

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 13, 2013

PVH CORP.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-07572
(Commission File Number)

13-1166910
(IRS Employer
Identification No.)

200 Madison Avenue, New York, New York
(Address of principal executive offices)

10016
(Zip Code)

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

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

On February 13, 2013, PVH Corp. (the "Company") completed its previously-announced acquisition of The Warnaco Group, Inc. ("Warnaco"). Pursuant to the Agreement and Plan of Merger, dated as of October 29, 2012 (the "Merger Agreement"), among Warnaco, the Company and Wand Acquisition Corp., a wholly owned subsidiary of the Company ("Merger Sub"), Merger Sub merged with and into Warnaco, with Warnaco continuing as the surviving company and as a wholly owned subsidiary of the Company (the "Merger").

New Senior Secured Credit Facilities

Simultaneously with and related to the closing of the Merger, the Company entered into a new senior secured credit facility, which consists of a \$1.700 billion U.S. Dollar-denominated term loan A facility (the "TLA Facility"), a \$1.375 billion U.S. Dollar-denominated term loan B facility (the "TLB Facility" and together with the TLA Facility, the "TL Facilities") and senior secured revolving credit facilities in an aggregate principal amount of \$750 million, consisting of (a) a \$475 million U.S. Dollar denominated revolving credit facility (the "U.S. Revolving Credit Facility"), (b) a \$25 million U.S. Dollar denominated revolving credit facility available in U.S. Dollars or Canadian Dollars (the "Canadian Revolving Credit Facility") and (c) a €185,850,000 Euro denominated revolving credit facility available in Euro, Pounds Sterling, Japanese Yen and Swiss Francs (the "European Revolving Credit Facility, and together with the U.S. Revolving Credit Facility and the Canadian Revolving Credit Facility, the "Revolving Credit Facilities" and together with the TL Facilities, the "New Credit Facility"). The Company is the borrower under the TL Facilities, the U.S. Revolving Credit Facility and the Canadian Revolving Credit Facility. Tommy Hilfiger B.V., a wholly owned subsidiary of the Company (the "European Borrower"), is the borrower under the European Revolving Credit Facility.

At the simultaneous closings of the Merger and the New Credit Facility, the Company used the net proceeds from borrowings under the New Credit Facility to, among other things, fund a portion of the cash consideration to be paid to Warnaco stockholders in the Merger and refinance certain of the

Company's, Warnaco's and their respective subsidiaries' existing indebtedness. Going forward, the proceeds of the Revolving Credit Facilities may be used for working capital or general corporate purposes.

The Company has fully drawn the TL Facilities. The Revolving Credit Facilities, which were not drawn upon as of February 13, 2013, include amounts available for letters of credit, of which approximately \$86.9 million were outstanding on February 13, 2013. A portion of each of the U.S. Revolving Credit Facility and Canadian Revolving Credit Facility is also available for the making of swingline loans. The issuance of such letters of credit and the making of any swingline loan reduces the amount available under the applicable Revolving Credit Facility. So long as certain conditions are satisfied, the Company may add one or more term loan facilities or increase the commitments under the Revolving Credit Facilities by an aggregate amount not to exceed the greater of (1) \$750 million and (2) \$1.250 billion as long as the ratio of the Company's senior secured net debt to consolidated adjusted EBITDA (in each case calculated as set forth in the documentation relating to the New Credit Facility) would not exceed 3.00:1.00 after giving pro forma effect to the incurrence of such increase, plus, in either case, an amount equal to the aggregate revolving commitments of any defaulting lender (to the extent the commitments with respect thereto have been terminated). The lenders under the New Credit Facility are not required to provide commitments with respect to such additional facilities or increased commitments.

Obligations of the Company under the New Credit Facility are guaranteed by substantially all of the Company's existing and future direct and indirect United States subsidiaries, with certain exceptions. Obligations of the European Borrower under the New Credit Facility are guaranteed by the Company, substantially all of its existing and future direct and indirect United States subsidiaries (with certain exceptions) and Tommy Hilfiger Europe B.V., a wholly owned subsidiary of the Company. The Company and its domestic subsidiary guarantors have pledged certain of their assets as security for their obligations.

The TLA Facility and the Revolving Credit Facilities will mature in 2018; the TLB Facility will mature in 2020. The terms of the TLA Facility require the Company to repay amounts outstanding under such facility, commencing with the last day of the first full calendar quarter following the closing date, in amounts equal to 5.00% per annum of the original principal amount thereof for the next eight quarters, 7.50% per annum of the original principal amount thereof for the following four quarters and 10.00% per annum of the original principal amount thereof for the remaining quarters, in each case paid in equal quarterly installments and in each case subject to certain customary adjustments, with the balance due on the maturity date of the TLA Facility. The terms of the TLB Facility require the Company to repay, commencing with the last day of the first full calendar quarter following the closing date, amounts outstanding under such facility in equal quarterly installments in an amount equal to 1.00% per annum of the original principal amount, with the balance due on the maturity date of the TLB Facility.

The outstanding borrowings under the New Credit Facility are prepayable at any time without penalty (other than customary breakage costs). The terms of the New Credit Facility require the Company to repay certain amounts outstanding thereunder with (a) net cash proceeds of the incurrence of certain indebtedness, (b) net cash proceeds of certain asset sales or other dispositions (including as a result of casualty or condemnation) that exceed certain thresholds, to the extent such proceeds are not reinvested or committed to be reinvested in the business in accordance with customary reinvestment provisions, and (c) a percentage of excess cash flow, which percentage is based upon the Company's net leverage ratio during the relevant fiscal period.

The United States Dollar-denominated borrowings under the New Credit Facility bear interest at a rate equal to an applicable margin plus, as determined at the Company's option, either (a) a base rate determined by reference to the higher of (i) the prime rate, (ii) the United States federal funds rate plus 1/2 of 1.00% and (iii) a one-month adjusted Eurocurrency rate plus 1.00% (provided, that, with respect to the TLB Facility, in no event will the base rate be deemed to be less than 1.75%) or (b) an adjusted Eurocurrency rate, calculated in a manner set forth in the New Credit Facility (provided, that, with respect to the TLB Facility, in no event will the adjusted Eurocurrency rate be deemed to be less than 0.75%).

Canadian Dollar-denominated borrowings under the New Credit Facility bear interest at a rate equal to an applicable margin plus, as determined at the Company's option, either (a) a Canadian prime rate determined by reference to the greater of (i) the rate of interest per annum that Royal Bank of Canada establishes at its main office in Toronto, Ontario as the reference rate of interest in order to determine interest rates for loans in Canadian Dollars to its Canadian borrowers and (ii) the sum of (x) the average of the rates per annum for Canadian Dollar bankers' acceptances having a term of one month that appears on the display referred to as "CDOR Page" of Reuters Monitor Money Rate Services as of 10:00 a.m. (Toronto time) on the date of determination, as reported by the administrative agent (and if such screen is not available, any successor or similar service as may be selected by the administrative agent), and (y) 0.75%, or (b) an adjusted Eurocurrency rate, calculated in a manner set forth in the New Credit Facility.

The borrowings under the New Credit Facility in currencies other than United States Dollars or Canadian Dollars bear interest at a rate equal to an applicable margin plus an adjusted Eurocurrency rate, calculated in a manner set forth in the New Credit Facility.

