

SECURITIES & EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended July 30, 1995

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  
(State or other jurisdiction of  
incorporation or organization)

13-1166910  
(IRS Employer  
Identification No.)

1290 Avenue of the Americas New York, New York  
(Address of principal executive offices)

10104  
(Zip Code)

Registrant's telephone number (212) 541-5200

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  No

The number of outstanding shares of common stock, par value \$1.00 per  
share, of Phillips-Van Heusen Corporation as of August 25, 1995: 26,722,879  
shares.

PHILLIPS-VAN HEUSEN CORPORATION

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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 July 30, 1995, and the related condensed consolidated statements of income and cash flows for the 13 and 26 week periods ended July 30, 1995 and July 31, 1994. 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 generally accepted auditing standards, 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 generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet of Phillips-Van Heusen Corporation as of January 29, 1995, and the related consolidated statements of income, stockholders' equity, and cash flows for the year then ended (not presented herein) and in our report dated March 14, 1995, 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 29, 1995, 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  
September 13, 1995

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

	UNAUDITED July 30, 1995	AUDITED January 29, 1995
<b>ASSETS</b>		
Current Assets:		
Cash, including cash equivalents of \$9,215 and \$68,586	\$ 15,646	\$ 80,473
Trade receivables, less allowances of \$4,852 and \$1,617	92,675	77,527
Inventories	384,410	255,244
Other, including deferred taxes of \$7,108	16,231	16,426
Total Current Assets	508,962	429,670
Property, Plant and Equipment	143,440	136,297
Goodwill	123,952	17,733
Other Assets, including deferred taxes of \$10,412 and \$9,502	25,123	12,584
	<b>\$801,477</b>	<b>\$596,284</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Notes payable	\$113,095	\$ 0
Accounts payable	38,592	38,759
Accrued expenses	77,192	75,014
Current portion of long-term debt	260	260
Total Current Liabilities	229,139	114,033
Long-Term Debt, less current portion	239,682	169,679
Other Liabilities	58,960	37,112
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 26,713,445 and 26,610,310	26,713	26,610
Additional Capital	113,400	112,801
Retained Earnings	133,583	136,049
Total Stockholders' Equity	273,696	275,460
	<b>\$801,477</b>	<b>\$596,284</b>

See accompanying notes.

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

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 30, 1995	July 31, 1994	July 30, 1995	July 31, 1994
Net sales	\$349,493	\$283,771	\$632,480	\$522,668
Cost of goods sold	229,896	189,010	415,479	348,745
Gross profit	119,597	94,761	217,001	173,923
Selling, general and administrative expenses	107,704	82,459	205,460	163,830
Income before interest and taxes	11,893	12,302	11,541	10,093
Interest expense, net	5,939	3,362	10,722	6,684
Income before taxes	5,954	8,940	819	3,409
Income taxes	2,060	3,205	285	1,205
Net income	\$ 3,894	\$ 5,735	\$ 534	\$ 2,204
Net income per share	\$ 0.15	\$ 0.21	\$ 0.02	\$ 0.08
Cash dividends per share	\$ 0.0375	\$ 0.0375	\$ 0.075	\$ 0.075

See accompanying notes.

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

	Twenty-Six Weeks Ended	
	July 30, 1995	July 31, 1994
<b>OPERATING ACTIVITIES:</b>		
Net Income	\$ 534	\$ 2,204
Adjustments to reconcile net income to net cash used by operating activities:		
Depreciation and amortization	14,627	11,458
Other-net	(2,704)	(2,028)
Changes in operating assets and liabilities:		
Receivables	6,984	(9,147)
Inventories	(91,322)	(25,041)
Accounts payable and accrued expenses	(43,551)	(8,188)
Other-net	(492)	(2,634)
Net Cash Used By Operating Activities	(115,924)	(33,376)
<b>INVESTING ACTIVITIES:</b>		
Acquisition of the Apparel Group of Crystal Brands	(114,503)	
Plant and equipment acquired	(19,512)	(20,736)
Contributions from landlords	4,393	4,010
Other-net	(78)	1,283
Net Cash Used By Investing Activities	(129,700)	(15,443)
<b>FINANCING ACTIVITIES:</b>		
Proceeds from revolving line of credit and long-term borrowings	185,300	
Payments on revolving line of credit and long-term borrowings	(2,205)	
Exercise of stock options	702	694
Payment of dividends	(3,000)	(2,987)
Net Cash (Used) Provided By Financing Activities	180,797	(2,293)
DECREASE IN CASH	(64,827)	(51,112)
Cash at beginning of period	80,473	68,070
Cash at end of period	\$ 15,646	\$ 16,958

