SECURITIES & EXCHANGE COMMISSION

Washington, D.C. 20549

# FORM 10-Q

(Mark One)

X QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended April 30, 2000

OR

___ 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 1-724

PHILLIPS-VAN HEUSEN CORPORATION

(Exact name of registrant as specified in its charter)

| | |
|---|---|
| Delaware | 13-1166910 |
| (State or other jurisdiction of incorporation or organization) | (IRS Employer Identification No.) |

200 Madison Avenue New York, New York 10016

(Address of principal executive offices)

Registrant's telephone number (212) 381-3500

Indicate by check mark whether 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 registrant was required to file such reports), and (2) has been subject to such filing requirement for the past 90 days.

Yes X No ___

The number of outstanding shares of common stock, par value $1.00 per share, of Phillips-Van Heusen Corporation as of May 19, 2000: 27,289,869 shares.

PHILLIPS-VAN HEUSEN CORPORATION

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PART II -- OTHER INFORMATION



# Independent Accountants Review Report

Stockholders and Board of Directors

Phillips-Van Heusen Corporation

We have reviewed the accompanying condensed consolidated balance sheet of Phillips-Van Heusen Corporation as of April 30, 2000, and the related condensed consolidated statements of operations and cash flows for the thirteen week periods ended April 30, 2000 and May 2, 1999. These financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. 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 auditing standards generally accepted in the United States, which will be performed for the full year with the objective of expressing 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 accompanying condensed consolidated financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States.

We have previously audited, in accordance with auditing standards generally accepted in the United States, the consolidated balance sheet of Phillips-Van Heusen Corporation as of January 30, 2000, and the related consolidated statements of operations, stockholders' equity, and cash flows for the year then ended (not presented herein) and in our report dated March 7, 2000, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of January 30, 2000, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

ERNST & YOUNG LLP

New York, New York

May 17, 2000



Phillips-Van Heusen Corporation

Condensed Consolidated Balance Sheets

(In thousands, except share data)

| | UNAUDITED April 30, 2000 | AUDITED January 30, 2000 |
|---|---|---|
| ASSETS | | |
| Current Assets: | | |
| Cash, including cash equivalents of $50,031 and $94,543 | $ 50,296 | $ 94,821 |
| Trade receivables, less allowances of $2,088 and $2,305 | 95,596 | 66,422 |
| Inventories | 244,455 | 222,976 |
| Other, including deferred taxes of $23,052 | 41,186 | 41,751 |

| | | |
|---|---|---|
| Total Current Assets | 431,533 | 425,970 |
| Property, Plant and Equipment | 106,268 | 106,122 |
| Goodwill | 83,089 | 83,578 |
| Other Assets, including deferred taxes of $33,239 and $31,800 | 58,559 | 58,078 |
| | $679,449 | $673,748 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities: | | |
| Accounts payable | $ 37,192 | $ 39,858 |
| Accrued expenses | 96,025 | 84,722 |
| Total Current Liabilities | 133,217 | 124,580 |
| Long-Term Debt | 248,801 | 248,784 |
| Other Liabilities | 59,703 | 58,699 |
| Stockholders' Equity: | | |
| Preferred Stock, par value $100 per share; 150,000 | | |
| shares authorized, no shares outstanding | | |
| Common Stock, par value $1 per share; 100,000,000 | | |
| shares authorized; shares issued 27,289,869 | 27,290 | 27,290 |
| Additional Capital | 117,697 | 117,697 |
| Retained Earnings | 92,741 | 96,698 |
| Total Stockholders' Equity | 237,728 | 241,685 |
| | $679,449 | $673,748 |

See accompanying notes.



Phillips-Van Heusen Corporation

Condensed Consolidated Statements of Operations

Unaudited

(In thousands, except per share data)

| | Thirteen Weeks Ended | |
|---|---|---|
| | April 30, 2000 | May 2, 1999 |
| Net sales | $310,310 | $289,699 |
| Cost of goods sold | 204,067 | 188,891 |
| Gross profit | 106,243 | 100,808 |
| Selling, general and administrative expenses | 104,198 | 100,834 |

| | | |
|---|---|---|
| Selling, general and administrative expenses | [illegible] | [illegible] |
| Income (loss) before interest and taxes | 2,045 | (26) |
| Interest expense, net | 5,127 | 6,143 |
| Loss before taxes | (3,082) | (6,169) |
| Income tax benefit | 1,171 | 1,544 |
| Net loss | $ (1,911) | $ (4,625) |
| Basic and diluted net loss per share | $ (0.07) | $ (0.17) |
| Dividends declared per common share | $ 0.075 | $ 0.075 |

See accompanying notes.