The initial applicable margins will be in the case of the TLA facility and the Revolving Credit Facilities, 2.00% for adjusted Eurocurrency rate loans and 1.00% for base rate loans, as applicable. The applicable margins in the case of the TLB Facility are fixed at 2.50% for adjusted Eurocurrency rate loans and 1.50% for base rate loans, respectively. After the date of delivery of the compliance certificate and financial statements with respect to the Company's fiscal quarter in which the closing of the Merger occurs (*i.e.*, the Company's fiscal quarter ending May 5, 2013), the applicable margin for borrowings under the TLA Facility and the Revolving Credit Facilities will be adjusted depending on the Company's net leverage ratio.

The New Credit Facility requires the Company to comply with customary affirmative, negative and financial covenants. The New Credit Facility requires the Company to maintain a minimum interest coverage ratio and a maximum net leverage ratio, in each case, beginning with the fiscal quarter ending August 4, 2013. The method of calculating all of the components used in such financial covenants are set forth in the New Credit Facility.

The New Credit Facility contains customary events of default, including but not limited to nonpayment; material inaccuracy of representations and warranties; violations of covenants; certain bankruptcies and liquidations; cross-default to material indebtedness; certain material judgments; certain events related to the Employee Retirement Income Security Act of 1974, as amended; certain events related to certain of the guarantees by the Company and certain of its subsidiaries, and certain pledges of its assets and those of certain of its subsidiaries, as security for the obligations under the New Credit Facility; and a change in control (as defined in the New Credit Facility).

7¾% Debentures Due 2023

On February 13, 2013, the Company and The Bank of New York Mellon entered into that certain Fourth Supplemental Indenture, dated as of February 13, 2013 (the "Fourth Supplemental Indenture"), amending the Indenture, dated as of November 1, 1993, between the Company and The Bank of New York Mellon, as trustee, relating to the Company's \$100 million aggregate principal amount of 7¾% Debentures due 2023. Pursuant to the Fourth Supplemental Indenture, The Bank of New York Mellon, as trustee, acknowledged, and the Company agreed, that the obligations under the 7¾% Debentures

due 2023 are equally and ratably secured (a) with the New Credit Facility on all collateral securing the obligations under the New Credit Facility (other than the assets of and equity interests in the Company's Calvin Klein, Inc. and CK Service Corp. subsidiaries and their respective domestic subsidiaries, if any) and (b) with the Company's obligations to Mr. Calvin Klein pursuant to the Stock Purchase Agreement, dated as of December 17, 2002, between Mr. Calvin Klein, the Company and other parties thereto, and the related security agreement, in each case as amended., on the assets of and equity interests in Calvin Klein, Inc., CK Service Corp., and their respective domestic subsidiaries, if any, that secure such obligations.

ITEM 1.02 TERMINATION OF A MATERIAL DEFINITIVE AGREEMENT.

Prior Senior Secured Credit Facility

On February 13, 2013, the Company terminated the Amended and Restated Credit and Guaranty Agreement, dated as of March 2, 2011, among the Company, certain Subsidiaries of the Company, various lenders, Barclays Bank PLC, as Administrative Agent and Collateral Agent, and the other agents party thereto, and, in connection with such termination, the Company repaid all outstanding borrowings thereunder.

ITEM 2.01 COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS.

As described in Item 1.01, on February 13, 2013, the Company completed the Merger. At the effective time of the Merger, each outstanding share of common stock, par value \$0.01 per share, of Warnaco (other than shares held by Warnaco, the Company, Merger Sub, their respective subsidiaries, or holders who properly exercise dissenters' rights) was converted into the right to receive (1) \$51.75 in cash and (2) 0.1822 of a share of common stock, par value \$1.00 per share, of the Company.

The Company funded the cash portion of the Merger consideration through cash on hand, the net proceeds of the issuance and sale to the public on December 20, 2012 of \$700 million principal amount of 4.500% senior notes due 2022, and initial borrowings of approximately \$3.075 billion of funded term loans under the New Credit Facility.

The information in Item 1.01 is incorporated by reference into this Item 2.01.

ITEM 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT.

As described in detail in Item 1.01, on February 13, 2013, the Company entered into the New Credit Facility, which provides for aggregate borrowings of \$3.825 billion. As of February 13, 2013, the outstanding borrowings under the TL Facilities was approximately \$3.075 billion and no amounts were drawn upon under the Revolving Credit Facilities.

The information in Item 1.01 under the heading "New Senior Secured Credit Facilities" is incorporated by reference into this Item 2.03.

ITEM 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.

On February 14, 2013, following with the closing of the Merger, as approved by resolutions of the Company's board of directors, Helen McCluskey, who resigned as a director and as the President and Chief Executive Officer of Warnaco in connection with the closing of the Merger, was appointed to the Company's board of directors to fill the vacancy created by the resignation of David Landau on December 5, 2012 (as previously disclosed in the Company's Current Report on Form 8-K filed with the SEC on December 6, 2012). The Company's board of directors also determined that Ms. McCluskey was independent under the rules of the New York Stock Exchange and appointed her to serve on the Corporate Social Responsibility Committee of the Company's board of directors.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial statements of businesses acquired.

The audited consolidated financial statements of Warnaco as of December 31, 2011 and January 1, 2011 and for the years ended December 31, 2011, January 1, 2011 and January 2, 2010 and the unaudited condensed consolidated financial statements of Warnaco for the three months ended September 29, 2012 and October 1, 2011, respectively, and the nine months ended September 29, 2012 and October 1, 2011, respectively, are filed herewith as Exhibits 99.2 and 99.3, respectively, and are incorporated by reference in this Item 9.01(a).

(b) Pro forma financial information.

The unaudited pro forma combined condensed consolidated financial statements of the Company as of and for the thirty-nine week period ended October 28, 2012 and for the year ended January 29, 2012, giving effect to the Merger, are filed herewith as Exhibit 99.4 and incorporated by reference in this Item 9.01(b).

(d) Exhibits.

Exhibit No.	Description of Exhibit
2.1	Agreement and Plan of Merger, dated as of October 29, 2012, by and among The Warnaco Group, Inc., PVH Corp. and Wand Acquisition Corp. (incorporated by reference to Exhibit 2.1 to PVH Corp.'s Current Report on Form 8-K filed with the Securities and Exchange Commission on November 2, 2012).
99.2	Audited Consolidated Financial Statements of The Warnaco Group, Inc. as of December 31, 2011 and January 1, 2011 and for the years ended December 31, 2011, January 1, 2011 and January 2, 2010 (incorporated by reference to PVH Corp.'s Current Report on Form 8-K filed with the Securities and Exchange Commission on December 6, 2012).
99.3	Unaudited Consolidated Financial Statements of The Warnaco Group, Inc. for the three months ended September 29, 2012 and October 1, 2011, respectively, and the nine months ended September 29, 2012 and October 1, 2011, respectively (incorporated by reference to PVH Corp.'s Current Report on Form 8-K filed with the Securities and Exchange Commission on December 6, 2012).
99.4	Unaudited Pro Forma Combined Condensed Consolidated Financial Statements.

SIGNATURES

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

PVH Corp.

Date: February 14, 2013

By: /s/ Mark D. Fischer

Name: Mark D. Fischer

Title: Senior Vice President

EXHIBIT INDEX

Exhibit No.	Description of Exhibit
99.4	Unaudited Pro Forma Combined Condensed Consolidated Financial Statements.