See accompanying notes.

Phillips-Van Heusen Corporation

Notes To Consolidated Financial Statements

Unaudited

(In thousands)

GENERAL

The accompanying unaudited 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 annual financial statements, including the footnotes thereto, included in the Company's Annual Report to Stockholders for the year ended January 29, 1995.

The results of operations for the thirteen and twenty-six weeks ended July 30, 1995 and July 31, 1994 are not necessarily indicative of those for a full fiscal year because of 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 segment information for the thirteen and twenty-six weeks ended July 31, 1994 to present that information on a basis consistent with the thirteen and twenty-six weeks ended July 30, 1995.

INVENTORIES

Inventories are summarized as follows:

	July 30, 1995	January 29, 1995
Raw materials	\$ 16,570	\$ 19,849
Work in process	17,920	17,026
Finished goods	349,920	218,369
Total	\$384,410	\$255,244

Inventories are stated at the lower of cost or market. Cost for the apparel business is determined principally using the last-in first-out method (LIFO), except for certain sportswear inventories which are determined using the first-in first-out method (FIFO). Cost for the footwear business is determined using FIFO. Inventories would have been \$14,000 and \$12,700 higher than reported at July 30, 1995 and January 29, 1995, respectively, if the FIFO method of inventory accounting had been used for the entire apparel business.

The 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.

#### SEGMENT DATA

The Company operates in two industry segments: (i) apparel - the manufacture, procurement for sale and marketing of a broad range of men's and women's apparel to wholesale customers as well as through Company-owned retail stores, and (ii) footwear - the manufacture, procurement for sale and marketing of a broad range of men's, women's and children's shoes to wholesale customers as well as through Company-owned retail stores.

Operating income represents net sales less operating expenses. Excluded from operating results of the segments are interest expense, net, corporate expenses and income taxes.

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 30, 1995	July 31, 1994	July 30, 1995	July 31, 1994
Net sales-apparel	\$255,944	\$191,135	\$460,935	\$350,238
Net sales-footwear	93,549	92,636	171,545	172,430
Total net sales	\$349,493	\$283,771	\$632,480	\$522,668
Operating income-apparel	\$ 6,336	\$ 3,821	\$ 5,003	\$ 2,097
Operating income-footwear	8,435	10,438	11,792	12,355
Total operating income	14,771	14,259	16,795	14,452
Corporate expenses	(2,878)	(1,957)	(5,254)	(4,359)
Interest expense, net	(5,939)	(3,362)	(10,722)	(6,684)
Income before taxes	\$ 5,954	\$ 8,940	\$ 819	\$ 3,409

#### ACQUISITION

On February 17, 1995, the Company completed the acquisition of the Apparel Group of Crystal Brands, Inc. for \$114,503 in cash, net of cash acquired, and subject to certain adjustments. This acquisition was accounted for as a purchase. The acquired operations are included in the Company's consolidated financial statements since February 17, 1995.



The Company acquired assets with a fair value estimated to be \$181,170 (including \$106,400 of excess of cost over net assets acquired) and assumed liabilities estimated to be \$66,667. The Company has not yet determined both the final value of the assets acquired and liabilities assumed, and the allocation of these assets and liabilities within the Company's consolidated balance sheet. Accordingly, adjustments to the Company's consolidated balance sheet at July 30, 1995 may be required.

