sections 3(b) and 3(f) of the Employment Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Employment Agreement.

2. Clarifications. In order to clarify the amounts payable under Sections 3(b) and 3(f) of the Employment Agreement, Sections 3(b)(i) and 3(f)(ii) to the Employment Agreement are hereby deleted in their entirety and the following substituted in lieu thereof.

(a) Substitution for Section 3(b)(i).

(i) If the Company terminates the Executive's services without Cause or the Executive terminates his employment with the Company for Good Reason, other than during the two-year period following a Change in Control (as defined in Section 3(f)(i)(A)), the Executive shall be entitled to receive from the Company (W) the portion of the Base Salary for periods prior to the effective date of termination accrued but unpaid (if any); (X) all unreimbursed expenses (if any), subject to Section 2(d); (Y) an aggregate amount (the "Severance Amount") equal to two times the sum of (1) the Executive's Base Salary plus (2) an amount equal to the same percentage of the Executive's Base Salary that the Executive's "target" level payout was set at under the Company's annual bonus plan (if any) in respect of the fiscal year prior to the fiscal year during which the termination occurs; and (Z) the payment or pr ovision of any Other Benefits. The Severance Amount shall be paid in 48 substantially equal payments and on the same schedule that Base Salary was paid immediately prior to the Executive's date of termination, commencing on the first such scheduled payroll date that occurs on or following the date that is 30 days after the Executive's termination of employment, subject to the Executive's compliance with the requirement to deliver the release contemplated pursuant to Section 4(a). Each such installment payment shall be treated as a separate payment as defined under Treasury

Regulation §1.409A-2(b)(2). If the Executive is a "specified employee" (as determined under the Company's policy for identifying specified employees) on the date of his "separation from service" (within the meaning of Section 409A) and if any portion of the Severance Amount would be considered "deferred compensation" under Section 409A, all payments of the Severance Amount (other than payments that satisfy the short-term deferral rule, as defined in Treasury Regulation §1.409A-1(b)(4), or that are treated as separation pay under Treasury Regulation §1.409A-1(b)(9)(iii) or §1.409A-1(b)(9)(v)) shall not be paid or commence to be paid on any date prior to the first business day after the date that is six months following the Executive's separation from service. The first payment that can be made shall include the cumulative amount of any amounts that could no t be paid during such six-month period. In addition, interest will accrue at the 10-year T-bill rate (as in effect as of the first business day of the calendar year in which the separation from service occurs) on all payments not paid to the Executive prior to the first business day after the sixth month anniversary of his separation from service that otherwise would have been paid during such six-month period had this delay provision not applied to the Executive and shall be paid with the first payment after such six-month period. Notwithstanding the foregoing, payments delayed pursuant to this six-month delay requirement shall commence earlier in the event of the Executive's death prior to the end of the six-month period. For purposes hereof, the Executive shall have a "separation from service" upon his death or other termination of employment for any reason.

(b) Substitution for Section 3(f)(ii).

(ii) If within two years after the occurrence of a Change in Control, the Executive terminates his employment with the Company for Good Reason or the Company terminates the Executive's employment for any reason other than death, Disability or Cause, the Company (or the then former Company subsidiary employing the Executive), or the consolidated, surviving or transferee person in the event of a Change in Control pursuant to a consolidation, merger or sale of assets, the Executive shall be entitled to receive from the Company (A) the portion of the Base Salary for periods prior to the effective date of termination accrued but unpaid (if any); (B) all unreimbursed expenses (if any), subject to Section 2(d); (C) an aggregate amount equal to two times the sum of (I) the Base Salary plus (II) an amount equal to the same percentage of the Executive's Base Salary that the Executive's "target" level payout was set at u nder the Company's annual bonus plan (if any) in respect of the fiscal year prior to the fiscal year during which the termination occurs; and (D) the payment or provision of any Other Benefits. The severance amount described in clause (C) of the immediately preceding sentence shall be paid (x) in a lump sum, if the Change in Control event constitutes a "change in the ownership" or a "change in the effective control" of the Company or a "change in the ownership of a substantial portion of a corporation's assets" (each within the meaning of Section 409A), or (y) in 48 substantially equal payments, if the Change in Control event does not so comply with Section 409A. The lump sum amount shall be paid, or the installment payments shall commence, as applicable, on the first scheduled payroll date (in accordance with the Company's payroll schedule in effect for the Executive

