

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 28, 1996

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 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 No

The number of outstanding shares of common stock, par value \$1.00 per
share, of Phillips-Van Heusen Corporation as of August 29, 1996: 26,998,936
shares.

PHILLIPS-VAN HEUSEN CORPORATION

INDEX

PART I -- FINANCIAL INFORMATION

Independent Accountants Review Report.....	1
Condensed Consolidated Balance Sheets as of July 28, 1996 and January 28, 1996.....	2
Condensed Consolidated Statements of Operations for the thirteen weeks and twenty-six weeks ended July 28, 1996 and July 30, 1995.....	3
Condensed Consolidated Statements of Cash Flows for the twenty-six weeks ended July 28, 1996 and July 30, 1995.....	4
Notes to Condensed Consolidated Financial Statements.....	5-7
Management's Discussion and Analysis of Results of Operations and Financial Condition.....	8-11

PART II -- OTHER INFORMATION

ITEM 4 - Submission of Matters to a Vote of Stockholders.....	12
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ITEM 6 - Exhibits and Reports on Form 8-K.....	12-16
Signatures.....	17
Exhibit--Acknowledgment of Independent Accountants.....	18
Exhibit--Financial Data Schedule.....	19

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 28, 1996, and the related condensed consolidated statements of operations for the thirteen and twenty-six week periods ended July 28, 1996 and July 30, 1995, and the related condensed consolidated statements of cash flows for the twenty-six week periods ended July 28, 1996 and July 30, 1995. 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 28, 1996, 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 12, 1996, 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 28, 1996, 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 13, 1996

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

	UNAUDITED July 28, 1996	AUDITED January 28, 1996
ASSETS		
Current Assets:		
Cash, including cash equivalents of \$6,443 and \$8,474	\$ 14,139	\$ 17,533
Trade receivables, less allowances of \$5,050 and \$5,514	83,439	109,866
Income tax refund receivable	-	16,987
Inventories	325,673	276,773
Other, including deferred taxes of \$9,801	24,567	23,505
Total Current Assets	447,818	444,664
Property, Plant and Equipment	138,281	143,398
Goodwill	118,318	119,914
Other Assets, including deferred taxes of \$22,113	38,701	41,079
	\$743,118	\$749,055
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Notes payable	\$ 80,000	\$ 61,590
Accounts payable	37,266	38,796
Accrued expenses	65,140	72,603
Current portion of long-term debt	10,137	10,137
Total Current Liabilities	192,543	183,126
Long-Term Debt, less current portion	229,552	229,548
Other Liabilities	53,103	61,089
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 26,995,486 and 26,979,352	26,995	26,979
Additional Capital	116,056	115,977
Retained Earnings	124,869	132,336
Total Stockholders' Equity	267,920	275,292
	\$743,118	\$749,055

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	
	July 28, 1996	July 30, 1995	July 28, 1996	July 30, 1995
Net sales	\$313,807	\$349,493	\$587,467	\$632,480
Cost of goods sold	208,482	229,896	389,045	415,479
Gross profit	105,325	119,597	198,422	217,001
Selling, general and administrative expenses	96,363	107,704	192,721	205,460
Income before interest and taxes	8,962	11,893	5,701	11,541
Interest expense, net	5,918	5,939	12,071	10,722
Income (loss) before taxes	3,044	5,954	(6,370)	819
Income tax expense (benefit)	918	2,060	(1,942)	285
Net income (loss)	\$ 2,126	\$ 3,894	\$ (4,428)	\$ 534
Net income (loss) per share	\$ 0.08	\$ 0.15	\$ (0.16)	\$ 0.02
Cash dividends per share	\$ 0.0375	\$ 0.0375	\$ 0.075	\$ 0.075

See accompanying notes.

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

	Twenty-Six Weeks Ended	
	July 28, 1996	July 30, 1995
OPERATING ACTIVITIES:		
Net Income (loss)	\$ (4,428)	\$ 534
Adjustments to reconcile net income (loss) to net cash used by operating activities:		
Depreciation and amortization	15,097	16,222
Amortization of contributions from landlords	(3,212)	(3,693)
Deferred income taxes	-	(910)
Other-net	-	304
Changes in operating assets and liabilities:		
Receivables	27,369	6,984
Income tax refund	16,987	
Inventories	(48,900)	(91,322)
Accounts payable and accrued expenses	(8,970)	(43,551)
Other-net	(2,629)	(492)
Net Cash Used By Operating Activities	(8,686)	(115,924)
INVESTING ACTIVITIES:		
Acquisition of the Apparel Group of Crystal Brands, Inc.	-	(114,503)
Property, plant and equipment acquired	(10,565)	(19,512)
Contributions from landlords	974	4,393
Other-net	(587)	(78)
Net Cash Used By Investing Activities	(10,178)	(129,700)
FINANCING ACTIVITIES:		
Proceeds from revolving line of credit and long-term borrowings	47,414	185,300
Payments on revolving line of credit and long-term borrowings	(29,000)	(2,205)
Exercise of stock options	95	702
Cash dividends	(3,039)	(3,000)
Net Cash Provided By Financing Activities	15,470	180,797
Decrease In Cash	(3,394)	(64,827)
Cash at beginning of period	17,533	80,473
Cash at end of period	\$ 14,139	\$ 15,646

See accompanying notes.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(DOLLARS 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 January 28, 1996.

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 thirteen and twenty-six weeks ended July 28, 1996 and July 30, 1995 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 July 30, 1995 to present that information on a basis consistent with the thirteen and twenty-six weeks ended July 28, 1996.

INVENTORIES

Inventories are summarized as follows:

	July 28, 1996	January 28, 1996
Raw materials	\$ 19,111	\$ 14,194
Work in process	15,555	13,145
Finished goods	291,007	249,434
Total	\$325,673	\$276,773

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 \$13,564 and \$12,923 higher than reported at July 28, 1996 and January 28, 1996, respectively, if the FIFO method of inventory accounting had been used for the entire apparel business.