UNAUDITED PRO FORMA COMBINED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

On February 13, 2013, PVH Corp. (“PVH”) completed its acquisition of The Warnaco Group, Inc. “Warnaco,” and as a result of the acquisition, Warnaco became a wholly owned subsidiary of PVH. This transaction is referred to as the “Warnaco acquisition.” The unaudited pro forma consolidated income statement of PVH for the fiscal year ended January 29, 2012 and the unaudited pro forma consolidated income statement and balance sheet of PVH as of and for the thirty-nine week period ended October 28, 2012 combine the historical financial statements of PVH and Warnaco, giving effect to:

- the Warnaco acquisition (with aggregate merger consideration of approximately \$3.1 billion);
- the issuance by PVH of debt to fund the Warnaco acquisition
- the issuance by PVH of shares of PVH common stock as part of the merger consideration; and
- the extinguishment of a portion of PVH’s and Warnaco’s previously outstanding debt.

The following unaudited pro forma consolidated income statements give effect to these events as if the Warnaco acquisition had occurred on January 31, 2011. The following unaudited pro forma consolidated balance sheet gives effect to these events as if the Warnaco acquisition had occurred on October 28, 2012.

The unaudited pro forma combined condensed consolidated financial information included herein is derived from the historical financial statements of PVH and Warnaco and is based on certain assumptions, which PVH believes to be reasonable, which are described in the section entitled “Notes to Unaudited Pro Forma Combined Condensed Consolidated Financial Information.” PVH has not performed a complete and thorough valuation analysis necessary to determine the fair market values of all of the Warnaco assets acquired and liabilities assumed, and accordingly, as described in Note 3(b) below, the unaudited pro forma combined condensed consolidated financial information includes a preliminary allocation of the purchase price to reflect the fair value of those assets and liabilities. A final determination of the merger consideration will be based on the finalization of the fair value calculation for certain of Warnaco’s equity awards outstanding as of the date of the Warnaco acquisition. A final determination of fair values of Warnaco’s assets and liabilities will be based on the actual net assets of Warnaco that existed as of the date of the Warnaco acquisition. Consequently, amounts preliminarily assumed for merger consideration and allocated to acquired assets and assumed liabilities could change significantly from those amounts used in the unaudited pro forma combined condensed consolidated financial information presented below.

The unaudited pro forma combined condensed consolidated financial information:

- does not purport to represent what the consolidated results of operations actually would have been if the Warnaco acquisition had occurred on January 31, 2011 or what those results will be for any future periods or what the consolidated balance sheet would have been if the Warnaco acquisition had occurred on October 28, 2012 or what the consolidated balance sheet will be on any future date. The pro forma adjustments are based on information current as of the time of this filing or as otherwise indicated; and
 - has not been adjusted to reflect any matters not directly attributable to implementing the Warnaco acquisition. No adjustment, therefore, has been made for actions which may be taken in the future, such as any of PVH’s integration plans related to Warnaco. In connection with the plan to integrate the operations of PVH and Warnaco, PVH anticipates that non-recurring charges, such as costs associated with systems implementation, severance and other costs related to exit or disposal activities, could be incurred. These charges could affect the results of operations of the combined company in the period in which they are recorded. The unaudited pro forma combined condensed consolidated financial information does not include the effects of the costs associated with any restructuring or integration activities resulting from the Warnaco acquisition, as they are non-recurring in nature and were not factually supportable at the time that the unaudited pro forma combined condensed consolidated financial information was prepared. Additionally, the unaudited pro forma adjustments do not give effect to any non-recurring or unusual restructuring charges that may be incurred as a result of the integration of the two companies or any anticipated disposition of assets that may result from such integration. As a result, the actual amounts recorded in the future consolidated financial statements of PVH will differ from the amounts reflected in the unaudited pro forma combined condensed consolidated financial information, and the differences may be material.
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The unaudited pro forma combined condensed consolidated financial information has been derived from the following sources:

- Financial information of PVH, as prepared in accordance with GAAP, has been extracted without adjustment from PVH's audited consolidated income statement for the year ended January 29, 2012 contained in PVH's Annual Report on Form 10-K filed with the SEC on March 28, 2012, and from PVH's unaudited consolidated income statement and balance sheet as of and for the thirty-nine week period ended October 28, 2012 contained in PVH's Quarterly Report on Form 10-Q filed with the SEC on November 28, 2012.
- Financial information of Warnaco, as prepared in accordance with GAAP, has been extracted from Warnaco's audited consolidated income statement for the year ended December 31, 2011 contained in Warnaco's Annual Report on Form 10-K filed with the SEC on February 29, 2012, and from Warnaco's unaudited consolidated income statement and balance sheet as of and for the thirty-nine week period ended September 29, 2012 contained in Warnaco's Quarterly Report on Form 10-Q filed with the SEC on November 6, 2012. Certain reclassifications have been made to the historical financial statements of Warnaco to conform with PVH's presentation, primarily related to the presentation of amortization expense of intangible assets, pension expense, deferred income tax assets and liabilities, intangible assets, short-term borrowings and accrued income taxes payable.

The actual amounts recorded in connection with the Warnaco acquisition may differ materially from the information presented in this unaudited pro forma condensed consolidated financial information, including as a result of the finalization of the merger consideration and allocation of the purchase price as discussed above.

The unaudited pro forma combined condensed consolidated financial information is provided for informational purposes only. The unaudited pro forma combined condensed consolidated financial information is not necessarily, and should not be assumed to be, an indication of the results that would have been achieved had the Warnaco acquisition been completed as of the dates indicated or that may be achieved in the future. The preparation of the unaudited pro forma combined condensed consolidated financial information and related adjustments required management to make certain assumptions and estimates. The unaudited pro forma combined condensed consolidated financial information should be read together with:

- the accompanying notes to unaudited pro forma combined condensed consolidated financial information;
- the audited consolidated financial statements of PVH for the year ended January 29, 2012 and the notes relating thereto;
- the unaudited consolidated financial statements of PVH as of and for the thirty-nine week period ended October 28, 2012 and the notes relating thereto;
- the audited consolidated financial statements of Warnaco for the year ended December 31, 2011 and the notes relating thereto;
- the unaudited consolidated financial statements of Warnaco as of and for the thirty-nine week period ended September 29, 2012 and the notes relating thereto.

UNAUDITED PRO FORMA CONSOLIDATED INCOME STATEMENT
For the year ended
(\$ in thousands, except per share amounts)

	1/29/12 PVH	12/31/11 Warnaco	Transaction Adjustments	Footnote Reference	1/29/12 Pro Forma Consolidated PVH
Net sales	\$ 5,410,028	\$ 2,513,388	\$ (62,558)	3(i) , 3(m)	\$ 7,860,858
Royalty revenue	356,035	-	(100,112)	3(i) , 3(m)	255,923
Advertising and other revenue	124,561	-	(46,500)	3(i) , 3(m)	78,061
Total revenue	<u>5,890,624</u>	<u>2,513,388</u>	<u>(209,170)</u>		<u>8,194,842</u>
Cost of goods sold	<u>2,834,735</u>	<u>1,412,446</u>	<u>(113,097)</u>	3(h), 3(i)	<u>4,134,084</u>
Gross profit	3,055,889	1,100,942	(96,073)		4,060,758
Selling, general and administrative expenses	2,481,370	919,397	(19,121)	3(d), 3(i)	3,381,646
Debt modification costs	16,233	-	-		16,233
Equity in income of unconsolidated affiliates	1,367	-	-		1,367
Other loss	-	631	-		631
Income before interest and taxes	<u>559,653</u>	<u>180,914</u>	<u>(76,952)</u>		<u>663,615</u>
Interest expense	129,355	16,274	59,310	3(e)	204,939
Interest income	<u>1,267</u>	<u>3,361</u>	<u>-</u>		<u>4,628</u>
Income before taxes	431,565	168,001	(136,262)		463,304
Income tax expense	<u>113,684</u>	<u>36,006</u>	<u>(40,424)</u>	3(k)	<u>109,266</u>
Income from continuing operations before non-controlling interest	<u>\$ 317,881</u>	<u>\$ 131,995</u>	<u>\$ (95,838)</u>		<u>\$ 354,038</u>
Less: Net loss attributable to non-controlling interest	<u>-</u>	<u>257</u>	<u>-</u>		<u>257</u>
Net income from continuing operations attributable to parent	<u>\$ 317,881</u>	<u>\$ 132,252</u>	<u>\$ (95,838)</u>		<u>\$ 354,295</u>
Basic net income per share from continuing operations attributable to parent	<u>\$ 4.46</u>	<u>\$ 3.07</u>		3(l)	<u>\$ 4.48</u>
Diluted net income per share from continuing operations attributable to parent	<u>\$ 4.36</u>	<u>\$ 3.01</u>		3(l)	<u>\$ 4.38</u>
Weighted average common shares used to calculate net income per common share:					
Basic	67,158	42,426			74,837
Diluted	72,923	43,300			80,952