immediately prior to such termination) that occurs on or following the date that is 30 days after the Executive's termination of employment; *provided*, *however,* that the payment of such severance amount is subject to the Executive's compliance with the requirement to deliver the release contemplated pursuant to Section 4(a). Any such installment payment shall be treated as a separate payment as defined under Treasury Regulation §1.409A-2(b)(2). If the Executive is a "specified employee" (as determined under the Company's policy for identifying specified employees) on the date of his "separation from service" (within the meaning of Section 409A) and if any portion of the severance amount described in clause (C) would be considered "deferred compensation" under Section 409A, such severance amount shall not be paid or commence to be paid on any date prior to the first business day after the date that is six months following the Executive's separation from service (unless any such payment(s) shall satisfy the short-term deferral rule, as defined in Treasury Regulation §1.409A-1(b)(4), or shall be treated as separation pay under Treasury Regulation §1.409A-1(b)(9)(iii) or §1.409A-1(b)(9)(v)). If paid in installments, the first payment that can be made shall include the cumulative amount of any amounts that could not be paid during such six-month period. In addition, interest will accrue at the 10-year T-bill rate (as in effect as of the first business day of the calendar year in which the separation from service occurs) on such lump sum amount or installment payments, as applicable, not paid to the Executive prior to the first business day after the sixth month anniversary of his separation from service that otherwise would have been paid during such six-month period had this delay provision not applied to the Executive and shall be pai d at the same time at which the lump sum payment or the first installment payment, as applicable, is made after such six-month period. Notwithstanding the foregoing, a payment delayed pursuant to the preceding three sentences shall commence earlier in the event of the Executive's death prior to the end of the six-month period. Upon the termination of employment with the Company for Good Reason by the Executive or upon the involuntary termination of employment with the Company of the Executive for any reason other than death, Disability or Cause, in either case within two years after the occurrence of a Change in Control, the Company (or the then former Company subsidiary employing the Executive), or the consolidated, surviving or transferee person in the event of a Change in Control pursuant to a consolidation, merger or sale of assets, shall also provide, for the period of two consecutive years commencing on the date of such termination of employment, medical, dental, life and disability insuranc e coverage for the Executive and the members of his family which is not less favorable to the Executive than the group medical, dental, life and disability insurance coverage carried by the Company for the Executive and the members of his family either immediately prior to such termination of employment or immediately prior to the occurrence of such Change in Control, whichever is greater; *provided*, *however*, that the obligations set forth in this sentence shall terminate to the extent the Executive obtains comparable medical, dental, life or disability insurance coverage from any other employer during such two-year period, but the Executive shall not have any obligation to seek or accept employment during such two-year period, whether or not any such employment would provide comparable medical, dental, life and disability insurance coverage. For the avoidance of doubt, the amounts payable under clause (C) of this Section 3(f)(ii) as severance shall be in lieu of any

amounts payable under the Company's severance policy and the Executive hereby waives any and all rights thereunder.

3. Continued Effectiveness of the Employment Agreement. The Employment Agreement is, and shall continue to be, in full force and effect, except as otherwise provided in this Amendment and except that all references to the Employment Agreement set forth in the Employment Agreement and any other agreements to which the parties hereto are parties which have been executed prior to the date hereof and referring to the Employment Agreement shall mean the Employment Agreement, as amended by this Amendment.

4. Miscellaneous.

(a) This Amendment shall be effective as of December 23, 2008.

(b) This Amendment may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same amendment.

(c) This Amendment shall be construed without regard to any presumption or other rule requiring construction against the drafting party.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first set forth above.

PHILLIPS-VAN HEUSEN CORPORATION

By /s/ Mark D. Fischer
Name: Mark D. Fischer
Title: Senior Vice President

/s/ Allen Sirkin
Allen Sirkin

Exhibit 10.3

FIRST AMENDMENT TO SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT

FIRST AMENDMENT TO SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Amendment"), dated January 29, 2010, between PHILLIPS-VAN HEUSEN CORPORATION, a Delaware corporation ("PVH" and, together with its affiliates and subsidiaries, the "Company"), and FRANCIS K. DUANE (the "Executive").