Phillips-Van Heusen Corporation

Condensed Consolidated Statements of Cash Flows

Unaudited

(In thousands)

| | Thirteen Weeks Ended | |
|---|---|---|
| | April 30, 2000 | May 2, 1999 |
| OPERATING ACTIVITIES: | | |
| Net loss | $ (1,911) | $ (4,625) |
| Adjustments to reconcile to net cash used by operating activities: | | |
| Depreciation and amortization | 4,797 | 4,800 |
| Equity income | (252) | (270) |
| Deferred income taxes | (1,439) | (1,544) |
| Changes in operating assets and liabilities: | | |
| Receivables | (29,174) | (9,375) |
| [illegible] | [illegible] | [illegible] |

| | | |
|---|---|---|
| Inventories | (21,479) | (3,843) |
| Accounts payable and accrued expenses | 8,506 | (2,934) |
| Acquisition of inventory associated with license agreement | | (17,212) |
| Other-net | 2,703 | 999 |
| Net Cash Used By Operating Activities | (38,249) | (34,004) |
| | | |
| INVESTING ACTIVITIES: | | |
| Sale of Gant trademark, net of related costs | | 67,000 |
| Property, plant and equipment acquired | (4,230) | (2,461) |
| Net Cash Provided (Used) By Investing Activities | (4,230) | 64,539 |
| | | |
| FINANCING ACTIVITIES: | | |
| Proceeds from revolving lines of credit | | 41,600 |
| Payments on revolving lines of credit | | (61,600) |
| Cash dividends | (2,046) | (2,045) |
| Net Cash Used By Financing Activities | (2,046) | (22,045) |
| Increase (Decrease) In Cash | (44,525) | 8,490 |
| Cash at beginning of period | 94,821 | 10,957 |
| Cash at end of period | $ 50,296 | $ 19,447 |

See accompanying notes.



PHILLIPS-VAN HEUSEN CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share data)

GENERAL

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not contain all disclosures required by generally accepted accounting principles for complete financial statements. Reference should be made to the audited consolidated financial statements, including the footnotes thereto, included in the Company's Annual Report to Stockholders for the year ended January 30, 2000.

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

The results of operations for the thirteen weeks ended April 30, 2000 and May 2, 1999 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 condensed consolidated financial statements for the thirteen weeks ended May 2, 1999 to present that information on a basis consistent with the thirteen weeks ended April 30, 2000.

INVENTORIES

Inventories are summarized as follows:

| | April 30, 2000 | January 30, 2000 |
|---|---|---|
| Raw materials | [illegible] | [illegible] |

| | | |
|---|---|---|
| Raw materials | $ 13,788 | $ 14,485 |
| Work in process | 12,457 | 11,995 |
| Finished goods | 218,210 | 196,496 |
| Total | $244,455 | $222,976 |

Inventories are stated at the lower of cost or market. Cost for certain apparel inventories is determined using the last-in, first-out method (LIFO). Cost for footwear and other apparel inventories is determined using the first-in, first-out method (FIFO). Inventories would have been approximately $5,600 higher than reported at April 30, 2000 and January 30, 2000, if the FIFO method of inventory accounting had been used for all apparel.



The final determination of cost of sales and inventories under the LIFO method can only be made at the end of each fiscal year based on inventory cost and quantities on hand. Interim LIFO determinations are based on management's estimates of expected year-end inventory levels and costs. Such estimates are subject to revision at the end of each quarter. Since estimates of future inventory levels and costs are subject to external factors, interim financial results are subject to year-end LIFO inventory adjustments.

EARNINGS PER SHARE

The Company computed its basic and diluted earnings per share by dividing net loss by the weighted average common shares outstanding. Such shares were 27,289,869 and 27,287,985 in the first quarter of 2000 and 1999, respectively.