If the acquisition had occurred on the first day of fiscal 1994 instead of on February 17, 1995, the Company's proforma consolidated results of operations would have been:

	Twenty-Six Weeks Ended	
	July 30, 1995	July 31, 1994
Net sales	\$638,611	\$631,243
Net income	\$ 471	\$ 1,464
Net income per share	\$ 0.02	\$ 0.05

#### SUBSEQUENT EVENT - PLANT AND STORE CLOSINGS AND OTHER EVENTS

On September 13, 1995, the Company adopted and began to implement a plan designed to reduce costs and realign the product distribution mix primarily within the Company's apparel business. Significant components of the plan include the closure of three domestic apparel manufacturing facilities before year-end and the closing of approximately 200 less profitable retail outlet stores. As a result, the Company will record a pre-tax charge of approximately \$23,000 in the third quarter of 1995. Approximately one half of this charge relates to noncash items. This charge principally relates to the cost of termination benefits for approximately twelve hundred employees and the write-off of certain fixed assets located in the affected manufacturing facilities and outlet stores. The Company believes these changes will improve future profitability through lower operating costs and improved margins. As part of its ongoing expense and cost reduction initiatives, the Company will continue to evaluate its operating structure.

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

RESULTS OF OPERATIONS

Thirteen Weeks Ended July 30, 1995 Compared to Thirteen Weeks Ended July 31, 1994

APPAREL

Net sales of the Company's apparel segment in the second quarter were \$255.9 million in 1995 and \$191.1 million last year, an increase of approximately 33.9%. The acquisition of the Apparel Group of Crystal Brands, Inc. on February 17, 1995, coupled with growth in the Company's Geoffrey Beene and Bass Apparel retail operations, accounted for most of this increase.

Gross profit on apparel sales was 32.7% in the second quarter of 1995 compared to 30.8% in last year's second quarter. Better margins on most wholesale product lines as well as on merchandise sold under the Izod and Gant labels acquired from Crystal Brands accounted for this increase. In addition, the second quarter LIFO charge was \$0.4 million in 1995 compared to \$1.8 million last year.

Selling, general and administrative expenses as a percent of apparel sales in the second quarter were 30.3% in 1995 and 28.8% in 1994. The increased percentage relates principally to the higher marketing and selling costs associated with the newly acquired Izod and Gant businesses.

FOOTWEAR

Net sales of the Company's footwear segment were \$93.5 million in the second quarter of 1995 and \$92.6 million last year, an increase of approximately 1.0%.

Gross profit on footwear sales was 38.3% in the second quarter of 1995 compared to 38.8% in last year's second quarter. The decrease primarily relates to promotional markdowns taken this year in the Company's retail stores to clear spring and summer merchandise from inventory.

Selling, general and administrative expenses as a percent of footwear sales in the second quarter were 29.3% in 1995 and 27.5% in 1994. Growth of the Company's retail operations, which are seasonally weak in the first half of the year, was the primary reason for this increase.

INTEREST EXPENSE

Net interest expense was \$5.9 million in the second quarter of 1995 compared with \$3.4 million last year. This increase resulted from the cash purchase of the Apparel Group of Crystal Brands, Inc.

## INCOME TAXES

Income tax was estimated at rates of 34.6% and 34.8% for the second quarter and year of 1995 compared with last year's rates of 35.9% and 18.7% for the second quarter and year, respectively. The effective rate for the full year 1994, excluding the effect of reversals of estimated tax liabilities and restructuring expenses, would have been approximately 31.5%. The increase in the 1995 rate is due principally to normally taxed income increasing more rapidly than tax exempt income from operations in Puerto Rico.

## CORPORATE EXPENSES

Corporate expenses were \$2.9 million in the second quarter of 1995 compared to \$2.0 million in 1994. The second quarter of 1994 included a credit to the Company's unfunded supplemental savings plan liability.

