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 August 2, 1998

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.)

1290 Avenue of the Americas	New York, New York	10104
(Address of principal executive offices)		(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 X No

The number of outstanding shares of common stock, par value $1.00 per share, of Phillips-Van Heusen Corporation as of September 8, 1998: 27,214,565 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 August 2, 1998, and the related condensed consolidated statements of operations for the thirteen and twenty-six week periods ended August 2, 1998 and August 3, 1997, and the related condensed consolidated statements of cash flows for the twenty-six week periods ended August 2, 1998 and August 3, 1997. 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 February 1, 1998, 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 10, 1998, except for the long-term debt note, which is as of April 22, 1998, 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 February 1, 1998, 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
August 19, 1998

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

	UNAUDITED August 2, 1998	AUDITED February 1, 1998
ASSETS		
Current Assets:		
Cash, including cash equivalents of $1,285 and $1,413	$ 4,576	$ 11,748
Trade receivables, less allowances of $2,704 and $2,911	85,024	88,656
Inventories	302,782	249,534
Other, including deferred taxes of $19,031	42,366	35,080
Total Current Assets	434,748	385,018
Property, Plant and Equipment	90,284	94,582
Goodwill	114,902	116,467
Other Assets, including deferred taxes of $44,659 and $44,094	71,592	64,392
	$711,526	$660,459
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Notes payable	$ 63,600	$ 7,900
Accounts payable	36,742	36,233
Accrued expenses	77,855	89,202
Total Current Liabilities	178,197	133,335
Long-Term Debt	249,364	241,004
Other Liabilities	69,328	65,815
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 27,202,747 and 27,179,244	27,203	27,179
Additional Capital	117,145	116,954
Retained Earnings	70,289	76,172
Total Stockholders' Equity	214,637	220,305
	$711,526	$660,459

See accompanying notes.

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

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	August 2, 1998	August 3, 1997	August 2, 1998	August 3, 1997
Net sales	$306,371	$313,458	$602,136	$599,383
Cost of goods sold	197,308	217,811	390,565	404,418
Gross profit	109,063	95,647	211,571	194,965
Selling, general and administrative expenses	95,770	101,010	197,724	202,014
Year 2000 computer conversion expenses	2,250	-	4,250	-
Facility and store closing and restructuring and other expenses	-	41,150	-	41,150
Income (loss) before interest, taxes and extraordinary item	11,043	(46,513)	9,597	(48,199)
Interest expense, net	6,654	5,344	12,120	10,276
Income (loss) before taxes and extraordinary item	4,389	(51,857)	(2,523)	(58,475)
Income tax expense (benefit)	1,669	(18,572)	(759)	(20,650)
Income (loss) before extraordinary item	2,720	(33,285)	(1,764)	(37,825)
Extraordinary loss on debt retirement	-	-	(1,060)	-
Net income (loss)	$ 2,720	$(33,285)	$ (2,824)	$(37,825)
Basic and diluted net income (loss) per share:				
Income (loss) before extraordinary item	$ 0.10	$ (1.23)	$ (0.06)	$ (1.40)
Extraordinary loss, net of tax benefit	-	-	(0.04)	-
Net income (loss) per share	$ 0.10	$ (1.23)	$ (0.10)	$ (1.40)

In the second quarter of 1997, the Company recorded a non-recurring pre-tax charge of $57,000 related to a series of actions the Company has taken to accelerate the execution of its ongoing strategy to build its brands. Such amount has been recorded in the statements of operations for the thirteen and twenty-six weeks ended August 3, 1997 as follows:

Cost of goods sold	$15,850
Facility and store closing and restructuring and other expenses	41,150
	57,000
Income tax benefit	(20,200)
	$36,800

See accompanying notes.

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

	Twenty-Six Weeks Ended	
	August 2, 1998	August 3, 1997
OPERATING ACTIVITIES:		
Net loss	$ (2,824)	$(37,825)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization	13,474	13,067
Write-off of assets		18,800
Deferred income taxes	(565)	(19,988)
Equity income in Pyramid Sportswear	(520)	(700)
Changes in operating assets and liabilities:		
Receivables	3,632	8,901
Inventories	(53,248)	(84,744)
Accounts payable and accrued expenses	(11,118)	28,278
Other-net	(5,125)	9,671
Net Cash Used By Operating Activities	(56,294)	(64,540)
INVESTING ACTIVITIES:		
Property, plant and equipment acquired	(7,952)	(6,794)
FINANCING ACTIVITIES:		
Net proceeds from issuance of 9.5% senior subordinated notes	145,104	-
Repayment of 7.75% senior notes	(49,286)	-
Proceeds from revolving lines of credit	120,600	77,000
Payments on revolving lines of credit	(156,500)	-
Exercise of stock options	215	263
Cash dividends	(3,059)	(3,045)
Net Cash Provided By Financing Activities	57,074	74,218
Increase (decrease) In Cash	(7,172)	2,884
Cash at beginning of period	11,748	11,590
Cash at end of period	$ 4,576	$ 14,474

See accompanying notes.