See Notes to Unaudited Pro Forma Combined Condensed Consolidated Financial Information.

UNAUDITED PRO FORMA CONSOLIDATED INCOME STATEMENT
For the thirty-nine week period ended
(\$ in thousands, except per share amounts)

	10/28/12 PVH	9/29/12 Warnaco	Transaction Adjustments	Footnote Reference	10/28/12 Pro Forma Consolidated PVH
Net sales	\$4,033,911	\$ 1,790,990	\$ (52,328)	3(i) , 3(m)	\$5,772,573
Royalty revenue	271,917	-	(70,130)	3(i) , 3(m)	201,787
Advertising and other revenue	100,971	-	(28,745)	3(i) , 3(m)	72,226
Total revenue	<u>4,406,799</u>	<u>1,790,990</u>	<u>(151,203)</u>		<u>6,046,586</u>
Cost of goods sold	<u>2,038,225</u>	<u>1,017,609</u>	<u>(120,611)</u>	3(i)	<u>2,935,223</u>
Gross profit	2,368,574	773,381	(30,592)		3,111,363
Selling, general and administrative expenses	1,834,288	621,660	(11,370)	3(d), 3(f), 3(i)	2,444,578
Equity in income of unconsolidated affiliates	5,043	-	-		5,043
Other loss	-	12,638	-		12,638
Income before interest and taxes	<u>539,329</u>	<u>139,083</u>	<u>(19,222)</u>		<u>659,190</u>
Interest expense	86,729	13,708	50,025	3(e)	150,462
Interest income	846	2,705	-		3,551
Income before taxes	453,446	128,080	(69,247)		512,279
Income tax expense	107,221	44,489	(19,367)	3(k)	132,343
Income from continuing operations before non-controlling interest	<u>\$ 346,225</u>	<u>\$ 83,591</u>	<u>\$ (49,880)</u>		<u>\$ 379,936</u>
Less: Net loss attributable to non-controlling interest	-	46	-		46
Net income from continuing operations attributable to parent	<u>\$ 346,225</u>	<u>\$ 83,637</u>	<u>\$ (49,880)</u>		<u>\$ 379,982</u>
Basic net income per share from continuing operations attributable to parent	<u>\$ 4.78</u>	<u>\$ 2.02</u>		3(l)	<u>\$ 4.75</u>
Diluted net income per share from continuing operations attributable to parent	<u>\$ 4.70</u>	<u>\$ 1.99</u>		3(l)	<u>\$ 4.65</u>
Weighted average common shares used to calculate net income per common share:					
Basic	69,843	40,801			77,522
Diluted	73,730	41,526			81,759

See Notes to Unaudited Pro Forma Combined Condensed Consolidated Financial Information.

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET

As of
(\$ in thousands)

	10/28/12 PVH	9/29/12 Warnaco	Transaction Adjustments	Footnote Reference	10/28/12 Pro Forma Consolidated PVH
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 276,630	\$ 311,011	\$ 177,347	3(a)i, 3(c), 3(f)	\$ 764,988
Trade receivables, net of allowances for doubtful accounts	587,603	323,719	(12,130)	3(i), 3(m)	899,192
Other receivables	19,862	-	30,066	3(m)	49,928
Inventories, net	855,359	388,827	46,000	3(b)iii	1,290,186
Prepaid expenses	80,925	-	59,039	3(f), 3(g), 3(i), 3(m)	139,964
Other, including deferred taxes	91,740	166,817	(89,451)	3(m)	169,106
Total Current Assets	<u>1,912,119</u>	<u>1,190,374</u>	<u>210,871</u>		<u>3,313,364</u>
Property, Plant and Equipment, net	519,863	135,054	-		654,917
Goodwill	1,855,195	141,103	1,231,766	3(b)v, 3(f)	3,228,064
Tradenames	2,288,513	54,415	529,585	3(b)ii	2,872,513
Perpetual License Rights	86,000	22,797	133,203	3(b)ii	242,000
Other Intangibles, net	153,812	234,748	732,252	3(b)ii	1,120,812
Other Assets, including deferred taxes	170,469	74,002	51,303	3(c), 3(f), 3(g)	295,774
Total Assets	<u>\$ 6,985,971</u>	<u>\$ 1,852,493</u>	<u>\$ 2,888,980</u>		<u>\$ 11,727,444</u>
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current Liabilities:					
Accounts payable	300,468	173,616	(10,573)	3(i)	463,511
Accrued expenses	588,511	208,978	(36,603)	3(f), 3(g), 3(i), 3(m)	760,886
Deferred revenue	24,473	-	(9,794)	3(i)	14,679
Current portion of long-term debt	84,000	4,697	10,053	3(c)	98,750
Short-term borrowings	142,514	44,696	-		187,210
Total Current Liabilities	<u>1,139,966</u>	<u>431,987</u>	<u>(46,917)</u>		<u>1,525,036</u>
Long-term debt	1,647,596	205,299	2,516,117	3(c)	4,369,012
Other Liabilities, including deferred taxes	1,151,785	171,249	524,228	3(b)iv	1,847,262
Redeemable non-controlling interest		15,275	-		15,275
Stockholders' Equity:					
Preferred stock	94,298	-	-		94,298
Common stock	71,037	531	7,148	3(a)ii, 3(j)	78,716
Additional paid in capital	1,511,574	773,821	185,223	3(a)ii, 3(a)iii, 3(j)	2,470,618
Retained earnings	1,485,067	712,420	(754,908)	3(f), 3(g), 3(j)	1,442,579
Accumulated other comprehensive (loss) income	(85,378)	23,200	(23,200)	3(j)	(85,378)
Less: shares of common stock held in treasury, at cost	(29,974)	(481,289)	481,289	3(j)	(29,974)
Total Stockholders' Equity	<u>3,046,624</u>	<u>1,028,683</u>	<u>(104,448)</u>		<u>3,970,859</u>
Total Liabilities and Stockholders' Equity	<u>\$ 6,985,971</u>	<u>\$ 1,852,493</u>	<u>\$ 2,888,980</u>		<u>\$ 11,727,444</u>

See Notes to Unaudited Pro Forma Combined Condensed Consolidated Financial Information.

**NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED
CONSOLIDATED FINANCIAL INFORMATION
(in thousands, except per share amounts)**

1. BASIS OF PRESENTATION

The unaudited pro forma combined condensed consolidated financial information has been derived from financial statements prepared in accordance with GAAP and reflects the acquisition of Warnaco by PVH.