SEGMENT DATA

The Company manages and analyzes its operating results by its two vertically integrated business segments: (i) Apparel and (ii) Footwear and Related Products. In identifying its reportable segments, the Company evaluated its operating divisions and product offerings. The Company aggregates the results of its apparel divisions into the Apparel segment. This segment derives revenues from marketing dresswear, sportswear and accessories, principally under the brand names Van Heusen, Izod, Geoffrey Beene, John Henry, Manhattan, DKNY and FUBU. The Company's footwear business has been identified as the Footwear and Related Products segment. This segment derives revenues from marketing casual footwear, apparel and accessories under the Bass brand name. Sales for both segments occur principally in the United States.

(In thousands)

| | Segment Data Thirteen Weeks Ended | |
|---|---|---|
| | 4/30/00 | 5/2/99 |
| Net sales-apparel | $222,558 | $202,058 |
| Net sales-footwear and related products | 87,752 | 87,641 |
| Total net sales | $310,310 | $289,699 |
| Operating income - apparel | $ 4,726 | $ 3,763 |
| Operating income-footwear and related products | 1,301 | 1,191 |
| Total operating income | 6,027 | 4,954 |
| Corporate expenses | 3,982 | 4,980 |
| Income (loss) before interest and taxes | $ 2,045 | $ (26) |

Corporate expenses for the thirteen weeks ended May 2, 1999 include Year 2000 computer conversion costs of $1,450.



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

### Results of Operations

Thirteen Weeks Ended April 30, 2000 Compared With Thirteen Weeks Ended

May 2, 1999

APPAREL

Net sales of the Company's apparel segment in the first quarter were $222.6 million in 2000 compared with $202.1 million last year, a 10.1% increase. This improvement was due to significant sales increases across all apparel divisions, particularly Izod and the Dress Shirt Group which included the impact of first quarter sales of John Henry and Manhattan brand dress shirts. Included in the first quarter of 1999 were $31.8 million of sales related to the Gant and Izod Club businesses which were disposed of in 1999. Excluding sales of Gant and Izod Club, apparel sales increased 30.7% over the prior year.

Gross profit on apparel sales was 32.6% in the first quarter compared with 33.4% last year. This decrease was due principally to a change in product mix as the above mentioned John Henry and Manhattan brand dress shirts have lower gross margins.

Selling, general and administrative expenses as a percentage of apparel sales were 30.4% in the first quarter compared with 31.5% last year. The improvement resulted principally from the additional leveraging of expenses on increased sales.

FOOTWEAR AND RELATED PRODUCTS

Net sales of the Company's footwear and related products segment in the first quarter were $87.8 million in 2000 compared with $87.6 million last year.

Gross profit on footwear and related products sales was 38.3% in the first quarter of 2000 compared with 37.4% last year. This increase was due principally to the closing of manufacturing operations in 1999 which lowered product costs.

Selling, general and administrative expenses as a percentage of footwear and related products sales in the first quarter were 36.9% in 2000 compared with 36.0% in 1999. This increase resulted principally from administrative cost increases against relatively flat sales.

INTEREST EXPENSE

Interest expense in the first quarter was $5.1 million in 2000 compared with

$6.1 million last year. Interest expense decreased principally from the cash generated in 1999 associated with the liquidation of the Gant and Izod Club businesses coupled with the continued tight management of net assets.



INCOME TAXES

Income taxes were estimated at a rate of 38.0% for the current year compared with the 1999 full year rate of 34.8%. The increased rate in the current year results principally from closing the Company's Bass manufacturing operations in Puerto Rico in the third quarter of 1999, resulting in a higher percentage of pre-tax income being subject to U.S. tax.

CORPORATE EXPENSES

Corporate expenses in the first quarter were $4.0 million in 2000 compared with $5.0 million in 1999. This decrease relates principally to the absence of Year 2000 computer conversion costs.

SEASONALITY

The Company's business is seasonal, with higher sales and income during its third and fourth quarters, which coincide with the Company's two peak retail selling seasons: the first running from the start of the back to school and Fall selling seasons beginning in August and continuing through September; the second being the Christmas selling season beginning with the weekend following Thanksgiving and continuing through the week after Christmas.

Also contributing to the strength of the third quarter is the high volume of Fall shipments to wholesale customers which are generally more profitable than Spring shipments. The slower Spring selling season at wholesale combines with retail seasonality to make the first quarter particularly weak.