PHILLIPS-VAN HEUSEN CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except 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 annual financial statements, including the footnotes thereto, included in the Company's Annual Report to Stockholders for the year ended February 1, 1998.

The preparation of the 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 twenty-six weeks ended August 2, 1998 and August 3, 1997 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 and twenty-six weeks ended August 3, 1997 to present that information on a basis consistent with the twenty-six weeks ended August 2, 1998.

INVENTORIES

Inventories are summarized as follows:

	August 2, 1998	February 1, 1998
Raw materials	$ 14,452	$ 15,964
Work in process	14,192	15,216
Finished goods	274,138	218,354
Total	$302,782	$249,534

Inventories are stated at the lower of cost or market. Cost for apparel inventories, excluding certain sportswear inventories, is determined using the last-in, first-out method (LIFO). Cost for footwear and certain sportswear inventories is determined using the first-in, first-out method (FIFO). Inventories would have been approximately $12,200 higher than reported at August 2, 1998 and February 1, 1998, 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.

EXTRAORDINARY LOSS

On April 22, 1998, PVH issued $150 million of 9.5% senior subordinated notes due May 1, 2008 and used the net proceeds to retire its intermediate term 7.75% senior notes and to repay a portion of the borrowings under its prior revolving credit facility. On the same day, PVH refinanced its revolving credit facility by entering into a new $325 million senior secured credit facility. In connection therewith, the Company paid a yield maintenance premium of $1.4 million and wrote off certain debt issue costs of $0.2 million. These items have been classified as an extraordinary loss, net of tax benefit of $0.5 million, in the first quarter of 1998.

FACILITY AND STORE CLOSING AND RESTRUCTURING AND OTHER EXPENSES

On July 31, 1997, the Company announced that it would take a series of actions to accelerate the execution of its ongoing strategy to build its brands. Included in these actions were the closing of approximately 150 outlet stores, repositioning the Gant brand in the United States to be consistent with its highly successful positioning in Europe and Asia, exiting the sweater manufacturing business and restructuring warehousing and distribution facilities as well as other logistical and administrative areas in order to reduce costs and improve efficiencies. As a result, the Company recorded a non-recurring pre-tax charge of $57,000 ($36,800 after tax, or $1.36 a diluted share) in the second quarter of 1997.

SEGMENT DATA

PVH 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 under the provisions of FASB Statement No. 131, "Disclosures about Segments of an Enterprise and Related Information", PVH evaluated its operating divisions and product offerings. Under the aggregation criteria of Statement No. 131, PVH aggregated 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, Izod Club, Gant and Geoffrey Beene. PVH's footwear business has been identified as the Footwear and Related Products segment. This segment derives revenues from marketing casual and weekend footwear, apparel and accessories under the Bass brand name.

Sales for both segments occur principally in the United States. There are no inter-segment sales. See "Management's Discussion and Analysis of Results of Operations and Financial Condition" for additional segment data.

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

RESULTS OF OPERATIONS

In the second quarter of 1997, the Company recorded a non-recurring pre-tax charge of $57 million related to a series of actions the Company has taken to accelerate the execution of its ongoing strategy to build its brands. See Notes to Condensed Consolidated Financial Statements.

The following statements of operations, segment data and discussion (where noted) segregate this non-recurring charge from the Company's ongoing operations.

