SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-K/A No. 1

Annual Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

For the fiscal year ended February 1, 1998   Commission file number: 1-724

PHILLIPS-VAN HEUSEN CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	13-1166910
(State of incorporation)	(IRS Employer Identification No.)

1290 Avenue of the Americas
New York, New York 10104
(Address of principal executive offices)

212-541-5200
(Registrant's telephone number)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $1.00 par value	New York Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
NONE

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 and (2) has been subject to such filing requirements for at least 90 days.

Yes X   No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ( )

The aggregate market value of the voting stock of registrant held by nonaffiliates of the registrant as of April 1, 1998 was approximately $322,000,000.

Number of shares of Common Stock outstanding as of April 1, 1998: 27,187,644.

This Form 10-K/A No. 1 for Phillips-Van Heusen Corporation (the "Company") is being filed to amend the Company's financial statements for the fiscal year ended February 1, 1998. The financial statements included in the Company's previously filed Form 10-K for the fiscal year ended February 1, 1998 included certain debt which was classified as a current liability. As more fully explained in the Notes to Consolidated Financial Statements included in Item 8 of this Form 10-K/A No. 1, the Company completed refinancing such debt on April 22, 1998. As a result, such debt has been reclassified as long-term debt in the Company's consolidated balance sheet as of February 1, 1998.

Item 6, Selected Financial Data, and Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, have also been amended to reflect the completion of this refinancing.

* * *

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

Forward-looking statements in this Form 10-K/A No. 1 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; and (iv) other risks and uncertainties *
* indicated from time to time in the Company's filings with the Securities   *
* and Exchange Commission.   *
*   *
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Item 6. Selected Financial Data

Selected Financial Data appears under the heading "Ten Year Financial Summary" on pages F-20 and F-21.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The Company manages and analyzes its operating results by two vertically integrated business segments: (i) apparel and (ii) footwear and related products. As described more fully in the "Non-Recurring Charges" section of this review, the results of operations for 1997 and 1995 include pre-tax non-recurring charges of $132.7 million and $27 million, respectively.

The following adjusted statements of operations and segment data segregate the non-recurring charges from the Company's ongoing operations, and the review which follows discusses the Company's results of operations before the non-recurring charges.

Adjusted Statements of Operations

(In thousands)	1997	1996	1995
Net Sales	$1,350,007	$1,359,593	$1,464,128
Cost of goods sold	937,965	910,517	987,921
Non-recurring charges	(46,000)		
Gross profit before non-recurring charges	458,042	449,076	476,207
SG&A expenses and non-recurring charges	499,195	401,338	455,634
Non-recurring charges	(86,700)		(27,000)
SG&A expenses before non-recurring charges	412,495	401,338	428,634
Income before interest, taxes and non-recurring charges	45,547	47,738	47,573
Interest expense, net	20,672	23,164	23,199
Income before taxes and non-recurring charges	24,875	24,574	24,374
Income tax expense	5,954	6,044	7,064
Income from ongoing operations before non-recurring charges	18,921	18,530	17,310
Non-recurring charges, net of tax benefit	(85,500)		(17,016)
Net income (loss)	$ (66,579)	$ 18,530	$ 294

Adjusted Segment Data

(In thousands)	1997	1996	1995
Net sales-Apparel	$ 911,047	$ 897,370	$1,006,701
Net sales-Footwear and Related Products	438,960	462,223	457,427
Total net sales	$1,350,007	$1,359,593	$1,464,128
Operating income-Apparel	$ 45,416	$ 30,021	$ 37,432
Operating income-Footwear and Related Products	15,382	32,888	23,026
Total operating income	60,798	62,909	60,458
Corporate expenses	(15,251)	(15,171)	(12,885)
Income-before interest, taxes and non-recurring charges	$ 45,547	$ 47,738	$ 47,573

Apparel

Net sales of the Company's apparel segment were $911.0 million in 1997 compared with $897.4 million in 1996 and $1,006.7 million in 1995. In both 1997 and 1996, sales growth was limited by the planned closing of retail outlet stores and the contraction of the private label business, including the closing in 1997 of the Company's sweater manufacturing operations. The Company's sales of wholesale branded products increased 24% and 3% in 1997 and 1996, respectively, to $387.2 million in 1997 from $311.9 million in 1996 and $303.2 million in 1995. The major areas of growth in 1997 were Van Heusen and Geoffrey Beene dress shirts, as well as Izod sportswear.