W I T N E S S E T H:

WHEREAS, the Company has previously entered into that certain Second Amended and Restated Employment Agreement with the Executive, dated as of December 23, 2008 (the "Employment Agreement"); and

WHEREAS, the parties desire to amend the Employment Agreement to clarify the formula used to determine payouts under Sections 3(b) and 3(f) of the Employment Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Employment Agreement.

2. Clarifications. In order to clarify the amounts payable under Sections 3(b) and 3(f) of the Employment Agreement, Sections 3(b)(i) and 3(f)(ii) of the Employment Agreement are hereby deleted in their entirety and the following substituted in lieu thereof.

(a) Substitution for Section 3(b)(i).

(i) If the Company terminates the Executive's services without Cause or the Executive terminates his employment with the Company for Good Reason, other than during the two-year period following a Change in Control (as defined in Section 3(f)(i)(A)), the Executive shall be entitled to receive from the Company (W) the portion of the Base Salary for periods prior to the effective date of termination accrued but unpaid (if any); (X) all unreimbursed expenses (if any), subject to Section 2(d); (Y) an aggregate amount (the "Severance Amount") equal to one and a half (1.5) times the sum of (1) the Base Salary plus (2) an amount equal to the same percentage of the Executive's Base Salary that the Executive's "target" level payout was set at under the Company's annual bonus plan (if any) in respect of the fiscal year prior to the fiscal year during which the termination occurs; and (Z) the payment or pr ovision of any Other Benefits. The Severance Amount shall be paid in 36 substantially equal payments and on the same schedule that Base Salary was paid immediately prior to the Executive's date of termination, commencing on the first such scheduled payroll date that occurs on or following the date that is 30 days after the Executive's termination of employment, subject to the Executive's compliance with the requirement to deliver the release contemplated pursuant to Section 4(a). Each such installment payment shall be treated as a separate payment as defined under Treasury

Regulation §1.409A-2(b)(2). If the Executive is a "specified employee" (as determined under the Company's policy for identifying specified employees) on the date of his "separation from service" (within the meaning of Section 409A) and if any portion of the Severance Amount would be considered "deferred compensation" under Section 409A, all payments of the Severance Amount (other than payments that satisfy the short-term deferral rule, as defined in Treasury Regulation §1.409A-1(b)(4), or that are treated as separation pay under Treasury Regulation §1.409A-1(b)(9)(iii) or §1.409A-1(b)(9)(v)) shall not be paid or commence to be paid on any date prior to the first business day after the date that is six months following the Executive's separation from service. The first payment that can be made shall include the cum ulative amount of any amounts that could not be paid during such six-month period. In addition, interest will accrue at the 10-year T-bill rate (as in effect as of the first business day of the calendar year in which the separation from service occurs) on all payments not paid to the Executive prior to the first business day after the sixth month anniversary of his separation from service that otherwise would have been paid during such six-month period had this delay provision not applied to the Executive and shall be paid with the first payment after such six-month period. Notwithstanding the foregoing, payments delayed pursuant to this six-month delay requirement shall commence earlier in the event of the Executive's death prior to the end of the six-month period. For purposes hereof, the Executive shall have a "separation from service" upon his death or other termination of employment for any reason.

(b) Substitution for Section 3(f)(ii).

(ii) If within two years after the occurrence of a Change in Control, the Executive terminates his employment with the Company for Good Reason or the Company terminates the Executive's employment for any reason other than death, Disability or Cause, the Company (or the then former Company subsidiary employing the Executive), or the consolidated, surviving or transferee person in the event of a Change in Control pursuant to a consolidation, merger or sale of assets, the Executive shall be entitled to receive from the Company (A) the portion of the Base Salary for periods prior to the effective date of termination accrued but unpaid (if any); (B) all unreimbursed expenses (if any), subject to Section 2(d); (C) an aggregate amount equal to two times the sum of (I) the Base Salary plus (II) an amount equal to the same percentage of the Executive's Base Salary that the Executive's "target" level payout was set at u nder the Company's annual bonus plan (if any) in respect of the fiscal year prior to the fiscal year during which the termination occurs; and (D) the payment or provision of any Other Benefits. The severance amount described in clause (C) of the immediately preceding sentence shall be paid (x) in a lump sum, if the Change in Control event constitutes a "change in the ownership" or a "change in the effective control" of the Company or a "change in the ownership of a substantial portion of a corporation's assets" (each within the meaning of Section 409A), or (y) in 48 substantially equal payments, if the Change in Control event does not so comply with Section 409A. The lump sum amount shall be paid, or the installment payments shall commence, as applicable, on the first scheduled payroll date (in accordance with the Company's payroll schedule in effect for the Executive