LIQUIDITY AND CAPITAL RESOURCES

The seasonal nature of the Company's business typically requires the use of cash to fund a build-up in the Company's inventory in the first half of each fiscal year. During the third and fourth quarters, the Company's higher level of sales tends to reduce its inventory and generate cash from operations.

Net cash used by operations in the first quarter was $38.2 million in 2000 and $34.0 million in the prior year. This increase was due principally to the use of working capital associated with the increased sales of the apparel segment.

The Company has a $325 million credit agreement which includes a revolving credit facility under which the Company may, at its option, borrow and repay amounts within certain limits. The agreement also includes a letter of credit facility with a sub-limit of $250 million, provided, however, that the aggregate maximum amount outstanding under both the revolving credit facility and the letter of credit facility is $325 million. The Company believes that its borrowing capacity under these facilities is adequate for its peak seasonal needs for the foreseeable future.



* * *

**SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995**

Forward-looking statements in this Form 10-Q report including, without limitation, statements relating to the Company's plans, strategies, objectives, expectations and intentions, 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) the Company's plans, strategies, objectives, expectations and intentions are subject to change at any time at the discretion of the Company; (ii) the levels of sales of the Company's apparel and footwear products, both to its wholesale customers and in its retail stores, and the extent of discounts and promotional pricing in which the Company is required to engage, all of which can be affected by weather conditions, changes in the economy, fashion trends and other factors; (iii) the Company's plans and results of operations will be affected by the Company's ability to manage its growth and inventory; and (iv) other risks and uncertainties indicated from time to time in the Company's filings with the Securities and Exchange Commission.

* * *



Part II - OTHER INFORMATION

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

(a) The following exhibits are included herein:

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 as filed 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 Report on Form 10-Q for the period ended July 28, 1996).

3.7 By-Laws of Phillips-Van Heusen Corporation, as amended through June 18, 1996 (incorporated by reference to Exhibit 3.2 to the Company's Report on Form 10-Q for the period ended July 28, 1996).

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 Preferred Stock Purchase Rights Agreement (the "Rights Agreement"), dated June 10, 1986 between PVH and The Chase Manhattan Bank, N.A. (incorporated by reference to Exhibit 3 to the Company's Quarterly Report as filed on Form 10-Q for the period ended May 4, 1986).

4.3 Amendment to the Rights Agreement, dated March 31, 1987 between PVH and The Chase Manhattan Bank, N.A. (incorporated by reference to Exhibit 4(c) to the Company's Annual Report on Form 10-K for the year ended February 2, 1987).



4.4 Supplemental Rights Agreement and Second Amendment to the Rights Agreement, dated as of July 30, 1987, between PVH and The Chase Manhattan Bank, N.A. (incorporated by reference to Exhibit (c)(4) to the Company's Schedule 13E-4, Issuer Tender Offer Statement, dated July 31, 1987).

4.5 Third Amendment to Rights Agreement, dated June 30, 1992, from Phillips-Van Heusen Corporation to The Chase Manhattan Bank, N.A. and The Bank of New York.

4.6 Notice of extension of the Rights Agreement, dated June 5, 1996, from Phillips-Van Heusen Corporation to The Bank of New York (incorporated by reference to Exhibit 4.13 to the Company's report on Form 10-Q for the period ended April 28, 1996).

4.7 Fourth Amendment to Rights Agreement, dated April 25, 2000, from Phillips-Van Heusen Corporation to The Bank of New York.

4.8 Credit Agreement, dated as of April 22, 1998, among PVH, the group of lenders party hereto, The Chase Manhattan Bank, as Administrative Agent and Collateral Agent, and Citicorp USA, Inc., as Documentation Agent (incorporated by reference to Exhibit 4.6 to the Company's report on Form 10-Q for the period ended May 3, 1998).

4.9 Amendment No. 1, dated as of November 17, 1998, to the Credit Agreement, dated as of April 22, 1998, among PVH, the group of lenders party hereto, The Chase Manhattan Bank, as Administrative Agent and Collateral Agent, and Citicorp USA, Inc., as Documentation Agent (incorporated by reference to Exhibit 4.7 to the Company's report on Form 10-K for the year ended January 31, 1999).