Gross margin increased to 32.9% in 1997 from 31.3% in 1996 and 31.4% in 1995. All divisions had gross margin improvements with the exception of Izod Club, which experienced a particularly difficult competitive environment.

Strong inroads by high-visibility men's department store brands into the 'green grass' channel of distribution serviced by Izod Club caused price pressures which, in turn, led to price promotions and a reduced gross margin. The Company believes that the consolidation during 1997 of Izod Club into the various functional departments of Izod should result in significant cost reductions, as well as provide major improvements in product and product distribution.

Two factors were key to the improvement in gross margin:

1. The closing of underperforming retail outlet stores and the contraction of the less profitable private label business.

2. Improvement, across the board, in product and presentation in all of the Company's brands.

The Company believes these factors should continue in 1998 as the Company's brands continue to improve their positioning in department store accounts and as the Company's marketing efforts continue to increase consumer awareness of the considerable attributes that each of the Company's brands offers.

Selling, general and administrative expenses were 27.9% of net sales in 1997 and 1996 compared with 27.7% in 1995. While overall expense levels have remained flat, there has been a significant shift in the mix of these expenditures to marketing and advertising from more general logistical areas. Included in 1997 were incremental advertising expenses of $15.0 million.

Operating income increased 51.3% in 1997 to $45.4 million compared with $30.0 million in 1996 and $37.4 million in 1995. The Company believes that its wholesale sales gains, gross margin improvement, operating efficiency and marketing investment are all very positive indications of the impact of the Company's strategic initiatives.

Footwear and Related Products

The process of implementing the Company's strategic initiatives has not been without disappointment. In the footwear and related products segment, fiscal 1997 net sales declined 5.0% to $439.0 million compared with $462.2 million in 1996 and $457.4 million in 1995. A closing of retail outlet stores was a factor in the reduction of overall Bass sales in 1997. However, the larger negative factor in 1997 was the disappointing results of the Company's attempt to reposition its Bass brand to higher price points. While the higher price position was endorsed by the Company's wholesale customers, the initiatives were not well executed and did not meet with consumer support, resulting in an inventory build up at both the wholesale level and in the Company's own factory outlet retail stores. To protect its franchise and preserve its wholesale customer relationships, the Company took substantial markdowns in its own retail stores and aggressively financed the markdowns required by its wholesale customers to sell this inventory. Line management responsible for the Bass business has been changed, a decision was made to close the United States mainland footwear manufacturing facilities and the brand was returned to its historic positioning targeted in the moderate price range as a family oriented, 'Americana'-associated, casual lifestyle brand. The result of these actions was a non-recurring charge to fiscal 1997 earnings of $54.2 million and a decline in footwear and related products operating income (before such charge) of $17.5 million to $15.4 million. Operating income in 1995 was $23.0 million.

Gross margin in 1997 was 36.0% compared with 36.3% in 1996 and 34.9% in 1995. As in all of the Company's branded businesses, the footwear and related products segment represents a combination of wholesale and retail businesses. The sales problems described above caused gross margin reductions across the board as markdown allowances to wholesale customers took place contemporaneously with markdowns taken at the Company's retail outlet stores. However, the much sharper declines in the Company's wholesale sector created a greater weighting to the Company's higher margin retail sector and this shift offset most of the overall percentage decline. The Company believes that the repositioning of the Bass brand should enable both the mix of business and their respective gross margins to return to more normal levels.

Selling, general and administrative expenses were 32.5% of net sales in 1997 compared with 29.2% in 1996 and 29.9% in 1995. The increase in 1997 was caused principally by increased national advertising as well as a ramping up of design and selling costs to support the upgrading of product and product presentation which was a part of the Bass repositioning.