(In thousands)	Statements of Operations			
	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	8/2/98	8/3/97	8/2/98	8/3/97
Net sales	$306,371	$313,458	$602,136	$599,383
Cost of goods sold (per page 3)	197,308	217,811	390,565	404,418
Non-recurring charge		(15,850)		(15,850)
Gross profit before non-recurring charge	109,063	111,497	211,571	210,815
SG&A expenses and non-recurring charge	95,770	142,160	197,724	243,164
Non-recurring charge		(41,150)		(41,150)
Selling, general and administrative expenses before non-recurring charge	95,770	101,010	197,724	202,014
Income before Year 2000 computer conversion expenses, interest, taxes and non-recurring charge	13,293	10,487	13,847	8,801
Year 2000 computer conversion expenses	2,250		4,250	
Income before interest, taxes and non-recurring charge	11,043	10,487	9,597	8,801
Interest expense, net	6,654	5,344	12,120	10,276
Income tax expense (benefit)	1,669	1,628	(759)	(450)
Income (loss) from ongoing operations before non-recurring charge	2,720	3,515	(1,764)	(1,025)
Non-recurring charge, net of tax benefit		(36,800)		(36,800)
Extraordinary loss, net of tax benefit			(1,060)	
Net income (loss)	$ 2,720	$(33,285)	$ (2,824)	$(37,825)

(In thousands)	Segment Data			
	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	8/2/98	8/3/97	8/2/98	8/3/97
Net sales-apparel	$203,597	$201,825	$408,986	$395,123
Net sales-footwear and related products	102,774	111,633	193,150	204,260
Total net sales	$306,371	$313,458	$602,136	$599,383
Operating income-apparel	$ 9,058	$ 7,371	$ 12,284	$ 6,827
Operating income-footwear and related products	7,137	7,748	7,718	10,396
Total operating income	16,195	15,119	20,002	17,223
Corporate expenses	(2,902)	(4,632)	(6,155)	(8,422)
Income (loss) before Year 2000 computer conversion expenses, interest, taxes and non-recurring charge	$ 13,293	$ 10,487	$ 13,847	$ 8,801

Excluding Year 2000 computer conversion expenses (net of tax benefit), basic and diluted earnings per share before extraordinary item for the thirteen and twenty-six weeks ended August 2, 1998, would have been $0.16 and $0.04, respectively.

Thirteen Weeks Ended August 2, 1998 Compared With Thirteen Weeks Ended August 3, 1997

APPAREL SEGMENT

Net sales of the Company's apparel segment in the second quarter increased to $203.6 million in 1998 compared with $201.8 million last year, a 0.9% increase. In the current quarter, branded wholesale apparel sales increased 13.1%, which was largely offset by the planned reduction in retail outlet stores and the divestment of the Company's private label sweater manufacturing business.

Gross profit on apparel sales was 34.0% in the current quarter compared with 33.5% last year (before the non-recurring charge), the fifth consecutive quarter of increased gross margin in this segment. Strength in dress shirts and Van Heusen sportswear were the primary factors in this increase.

Selling, general and administrative expenses as a percentage of apparel sales was 29.5% in the current quarter compared with 29.8% last year (before the non-recurring charge). The improved expense level relates principally to the Company's program of closing underperforming retail outlet stores.

FOOTWEAR AND RELATED PRODUCTS SEGMENT

Net sales of the Company's footwear and related products segment in the second quarter were $102.8 million in 1998 compared with $111.6 million last year, a decrease of 7.9%. This decrease was expected as Bass' sales and gross margins continued to be impacted negatively by the unsuccessful repositioning in Fall 1997 of the Bass brand to higher price points.

Gross profit on footwear and related products sales was 38.5% in the second quarter of 1998 compared with 39.1% last year (before the non-recurring charge). As noted above, this decreased was expected. The correction of the Bass inventory level was completed ahead of schedule in the second quarter, paving the way for an expected turnaround at Bass for the balance of the year.

Selling, general and administrative expenses as a percentage of footwear and related products sales in the second quarter was 31.6% in 1998 compared with 32.2% in 1997 (before the non-recurring charge). The decrease is due to a reduction in the Bass wholesale division's operating expenses.

INTEREST EXPENSE

Interest expense in the second quarter was $6.7 million in 1998 compared with $5.3 million last year. This increase resulted from higher debt levels associated with funding the Company's 1997 restructuring initiatives and from increased borrowing costs associated with the refinancings completed by the Company in the current year's first quarter, which extended the maturities of its long-term debt.

INCOME TAXES

Income tax expense in the second quarter of 1998 includes an adjustment to bring the year-to-date tax rate to the full year estimated rate of 30.0%. The 1998 tax rate is higher than the full year 1997 rate of 23.9% (before non-recurring charges) due to tax exempted income from operations in Puerto Rico comprising a smaller percentage of 1998 pre-tax income than in the prior year, due principally to the divestment of the Company's Puerto Rico sweater manufacturing operations.