4.10 Consent, Waiver and Amendment No. 2, dated as of February 23, 1999, to the Credit Agreement, dated as of April 22, 1998, among PVH, the group of lenders party hereto, The Chase Manhattan Bank, as Administrative Agent and Collateral Agent, and Citicorp USA, Inc., as Documentation Agent (incorporated by reference to Exhibit 4.8 to the Company's report on Form 10-K for the year ended January 31, 1999).

4.11 Indenture, dated as of April 22, 1998, with PVH as issuer and Union Bank of California, N.A., as Trustee (incorporated by reference to Exhibit 4.7 to the Company's report on Form 10-Q for the period ended May 3, 1998).

4.12 Indenture, dated as of November 1, 1993, between PVH 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).

15. Acknowledgement of Independent Accountants

27. Financial Data Schedule

(b) Reports on Form 8-K filed during the quarter ended April 30, 2000.

No reports have been filed on Form 8-K during the quarter covered by this report.



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

June 5, 2000

/s/ Vincent A. Russo
Vincent A. Russo
Vice President and Controller

Exhibit 15

June 5, 2000

Stockholders and Board of Directors

Phillips-Van Heusen Corporation

We are aware of the incorporation by reference in

(i) Post-Effective Amendment No. 2 to the 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) and Registration Statement (Form S-8, No. 33-59602), each of which relate to the Phillips-Van Heusen Corporation Associates Investment Plan for Residents of the Commonwealth of Puerto Rico,

(iii) Registration Statement (Form S-8, No. 33-59101), which relates to the Voluntary Investment Plan of Phillips-Van Heusen Corporation (Crystal Brands Division),

(iv) Registration Statement (Form S-8, No. 33-38698), Post-Effective Amendment No. 1 to Registration Statement (Form S-8, No. 33-24057) and Registration Statement (Form S-8, No. 33-60793), each of which relate to the Phillips-Van Heusen Corporation 1987 Stock Option Plan,

(v) Registration Statement (Form S-8, No. 333-29765) which relates to the Phillips-Van Heusen Corporation 1997 Stock Option Plan.

of our report dated May 17, 2000 relating to the unaudited condensed consolidated interim financial statements of Phillips-Van Heusen Corporation that are included in its Form 10-Q for the thirteen week period ended April 30, 2000.

Pursuant to Rule 436(c) of the Securities Act of 1933, our reports are 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.

ERNST & YOUNG LLP

New York, New York

THIRD AMENDMENT
TO RIGHTS AGREEMENT

This Amendment, dated as of June 30, 1992, is among Phillips-Van Heusen Corporation, a Delaware corporation (the "Company"), The Chase Manhattan Bank, N.A., a national banking association (the "Resigning Rights Agent") and The Bank of New York, a New York banking corporation (the "Successor Rights Agent"), and amends the Rights Agreement, dated as of June 10, 1986, as amended on March 31, 1987 and as further amended on July 30, 1987 (the "Rights Agreement"), between the Company and the Resigning Rights Agent.

RECITALS

A. The Company and the Resigning Rights Agent are currently parties to the Rights Agreement, under which the Resigning Rights Agent serves as Rights Agent.

B. The Resigning Rights Agent intends to resign as Rights Agent; the Company intends to appoint the Successor Rights Agent to succeed the Resigning Rights Agent as Rights Agent; the Successor Rights Agent wishes to accept appointment as successor Rights Agent; and the parties hereto wish to make certain changes to the Rights Agreement to facilitate this succession.

NOW, THEREFORE, the Company, the Resigning Rights Agent and the Successor Rights Agent agree as follows:

1. Resigning Rights Agent

Pursuant to Section 22 of the Rights Agreement, the Resigning Rights Agent hereby notifies the Company that it is resigning as Rights Agent under the Rights Agreement, its resignation to be effective as of midnight, New York time, June 30, 1992. The Company hereby accepts the resignation of the Resigning Rights Agent as Rights Agent and waives, with respect to the Company only, the requirement that 30 days' notice in writing of such resignation be provided by the Resigning Rights Agent.

2. Appointment of Successor Rights Agent

The Company hereby appoints the Successor Rights Agent as successor Rights Agent under the Rights Agreement, effective as of 12:01 a.m., New York time, July 1, 1992, and the Successor Rights Agent hereby accepts such appointment, subject to all the terms and conditions of the Rights Agreement as amended hereby.