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.

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 28, 1996	July 30, 1995	July 28, 1996	July 30, 1995
Net sales-apparel	\$223,227	\$255,944	\$423,425	\$460,935
Net sales-footwear	90,580	93,549	164,042	171,545
Total net sales	\$313,807	\$349,493	\$587,467	\$632,480
Operating income-apparel	\$ 3,491	\$ 6,336	\$ 1,185	\$ 5,003
Operating income-footwear	8,115	8,435	10,330	11,792
Total operating income	11,606	14,771	11,515	16,795
Corporate expenses	(2,644)	(2,878)	(5,814)	(5,254)
Interest expense, net	(5,918)	(5,939)	(12,071)	(10,722)
Income (loss) before taxes	\$ 3,044	\$ 5,954	\$ (6,370)	\$ 819

ACQUISITION

On February 17, 1995, the Company completed the acquisition of the Apparel Group of Crystal Brands, Inc. (Gant and Izod) 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.

OTHER

The Company is a party to certain litigation which, in management's judgement based in part on the opinion of legal counsel, will not have a material adverse effect on the Company's financial position.

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

RESULTS OF OPERATIONS

Thirteen Weeks Ended July 28, 1996 Compared to Thirteen Weeks Ended July 30, 1995

APPAREL

Net sales of the Company's apparel segment in the second quarter were \$223.2 million in 1996 and \$255.9 million last year, a decrease of 12.8%. The decrease in sales was due principally to the previously announced closing of factory outlet retail stores and a planned reduction in lower margin private label business, as well as the prior year's high level of clearance activity related to the closing of the Company's private label outlet stores. These strategic initiatives more than offset sales gains made this year in the Company's branded product lines.

Gross profit on apparel sales was 31.4% in the second quarter of 1996 compared to 32.7% in last year's second quarter. Selling, general and administrative expenses as a percentage of apparel sales in the second quarter was 29.9% in 1996 and 30.3% in 1995.

FOOTWEAR

Net sales of the Company's footwear segment were \$90.6 million in the second quarter of 1996 and \$93.5 million last year, a decrease of 3.1%. The decrease was due principally to the previously announced closing of factory outlet retail stores.

Gross profit on footwear sales was 38.5% in the second quarter of 1996 compared to 38.3% in last year's second quarter. Selling, general and administrative expenses as a percentage of footwear sales in the second quarter was 29.5% in 1996 and 29.3% in 1995.

INTEREST EXPENSE

Net interest expense was \$5.9 million in the second quarter of 1996 and 1995.

INCOME TAXES

Income tax was estimated at a rate of 30.2% for the second quarter of 1996 compared to 34.6% in last year's second quarter. The decrease in the 1996 rate is due principally to a lower proportion of U.S. income taxed at normal rates versus tax exempted income from operations in Puerto Rico.

CORPORATE EXPENSES

Corporate expenses were \$2.6 million in the second quarter of 1996 compared to \$2.9 million in 1995.

Twenty-Six Weeks Ended July 28, 1996 Compared to Twenty-Six Weeks Ended July 30, 1995

APPAREL

Net sales of the Company's apparel segment were \$423.4 million during the first six months of 1996, a decrease of 8.1% from the prior year's \$460.9 million. The decrease in sales was due principally to the previously announced closing of factory outlet retail stores and a planned reduction in lower margin private label business, as well as the prior year's high level of clearance activity related to the closing of the Company's private label outlet stores. These strategic initiatives more than offset sales gains made this year in the Company's branded product lines.

Gross profit on apparel sales was 32.4% in the first half of 1996 compared to 32.7% in last year's first half. Selling, general and administrative expenses as a percentage of apparel sales in the first half was 32.1% in 1996 and 31.6% in 1995.

FOOTWEAR

Net sales of the Company's footwear segment were \$164.0 million during the first six months of 1996, a decrease of 4.4% from the prior year's \$171.5 million. The decrease was due principally to the previously announced closing of factory outlet retail stores.

Gross profit on footwear sales was 37.3% in the first half of 1996 compared to 38.7% in last year's first half. Selling, general and administrative expenses as a percentage of footwear sales in the first half was 31.0% in 1996 and 31.8% in 1995.

INTEREST EXPENSE

Net interest expense was \$12.1 million in the first half of 1996 compared with \$10.7 million last year. The increase is directly related to the timing of the Gant and Izod acquisition and the funding of the cash portion of the Company's prior year \$27 million restructuring initiatives.

INCOME TAXES

Income tax was estimated at a rate of 30.5% for the first half and year of 1996 compared with last year's rate of 34.8% for the first half and year. The decrease in the 1996 rate is due principally to a lower proportion of U.S. income taxed at normal rates versus tax exempted income from operations in Puerto Rico.

CORPORATE EXPENSES

Corporate expenses were \$5.8 million in the first half of 1996 compared to \$5.3 million in 1995. The increase is due solely to timing as expenses are expected to be substantially flat for the year.

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 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 \$8.7 million in 1996 and \$115.9 million last year. The decrease is principally related to the reduction in working capital requirements due to the downsizing of the Company's retail business.

Capital spending was \$10.6 million in the first half of 1996 as compared with \$19.5 million last year. The decrease is in line with the Company's planned capital spending reduction.

The Company has a credit agreement which includes a revolving credit facility under which the Company may, at its option, borrow and repay amounts within certain limits. The credit agreement also includes a letter of credit facility. The total amount available to the Company under each of the revolving credit and the letter of credit facility is \$250 million provided, however, that the aggregate maximum amount outstanding at any time under both facilities is \$400 million. The Company believes that its borrowing capacity under this facility is adequate for its 1996 peak seasonal needs. At the end of the current and prior year's second quarter, the Company estimated that \$70 million of the outstanding borrowings under this facility were non-current. The Company's long-term debt (net of invested cash) as a percentage of total capital is 45.4% at the end of the current quarter compared with 45.7% at the end of last year's second quarter.