CORPORATE EXPENSES

Corporate expenses in the second quarter were $2.9 million in 1998 compared with $4.6 million in 1997. The decrease relates to the timing of certain expenses, as corporate expenses for the full year are expected to approximate the 1997 total.

Twenty-Six Weeks Ended August 2, 1998 Compared With Twenty-Six Weeks Ended August 3, 1997

APPAREL SEGMENT

Net sales of the Company's apparel segment in the first half were $409.0 million in 1998, an increase of 3.5% from the prior year's $395.1 million. Sales of the Company's wholesale branded apparel business increased 16.4% in the current year's first half compared with last year. This was offset, in part, by the planned reduction in retail outlet stores and the divestment of the Company's private label sweater manufacturing business.

Gross profit on apparel sales was 33.8% in the first half of 1998 compared with 33.2% last year (before the non-recurring charge). Strength in dress shirts, Van Heusen sportswear and Geoffrey Beene were the primary factors in this increase.

Selling, general and administrative expenses as a percentage of apparel sales in the first half was 30.8% in 1998 compared with 31.5% in 1997 (before the non-recurring charge). The improved expense level relates principally to the Company's program of closing underperforming retail outlet stores.

FOOTWEAR AND RELATED PRODUCTS SEGMENT

Net sales of the Company's footwear and related products segment in the first half were $193.2 million in 1998, a 5.4% decrease from $204.3 million last year. This decrease was expected as Bass' sales and gross margins continued to be impacted negatively by the unsuccessful repositioning in Fall 1997 of the Bass brand to higher price points.

Gross profit on footwear and related products sales was 37.7% in the first half of 1998 compared with 38.8% last year (before the non-recurring charge). As noted above, this decrease was expected. The correction of the Bass inventory level was completed ahead of schedule in the second quarter, paving the way for an expected turnaround at Bass for the balance of the year.

Selling, general and administrative expenses as a percentage of footwear and related products sales in the first half was 33.7% in both 1998 and 1997 (before the non-recurring charge).

INTEREST EXPENSE

Interest expense in the first half was $12.1 million in 1998 compared with $10.3 million last year. This increase resulted from higher debt levels associated with funding the Company's 1997 restructuring initiatives and from increased borrowing costs associated with the refinancings completed by the Company in the current year's first quarter, which extended the maturities of its long-term debt.

INCOME TAXES

Income taxes in the first half were estimated at a rate of 30.0% in 1998 compared with last year's full year rate of 23.9% (before non-recurring charges). The 1998 tax rate is higher due to tax exempted income from operations in Puerto Rico comprising a smaller percentage of 1998 pre-tax income than in the prior year, due principally to the divestment of the Company's Puerto Rico sweater manufacturing operations.

CORPORATE EXPENSES

Corporate expenses in the first half were $6.2 million in 1998 compared with $8.4 million in 1997. The decrease relates to the timing of certain expenses, as corporate expenses for the full year are expected to approximate the 1997 total.

YEAR 2000

The Company incurred $2.3 million and $4.3 million of computer conversion expenses in the current quarter and first half of 1998, respectively, in connection with making its computer systems Year 2000 compliant. The Company expects to incur additional Year 2000 computer conversion expenses of approximately $4.2 million in the current year and $8.5 million in 1999. The Company is utilizing both internal and external resources to remediate, or replace, and test the software for Year 2000 modifications.

The Company has identified three phases of its Year 2000 Project: (i) Inventory, (ii) Assessment and (iii) Remediation and Testing. As of September 1, 1998 the Inventory and Assessment phases have been completed, and significant progress has been made in the remediation and testing phase. The Company anticipates completing the Year 2000 Project by June 30, 1999.

The cost of the project and the date on which the Company believes it will complete the Year 2000 modifications are based on management's estimates. The Company presently believes that the Year 2000 issue will not pose significant operational problems for its computer systems. The Company has also communicated with its customers and suppliers in order to determine whether the Year 2000 issue will impact the ability of those companies' computer systems to interface with the Company's systems or will otherwise impact the ability of those companies to transact business with the Company. The Company is not aware of any such material issues with its customers and suppliers. However, due to uncertainties inherent in the Year 2000 issue, the Company has developed various courses of action to mitigate the effect of any unforeseen disruptions resulting from non-compliance either by the Company's computer systems, or those of other companies on which the Company's systems and operations rely. Notwithstanding such contingency plans, if the required modifications and conversions are not made, or are not completed timely, or the systems of other companies on which the Company's systems and operations rely are not converted on a timely basis, the Year 2000 issue could have a material adverse impact on the Company's operations.