The underlying financial information of PVH has been derived from the audited consolidated financial statements of PVH contained in PVH's Annual Report on Form 10-K for the year ended January 29, 2012 and from the unaudited consolidated financial statements of PVH contained in PVH's Quarterly Report on Form 10-Q for the quarter ended October 28, 2012. The underlying financial information of Warnaco has been derived from the audited consolidated financial statements of Warnaco contained in Warnaco's Annual Report on Form 10-K for the year ended December 31, 2011 and from the unaudited consolidated financial statements of Warnaco contained in Warnaco's Quarterly Report on Form 10-Q for the quarter ended September 29, 2012.

The Warnaco acquisition has been treated as an acquisition of a business, with PVH as the acquirer and Warnaco as the acquiree, assuming that the Warnaco acquisition had been completed on January 31, 2011, for the unaudited pro forma consolidated income statements and on October 28, 2012, for the unaudited pro forma consolidated balance sheet.

This unaudited pro forma combined condensed consolidated financial information is not intended to reflect the financial position and results of operations which would have actually resulted had the Warnaco acquisition been effected on the dates indicated. Further, the unaudited pro forma results of operations and balance sheet are not necessarily indicative of the results of operations that may be achieved in the future or what may be reflected in any future balance sheet. No account has been taken of the impact of transactions that have occurred or might occur subsequent to the dates referred to above. No adjustment, therefore, has been made for actions which may be taken subsequent to the completion of the Warnaco acquisition, such as any integration plans related to Warnaco.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited pro forma combined condensed consolidated financial information has been compiled in a manner consistent with the accounting policies adopted by PVH. These accounting policies are similar in most material respects to those of Warnaco. Any reclassifications made to align Warnaco's financial information with PVH's accounting policies are described in Note 3(m).

3. PRO FORMA TRANSACTION ADJUSTMENTS

The following pro forma adjustments have been made to reflect (i) the Warnaco acquisition; (ii) the issuance by PVH of debt to fund the Warnaco acquisition; (iii) the issuance by PVH of shares of PVH common stock as part of the merger consideration; and (iv) the extinguishment of a portion of PVH's and Warnaco's existing debt.

The estimated tax impact of each of these pro forma adjustments, excluding the fair value adjustment to deferred taxes in Note 3(b)iv below, is included in the total of tax adjustments explained in Note 3(k) below.

(a) Approximate Merger Consideration

Under the terms of the Warnaco acquisition, Warnaco has been acquired by PVH, for approximate total cash and stock consideration of \$3,147,850. The approximate merger consideration was calculated as follows:

Total cash portion of the merger consideration	\$ 2,181,127	i.
Total value of stock portion of the merger consideration	\$ 927,039	ii.
PVH share price	\$ 120.72	ii.
Total shares of PVH common stock to be issued	7,679	ii.
Total value of Warnaco employee replacement stock awards	\$ 39,684	iii.
Aggregate merger consideration	<u>\$ 3,147,850</u>	

- i. A portion of the cash portion of the merger consideration was funded with the net proceeds from PVH's issuance of debt. The value of the cash portion of the merger consideration was \$2,181,127, which was calculated as \$51.75 per share related to (a) 41,852 outstanding shares of Warnaco common stock, (b) 223 shares of Warnaco common stock issuable under outstanding Warnaco performance shares and performance share units and (c) 72 Director Deferred Shares of Warnaco common stock, in each case representing the amount of shares or performance awards outstanding at the effective time of the Warnaco acquisition.
- ii. The value of the stock portion of the merger consideration was \$927,039, which is reflected in the pro forma financial statements as an increase of \$7,679 to common stock and an increase of \$919,360 to additional paid in capital. The number of shares of PVH common stock issued in the Warnaco acquisition is calculated as 0.1822 of a share of PVH common stock per share related to (a) 41,852 outstanding shares of Warnaco common stock, (b) 223 shares of Warnaco common stock issuable under outstanding Warnaco performance shares and performance share units and (c) 72 Director Deferred Shares of Warnaco common stock, in each case representing the amount of shares or performance awards outstanding at the effective time of the Warnaco acquisition. The per share fair value underlying each share of PVH common stock issued to Warnaco stockholders in the Warnaco acquisition was \$120.72, PVH's closing stock price on February 12, 2013.
- iii. Each outstanding award of Warnaco stock options, restricted stock or restricted stock units has been assumed by PVH and converted into an award (subject to the same terms and conditions) of PVH stock options, restricted stock or restricted stock units. The estimated value of the Warnaco employee replacement stock awards portion of the merger consideration is \$39,684. The amount was determined by multiplying the estimated fair value of the Warnaco awards outstanding at the effective time of the Warnaco acquisition, reduced by an estimated value of awards to be forfeited, by the proportionate amount of the vesting period that has lapsed as of such date. The per share fair value of each underlying share of Warnaco common stock that was replaced is \$73.75, Warnaco's closing stock price on February 12, 2013. The final merger consideration attributed to such awards is subject to the finalization of the fair value calculation for such equity awards outstanding.

(b) Preliminary Allocation of Merger Consideration to Net Assets Acquired

Adjustments to reflect the preliminary allocation of merger consideration to net assets acquired are as follows:

Debit (Credit)

Book value of net assets acquired as of October 28, 2012	\$ 1,028,683	i.
Fair value adjustments to net assets:		
Identifiable intangible assets	1,395,040	ii.
Inventories, net	46,000	iii.
Other noncurrent liabilities	(524,228)	iv.
Goodwill	1,202,355	v.
Total fair value adjustments to net assets	<u>2,119,167</u>	vi.
Total merger consideration to be allocated	<u>\$ 3,147,850</u>	

- i. The unaudited pro forma combined condensed consolidated financial information has been prepared using Warnaco's available financial statements and disclosures. Therefore, except as noted below, the carrying value of assets and liabilities in Warnaco's financial statements are considered to be a proxy for fair value of those assets and liabilities. In addition, certain pro forma adjustments, such as recording fair value of assets and liabilities and potential adjustments for consistency of accounting policy, except for the adjustments specifically described below, are not reflected in this unaudited pro forma combined condensed consolidated financial information.
- ii. For purposes of the pro forma analysis, historical intangible assets have been increased \$1,395,040 to reflect PVH's preliminary estimate of the total fair value of intangible assets. Included in this adjustment is (a) a \$529,585 increase to tradenames to reflect the total fair value of tradenames of \$584,000; (b) a \$219,203 increase to perpetual license rights to reflect the total fair value of perpetual license rights of \$242,000; (c) an \$86,000 decrease to perpetual license rights to reflect a reduction to PVH's balance of perpetual license rights, as such rights are held by Warnaco; and (d) a \$732,252 increase to other intangibles to reflect the total fair value of other intangibles of \$967,000. These other intangibles represent reacquired license rights, customer relationships and order backlog.
- iii. Inventory, net was increased \$46,000 to reflect PVH's preliminary estimate of the fair value of inventory based on the net realizable value method, less the portion of the profit attributable to PVH.
- iv. Other noncurrent liabilities was increased \$524,228 to reflect PVH's preliminary estimate of the net deferred tax liability to be recorded in connection with these fair value adjustments.
- v. Goodwill was increased \$1,202,355 to reflect the total excess of the purchase consideration over the fair value of the assets acquired.
- vi. No other adjustments were made to the assets and liabilities of Warnaco to reflect their fair values. At this time there is insufficient information as to the specific nature, age, condition and location of Warnaco's property, plant and equipment to make a reasonable estimation of fair value or the corresponding adjustment to depreciation and amortization. For each \$10,000 fair value adjustment to property, plant and equipment, assuming a weighted-average useful life of 10 years, depreciation expense would change by approximately \$1,000. Once PVH has complete information as to the specifics of Warnaco's assets, the estimated values assigned to the assets and/or the associated estimated weighted-average useful life of the assets will likely be different than that reflected in this unaudited pro forma combined condensed consolidated financial information and the differences could be material. PVH anticipates that the merger consideration allocation may differ materially from the preliminary assessment outlined above. Any change to the initial estimates of the fair value of the assets and liabilities will be recorded as an increase or decrease to goodwill.