The Bass misstep is by far the biggest disappointment that the Company has had in executing its brand strategy. However much it negatively impacted the Company's results of operations in 1997, and is expected to dampen 1998, the Company believes its impact should be substantially behind the Company by the fall 1998 season. In the process, the Company has strengthened the Bass management team and has substantially redirected the sourcing of Bass product. The Company believes it can lower its costs considerably and build on Bass' historically strong record of profitability.

Non-Recurring Charges

The Company recorded pre-tax non-recurring charges of $132.7 million ($85.5 million after tax) in 1997 related to a series of actions the Company has taken towards:

- Exiting all United States mainland footwear manufacturing with the closing of its Wilton, Maine footwear manufacturing facility;

- Exiting the sweater manufacturing business with the sale and liquidation of its Puerto Rico sweater operations;

- Consolidating and contracting plant and warehouse and distribution facilities as well as restructuring other logistical and administrative areas in order to reduce product costs and operating expenses and improve efficiencies;

- Repositioning the Gant brand in the United States to be consistent with its highly successful positioning in Europe;

- Closing an additional 150 underperforming retail outlet stores; and

- Modifying a repositioning of Bass, including the liquidation of a resulting excess inventory.

The Company believes that these initiatives will enable the Company to significantly reduce future operating expenses and product costs. It is expected that the actions which gave rise to the 1997 charge will result in aggregate cost savings of over $40 million in the period 1998 to 2000, and will exceed $20 million annually by 2000.

The Company had recorded a pre-tax non-recurring charge of $27.0 million ($17.0 million after tax) in 1995 to provide for the closing of some 300 retail outlet stores, the closing of three domestic shirt manufacturing facilities and a reorganization of the Company's management structure.

Corporate Expenses

Corporate expenses were $15.3 million in 1997 compared with $15.2 million in 1996 and $12.9 million in 1995. The increase in 1996 compared with 1995 was attributable to an increase in spending relating to information technology.

Interest Expense

Interest expense was $20.7 million in 1997 compared with $23.2 million in both 1996 and 1995. A strong cash flow in 1996 reduced overall debt levels early in 1997 and was the principal reason for the reduction in interest expense in 1997. The 1997 restructuring activities, described above, will result in a cash outflow that will likely increase interest expense in 1998. These activities should become cash positive in 1999 with a resulting interest expense reduction.

Income Taxes

Excluding the non-recurring charges, the income tax expense rate was 23.9% in 1997, 24.6% in 1996 and 29.0% in 1995. The Company's effective tax rate is lower than statutory rates due to tax exempt income from operations in Puerto Rico, as well as other permanent differences between book income and taxable income.

Liquidity and Capital Resources

The following table shows key cash flow elements over the last three years:

	1997	1996	1995
		(In thousands)	
OPERATING ACTIVITIES			
Income from operations before non-recurring charges adjusted for non-cash items	$ 42,021	$ 55,282	$ 67,328
Change in working capital	(16,275)	54,104	(35,344)
Cash flow before non-recurring charges	25,746	109,386	31,984
Non-recurring charges -- cash impact	(34,100)	(7,510)	(6,490)
Working capital acquired(1)	--	--	(56,282)
	(8,354)	101,876	(30,788)
INVESTMENT ACTIVITIES			
Acquisition of Izod and Gant	--	--	(114,503)
Investment in Pyramid Sportswear	--	--	(6,950)
Capital spending	(17,923)	(22,578)	(39,773)
Other, net	360	143	--
	(17,563)	(22,435)	(161,226)
FINANCING ACTIVITIES			
Cash dividends	(4,065)	(4,050)	(4,007)
Exercise of stock options	791	386	1,745
	(3,274)	(3,664)	(2,262)
Increase (decrease) in cash before net change in debt	$ (29,191)	$ 75,777	$(194,276)

(1) Represents working capital related to the acquisition of the Izod and Gant businesses.

As noted in the table above, the Company's cash flow before non-recurring charges was positive in each of the three fiscal years ended February 1, 1998. The cash impact in 1997 of the initiatives covered by the Company's restructuring charges totaled $34.1 million. The principal areas of outflow related to the repositioning of Gant and costs associated with the inventory correction at Bass.