immediately prior to such termination) that occurs on or following the date that is 30 days after the Executive's termination of employment; *provided*, *however,* that the payment of such severance amount is subject to the Executive's compliance with the requirement to deliver the release contemplated pursuant to Section 4(a). Any such installment payment shall be treated as a separate payment as defined under Treasury Regulation §1.409A-2(b)(2). If the Executive is a "specified employee" (as determined under the Company's policy for identifying specified employees) on the date of his "separation from service" (within the meaning of Section 409A) and if any portion of the severance amount described in clause (C) would be considered "deferred compensation" under Section 409A, such severance amount shall not be paid or commence to be paid on any date prior to the first business day after the date that is six months following the Executive's separation from service (unless any such payment(s) shall satisfy the short-term deferral rule, as defined in Treasury Regulation §1.409A-1(b)(4), or shall be treated as separation pay under Treasury Regulation §1.409A-1(b)(9)(iii) or §1.409A-1(b)(9)(v)). If paid in installments, the first payment that can be made shall include the cumulative amount of any amounts that could not be paid during such six-month period. In addition, interest will accrue at the 10-year T-bill rate (as in effect as of the first business day of the calendar year in which the separation from service occurs) on such lump sum amount or installment payments, as applicable, not paid to the Executive prior to the first business day after the sixth month anniversary of his separation from service that otherwise would have been paid during such six-month period had this delay provision not applied to the Executive and shall be pai d at the same time at which the lump sum payment or the first installment payment, as applicable, is made after such six-month period. Notwithstanding the foregoing, a payment delayed pursuant to the preceding three sentences shall commence earlier in the event of the Executive's death prior to the end of the six-month period. Upon the termination of employment with the Company for Good Reason by the Executive or upon the involuntary termination of employment with the Company of the Executive for any reason other than death, Disability or Cause, in either case within two years after the occurrence of a Change in Control, the Company (or the then former Company subsidiary employing the Executive), or the consolidated, surviving or transferee person in the event of a Change in Control pursuant to a consolidation, merger or sale of assets, shall also provide, for the period of two consecutive years commencing on the date of such termination of employment, medical, dental, life and disability in surance coverage for the Executive and the members of his family which is not less favorable to the Executive than the group medical, dental, life and disability insurance coverage carried by the Company for the Executive and the members of his family either immediately prior to such termination of employment or immediately prior to the occurrence of such Change in Control, whichever is greater; *provided*, *however*, that the obligations set forth in this sentence shall terminate to the extent the Executive obtains comparable medical, dental, life or disability insurance coverage from any other employer during such two-year period, but the Executive shall not have any obligation to seek or accept employment during such two-year period, whether or not any such employment would provide comparable medical, dental, life and disability insurance coverage. For the avoidance of doubt, the amounts payable under clause (C) of this Section 3(f)(ii) as severance shall be in lieu of any

amounts payable under the Company's severance policy and the Executive hereby waives any and all rights thereunder.

3. Continued Effectiveness of the Employment Agreement. The Employment Agreement is, and shall continue to be, in full force and effect, except as otherwise provided in this Amendment and except that all references to the Employment Agreement set forth in the Employment Agreement and any other agreements to which the parties hereto are parties which have been executed prior to the date hereof and referring to the Employment Agreement shall mean the Employment Agreement, as amended by this Amendment.

4. Miscellaneous.

(a) This Amendment shall be effective as of December 23, 2008.

(b) This Amendment may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same amendment.

(c) This Amendment shall be construed without regard to any presumption or other rule requiring construction against the drafting party.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first set forth above.