* * *

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* Safe Harbor Statement Under the Private Securities Litigation Reform Act *
* of 1995: Except for the historical information contained herein, the *
* matters discussed in this Form 10-Q report may be deemed to consist of *
* forward-looking statements that may involve risks to and uncertainties in *
* the Company's business. Such risks and uncertainties primarily relate to *
* the levels of sales of the Company's apparel and footwear products, both *
* to its wholesale customers and in its retail stores, to the extent of *
* discounts and promotional pricing in which the Company is required to *
* engage, and to other risks and uncertainties which may be detailed from *
* time to time in the Company's reports filed with the Securities and *
* Exchange Commission. *
*

Part II - OTHER INFORMATION

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF STOCKHOLDERS

The annual stockholders' meeting was held on June 18, 1996. There were present in person or by proxy, holders of 25,028,637 shares of Common Stock or 92.7% of all votes eligible for the meeting.

The amendment to the Company's Certificate of Incorporation to eliminate the classification of the Board of Directors and the election of the classes of directors on a staggered basis and to provide for the annual election of all members of the Board for a term of one year or until their successors are elected and qualified was adopted with a vote of 21,639,508 For and 384,473 Against.

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

	For	Vote Withheld
Edward H. Cohen	24,788,789	239,848
Estelle Ellis	24,784,741	243,896
Joseph B. Fuller	24,794,397	234,240
Bruce J. Klatsky	24,787,845	240,792
Maria Elena Lagomasino	24,833,693	194,944
Harry N.S. Lee	24,795,348	233,289
Bruce Maggin	24,842,846	185,791
Ellis E. Meredith	24,841,046	187,591
Steven L. Osterweis	24,832,987	195,650
William S. Scolnick	24,792,487	236,150
Peter J. Solomon	24,793,423	235,214
Irwin W. Winter	24,790,123	238,514

Ernst & Young LLP were appointed to serve as the Company's independent auditors until the next stockholders' meeting. The vote was 24,879,542 For and 113,877 Against.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

(a) The following exhibits are included herein:

- 3.1 Certificate of Amendment of the Certificate of Incorporation, dated as of June 20, 1996.
- 3.2 By-Laws of Phillips-Van Heusen Corporation, as amended through June 18, 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 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 Second Amendment, dated as of July 17, 1995, to the Credit Agreement dated as of December 16, 1993 (incorporated by reference to Exhibit 4.7 to the Company's report on Form 10-Q for the period ending October 29, 1995).
- 4.8 Third Amendment, dated as of September 27, 1995, to the Credit Agreement dated as of December 16, 1993 (incorporated by reference to Exhibit 4.8 to the Company's report on Form 10-Q for the period ending October 29, 1995).
- 4.9 Fourth Amendment, dated as of September 28, 1995, to the Credit Agreement dated as of December 16, 1993 (incorporated by reference to Exhibit 4.9 to the Company's report on Form 10-Q for the period ending October 29, 1995).
- 4.10 Fifth Amendment, dated as of April 1, 1996, to the Credit Agreement dated as of December 16, 1993 (incorporated by reference to Exhibit 4.10 to the Company's Annual Report on Form 10-K for the fiscal year ended January 28, 1996).
- 4.11 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).

- 4.12 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).
- 4.13 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).
- 4.14 First Amendment Agreement, dated as of June 24, 1996, to the Note Agreement, dated as of October 1, 1992.
- 4.15 Certificate of Amendment of the Certificate of Incorporation, dated as of June 20, 1996 (included as Exhibit 3.1 to this Report).
- 4.16 Amendment to the By-Laws of Phillips-Van Heusen Corporation, dated as of June 18, 1996 (included as Exhibit 3.2 to this Report).
- 10.1 1987 Stock Option Plan, including all amendments through June 13, 1995 (incorporated by reference to Exhibit 10.1 to the Company's report on Form 10-Q for the period ended October 29, 1995).
- 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, 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).
- 10.5 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 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).
- 10.9 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).
- 10.10 Phillips-Van Heusen Corporation Supplemental Savings Plan, dated as of January 1, 1991 and amended and restated as of July 1, 1995 (incorporated by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K for the fiscal year ended January 28, 1996).
- 10.11 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).
- 10.12 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).
- 10.13 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).
- 10.14 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).
- 10.15 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).
- 10.16 Performance Restricted Stock Plan, as amended as of April 16, 1996 (incorporated by reference to Exhibit 10.16 to the Company's Annual Report on Form 10-K for the fiscal year ended January 28, 1996).

10.17 Phillips-Van Heusen Corporation (Crystal Brands Division)
Associates Investment Plan, dated as of November 1, 1985, as
amended and restated as of July 1, 1995 (incorporated by reference
to Exhibit 10.17 to the Company's report on Form 10-Q for the
period ended April 28, 1996).

15. Acknowledgement of Independent Accountants.

27. Financial Data Schedule

(b) Reports on Form 8-K filed during the quarter ended July 28, 1996.

Report on Form 8-K, Dated as of April 16, 1996, the Board of Directors
authorized the extension of the Rights Agreement, Dated as of June 10,
1986.

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 10, 1996

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

August 13, 1996

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-3, No. 33-50751), Registration Statement (Form S-8, No. 33-59602), Registration Statement (Form S-3, No. 33-46770), 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 13, 1996 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 28, 1996.