Capital spending in 1997 was $17.9 million compared with $22.6 million in 1996 and $39.8 million in 1995. The reduced level of spending in the latest two years reflects the completion in 1995 of several large capital spending projects, including the Company's new distribution center in North Carolina. In 1998, upon the expiration of the lease at the Company's New York headquarters, the Company anticipates consolidating all of its New York office space into one location. Capital expenditures related to that move are anticipated to be approximately $15 million. Capital expenditures, in total, for 1998 are planned at approximately $40 million. Beyond that, the Company anticipates returning to the lower level of capital expenditures of the past two years.

Total debt as a percentage of total capital was 53.0% at the end of fiscal 1997 compared with 43.1% at the end of fiscal 1996 and 52.3% at the end of fiscal 1995.

In fiscal 1998, the Company anticipates additional cash outflows of approximately $47 million to substantially complete the restructuring programs provided for in 1997. Most of that amount should be funded by cash flow from operations as well as certain of the cash flow benefits stemming from these restructuring moves, particularly the closing of retail stores and the exiting from the capital-intensive sweater manufacturing business. Beyond that, the Company anticipates that the cash flow benefits from the balance of restructuring together with cash flow from operations should allow it to begin to realize an overall positive cash flow in its individual business units and in the Company as a whole.

Notwithstanding the Company's positive feelings about future cash flow, including the cash impact of the non-recurring charges, the Company believed that it made a great deal of sense to avail itself of the favorable fixed income market to extend the maturities of its existing debt. Therefore, on April 22, 1998, the Company issued $150 million of senior subordinated notes due 2008, and used the proceeds to eliminate its intermediate term senior notes and reduce its revolving credit debt. Accordingly, such debt as of February 1, 1998 has been classified as long-term debt in the 1997 year end balance sheet.

At the same time, the Company re-syndicated and refinanced its revolving credit facility, which was scheduled to mature in early 1999, with a new $325 million senior secured credit facility with a group of 12 banks.

The Company believes that these refinancings should provide a secure financial base and allow the Company to fully focus its attention on the execution of its strategic business plan.

Year 2000

Until recently, computer programs were written using two digits rather than four to define the applicable year. Thus, such programs were unable to properly distinguish between the year 1900 and the year 2000. In October 1996, the Company initiated a comprehensive Year 2000 Project to address this issue. The Company determined that it will need to modify or replace significant portions of its software so that its computer systems will function properly with respect to dates in the year 2000 and beyond. The Company has also initiated discussions with its significant suppliers and large customers to determine the status of their compliance programs.

The Company is utilizing both internal and external resources to remediate, or replace, and test the software for year 2000 modifications. The Company anticipates completing the Year 2000 Project by June 30, 1999. The total cost of the Year 2000 Project is estimated at a range of $20-$24 million and is being funded through operating cash flows. Of the total project cost, approximately $3 million is attributable to the purchase of new software which will be capitalized, with the remaining cost expensed as incurred.

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, which were derived utilizing numerous assumptions of future events, including the continued availability of resources, third party modification plans and other factors. The Company presently believes that the year 2000 issue will not pose significant operational problems for its computer systems. However, if such 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.

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, and 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.

Item 8. Financial Statements and Supplementary Data

See page F-1 for a listing of the consolidated financial statements and supplementary data included in this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

By: Emanuel Chirico
Emanuel Chirico
Vice President and Controller
(Principal Accounting Officer)

Date: April 24, 1998

FORM 10-K/A No. 1

PHILLIPS-VAN HEUSEN CORPORATION

INDEX TO FINANCIAL STATEMENTS

The following consolidated financial statements and supplementary data are included in Item 8 of this report:

Consolidated Statements of Operations--Years Ended February 1, 1998, February 2, 1997 and January 28, 1996 . . . . F-2

Consolidated Balance Sheets--February 1, 1998 and February 2, 1997. . . . . F-3

Consolidated Statements of Cash Flows--Years Ended February 1, 1998, February 2, 1997 and January 28, 1996 . . . . F-4

Consolidated Statements of Changes in Stockholders' Equity--Years Ended February 1, 1998, February 2, 1997 and January 28, 1996. . . . . F-5