(c) Debt

PVH financed the Warnaco acquisition, in part, with the issuance of long-term debt, including borrowings of \$1,700,000 in aggregate principal amount under a new senior secured Term Loan A facility (which we refer to as TLA) and \$1,375,000 in aggregate principal amount under a new senior secured Term Loan B facility (which we refer to as TLB). In addition, PVH issued \$700,000 of new senior unsecured notes. The TLB debt was issued with an original issue discount. PVH extinguished its previously outstanding Term Loan A facility and Term Loan B facility and Warnaco's previously outstanding Term Loan B facility, as well as the interest rate cap agreement associated with Warnaco's Term Loan B facility. PVH has outstanding \$100,000 of 7¾% debentures due 2023 and \$600,000 7¾% senior unsecured notes due 2020, which will remain outstanding. The following table reconciles the unaudited pro forma consolidated balance sheet impact of these transactions, which were reflected in the unaudited pro forma combined condensed consolidated financial information as an increase to both cash and debt:

	Current Portion of Long-term Debt	Long-term Debt
Carrying amount of debt issued:		
TLA, TLB, and senior unsecured notes	\$ 98,750	\$ 3,669,375
Less:		
Carrying amount of debt extinguished:		
Term Loan A facility	(80,000)	(557,959)
Term Loan B facility	(4,000)	(390,000)
Warnaco Term Loan B facility	(2,000)	(195,500)
Premium on Warnaco interest rate cap	(2,697)	(9,799)
Net adjustment to debt	<u>\$ 10,053</u>	<u>\$ 2,516,117</u>

The interest rates used for purposes of preparing the unaudited pro forma combined condensed consolidated financial information may be considerably different than the actual rates in place over the life of the term loan facilities based on a number of factors, including market conditions. Note 3(e) sets forth a sensitivity analysis related to the interest rates on debt issued.

The following adjustments were made to the unaudited pro forma combined condensed consolidated financial information to reflect the impact of the extinguishment of the interest rate cap agreement for Warnaco. There was a decrease in other noncurrent assets of \$2,654, with an offsetting increase to cash of \$2,654 related to the settlement of the interest rate cap.

(d) Amortization Expense

Adjustments were made to increase selling, general and administrative expenses to reflect estimated amortization of \$43,684 for the year ended January 29, 2012 and \$30,513 for the thirty-nine week period ended October 28, 2012. These adjustments were based on the assumption that \$967,000 of the recorded intangible assets related to Warnaco would be definite lived, including \$799,000 related to reacquired license rights, \$165,000 related to customer relationships, and \$3,000 related to order backlog. The estimated useful life of these intangible assets is approximately 33 years for reacquired license rights, 10 years for customer relationships, and four months for order backlog. In addition, adjustments were made to decrease selling, general and administrative expenses to eliminate historical Warnaco intangible asset amortization expense of \$12,732 for the year ended January 29, 2012 and \$7,802 for the thirty-nine week period ended October 28, 2012. In connection with these adjustments to amortization expense, adjustments were also made to decrease income taxes by \$9,093 for the year ended January 29, 2012 and \$6,118 for the thirty-nine week period ended October 28, 2012 to reflect the related tax benefits.

(e) Interest Expense

As discussed in Note 3(c) above, PVH borrowed \$1,700,000 under TLA and \$1,375,000 under TLB. In addition, PVH issued \$700,000 of new senior unsecured notes. The TLB debt was issued with an original issue discount.

Interest on the TLA and TLB borrowings is variable. The rate is equal to an applicable margin plus an adjusted Eurocurrency Rate (indexed to the London inter-bank borrowing rate (which we refer to as LIBOR)) or an adjusted Base Rate, at the option of PVH. The adjusted rates on TLB are subject to a floor. For purposes of this unaudited pro forma combined condensed consolidated financial information, interest calculations were performed assuming the Eurocurrency Rate model, with a current LIBOR rate of approximately 0.25% assumed for the adjusted Eurocurrency Rate for TLA and the 0.75% floor assumed for the Eurocurrency Rate for TLB. For purposes of this unaudited pro forma combined condensed consolidated financial information, an assumed total weighted average interest rate of approximately 3.1% was used to reflect pro forma interest expense for TLA, TLB and the new senior unsecured notes.

PVH has outstanding \$100,000 of 7¾% debentures due 2023 and \$600,000 7¾% senior unsecured notes due 2020, which will remain outstanding. PVH received requisite consents from the holders of the \$600,000 7¾% senior unsecured notes due 2020 to amend the indenture governing the notes. The amendment increases the amount of secured indebtedness that PVH is permitted to incur without equally and ratably securing the notes. The total amount of the consent solicitation fee paid to the holders of the notes was \$5,749. Such amount will be amortized to expense over the remaining life of the notes. With the exception of the consent solicitation fee amortization, this unaudited pro forma combined condensed consolidated financial information does not reflect any adjustment to interest expense related to these debt facilities. In addition, certain of Warnaco's debt facilities will remain post-acquisition; therefore, this unaudited pro forma combined condensed consolidated financial information does not reflect any adjustment to interest expense related to those facilities.

Pro forma adjustments have been made to reflect: (i) the addition in interest expense related to the new debt issued based on the assumptions described above and amortization of a consent solicitation fee described above; and (ii) the reduction in interest expense related to PVH's and Warnaco's previously outstanding term loan facilities that have been extinguished.

The net adjustment of these transactions was calculated as follows:

	Year Ended 1/29/2012	Thirty-Nine Week Period Ended 10/28/2012
Interest expense on debt issued:		
TLA, TLB and senior unsecured notes	\$ 115,253	\$ 84,867
Amortization of capitalized debt issuance costs	16,206	11,850
Amortization of consent solicitation fee	821	616
Interest expense on debt extinguished:		
Term Loan A facility	(26,582)	(19,022)
Term Loan B facility	(29,906)	(11,790)
Amortization of capitalized debt issuance costs (extinguished debt)	(10,743)	(9,302)
Interest expense on existing Warnaco debt, excluding certain facilities	(4,394)	(6,018)
Amortization of capitalized debt issuance costs (Warnaco's extinguished debt)	(1,345)	(1,176)
Net adjustment to interest expense	\$ 59,310	\$ 50,025

The interest rates used for purposes of preparing the unaudited pro forma combined condensed consolidated financial information may be considerably different than the actual rates in place over the life of the term loan facilities based on a number of factors, including market conditions. A 0.125% change in the interest rates applied to PVH's debt structure assumed for purposes of this unaudited pro forma combined condensed consolidated financial information would change the estimated annual interest expense by approximately \$4,702.