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

CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF
PHILLIPS-VAN HEUSEN CORPORATION

The undersigned, being the President of PHILLIPS-VAN HEUSEN CORPORATION, a Delaware corporation (the "Corporation"), does, pursuant to Section 242 of the General Corporation Law of the State of Delaware, hereby certify that:

FIRST: The Certificate of Incorporation of the Corporation is hereby amended by striking out ARTICLE FIFTH thereof in its entirety and by substituting in lieu thereof the following:

"FIFTH: The Board of Directors shall consist of not less than 9 nor more than 21 members as determined from time to time by the Board of Directors."

SECOND: The foregoing amendment to the Certificate of Incorporation of the Corporation was duly adopted in accordance with the provisions of Section 242 of the Delaware General Corporation Law by the Board of Directors of the Corporation and by the vote of not less than 80% of the outstanding common stock of the Corporation (the only outstanding stock of the Corporation entitled to vote thereon).

1

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Amendment and affirms, under penalties of perjury, that this instrument is the act or deed of the undersigned and the facts stated herein are true.

Dated this 18th day of June, 1996.

/s/ Bruce J. Klatsky
Bruce J. Klatsky
President

BY-LAWS
OF
PHILLIPS-VAN HEUSEN CORPORATION

ARTICLE I
STOCKHOLDERS

SECTION 1. Annual Meetings. A meeting of the stockholders shall be held annually at 10:00 A.M. on the first Tuesday after the first Monday in June, or at such other time and on such other date and at such place, within or without the State of Delaware, as may from time to time be fixed by the Board of Directors, for the purpose of electing directors and for the transaction of such other proper business as may come before the meeting.

SECTION 2. Special Meetings. Special meetings of the stockholders may be called at any time by the Chairman of the Board or by the President or by the Board of Directors or by the Executive Committee, and shall be called by the Secretary upon the written request of stockholders of record holding a majority of the outstanding shares of the Corporation entitled to vote at the meeting, which request shall state the purpose or purposes for which the meeting is to be called. Special meetings of the stockholders shall be held at such time and on such date and at such place, within or without the State of Delaware, as shall be specified in the call thereof.

SECTION 3. Notice of Meetings. Written notice of each annual or special meeting of the stockholders shall be given which shall state the place, date and hour thereof, and, in the case of a special meeting, the purpose or purposes for which the meeting is called and the person or persons who shall have called the meetings. The written notice of any meeting shall be given, not less than ten or more than sixty days before the date of the meeting, to each stockholder entitled to vote at the meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the Corporation. If the notice of a special meeting shall state as a purpose of the meeting the transaction of any business that may come before the meeting, then at the meeting any proper business may be transacted, whether or not referred to in the notice thereof.

SECTION 4. Quorum. At any meeting of the stockholders, the presence, in person or by proxy, of the holders of a majority of the outstanding shares of the Corporation entitled to vote thereat shall be necessary to constitute a quorum for the transaction of any business. If there shall not be a quorum at

any meeting, the holders of a majority of the shares entitled to vote thereat who shall be present at the meeting, in person or by proxy, may adjourn the meeting from time to time without further notice until holders of a majority of the outstanding shares entitled to vote thereat shall attend. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting.

SECTION 5. Voting. Each share entitled to vote on any matter at any meeting of the stockholders, present in person or by proxy, shall carry the right to one vote on such matter.

SECTION 6. Inspectors. The Board of Directors, in advance of any meeting of the stockholders, may appoint one or more inspectors to act at the meeting. If inspectors are not so appointed, the person presiding at the meeting may, and on the request of any stockholder entitled to vote thereat shall, appoint inspectors. If appointed on the request of a stockholder, the holders of a majority of the shares present and entitled to vote thereat shall determine the number of inspectors to be appointed. If any person so appointed fails to appear or act, the vacancy may be filled by appointment made by the Board of Directors in advance of the meeting or at the meeting by the person presiding thereat. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector at the meeting with strict impartiality and according to the best of his ability. The inspectors so appointed shall determine the number of shares

outstanding, the shares represented at the meeting, the existence of a quorum and the validity and effect of proxies and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the results and do such acts as are proper to conduct the election or vote with fairness to all stockholders. On request of the person presiding at the meeting or any stockholder entitled to vote thereat, the inspectors shall make a report in writing of any challenge, question or matter determined by them and execute a certificate of any fact found by them. Any report or certificate made by them shall be prima facie evidence of the facts stated and of the vote as certified by them.

ARTICLE II
DIRECTORS

SECTION 1. Number; Qualification; Election; Term of Office. The number of directors of the Corporation shall be twelve or such other number, but not more than 21 or less than nine, as the Board of Directors may from time to time determine. Directors need not be stockholders. At each annual meeting of the stockholders, directors shall be chosen for a term of one year to succeed those whose terms expire. Each director shall hold office until his successor is elected and qualified or until his earlier resignation or removal.

SECTION 2. Duties and Powers. The Board of Directors shall manage the business and affairs of the Corporation.

SECTION 3. Meetings. A meeting of the Board of Directors shall be held for the election of officers and for the transaction of such other business as may come before the meeting as promptly as practicable after the annual meeting of the stockholders. Other regular meetings of the Board of Directors may be held at such times and at such places as the Chairman of the Board or the President may from time to time determine. Special meetings of the Board of Directors may be called at any time by the Chairman of the Board or by the President or by a majority of the directors then in office. Meetings of the Board of Directors may be held within or without the State of Delaware.

SECTION 4. Notice of Meetings. Notice of each regular or special meeting of the Board of Directors shall be given by service on each director in person or by mailing or telegraphing the same to him at his address as it appears on the records of the Corporation at least one day, if given in person or by telegraphing the same, or at least three days, if given by mailing the same, before the date designated for such meeting, specifying the place, date and hour of the meeting and, if it is for a special meeting, the purpose or purposes for which the meeting is called. At any meeting of the Board of Directors at which every director shall be present, even though without such notice, any business may be transacted. Any acts or proceedings taken at a meeting of the Board of Directors not validly called or constituted may be made valid and fully effective by ratification at a subsequent meeting which shall be legally and validly called or constituted. Notice of any regular meeting of the Board of Directors need not state the purpose of the meeting and, at any regular meeting duly held, any business may be transacted. If the notice of a special meeting shall state as a purpose of the meeting the transaction of any business that may come before the meeting, then at the meeting any business may be transacted, whether or not referred to in the notice thereof.