3. Amendments to Rights Agreement

The parties hereto agree that the Rights Agreement shall be amended as provided below, effective as of the date of this Amendment except as may otherwise be provided below:

(a) From and after the time that the appointment of the Successor Rights Agent as successor Rights Agent is effective, all references in the Rights Agreement (including all exhibits thereto) to the Resigning Rights Agent as Rights Agent shall be deemed to refer to the Successor Rights Agent as successor Rights Agent. From and after the effective date of this Amendment, all references in the Rights Agreement to the Rights Agreement shall be deemed to refer to the Rights Agreement as amended by this Agreement.

(b) Section 3(d) of the Rights Agreement is amended as of the time of appointment of the Successor Rights Agent as successor Rights Agent by adding the following immediately after the legend appearing therein:

> On July 1, 1992, The Bank of New York succeeded The Chase Manhattan Bank, N.A. as Rights Agent.

The following legend may, in the alternative, be affixed:

> This certificate also evidences and entitles the holder hereof to certain rights as set forth in a Rights Agreement between Phillips-Van Heusen Corporation and The Bank of New York (as successor Rights Agent), dated as of June 10, 1986 (the "Rights Agreement"), as the same shall be amended from time to time, the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal executive offices of Phillips-Van Heusen Corporation. Under certain circumstances, as set forth in the Rights Agreement, such Rights will be evidenced by separate certificates and will no longer be evidenced by this certificate.

Phillips-Van Heusen Corporation will mail to the holder of this certificate a copy of the Rights Agreement without charge after receipt of a written request therefor. Under certain circumstances, Rights beneficially owned by an Acquiring Person or any Affiliate or Associate thereof (as such terms are defined



in the Rights Agreement) and any subsequent holder of such rights may become null and void.

(c) Section 8 of the Rights Agreement is amended by deleting the last sentence thereof and substituting therefor the following sentence: "The Rights Agent shall deliver all cancelled Right Certificates to the Company, or, at the written request of the Company, may (but shall not be required to) destroy such cancelled Rights Certificates.

(d) Section 19 of the Rights Agreement is amended by adding the following sentence at the end of the first paragraph thereof: "The Company's reimbursement and indemnification obligations described in this paragraph shall survive the termination of this Agreement."

(e) Section 21 of the Rights Agreement is amended by adding the following paragraph after paragraph (i) thereof:

> (j) No provision of this Agreement shall require the Rights Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of its rights if there shall be reasonable grounds for believing that repayment of such funds or adequate indemnification against such risk or liability is not reasonably assured to it.

(f) Section 22 of the Rights Agreement is amended by inserting the words "the Rights Agent or" before the words "the registered holder of any Rights Certificate" in the last clause of the fourth sentence of that section.

(g) Section 26 of the Rights Agreement is amended by deleting the name and address of the Resigning Rights Agent and substituting therefor the following:

The Bank of New York
101 Barclay Street
22nd Floor
New York, NY 10286
Attention: Equity Tender and Exchange Department

(h) Section 30 of the Rights Agreement is amended by adding the following words at the end thereof: "provided, however, that the rights and obligations of the Rights Agent shall be governed by and construed in accordance with the laws of the State of New York".



4. Miscellaneous

(a) Except as otherwise expressly provided, or unless the context otherwise requires, all terms used herein have the meanings assigned to them in the Rights Agreement.

(b) Each party hereto waives any requirement under the Rights Agreement that any additional notice be provided to it pertaining to the matters covered by this Amendment.

(c) This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which counterparts shall together constitute but one and the same document.

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed, all as of the day and year first written above.

PHILLIPS-VAN HEUSEN CORPORATION

By /s/ Pamela N. Hootkin
Its Vice President

THE BANK OF NEW YORK,
as Rights Agent

By /s/ John L. Shieroer
Its Vice President

THE CHASE MANHATTAN BANK, N.A.

By /s/ John E. Strain
Its Vice President

FOURTH AMENDMENT TO RIGHTS AGREEMENT

THIS FOURTH AMENDMENT, dated as of April 25, 2000, by and between PHILLIPS-VAN HEUSEN CORPORATION, a Delaware corporation (the "Company"), and THE BANK OF NEW YORK, a New York banking corporation (the "Rights Agent"), amends the Rights Agreement (the "Rights Agreement"), dated as of June 10, 1986, as amended March 31, 1987, July 30, 1987 and June 30 1992, between the Company and the Rights Agent (as successor thereunder to The Chase Manhattan Bank, N.A.).