(f) Transaction Costs

Total transaction costs incurred by PVH and Warnaco were estimated to be \$170,350 inclusive of acquisition-related costs and debt issuance costs, including a consent solicitation fee paid to the holders of PVH's \$600,000 7% senior unsecured notes due 2020 to amend the indenture governing such notes. A reasonable allocation of fees paid to attorneys that are involved with completing both the Warnaco acquisition and the issuance of debt has been made to acquisition-related costs and debt issuance costs based on consultation with these professionals. Based on this allocation and information specific to each aspect of the Warnaco acquisition, the following adjustments to the unaudited pro forma combined condensed consolidated financial information have been made:

Acquisition-related costs

\$77,100 of the total transaction costs has been allocated to completing the Warnaco acquisition, of which \$30,300 and \$46,800 relates to estimated costs incurred by PVH and Warnaco, respectively. Because PVH is required to expense these costs as they are incurred, PVH's estimated costs of \$30,300 have been charged to retained earnings as of October 28, 2012. The estimated tax benefit associated with these costs was \$7,465. Warnaco's estimated costs of \$46,800 have been reflected as an increase to goodwill. The estimated tax benefit associated with these costs was \$17,389. No adjustment has been made to the unaudited pro forma consolidated income statements for these costs as they are non-recurring. However, \$3,489 of such costs were included in PVH's historical combined selling, general and administrative expenses for the thirty-nine week period ended October 28, 2012. The tax benefit associated with these costs was \$860. As such, the unaudited pro forma consolidated income statement was adjusted to eliminate these costs, as were accrued expenses and retained earnings in the unaudited pro forma consolidated balance sheet.

Debt issuance costs

\$93,250 of the total transaction costs has been allocated to debt issuance. This amount includes upfront and arranger fees which were based on a percentage of debt issued, subject to certain other terms. The costs allocated to debt issuance have been capitalized and reflected in the unaudited pro forma consolidated balance sheet as an increase in prepaid expenses of \$17,027 and an increase in other noncurrent assets of \$76,223. In the unaudited pro forma consolidated income statements, these costs are amortized to expense over the life of the debt instruments under the effective interest method. The adjustments to the unaudited pro forma consolidated income statements for these costs are reflected in Note 3(e).

(g) Debt Extinguishment Costs

For purposes of this unaudited pro forma combined condensed consolidated financial information, debt extinguishment costs related to the early extinguishment of PVH's previously outstanding Term Loan A and Term Loan B facilities and a portion of Warnaco's previously outstanding debt were estimated to be \$29,845, which relates to the write-off of previously capitalized debt issuance costs. This amount has been reflected as a decrease in prepaid expenses of \$7,579 and a decrease in other noncurrent assets of \$22,266. Because PVH is required to expense these costs as they are incurred, they have been charged to retained earnings. The estimated tax benefit associated with these costs was \$7,563. No adjustment has been made to the unaudited pro forma consolidated income statements for these costs as they are non-recurring.

(h) Cost of Sales

As discussed in the fair value adjustments described in Note 3(b)iii, inventory was increased to reflect PVH's preliminary estimate of the fair value of inventory based on the net realizable value method, less the portion of the profit attributable to PVH. As such, PVH has increased cost of goods sold for the year ended January 29, 2012 by \$46,000 to reflect the increased valuation of Warnaco's inventory as the acquired inventory is sold, which is assumed to occur within the first three months following the closing of the Warnaco acquisition.

(i) Elimination of Intercompany Transactions

The unaudited financial statements of PVH and Warnaco reflect certain transactions that, if the Warnaco acquisition had been completed on January 31, 2011 for the unaudited pro forma consolidated income statements and on October 28, 2012 for the unaudited pro forma consolidated balance sheet, would have been eliminated as intercompany transactions. PVH has made the following adjustments to the unaudited pro forma consolidated income statements and balance sheet to eliminate these transactions:

Debit (Credit)

	Year Ended 1/29/2012	Thirty-Nine Week Period Ended 10/28/2012
Net sales	\$ 51,103	\$ 45,685
Royalty revenue	107,994	74,926
Advertising and other revenue	50,073	30,592
Cost of goods sold	(159,097)	(120,611)
Selling, general and administrative expenses	(50,073)	(30,592)
Trade receivables		(34,991)
Prepaid expenses		(9,794)
Accounts payable		10,573
Accrued expenses		24,418
Deferred revenue		9,794

(j) Elimination of Warnaco's Stockholders' Equity

An adjustment to eliminate Warnaco's common stock of \$531, additional capital of \$773,821 retained earnings of \$712,420, accumulated other comprehensive income of \$23,200 and treasury stock of \$481,289 was reflected in the unaudited pro forma consolidated balance sheet as of October 28, 2012.

(k) Taxation

The estimated tax impacts have been calculated with reference to the statutory rates in effect for PVH and Warnaco for the periods presented. Blended tax rates of 29.0% and 27.4% have been used for the combined company for the year ended January 29, 2012 and the thirty-nine week period ended October 28, 2012, respectively. The effective tax rate of the combined company could be materially different than the rate assumed for purposes of preparing the unaudited pro forma combined condensed consolidated financial information for a variety of factors, including post-acquisition activities. Accrued expenses was decreased by \$31,557 as of October 28, 2012 for the net impact of the adjustments described in this Note 3. In addition, income tax expense was decreased by \$40,424 and \$19,367 for the year ended January 29, 2012 and the thirty-nine week period ended October 28, 2012, respectively for the net impact of the adjustments described in this Note 3.

(l) Net Income per Common Share

PVH's calculations of pro forma net income per share of PVH common stock from continuing operations attributable to parent for the year ended January 29, 2012 and the thirty-nine week period ended October 28, 2012 include the impact of items discussed in this Note 3, including the pro forma impact on assumed common stock dividends and the estimated weighted average number of shares of PVH common stock outstanding on a pro forma basis. The pro forma weighted average number of shares of PVH common stock outstanding for the year ended January 29, 2012 and thirty-nine week period ended October 28, 2012 have been calculated as if the shares issued in connection with the Warnaco acquisition had been issued and outstanding as of January 31, 2011.

The following table sets forth the computation of basic pro forma net income per share of PVH common stock from continuing operations attributable to parent and diluted pro forma net income per share of PVH common stock from continuing operations attributable to parent for the year ended January 29, 2012 and the thirty-nine week period ended October 28, 2012:

	Year Ended 1/29/2012	Thirty-Nine Week Period Ended 10/28/2012
Pro forma net income from continuing operations attributable to parent	\$ 354,295	\$ 379,982
Less:		
Pro forma net income allocated to participating securities	18,780	12,124
Pro forma net income available to PVH common stockholders for basic pro forma net income per share of PVH common stock from continuing operations attributable to parent	335,515	367,858
Add back:		
Pro forma net income allocated to participating securities	18,780	12,124
Pro forma net income available to PVH common stockholders for diluted pro forma net income per share of PVH common stock from continuing operations attributable to parent	\$ 354,295	\$ 379,982
Weighted average shares of PVH common stock outstanding for basic pro forma net income per share of PVH common stock from continuing operations attributable to parent	74,837	77,522
Pro forma impact of dilutive securities	1,926	1,682
Pro forma impact of assumed participating convertible preferred stock conversion	4,189	2,555
Weighted average shares of PVH common stock for diluted pro forma net income per share of PVH common stock from continuing operations attributable to parent	80,952	81,759
Basic pro forma net income per share of PVH common stock from continuing operations attributable to parent	\$ 4.48	\$ 4.75
Diluted pro forma net income per share of PVH common stock from continuing operations attributable to parent	\$ 4.38	\$ 4.65

(m) Reclassifications

Certain amounts were reclassified in the financial statements of Warnaco so their presentation would be consistent with that of PVH.