FACILITY AND STORE CLOSING AND RESTRUCTURING AND OTHER EXPENSES

On July 31, 1997, the Company announced that it would take a series of actions to accelerate the execution of its ongoing strategy to build its brands. Included in these actions were the closing of approximately 150 outlet stores, repositioning the Gant brand in the United States to be consistent with its highly successful positioning in Europe and Asia, exiting the sweater manufacturing business and restructuring warehousing and distribution facilities as well as other logistical and administrative areas in order to reduce costs and improve efficiencies. As a result, the Company recorded a non-recurring pre-tax charge of $57 million ($36.8 million after tax or $1.36 a diluted share) in the second quarter of 1997.

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 half was $56.3 million in 1998 and $64.5 million last year. The Company's seasonal inventory build-up was less than in the prior year due principally to a lower Bass inventory build-up than in the prior year, and to a lesser extent, the divestment of the Company's private label sweater manufacturing business. Partially offsetting this decrease was spending in 1998 associated with the Company's 1997 restructuring initiatives.

Capital spending in the first half was $8.0 million in 1998 compared with $6.8 million last year. The Company anticipates a significant increase in overall capital spending levels in 1998 due principally to the anticipated consolidation of its New York City offices into one location.

On April 22, 1998, the Company issued $150 million of 9.5% senior subordinated notes due May 1, 2008, and used the net proceeds to retire its intermediate term 7.75% senior notes and reduce its revolving credit debt. At the same time, the Company re-syndicated and refinanced its revolving credit facility with a new $325 million senior secured credit facility with a group of 12 banks. While these refinancings will increase the overall cost of the Company's borrowings, the Company believes they should provide a secure financial base which will allow the Company to focus its attention on the execution of its strategic business plan. The new revolving credit facility 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 in the foreseeable future. In addition, the retirement of the Company's intermediate term 7.75% senior notes eliminates all long-term debt repayment requirements for the next 10 years.

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* 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; (iii) the Company's plans and results of*
* operations will be affected by the Company's ability to manage its growth  *
* and inventory; (iv) the timing and effectiveness of programs dealing       *
* with the Year 2000 issue; and (v) other risks and uncertainties indicated  *
* from time to time in the Company's filings with the Securities and Exchange*
* Commission.                                                                 *
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Part II - OTHER INFORMATION

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF STOCKHOLDERS

The annual stockholders' meeting was held on June 18, 1998. There were present in person or by proxy, holders of 24,596,846 shares of Common Stock, or 90.5% of all votes eligible for the meeting.

The following directors were elected to serve for a term of one year:

	For	Vote Withheld
Edward H. Cohen	24,199,685	397,161
Joseph B. Fuller	24,197,285	399,561
Joel H. Goldberg	24,198,933	397,913
Marc Grosman	24,193,293	403,553
Dennis F. Hightower	24,200,235	396,611
Bruce J. Klatsky	24,198,142	398,704
Maria Elena Lagomasino	24,197,185	399,661
Harry N.S. Lee	24,200,279	396,567
Bruce Maggin	24,198,835	398,011
Sylvia M. Rhone	24,193,443	403,403
Peter J. Solomon	24,199,285	397,561
Mark Weber	24,198,364	398,482
Irwin W. Winter	24,198,708	398,138

The proposal for Ernst & Young LLP to serve as the Company's independent auditors until the next stockholders' meeting was ratified. The vote was 24,526,862 For and 54,276 Against.

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 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).

4.6 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).

4.7 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).

4.8 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 April 29, 1997 (incorporated by reference to Exhibit 10.1 to the Company's report on Form 10-Q for the period ended May 4, 1997).

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 Amendment to 1973 Employees' Stock Option Plan, effective as of April 29, 1997 (incorporated by reference to Exhibit 10.12 to the Company's report on Form 10-Q for the period ended May 4, 1997).

10.5 Phillips-Van Heusen Corporation Special Severance Benefit Plan, as amended as of April 16, 1996 (incorporated by reference to Exhibit 10.4 to the Company's Annual Report on Form 10-K for the fiscal year ended January 28, 1996).

10.6 Phillips-Van Heusen Corporation Capital Accumulation Plan (incorporated by reference to the Company's Report on Form 8-K filed on January 16, 1987).