W I T N E S S E T H :

WHEREAS, the Board of Directors of the Company has authorized, subject to certain restrictions, the purchase by one of its stockholders of additional shares that would otherwise result in the stockholder becoming an "Acquiring Person" under the Rights Agreement; and

WHEREAS, it is desirous for the Rights Agreement be amended to evidence such approval, as well as to evidence the sale by the Phillips Family of their stockholdings and the purchase by the Company of shares of Common Stock in a tender offer made by the Company in 1986.

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 Rights Agreement.

2. Amendment of Definitions. Section 1 of the Rights Agreement is hereby amended as follows:

(a) The definition of "Acquiring Person" set forth in Section 1(a) is deleted in its entirety and the following substituted in lieu thereof :

> (a) "Acquiring Person" shall mean any Person who or which, together with all Affiliates and Associates of such Person, shall be the Beneficial Owner of securities of the Company constituting a Substantial Block, but shall not include (i) any employee benefit plan of the Company, (ii) any members of the Lee Family, but only for so long as

the aggregate number of shares of Common Stock of which the Lee Family is deemed to be the Beneficial Owner is less than or equal to 30% of the number of shares of Common Stock then outstanding or (iii) any Person who acquires a Substantial Block in connection with a transaction or series of transactions approved prior to such transaction or transactions by the Board of Directors.

(b) The definition of "Distribution Date" set forth in Section 1(g) is deleted in its entirety and the following substituted in lieu thereof:

(g) "Distribution Date" shall mean the earlier to occur of (i) the tenth day after the Stock Acquisition Date or (ii) the tenth day after the first public announcement of the commencement of, or the intent of any Person (other than the Company) to commence, a tender or exchange offer, if upon consummation thereof, such Person would be the beneficial owner of 30% or more of the outstanding shares of Common Stock (including any



such date that is after the date of this Agreement and prior to the issuance of the Rights).

(c) The definition of "Phillips Family" in Section 1(k) is deleted in its entirety and the definition of "Person" set forth in Section 1(j) is re-designated as Section 1(k).

(d) A definition of "Lee Family" is hereby inserted as a new Section 1(j), as follows:

(j) "Lee Family" shall mean (i) C.C. Lee, Richard Lee, Harry N.S. Lee and George Lee (ii) their respective spouses and descendants and the spouses of such descendants, (iii) any trust, the entire beneficial interest of which is, during the term of such trust, held by and for the benefit of one or more of the foregoing individuals; and (iv) any corporation or limited liability company, at least 85% of the beneficial ownership interest of which is, and at all times continues to be, held by and for the benefit of one or more of the foregoing individuals.

(e) The definition of "Substantial Block" set forth in Section 1(m) is deleted in its entirety and the following substituted in lieu thereof:

(m) "Substantial Block" shall mean a number of shares of Common Stock that equals or exceeds 20% of the number of shares of Common Stock then outstanding; provided, however, that in determining the number of shares of Common Stock outstanding at any time for such purpose, there shall be included all shares of Common Stock which have been purchased or otherwise acquired by the Company subsequent to March 2, 2000, whether such



shares are being held as treasury shares by the Company at such time or have been theretofore retired. In determining the percentage of the outstanding shares of Common Stock with respect to which a Person is the Beneficial Owner, all shares to which such Person is the Beneficial Owner shall be deemed outstanding.

3. Miscellaneous.

(a) This Amendment shall be effective as of the date hereof.

(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 instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed as of the date first set forth above.

PHILLIPS-VAN HEUSEN CORPORATION

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

THE BANK OF NEW YORK

By: /s/ Diana M. Ajjan
Name: Diana M. Ajjan
Title: Vice President

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE PHILLIPS-VAN HEUSEN CORPORATION FINANCIAL STATEMENTS INCLUDED IN ITS 10-Q REPORT FOR THE QUARTER ENDED APRIL 30, 2000 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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97,684
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431,533
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133,217
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27,290
210,438
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310,310
310,310
204,067
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104,198
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5,127
(3,082)
1,171
(1,911)
0
0
0
(1,911)
(0.07)
(0.07)

Property, plant and equipment is presented net of accumulated depreciation.
Provision for doubtful accounts is included in other costs and expenses.