Warnaco's components of total revenue were reclassified as follows:

Debit (Credit)

	Year Ended 12/31/11	Thirty-Nine Week Period Ended 9/29/12
Net sales	\$ 11,455	\$ 6,643
Royalty revenue	(7,882)	(4,796)
Advertising and other revenue	(3,573)	(1,847)

Certain of Warnaco's balance sheet line items were reclassified as follows:

Debit (Credit)

	As of 9/29/12
Trade receivables, net of allowances for doubtful accounts	\$ 22,861
Other receivables	30,066
Prepaid expenses	59,385
Other current assets	(89,451)
Accrued expenses	(22,861)

(n) Summary of Transaction Adjustments

A summary of the transaction adjustments summarized in this Note 3 to each line within the financial statements follows:

Debit (Credit)

	Footnote Reference	Year Ended 1/29/2012	Thirty-Nine Week Period Ended 10/28/2012
Net Sales			
Eliminate intercompany	3(i)	\$ 51,103	\$ 45,685
Reclassifications	3(m)	11,455	6,643
Total transaction adjustment		\$ 62,558	\$ 52,328
Royalty Revenue			
Eliminate intercompany	3(i)	\$ 107,994	\$ 74,926
Reclassifications	3(m)	(7,882)	(4,796)
Total transaction adjustment		\$ 100,112	\$ 70,130
Advertising and Other Revenue			
Eliminate intercompany	3(i)	\$ 50,073	\$ 30,592
Reclassifications	3(m)	(3,573)	(1,847)
Total transaction adjustment		\$ 46,500	\$ 28,745

Debit (Credit)

	Footnote Reference	Year Ended 1/29/2012	Thirty-Nine Week Period Ended 10/28/2012
Cost of Goods Sold			
Amortize inventory fair value adjustment	3(h)	\$ 46,000	
Eliminate intercompany	3(i)	(159,097)	\$ (120,611)
Total transaction adjustment		\$ (113,097)	\$ (120,611)
Selling, General and Administrative Expenses			
Amortization on acquired intangibles	3(d)	\$ 43,684	\$ 30,513
Eliminate Warnaco's historical intangible amortization	3(d)	(12,732)	(7,802)
Eliminate PVH historical transaction costs	3(f)		(3,489)
Eliminate intercompany	3(i)	(50,073)	(30,592)
Total transaction adjustment		\$ (19,121)	\$ (11,370)
Interest Expense			
Adjust for assumed debt structure	3(e)	\$ 59,310	\$ 50,025
Total transaction adjustment		\$ 59,310	\$ 50,025
Income Tax Expense			
Net tax impacts of adjustments	3(k)	\$ (40,424)	\$ (19,367)
Total transaction adjustment		\$ (40,424)	\$ (19,367)
Cash and Cash Equivalents			
Cash portion of merger consideration	3(a)i		\$ (2,181,127)
Net change in total debt	3(c)		2,526,170
Extinguish interest rate cap	3(c)		2,654
Transaction costs	3(f)		(170,350)
Total transaction adjustment			\$ 177,347
Trade Receivables, net of allowances for doubtful accounts			
Eliminate intercompany	3(i)		\$ (34,991)
Reclassifications	3(m)		22,861
Total transaction adjustment			\$ (12,130)
Other Receivables			
Reclassifications	3(m)		\$ 30,066
Total transaction adjustment			\$ 30,066
Inventories, net			
Inventory fair value adjustment	3(b)iii		\$ 46,000
Total transaction adjustment			\$ 46,000

Debit (Credit)

	Footnote Reference	Thirty-Nine Week Period Ended 10/28/2012
Prepaid Expenses		
Debt issuance costs on new debt	3(f)	\$ 17,027
Write-off of debt issuance costs on extinguished debt	3(g)	(7,579)
Eliminate intercompany	3(i)	(9,794)
Reclassifications	3(m)	59,385
Total transaction adjustment		\$ 59,039
Other Current Assets, including Deferred Taxes		
Reclassifications	3(m)	\$ (89,451)
Total transaction adjustment		\$ (89,451)
Goodwill		
Preliminary allocation of consideration	3(b)v	\$ 1,202,355
Warnaco's transaction costs, net of taxes	3(f)	29,411
Total transaction adjustment		\$ 1,231,766
Tradenames		
Preliminary allocation of consideration	3(b)ii	\$ 529,585
Total transaction adjustment		\$ 529,585
Perpetual License Rights		
Preliminary allocation of consideration	3(b)ii	\$ 133,203
Total transaction adjustment		\$ 133,203
Other Intangibles, net		
Preliminary allocation of consideration	3(b)ii	\$ 732,252
Total transaction adjustment		\$ 732,252
Other Assets, including Deferred Taxes		
Extinguish interest rate cap	3(c)	\$ (2,654)
Debt issuance costs on new debt	3(f)	76,223
Write-off of debt issuance costs on extinguished debt	3(g)	(22,266)
Total transaction adjustment		\$ 51,303
Accounts Payable		
Eliminate intercompany	3(i)	\$ 10,573
Total transaction adjustment		\$ 10,573

Debit (Credit)

	Footnote Reference	Thirty-Nine Week Period Ended 10/28/2012
Accrued Expenses		
Tax effect of PVH's transaction costs	3(f)	\$ 7,465
Tax effect of Warnaco's transaction costs	3(f)	17,389
Eliminate PVH historical transaction costs	3(f)	3,489
Eliminate tax effect of PVH historical transaction costs	3(f)	(860)
Tax effect of debt extinguishment costs	3(g)	7,563
Eliminate intercompany	3(i)	24,418
Reclassifications	3(m)	(22,861)
Total transaction adjustment		<u>\$ 36,603</u>
Deferred Revenue		
Eliminate intercompany	3(i)	\$ 9,794
Total transaction adjustment		<u>\$ 9,794</u>
Current Portion of Long-Term Debt		
Net change in debt	3(c)	\$ (10,053)
Total transaction adjustment		<u>\$ (10,053)</u>
Long-Term Debt		
Net change in debt	3(c)	\$ (2,516,117)
Total transaction adjustment		<u>\$ (2,516,117)</u>
Other Liabilities, including Deferred Taxes		
Preliminary allocation of consideration	3(b)iv	\$ (524,228)
Total transaction adjustment		<u>\$ (524,228)</u>
Common Stock		
Stock portion of merger consideration	3(a)ii	\$ (7,679)
Eliminate Warnaco's equity	3(j)	531
Total transaction adjustment		<u>\$ (7,148)</u>
Additional Paid in Capital		
Stock portion of merger consideration	3(a)ii	\$ (919,360)
Value of Warnaco employee replacement awards	3(a)iii	(39,684)
Eliminate Warnaco's equity	3(j)	773,821
Total transaction adjustment		<u>\$ (185,223)</u>

Debit (Credit)

	Footnote Reference	Thirty-Nine Week Period Ended 10/28/2012
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Retained Earnings		
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PVH's transaction costs, net of taxes	3(f)	\$ 22,835
Eliminate PVH historical transaction costs	3(f)	(3,489)
Eliminate tax effect of PVH historical transaction costs	3(f)	860
Write-off of debt issuance costs on extinguished debt, net of taxes	3(g)	22,282
Eliminate Warnaco's equity	3(j)	712,420
Total transaction adjustment		<hr/> \$ 754,908
Accumulated Other Comprehensive (Loss) Income		
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Eliminate Warnaco's equity	3(j)	\$ 23,200
Total transaction adjustment		<hr/> \$ 23,200
Common Stock Held in Treasury, at cost		
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Eliminate Warnaco's equity	3(j)	\$ (481,289)
Total transaction adjustment		<hr/> \$ (481,289)