SECTION 5. Quorum and Voting. At any meeting of the Board of Directors, the presence of one-third of the directors then in office shall constitute a quorum for the transaction of business. The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. At all meetings of the Board of Directors, each director shall have one vote.

SECTION 6. Resignation. Any director may resign at any time upon written notice to the Corporation. Any such resignation may provide that such resignation shall take effect, immediately or on any future date stated in such notice, without acceptance by the Corporation.

SECTION 7. Vacancies. In the event that any vacancy shall occur in the Board of Directors, whether because of death,

resignation, removal, newly created directorships resulting from any increase in the authorized number of directors or any other reason, such vacancy may be filled by the vote of a majority of the directors then in office, although less than a quorum, at any meeting of the Board of Directors. A director elected to fill a vacancy, other than a newly created directorship, shall hold office for the unexpired term of his predecessor. A director elected to fill a newly created directorship shall be elected to such class of directors as a majority of the directors then in office shall determine and shall hold office for the unexpired term of such class.

SECTION 8. Committees. The Board of Directors may, by resolution passed by a majority of the entire Board of Directors, designate an Executive Committee consisting of not more than four directors, one of whom shall be the Chairman of the Board and one of whom shall be the President, to serve at the pleasure of the Board of Directors. The Board of Directors may, by resolution passed by a majority of the entire Board of Directors, designate such other Committees as it shall from time to time determine to be desirable, each Committee to consist of two or more directors, to serve at the pleasure of the Board of Directors. The Board of Directors may designate one or more directors as alternate members of any Committee, who may replace any absent or disqualified member at any meeting of the Committee. In the absence or disqualification of a member of any Committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another director to act at the meeting in the place of such absent or disqualified member. Each Committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all of the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, may authorize the seal of the Corporation to be affixed to all papers which may require it and may declare a dividend or authorize the issuance of stock; but no Committee shall have the power or authority in reference to amending the Certificate of Incorporation or the By-Laws, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets or recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution.

SECTION 9. Compensation. The Board of Directors may fix the compensation of directors for service in any capacity and may fix fees for attendance at meetings and may authorize the Corporation to pay the traveling and other expenses of directors incident to their attendance at meetings.

SECTION 10. Salaries. The salary of each officer of the Corporation and of each director of the Corporation who shall be an officer of a division of the Corporation shall be fixed by the Board of Directors.

ARTICLE III

OFFICERS

SECTION 1. Election. At the first meeting of the Board of Directors after each annual meeting of the stockholders, the Board of Directors shall elect or appoint a Chairman of the Board, a President, one or more Executive Vice-Presidents and Vice-Presidents, a Secretary, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers, and may elect or appoint at such time and from time to time such additional officers as it deems advisable. No officer need be a director, except the Chairman of the Board and the President.

SECTION 2. Term of Office and Vacancies. Each officer shall hold office until his successor is elected or appointed and qualified or until his earlier resignation or removal. Any vacancy occurring in any office, whether because of death, resignation, removal, with or without cause, or any other reason, shall be filled by the Board of Directors.

SECTION 3. Powers and Duties of the Chairman of the Board. The Chairman of the Board shall be the chief executive officer of the Corporation and shall preside at all meetings of the Board of Directors and of the stockholders. He shall have such other powers and shall perform such other duties as may from time to time be assigned to him by the Board of Directors.

SECTION 4. Powers and Duties of the President. The President shall be the chief operating officer of the Corporation and shall, in the absence or disability of the Chairman of the Board, have the powers and perform the duties of the Chairman of the Board. He shall have general and active supervision of the business, administration and operations of the Corporation. He shall from time to time make such reports of the affairs of the Corporation as the Board of Directors may require. He shall have the general powers and duties of supervision usually vested in the office of the president of a corporation and shall have such other powers and shall perform such other duties as may from time to time be assigned to him by the Board of Directors.

SECTION 5. Powers and Duties of the Executive Vice-Presidents and Vice-Presidents. Each of the Executive Vice-Presidents, and Vice-Presidents shall have such powers and shall perform such duties as may from time to time be assigned to him by the Board of Directors.

SECTION 6. Powers and Duties of the Secretary. The Secretary shall record and keep the minutes of all meetings of the stockholders and, if so requested, the minutes of meetings of the Board of Directors. He shall be the custodian of, and shall make or cause to be made the proper entries in, the minute book of the Corporation and such other books and records as the Board of Directors may direct. He shall be the custodian of the seal

of the Corporation and shall affix such seal to such contracts, instruments and other documents as the Board of Directors or any Committee thereof may direct. He shall have such other powers and shall perform such other duties as may from time to time be assigned to him by the Board of Directors.

SECTION 7. Powers and Duties of the Assistant Secretaries. Each of the Assistant Secretaries shall have such powers and shall perform such duties as may from time to time be assigned to him by the Board of Directors.

SECTION 8. Powers and Duties of the Treasurer. The Treasurer shall be the custodian of all funds and securities of the Corporation. Whenever so directed by the Board of Directors, he shall render a statement of his cash and other accounts, and he shall cause to be entered regularly in the books and records of the Corporation to be kept for such purpose full and accurate accounts of the Corporation's receipts and disbursements. He shall at all reasonable times exhibit his books and accounts to any director upon application at the principal office of the Corporation during business hours. He shall have such other powers and shall perform such other duties as may from time to time be assigned to him by the Board of Directors.