10.7 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).

10.8 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).

10.9 Form of Agreement amending Phillips-Van Heusen Corporation Capital Accumulation Plan with respect to individual participants (incorporated by reference to Exhibit 10.8 to the Company's report on Form 10-Q for the period ending October 29, 1995).

10.10 Agreement amending Phillips-Van Heusen Corporation Capital Accumulation Plan with respect to Bruce J. Klatsky (incorporated by reference to Exhibit 10.13 to the Company's report on Form 10-Q for the period ended May 4, 1997).

10.11 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).

10.12 Phillips-Van Heusen Corporation Supplemental Savings Plan, effective as of January 1, 1991 and amended and restated as of April 29, 1997 (incorporated by reference to Exhibit 10.10 to the Company's report on Form 10-Q for the period ended May 4, 1997).

10.13 Non-Incentive Stock Option Agreement, dated as of December 3, 1993, between the Company and Bruce J. Klatsky (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).

10.14 Phillips-Van Heusen Corporation 1997 Stock Option Plan, effective as of April 29, 1997 (incorporated by reference to Exhibit 10.14 to the Company's report on Form 10-Q for the period ending August 3, 1997).

10.15 Phillips-Van Heusen Corporation Senior Management Bonus Program for fiscal year 1998.

15. Acknowledgement of Independent Accountants.

27. Financial Data Schedule

(b) Reports on Form 8-K filed during the quarter ended August 2, 1998.

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 15, 1998

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

Exhibit 15

August 19, 1998

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) Post-Effective Amendment No. 4 to Registration Statement (Form S-8, No. 2-72959), Post Effective Amendment No. 6 to Registration Statement (Form S-8, No. 2-64564), and Post Effective Amendment No. 13 to Registration Statement (Form S-8, No. 2-47910), each of which relate to the 1973 Employee's Stock Option Plan of Phillips-Van Heusen Corporation, and

(v) 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,

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

of our reports dated August 19, 1998 and May 20, 1998 relating to the unaudited condensed consolidated interim financial statements of Phillips-Van Heusen Corporation that are included in its Forms 10-Q for the thirteen week periods ended August 2, 1998 and May 3, 1998.

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

PHILLIPS-VAN HEUSEN CORPORATION

1998 SENIOR MANAGEMENT BONUS PROGRAM

For fiscal year 1998, Phillips-Van Heusen (the "Company") implemented a senior management bonus program under which 17 senior management executives may receive a bonus based on (a) for executives with corporate responsibility, earnings targets for the Company as a whole and (b) for executives responsible for a division or divisions, earnings targets for such division(s).

Threshold, budget and maximum earnings targets were set by the Company, and bonus payments will be calculated in relation to the extent to which earnings fall within the target range. The amount of the bonus payment will be a varying percentage of a participant's base salary.

The amount of a participant's bonus payment, if any, for the 1998 fiscal year will be determined by the end of the first quarter of the 1999 fiscal year. Payment of such bonus will be subject to a vesting period, ending the last day of the 1999 fiscal year. Payment of such bonus will be made on the first day of the 2000 fiscal year, together with interest accruing from the first day of the second quarter of the 1999 fiscal year.

In the event of the death or disability of a participant during the 1998 fiscal year, the participant or his or her estate will receive the bonus, if any, which would otherwise have been payable to the participant for the fiscal year, pro rated to reflect the portion of the fiscal year worked by the participant. In order to remain eligible to receive a bonus, a participant must be employed by the Company on the last day of the vesting period or must have died or become disabled during the 1999 fiscal year.

The Compensation Committee reserves the right to amend this Program for the benefit of any participant or waive any of its provisions (including the vesting period).

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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 AUGUST 2, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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6-MOS
JAN-31-1999
AUG-02-1998
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87,728
2,704
302,782
434,748
90,284
0
711,526
178,197
249,364
0
0
27,203
187,434
711,526
602,136
602,136
390,565
390,565
201,974
0
12,120
(2,523)
759
(1,764)
0
(1,060)
0
(2,824)
(0.10)
(0.10)

Property, plant and equipment is presented net of accumulated depreciation.
Provision for doubtful accounts is included in other costs and expenses.
NOTE: PVH Adopted FASB Statement No. 128, "Earnings Per Share", in the fourth quarter of 1997. The EPS data for the six months ended August 3, 1997 would not change when computed under the guidance of this statement.