PHILLIPS-VAN HEUSEN CORPORATION

By /s/ Mark D. Fischer
Name: Mark D. Fischer
Title: Senior Vice President

/s/ Francis K. Duane
Francis K. Duane

Exhibit 10.4

FIRST AMENDMENT TO SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT

FIRST AMENDMENT TO SECOND AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Amendment"), dated January 29, 2010, between CALVIN KLEIN, INC., a New York corporation ("CKI", together with its affiliates, including, without limitation, its parent corporation, Phillips-Van Heusen Corporation (the "Company"; the Company shall refer to CKI or Phillips-Van Heusen Corporation ("PVH") or PVH and its affiliates and subsidiaries, including CKI , collectively, as the context may require), and PAUL THOMAS MURRY (the "Executive").

W I T N E S S E T H:

WHEREAS, CKI has previously entered into that certain Second Amended and Restated Employment Agreement with the Executive, dated as of December 23, 2008 (the "Employment Agreement"); and

WHEREAS, the parties desire to amend the Employment Agreement to clarify the formula used to determine payouts under Sections 3(b) and 3(f) of the Employment Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Employment Agreement.

2. Clarifications. In order to clarify the amounts payable under Sections 3(b) and 3(f) of the Employment Agreement, Sections 3(b)(i) and 3(f)(ii) of the Employment Agreement are hereby deleted in their entirety and the following substituted in lieu thereof.

(a) Substitution for Section 3(b)(i).

(i) If the Company terminates the Executive's services without Cause or the Executive terminates his employment with the Company for Good Reason, other than during the two-year period following a Change in Control (as defined in Section 3(f)(i)(A)), the Executive shall be entitled to receive from the Company (W) the portion of the Base Salary for periods prior to the effective date of termination accrued but unpaid (if any); (X) all unreimbursed expenses (if any), subject to Section 2(d); (Y) an aggregate amount (the "Severance Amount") equal to one and a half (1.5) times the sum of (1) the Base Salary plus (2) an amount equal to the same percentage of the Executive's Base Salary that the Executive's "target" level payout was set at under the Company's annual bonus plan (if any) in respect of the fiscal year prior to the fiscal year during which the termination occurs; and (Z) the payment or pr ovision of any Other Benefits. The Severance Amount shall be paid in 36 substantially equal payments and on the same schedule that Base Salary was paid immediately prior to the Executive's date of termination, commencing on the first such scheduled payroll date that occurs on or following the date that is 30 days after the Executive's termination of

employment, subject to the Executive's compliance with the requirement to deliver the release contemplated pursuant to Section 4(a). Each such installment payment shall be treated as a separate payment as defined under Treasury Regulation §1.409A-2(b)(2). If the Executive is a "specified employee" (as determined under the Company's policy for identifying specified employees) on the date of his "separation from service" (within the meaning of Section 409A) and if any portion of the Severance Amount would be considered "deferred compensation" under Section 409A, all payments of the Severance Amount (other than payments that satisfy the short-term deferral rule, as defined in Treasury Regulation §1.409A-1(b)(4), or that are treated as separation pay under Treasury Regulation §1.409A-1(b)(9)(iii) or §1.409A-1(b)(9)(v)) shall not be paid or commence to be paid on any date prior to the first business day after the date that is six months following the Executive's separation from service. The first payment that can be made shall include the cumulative amount of any amounts that could not be paid during such six-month period. In addition, interest will accrue at the 10-year T-bill rate (as in effect as of the first business day of the calendar year in which the separation from service occurs) on all payments not paid to the Executive prior to the first business day after the sixth month anniversary of his separation from service that otherwise would have been paid during such six-month period had this delay provision not applied to the Executive and shall be paid with the first payment after such six-month period. Notwithstanding the foregoing, payments delayed pursuant to this six-month delay requirement shall commence earlier in the event of the Executive's death prior to the end of the six-mont h period. For purposes hereof, the Executive shall have a "separation from service" upon his death or other termination of employment for any reason.

(b) Substitution for Section 3(f)(ii).