SECTION 9. Powers and Duties of the Assistant Treasurers. Each of the Assistant Treasurers shall have such powers and shall perform such duties as may from time to time be assigned to him by the Board of Directors.

SECTION 10. Delegation. In case of the absence of any officer, or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may at any time and from time to time delegate all or any part of the powers or duties of any officer to any other officer or to any director or directors.

SECTION 11. Removal. Any officer may be removed from office at any time, with or without cause, by a vote or a majority of the directors then in office.

SECTION 12. Resignation. Any officer may resign at any time upon written notice to the Corporation, such resignation to take effect immediately without acceptance by the Corporation.

SECTION 13. Voting of Stock. The Chairman of the Board or the President or any other person or persons designated by the Board of Directors shall have full power and authority at any meeting of stockholders of any corporation in which the Corporation holds stock to vote such stock and shall possess at such meeting all rights and powers incident to the ownership of such stock.

ARTICLE IV

STOCK

SECTION 1. Certificates. The shares of the Corporation shall be represented by certificates signed by the Chairman of the Board or by the President or any Vice-President and by the Treasurer or an Assistant Treasurer or the Secretary or any Assistant Secretary, or by a printed or engraved facsimile of such signatures, and may be sealed with the seal of the Corporation or a printed or engraved facsimile thereof. The certificates shall be countersigned by the transfer agent and registered by the registrar, which countersignature and registration may be printed or by engraved facsimile.

SECTION 2. Transfer of Shares. The shares of the Corporation shall be assignable and transferable on the books of the Corporation only by the person in whose name they appear on such books or by his duly authorized attorney, upon surrender of the certificate representing such shares properly endorsed. In case of assignment or transfer by power of attorney, the power of attorney, duly executed and acknowledged, shall be deposited with the Corporation.

ARTICLE V

EXECUTION OF INSTRUMENTS

All checks, drafts or orders for the payment of money, all vouchers and receipts for payments, all promissory notes, acceptances and bills of exchange and all contracts, agreements, assignments and other instruments shall be signed by the Chairman of the Board or the President or a Vice-President or the Treasurer or such other officer or officers or such person or persons as the Board of Directors may from time to time designate. All certifications shall be made by the Secretary or an Assistant Secretary or such other officer or officers or such person or persons as the Board of Directors may from time to time designate.

ARTICLE VI

SEAL

The seal of the corporation shall contain the name of the Corporation, the words "Corporate Seal", the year of its organization and the word "Delaware".

ARTICLE VII

INDEMNIFICATION

The Corporation shall indemnify any person to the full extent permitted by the Delaware General Corporation Law, as the same now exists or may hereafter be amended.

ARTICLE VIII

AMENDMENT OF BY-LAWS

By-Laws may be adopted, altered, amended or repealed by the Board of Directors or by the affirmative vote of not less than 80% of the outstanding stock of the Corporation entitled to vote in the election of directors.

PHILLIPS-VAN HEUSEN CORPORATION

FIRST AMENDMENT AGREEMENT
DATED AS OF JUNE 24, 1996

to

NOTE AGREEMENTS
Dated as of October 1, 1992

Re: \$55,000,000 7.85% Series A Senior Notes
Due November 1, 2002
and
\$8,000,000 7.02% Series B Senior Notes
Due November 1, 1999
and
\$6,000,000 7.75% Series C Senior Notes
Due November 1, 2002

PHILLIPS-VAN HEUSEN CORPORATION
1290 Avenue of the Americas-11th Floor
New York, New York 10104

FIRST AMENDMENT AGREEMENT
TO
NOTE AGREEMENTS

Dated as of October 1, 1992

Re: \$55,000,000 7.85% Series A Senior Notes
Due November 1, 2002
and
\$8,000,000 7.02% Series B Senior Notes
Due November 1, 1999
and
\$6,000,000 7.75% Series C Senior Notes
Due November 1, 2002

Dated as of
June 24, 1996

To the holders as
defined hereinbelow

Ladies and Gentlemen:

Reference is made to the separate Note Agreements each dated as of October 1, 1992 (The "Outstanding Note Agreements") between PHILLIPS-VAN HEUSEN CORPORATION, a Delaware corporation (the "Company"), and each of the Purchasers named on Schedule I thereto (the "Purchasers"), pursuant to which the Company issued and sold (i) \$55,000,000 original aggregate principal amount of its 7.85% Series A Senior Notes due November 1, 2002 (the "Series A Notes"), (ii) \$8,000,000 original aggregate principal amount of its 7.02% Series B Senior Notes due November 1, 1999 (the "Series B Notes") and (iii) \$6,000,000 original aggregate principal amount of its 7.75% Series C Senior Notes due November 1, 2002 (the "Series C Notes"). The Purchasers or transferees of such Purchasers are hereinafter collectively referred to as the "Holders." The Series A Notes, Series B Notes and Series C Notes are hereinafter collectively referred to as the "Outstanding Notes."

The Company and the Holders now desire to amend the Outstanding Note Agreements in the respects, but only in the respects, hereinafter set forth.

Now, therefore, the Company and the Holders, in consideration of good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, do hereby agree as follows:

SECTION 1. AMENDMENTS TO THE OUTSTANDING NOTE AGREEMENTS.

Section 1.1. There shall be added as new subparagraphs (d) and (e) after subparagraph (c) in Section 1.1 of the Outstanding Note Agreements the following:

(d) Notwithstanding any of the foregoing, from the First Amendment Agreement Closing Date to, but not including, the Adjustment Date, the Notes shall bear interest at the Adjusted Coupon Rate payable semiannually on the first day of each May and November in each year, and shall bear interest on overdue principal (including any overdue required or optional prepayment of principal) and premium, if any, and (to the extent legally enforceable) on any overdue installment of interest at the rate per annum equal to the Adjusted Coupon Rate, plus 2.00% per annum, after the date due, whether by acceleration or otherwise, until paid. Notwithstanding this subparagraph (d), any computation of a Make-Whole Amount pursuant to this Agreement shall be based upon the respective interest rates of each series of Notes set forth in subparagraphs (a), (b) and (c) above.