Twenty-Six Weeks Ended July 30, 1995 Compared to Twenty-Six Weeks Ended July 31, 1994

## APPAREL

Net sales of the Company's apparel segment were \$460.9 million during the first six months of 1995, an increase of 31.6% from the prior year's \$350.2 million. The acquisition of the Apparel Group of Crystal Brands, Inc. on February 17, 1995, coupled with the growth in the Company's Geoffrey Beene and Bass Apparel retail operations, accounted primarily for this increase.

Gross profit on apparel sales was 32.7% in the first half of 1995 compared to 31.4% in last year's first half. Better margins on merchandise sold under the Izod and Gant labels acquired from Crystal Brands accounted primarily for this increase. In addition, the current year includes a LIFO charge of \$1.3 million compared with a charge of \$2.2 million in the prior year.

Selling, general and administrative expenses as a percent of apparel sales in the first half were 31.6% in 1995 and 30.8% in 1994. The increased percentage relates principally to the higher marketing and selling costs associated with the newly acquired Izod and Gant businesses.

## FOOTWEAR

Net sales of the Company's footwear segment were \$171.5 million compared to the prior year's \$172.4 million.

Gross profit on footwear sales was 38.7% in the first half of 1995 compared to 37.1% in last year's first half. The prior year's first half was impacted by significant clearance markdowns to clear slower moving merchandise from inventory. The Company began the current year with a much improved inventory mix, which in turn reduced clearance markdowns. Offsetting this positive trend, in part, were promotional markdowns in the Company's retail stores in the second quarter which related to sluggish sales of spring and summer merchandise.

Selling, general and administrative expenses as a percent of footwear sales in the first half were 31.8% in 1995 and 29.9% in 1994. Growth of the Company's retail operations, which are seasonally weak in the first half of the year, accounted primarily for this increase. In addition, the prior year included the benefit of certain accrual reversals.

#### INTEREST EXPENSE

Net interest expense was \$10.7 million in the first half of 1995 compared with \$6.7 million last year. This increase resulted from the cash purchase of the Apparel Group of Crystal Brands, Inc.

#### INCOME TAXES

Income tax was estimated at a rate of 34.8% for the first half and year of 1995 compared with last year's rates of 35.3% and 18.7% for the first half and year, respectively. The effective rate for the full year 1994, excluding the effect of reversals of estimated tax liabilities and restructuring expenses, would have been approximately 31.5%. The increase in the 1995 rate is due principally to normally taxed income increasing more rapidly than tax exempt income from operations in Puerto Rico.

#### CORPORATE EXPENSES

Corporate expenses were \$5.3 million in the first half of 1995 compared to \$4.4 million in 1994. The second quarter of 1994 included a credit to the Company's unfunded supplemental savings plan liability.

#### SEASONALITY

The Company's business is seasonal, with higher sales and income during its third and fourth fiscal quarters, which coincide with the Company's two peak retail selling seasons: the first running from the start of the summer vacation period in late May 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 fiscal 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 combined with retail seasonality makes the first fiscal 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.

Cash used by operations in the first half totalled \$115.9 million in 1995 and \$33.4 million last year. The seasonal build up in inventory for sales planned for the second half of the year was greater in the first half 1995 due to growth in the Company's business, including the acquisition of the Apparel Group of Crystal Brands.

The Company has a revolving credit agreement under which the Company may, at its option, borrow and repay amounts up to a maximum of \$185 million, except that for the Company's third quarter, during which period its borrowings peak, the maximum amount available to the Company is \$200 million. The acquisition of Crystal Brands for cash was funded from the Company's cash reserves and from borrowings under this facility. The Company believes that its borrowing capacity under this facility is adequate for its 1995 peak seasonal needs. At the end of the second quarter, the Company estimated that \$70 million of the outstanding borrowings under this facility are non-current. The resulting increase in long-term debt, offset in part by earnings generated over the past year, has increased the Company's long-term debt (net of invested cash) as a percentage of total capital to 45.7% at the end of the current quarter compared with 38.7% at the end of last year's second quarter.