(ii) If within two years after the occurrence of a Change in Control, the Executive terminates his employment with the Company for Good Reason or the Company terminates the Executive's employment for any reason other than death, Disability or Cause, the Company (or the then former Company subsidiary employing the Executive), or the consolidated, surviving or transferee person in the event of a Change in Control pursuant to a consolidation, merger or sale of assets, the Executive shall be entitled to receive from the Company (A) the portion of the Base Salary for periods prior to the effective date of termination accrued but unpaid (if any); (B) all unreimbursed expenses (if any), subject to Section 2(d); (C) an aggregate amount equal to two times the sum of (I) the Base Salary plus (II) an amount equal to the same percentage of the Executive's Base Salary that the Executive's "target" level payout was set at u nder the Company's annual bonus plan (if any) in respect of the fiscal year prior to the fiscal year during which the termination occurs; and (D) the payment or provision of any Other Benefits. The severance amount described in clause (C) of the immediately preceding sentence shall be paid (x) in a lump sum, if the Change in Control event constitutes a "change in the ownership" or a "change in the effective control" of the Company or a "change in the ownership of a substantial portion of a corporation's assets" (each within the meaning of Section 409A), or (y) in 48 substantially equal payments, if the Change in Control event does not so comply

with Section 409A. The lump sum amount shall be paid, or the installment payments shall commence, as applicable, on the first scheduled payroll date (in accordance with the Company's payroll schedule in effect for the Executive immediately prior to such termination) that occurs on or following the date that is 30 days after the Executive's termination of employment; *provided*, *however,* that the payment of such severance amount is subject to the Executive's compliance with the requirement to deliver the release contemplated pursuant to Section 4(a). Any such installment payment shall be treated as a separate payment as defined under Treasury Regulation §1.409A-2(b)(2). If the Executive is a "specified employee" (as determined under the Company's policy for identifying specified employees) on the date of his "separation from service" (within the meaning of Sect ion 409A) and if any portion of the severance amount described in clause (C) would be considered "deferred compensation" under Section 409A, such severance amount shall not be paid or commence to be paid on any date prior to the first business day after the date that is six months following the Executive's separation from service (unless any such payment(s) shall satisfy the short-term deferral rule, as defined in Treasury Regulation §1.409A-1(b)(4), or shall be treated as separation pay under Treasury Regulation §1.409A-1(b)(9)(iii) or §1.409A-1(b)(9)(v)). If paid in installments, the first payment that can be made shall include the cumulative amount of any amounts that could not be paid during such six-month period. In addition, interest will accrue at the 10-year T-bill rate (as in effect as of the first business day of the calendar year in which the separation from service occurs) on such lump sum amount or installment payments, as applicable, not paid to the Exe cutive prior to the first business day after the sixth month anniversary of his separation from service that otherwise would have been paid during such six-month period had this delay provision not applied to the Executive and shall be paid at the same time at which the lump sum payment or the first installment payment, as applicable, is made after such six-month period. Notwithstanding the foregoing, a payment delayed pursuant to the preceding three sentences shall commence earlier in the event of the Executive's death prior to the end of the six-month period. Upon the termination of employment with the Company for Good Reason by the Executive or upon the involuntary termination of employment with the Company of the Executive for any reason other than death, Disability or Cause, in either case within two years after the occurrence of a Change in Control, the Company (or the then former Company subsidiary employing the Executive), or the consolidated, surviving or transferee person in the ev ent of a Change in Control pursuant to a consolidation, merger or sale of assets, shall also provide, for the period of two consecutive years commencing on the date of such termination of employment, medical, dental, life and disability insurance coverage for the Executive and the members of his family which is not less favorable to the Executive than the group medical, dental, life and disability insurance coverage carried by the Company for the Executive and the members of his family either immediately prior to such termination of employment or immediately prior to the occurrence of such Change in Control, whichever is greater; *provided*, *however*, that the obligations set forth in this sentence shall terminate to the extent the Executive obtains comparable medical, dental, life or disability insurance coverage from any other employer during such two-year period, but the Executive shall not have any obligation to seek or accept employment during such two-year period, whether or

not any such employment would provide comparable medical, dental, life and disability insurance coverage. For the avoidance of doubt, the amounts payable under clause (C) of this Section 3(f)(ii) as severance shall be in lieu of any amounts payable under the Company's severance policy and the Executive hereby waives any and all rights thereunder.