(e) At any time and at the sole option of any holder of a Note, such holder may surrender such Note for a new note or new notes of the same form as the Note so surrendered but revised to reflect the appropriate interest rate and this First Amendment Agreement (the "New Notes"). The Company shall deliver such New Notes not more than three (3) Business Days after any request by the holder of a Note. The Company agrees to pay all expenses incurred in connection with any exchange of Notes.

Section 1.2. Section 5.6 of each of the Outstanding Note Agreements shall be and is hereby amended to read in its entirety as follows:

Section 5.6. Limitations on Debt; Interest Charges Coverage Ratio. (a) The Company will not, and will not permit any Restricted Subsidiary to, create, assume or incur or in any manner be or become liable in respect of any Current Debt or Funded Debt, except:

- (1) Funded Debt evidenced by the Notes;
- (2) Funded Debt of the Company and its Restricted Subsidiaries outstanding as of October 1, 1992 and reflected on Annex B to Exhibit B hereto;

(3) additional Funded Debt of the Company and its Restricted Subsidiaries incurred subsequent to the First Amendment Agreement Closing Date;

(4) Current Debt of the Company or any Restricted Subsidiary; provided, however, that during the twelve-month period immediately preceding the date of any determination hereunder, there shall have been a period of thirty consecutive days during which the average daily amount of Current Debt of the Company and all Restricted Subsidiaries shall not exceed an amount equal to \$25,000,000 plus the amount of Funded Debt which could have been incurred (in addition to any Funded Debt then outstanding) on each such day by the Company and all Restricted Subsidiaries pursuant to and in accordance with Sec. 5.6(a)(3) and Sec. 5.6(b)(3); and

(5) Current Debt or Funded Debt of a Restricted Subsidiary to the Company or to a Wholly-owned Restricted Subsidiary.

(b) In addition to the restrictions contained in Sec. 5.6(a), the Company shall not:

(1) permit Basket Obligations to exceed 15% of Consolidated Net Worth;

(2) create, assume or incur or in any manner become liable in respect of any Debt secured by a Lien described in Sec. 5.7(viii), if, after giving effect thereto, the sum of (i) Basket obligations plus (ii) all Debt secured by Liens incurred pursuant to Sec. 5.7(a)(vii), would exceed 15% of Consolidated Net Worth; and

(3) permit the ratio of Funded Debt to Consolidated Total Capitalization for the respective periods set forth below to exceed the ratio set forth opposite such period:

PERIOD	RATIO
From the date hereof through and including the fiscal year ending February 2, 1997:	.55 to 1
For the entire fiscal year ending February 1, 1998:	.50 to 1
and at all times thereafter:	.45 to 1

(c) Any corporation which becomes a Restricted Subsidiary after the date hereof shall for all purposes of this Sec. 5.6 be deemed to have created, assumed or incurred at the time it becomes a Restricted Subsidiary all Debt of such corporation existing immediately after it becomes a Restricted Subsidiary.

(d) The Company will not at any time permit the ratio of Net Income Available for Interest Charges to Interest Charges for the period of four consecutive fiscal quarters ending on or about the end of each month specified below to be less than the ratio set forth opposite such month:

PERIOD	RATIO
April 1996	1.25x
July 1996	1.25x
October 1996	1.30x
January 1997	1.40x
April 1997	1.70x
July 1997	1.70x
October 1997	2.00x
January 1998	2.00x
April 1998	2.25x
July 1998	2.25x
October 1998 and each April, July, October and January thereafter	2.50x

Section 1.3. The following shall be added as new definitions in the appropriate alphabetical locations in Section 8.1 of the Outstanding Note Agreements:

"Adjusted Coupon Rate" shall mean 8.35% with respect to the Series A Notes, 7.52% with respect to the Series B Notes and 8.25% with respect to the Series C Notes.

"Adjustment Date" shall mean the first date, if any, with respect to which the Company has certified (by written certificate (in reasonable detail including, without limitation, copies of the relevant ratings) of the chief financial officer of the Company) to the holders of the Notes that the Company's 7.75% Senior Debentures due 2023 (the "Senior Debentures"), or, in the event that such Senior Debentures are no longer outstanding, other obligations representing unsecured Funded Debt of the Company which have an average life equal to or greater than the remaining

average life of the Notes, are accorded a rating of at least Baa3 by Moody's Investors Service, Inc. and BBB- by Standard & Poor's Corporation.

"First Amendment Agreement Closing Date" shall mean the date on which the First Amendment Agreement to Note Agreements dated as of June 24, 1996 shall have been duly executed and delivered to the Holders referred to therein.

"Consolidated Total Capitalization" shall mean as of the date of any determination thereof the sum of (a) Funded Debt of the Company and its Restricted Subsidiaries determined on a consolidated basis in accordance with GAAP and (b) Consolidated Net Worth.

Section 1.4. Section 8.1 of the Outstanding Note Agreements shall be and is hereby amended as follows:

(a) The definition of "Interest Charges" is hereby amended to read in its entirety as follows:

"Interest Charges" for any period shall mean all interest and all amortization of debt discount and expense on any particular Indebtedness for which such calculations are being made, net of any interest income.

(b) The definition of "Net Income Available for Interest Charges" is hereby amended to read in its entirety as follows:

"Net Income Available for Interest Charges" for any period shall mean the sum of (i) Consolidated Net Income during such period plus (to the extent deducted in determining Consolidated Net Income), (ii) all provisions for any Federal, state or other income taxes made by the Company and its Restricted Subsidiaries during such period, (iii) the one-time restructuring reserve of \$27,000,000 taken in the third and fourth quarters of the fiscal year ended January 28, 1996 and (iv) Interest Charges of the Company and its Restricted Subsidiaries during such period.