#### PLANT AND STORE CLOSINGS AND OTHER EVENTS

On September 13, 1995, the Company adopted and began to implement a plan designed to reduce costs and realign the product distribution mix primarily within the Company's apparel business. Significant components of the plan include the closure of three domestic apparel manufacturing facilities before year-end and the closing of approximately 200 less profitable retail outlet stores. As a result, the Company will record a pre-tax charge of approximately \$23,000 in the third quarter of 1995. This charge principally relates to the cost of termination benefits for approximately twelve hundred employees and the write-off of certain fixed assets located in the affected manufacturing facilities and outlet stores. The Company believes these changes will improve future profitability through lower operating costs and improved margins. As part of its ongoing expense and cost reduction initiatives, the Company will continue to evaluate its operating structure.

Part II - OTHER INFORMATION

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF STOCKHOLDERS

The annual stockholders' meeting was held on June 13, 1995. The total shares of Common Stock entitled to vote were 24,109,913. There were present in person or by proxy holders of 90.4% of these shares.

The following directors were elected to serve for a term of three years:

	For	Vote Withheld
Edward H. Cohen	23,925,056	184,857
Estelle Ellis	23,930,103	179,810
Maria Elena Lagomasino	23,917,723	192,190
William S. Scolnick	23,907,876	202,037

The Company's Stock Option Plan was amended to increase the number of shares of Common Stock which may be granted under the Option Plan from 2,500,000 to 3,150,000. The vote was 18,882,993 For and 5,130,739 Against.

The Company's Performance Restricted Stock Plan was adopted with a vote of 22,953,054 For and 1,065,495 Against.

Ernst & Young was appointed to serve as the Company's independent auditors until the next stockholders' meeting. The vote was 24,008,989 For and 60,768 Against.

The resolution proposed by two stockholders that new Directors be elected annually and not by classes, as is now provided, was defeated with a vote of 14,638,220 Against and 5,875,956 In Favor.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

(a) The following exhibits are included herein:

- 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 Credit Agreement, dated as of December 16, 1993, among PVH, Bankers Trust Company, The Chase Manhattan Bank, N.A., Citibank, N.A., The Bank of New York, Chemical Bank and Philadelphia National Bank, and Bankers Trust Company, as agent (incorporated by reference to Exhibit 4.5 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 1994).
- 4.6 First Amendment, dated as of February 13, 1995, to the Credit Agreement dated as of December 16, 1993 (incorporated by reference to Exhibit 4.6 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 1995).
- 4.7 Note Agreement, dated October 1, 1992, among PVH, The Equitable Life Assurance Society of the United States, Equitable Variable Life Insurance Company, Unum Life Insurance Company of America, Nationwide Life Insurance Company, Employers Life Insurance Company of Wausau and Lutheran Brotherhood (incorporated by reference to Exhibit 4.21 to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1993).
- 4.8 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).
- \*10.1 1987 Stock Option Plan, including all amendments through March 30, 1993 (incorporated by reference to Exhibit 10.2 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 1994).
- \*10.2 1973 Employees' Stock Option Plan (incorporated by reference to Exhibit 1 to the Company's Registration Statement on Form S-8 (Reg. No. 2-72959) filed on July 15, 1981).
- \*10.3 Supplement to 1973 Employees' Stock Option Plan (incorporated by reference to the Company's Prospectus filed pursuant to Rule 424(c) to the Registration Statement on Form S-8 (Reg. No. 2-72959) filed on March 31, 1982).
- \*10.4 Phillips-Van Heusen Corporation Special Severance Benefit Plan (incorporated by reference to the Company's Report on Form 8-K filed on January 16, 1987).
- \*10.5 Phillips-Van Heusen Corporation Capital Accumulation Plan (incorporated by reference to the Company's Report on Form 8-K filed on January 16, 1987).