3. Continued Effectiveness of the Employment Agreement. The Employment Agreement is, and shall continue to be, in full force and effect, except as otherwise provided in this Amendment and except that all references to the Employment Agreement set forth in the Employment Agreement and any other agreements to which the parties hereto are parties which have been executed prior to the date hereof and referring to the Employment Agreement shall mean the Employment Agreement, as amended by this Amendment.

4. Miscellaneous.

(a) This Amendment shall be effective as of December 23, 2008.

(b) This Amendment may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same amendment.

(c) This Amendment shall be construed without regard to any presumption or other rule requiring construction against the drafting party.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first set forth above.

CALVIN KLEIN, INC.

By /s/ Mark D. Fischer
Name: Mark D. Fischer
Title: Senior Vice President

/s/ Paul Thomas Murry
Paul Thomas Murry

EXHIBIT 15

Acknowledgement of Independent Registered Public Accounting Firm

We are aware of the incorporation by reference in

(i) Post-Effective Amendment No. 2 to Registration Statement (Form S-8, No. 2-73803), which relates to the Phillips-Van Heusen Corporation Employee Savings and Retirement Plan,

(ii) Registration Statement (Form S-8, No. 33-50841), which relates to the Phillips-Van Heusen Corporation Associates Investment Plan for Residents of the Commonwealth of Puerto Rico,

(iii) Registration Statement (Form S-8, No. 333-29765), which relates to the Phillips-Van Heusen Corporation 1997 Stock Option Plan,

(iv) Registration Statement (Form S-8, No. 333-41068), which relates to the Phillips-Van Heusen Corporation 2000 Stock Option Plan,

(v) Registration Statement (Form S-8, No. 333-109000), which relates to the Phillips-Van Heusen Corporation 2003 Stock Option Plan,

(vi) Registration Statement (Form S-8, No. 333-125694), which relates to the Phillips-Van Heusen Corporation Associates Investment Plan for Residents of the Commonwealth of Puerto Rico,

(vii) Registration Statement (Form S-8, No. 333-143921), Registration Statement (Form S-8, No. 333-151966) and Registration Statement (Form S-8, No. 333-160382), each of which relates to the Phillips-Van Heusen Corporation 2006 Stock Incentive Plan,

(viii) Registration Statement (Form S-8, No. 333-158327), which relates to the Phillips-Van Heusen Corporation Associates Investment Plan for Salaried Associates, and

(ix) Registration Statement (Form S-3, No. 333-166190), which relates to an unlimited amount of debt securities, common stock and preferred stock and pursuant to which Phillips-Van Heusen Corporation has issued (i) 7 3/8% Senior Notes due 2020; and (ii) 5,750,000 shares of common stock to the public,

of our report dated June 10, 2010 with respect to the unaudited consolidated financial statements of Phillips-Van Heusen Corporation that are included in its Form 10-Q for the thirteen week period ended May 2, 2010.

Pursuant to Rule 436(c) of the Securities Act of 1933, our report is not a part of the registration statements or post-effective amendments prepared or certified by accountants within the meaning of Section 7 or 11 of the Securities Act of 1933.

/s/ ERNST & YOUNG LLP

New York, New York
June 10, 2010

EXHIBIT 31.1

I, Emanuel Chirico, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Phillips-Van Heusen Corporation;

2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Quarterly Report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and

d) Disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: June 10, 2010

/s/ EMANUEL CHIRICO

Emanuel Chirico
Chairman and Chief Executive Officer

EXHIBIT 31.2

I, Michael Shaffer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Phillips-Van Heusen Corporation;

2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Quarterly Report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and

d) Disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: June 10, 2010

/S/ MICHAEL SHAFFER

Michael Shaffer
Executive Vice President and
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATE PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Phillips-Van Heusen Corporation (the "Company") for the quarterly period ended May 2, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Emanuel Chirico, Chairman and Chief Executive Officer of the Company, certify, pursuant to section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: June 10, 2010

By: /s/ EMANUEL CHIRICO

Name: Emanuel Chirico
Chairman and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATE PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Phillips-Van Heusen Corporation (the "Company") for the quarterly period ended May 2, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael Shaffer, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: June 10, 2010

By: /s/ MICHAEL SHAFFER

Name: Michael Shaffer
Executive Vice President and
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.