(c) The definition of "Pro Forma Interest Charges" is deleted in its entirety.

SECTION 2. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

Section 2.1. To induce the Holders to execute and deliver this First Amendment Agreement (which representations shall survive the execution and delivery of this First Amendment Agreement), the Company represents and warrants to the Holders, as true and correct as of the date of execution and delivery of this First Amendment Agreement, that

(a) the Company and each Restricted Subsidiary is a corporation duly incorporated, validly existing and in good standing under the laws of its respective jurisdiction of incorporation;

(b) this First Amendment Agreement has been duly authorized, executed and delivered by it and this First Amendment Agreement constitutes the legal, valid and binding obligation, contract and agreement of the Company enforceable against it in accordance with its terms;

(c) each of the Outstanding Note Agreements and the Outstanding Notes, as amended by this First Amendment Agreement, constitute the legal, valid and binding obligations, contracts and agreements of the Company enforceable against it in accordance with their respective terms;

(d) the execution, delivery and performance by the Company of this First Amendment Agreement (i) has been duly authorized by all requisite corporate action and, if required, shareholder action, (ii) does not require the consent or approval of any governmental or regulatory body or agency, and (iii) will not (A) violate or cause a default under (1) any provision of law, statute, rule or regulation or its certificate of incorporation or bylaws, (2) any order of any court or any rule, regulation or order of any other agency or government binding upon it, or (3) any provision of any material indenture, agreement or other instrument to which it is a party or by which its properties or assets are or may be bound, or (B) result in a breach or constitute (alone or with due notice or lapse of time or both) a default under any indenture, agreement or other instrument referred to in clause (iii)(A)(3) of this Sec. 2.1(c);

(e) as of the date hereof after giving effect to this First Amendment Agreement, no Default or Event of Default has occurred which is continuing; and

(f) no consents or approvals are necessary from any other holder of any Indebtedness of the Company to give effect to this First Amendment Agreement.

SECTION 3. CONDITIONS PRECEDENT.

Section 3.1. This First Amendment Agreement shall not become effective until, and shall become effective when, each and every one of the following conditions shall have been satisfied:

(a) executed counterparts of this First Amendment Agreement, duly executed by the Company and the holders of at least 66-2/3% of the outstanding principal amount of the Outstanding Notes, shall have been delivered to the Holders;

(b) the representations and warranties of the Company set forth in Sec. 2 hereof are true and correct as of the date of execution and delivery of this First Amendment Agreement; and

(c) the Company shall have paid the reasonable fees and expenses of Chapman and Cutler, counsel to the Holders, in connection with the negotiation, preparation, approval, execution and delivery of this First Amendment Agreement as required by Sec. 9.4 of the Outstanding Note Agreements.

Upon receipt of all of the foregoing, this First Amendment Agreement shall become effective.

SECTION 4. MISCELLANEOUS.

Section 4.1. This First Amendment Agreement shall be construed in connection with and as part of each of the Outstanding Note Agreements, and all terms, conditions and covenants contained in each of the Outstanding Note Agreements shall be and remain in full force and effect.

Section 4.2. Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this First Amendment Agreement may refer to the Outstanding Note Agreements without making specific reference to this First Amendment Agreement but nevertheless all such references shall include this First Amendment Agreement unless the context otherwise requires.

Section 4.3. The descriptive headings of the various Sections or parts of this First Amendment Agreement are for convenience only and shall not affect the meaning or construction of any of the provisions hereof.

Section 4.4. This First Amendment Agreement shall be governed by and construed in accordance with New York law.

Section 4.5. This First Amendment Agreement shall be binding upon the Company, the Holders and their respective successors and assigns.

The execution hereof by you shall constitute a contract between us for the uses and purposes hereinabove set forth, and this First Amendment Agreement to each of the Outstanding Note Agreements may be executed in any number of counterparts, each executed counterpart constituting an original, but all together only one agreement.

PHILLIPS-VAN HEUSEN CORPORATION

By
Its

Phillips-Van Heusen Corporation First Amendment to Note Agreements

The execution by each of the following Holders shall constitute its acceptance of the First Amendment Agreement and its confirmation that it holds the Outstanding Notes set opposite its name as of the date of its execution and delivery hereof.

Accepted as of June 24, 1996:

OUTSTANDING NOTES

THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES	\$10,000,000 Series A Notes \$8,000,000 Series B Notes \$6,000,000 Series C Notes
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By _____
Its

EQUITABLE VARIABLE LIFE INSURANCE COMPANY	\$8,000,000 Series A Notes
--	----------------------------

By _____
Its

UNUM LIFE INSURANCE COMPANY OF AMERICA	\$20,000,000 Series A Notes
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By _____
Its

NATIONWIDE LIFE INSURANCE COMPANY	\$8,000,000 Series A Notes
--------------------------------------	----------------------------

By _____
Its

EMPLOYERS LIFE INSURANCE COMPANY \$2,000,000 Series A Notes
OF WAUSAU

By _____
Its

LUTHERAN BROTHERHOOD \$7,000,000 Series A Notes

By _____
Its

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 28, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

6-MOS		
	FEB-02-1997	
	JUL-28-1996	
		14,139
		0
		88,489
		5,050
		325,673
	447,818	
		138,281
		0
	743,118	
	192,543	
		0
	0	
		0
		26,995
		240,925
743,118		
		587,467
	587,467	
		389,045
		389,045
	192,721	
		0
	12,071	
	(6,370)	
	(1,942)	
	(4,428)	
		0
		0
		0
		0
		(4,428)
		(0.16)
		(0.16)

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