- \*10.6 Phillips-Van Heusen Corporation Amendment to Capital Accumulation Plan (incorporated by reference to Exhibit 10(n) to the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 1987).
- \*10.7 Form of Agreement amending Phillips-Van Heusen Corporation Capital Accumulation Plan with respect to individual participants (incorporated by reference to Exhibit 10(1) to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1988).
- \*10.8 Phillips-Van Heusen Corporation Supplemental Defined Benefit Plan, dated January 1, 1991, as amended and restated on June 2, 1992 (incorporated by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1993).
- \*10.9 Phillips-Van Heusen Corporation Supplemental Savings Plan, dated as of January 1, 1991 and amended and restated as of January 1, 1992 (incorporated by reference to Exhibit 10.29 to the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 1992).
- 10.10 Asset Sale Agreement, dated January 24, 1995, Among the Company and Crystal Brands, Inc., Crystal Apparel, Inc., Gant Corporation, Crystal Sales, Inc., Eagle Shirtmakers, Inc., and Crystal Brands (Hong Kong) Limited (incorporated by reference to Exhibit 1 to the Company's Report on Form 8-K dated March 6, 1995).
- \*10.11 Agreement, dated as of April 28, 1993, between Bruce J. Klatsky, Lawrence S. Phillips and the Company (incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 1995).
- \*10.12 Non-Incentive Stock Option Agreement, dated as of April 28, 1993, between the Company and Bruce J. Klatsky. Non-Incentive Stock Option Agreement, dated as of December 3, 1993, between the Company and Bruce J. Klatsky (reload of April 28, 1993 Non-Incentive Stock Option Agreement) (incorporated by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 1995).
- \*10.13 Amendment, dated December 6, 1993, to the Agreement, dated April 28, 1993, between Bruce J. Klatsky, Lawrence S. Phillips and the Company (incorporated by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 1995).
- \*10.14 Consulting and non-competition agreement, dated February 14, 1995, between the Company and Lawrence S. Phillips (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 1995).
- \*10.15 Performance Restricted Stock Plan, effective as of April 18, 1995 (incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 1995).



15. Acknowledgement of Independent Accountants.

27. Financial Data Schedule.

\* Management contract or compensatory plan or arrangement required to be identified pursuant to Item 14(a) of this report.

(b) Reports on Form 8-K

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

September 11, 1995

/s/ Emanuel Chirico  
Emanuel Chirico, Controller  
Vice President and  
Chief Accounting Officer

September 13, 1995

Stockholders and Board of Directors  
Phillips-Van Heusen Corporation

We are aware of the incorporation by reference in the Registration Statement (Form S-8, No. 33-59101), Registration Statement (Form S-8, No. 33-59602), Registration Statement (Form S-8, No. 33-38698), Post-Effective amendment No. 1 to the Registration Statement (Form S-8, No. 33-24057), Post-Effective amendment No. 2 to the Registration Statement (Form S-8, No. 2-73803), Post-Effective amendment No. 4 to the Registration Statement (Form S-8, No. 2-72959), Post-Effective amendment No. 6 to the Registration Statement (Form S-8, No. 2-64564), and Post-Effective amendment No. 13 to the Registration Statement (Form S-8, No. 2-47910), of Phillips-Van Heusen Corporation of our report dated August 15, 1995 relating to the unaudited condensed consolidated interim financial statements of Phillips-Van Heusen Corporation which are included in its Form 10-Q for the three month period ended July 30, 1995.

Pursuant to Rule 436(c) of the Securities Act of 1933, our report is not a part of the registration statements or post-effective amendments prepared or certified by accountants within the meaning of Section 7 or 11 of the Securities Act of 1933.

ERNST & YOUNG LLP

New York, New York

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 JULY 30, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

6-MOS		
	JAN-28-1996	
	JUL-30-1995	
		15,646
		0
		97,527
		4,852
		384,410
	508,962	
		143,440
		0
	801,477	
229,139		
		239,682
		26,713
	0	
		0
		246,983
801,477		
		632,480
	632,480	
		415,479
		415,479
	205,460	
		0
	10,722	
		819
		285
	0	
		0
		0
		0
		0
		534
		0.02
		0.02

Property, plant and equipment is presented net of accumulated depreciation.

Provision for doubtful accounts is included in other costs and expenses.