Notes to Consolidated Financial Statements. F-6

Report of Ernst & Young LLP, Independent Auditors F-19

10 Year Financial Summary F-20

PHILLIPS-VAN HEUSEN CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	1997	1996	1995
Net sales	$1,350,007	$1,359,593	$1,464,128
Cost of goods sold.	937,965	910,517	987,921
Gross profit.	412,042	449,076	476,207
Selling, general and administrative expenses.	412,495	401,338	428,634
Facility and store closing, restructuring and other expenses.	86,700		27,000
Income (loss) before interest and taxes	(87,153)	47,738	20,573
Interest expense, net	20,672	23,164	23,199
Income (loss) before taxes.	(107,825)	24,574	(2,626)
Income tax expense (benefit).	(41,246)	6,044	(2,920)
Net income (loss)	$ (66,579)	$ 18,530	$ 294
Net income (loss) per share:			
Basic	$ (2.46)	$ 0.69	$ 0.01
Diluted	$ (2.46)	$ 0.68	$ 0.01

In 1997 and 1995, PVH recorded pre-tax charges of $132,700 and $27,000 respectively, related principally to a series of actions the Company has taken to accelerate the execution of PVH's ongoing strategy to build its brands. Such charges have been recorded in the consolidated statements of operations as follows:

	1997	1995
Cost of goods sold	$ 46,000	
Facility and store closing, restructuring and other expenses	86,700	$27,000
	132,700	27,000
Income tax benefit	(47,200)	(9,984)
	$ 85,500	$17,016

See notes to consolidated financial statements.

PHILLIPS-VAN HEUSEN CORPORATION

CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	Feb. 1, 1998	Feb. 2, 1997
ASSETS		
Current Assets:		
Cash, including cash equivalents of $1,413 and $1,861	$ 11,748	$ 11,590
Trade receivables, less allowances of $2,911 and $3,401	88,656	91,806
Inventories	249,534	237,422
Other, including deferred taxes of $19,031 and $4,300	35,080	22,140
Total Current Assets	385,018	362,958
Property, Plant and Equipment	94,582	137,060
Goodwill	116,467	120,324
Other Assets, including deferred taxes of $44,094 and $16,617	64,392	37,094
	$660,459	$657,436
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Notes payable	$ 7,900	$ 20,000
Accounts payable	36,233	36,355
Accrued expenses	89,202	55,754
Current portion of long-term debt		10,157
Total Current Liabilities	133,335	122,266
Long-Term Debt, less current portion	241,004	189,398
Other Liabilities	65,815	55,614
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 27,179,244 and 27,045,705	27,179	27,046
Additional capital	116,954	116,296
Retained earnings	76,172	146,816
Total Stockholders' Equity	220,305	290,158
	$660,459	$657,436

See notes to consolidated financial statements.

PHILLIPS-VAN HEUSEN CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	1997	1996	1995
Operating activities:			
Net income (loss)	$(66,579)	$ 18,530	$ 294
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	25,300	29,438	33,740
Write-off of property, plant and equipment	40,800		13,000
Deferred income taxes	(42,208)	8,214	3,363
Equity income in Pyramid Sportswear	(792)	(900)	(85)
Changes in operating assets and liabilities:			
Receivables	3,150	18,060	(13,927)
Income tax refund receivable		16,987	
Inventories	(12,112)	39,351	16,315
Accounts payable and accrued expenses	34,038	(17,782)	(83,897)
Deferred landlord contributions	(5,949)	(5,001)	(399)
Other-net	15,998	(5,021)	808
Net Cash Provided (Used) By Operating Activities	(8,354)	101,876	(30,788)
Investing activities:			
Acquisition of the Apparel Group of Crystal Brands, Inc.			(114,503)
Property, plant and equipment acquired	(17,923)	(22,578)	(39,773)
Investment in Pyramid Sportswear			(6,950)
Other-net	360	143	
Net Cash Used By Investing Activities	(17,563)	(22,435)	(161,226)
Financing activities:			
Proceeds from revolving line of credit	123,000	52,582	204,996
Payments on revolving line of credit and long-term borrowings	(93,651)	(134,302)	(73,660)
Exercise of stock options	791	386	1,745
Cash dividends	(4,065)	(4,050)	(4,007)
Net Cash Provided (Used) By Financing Activities	26,075	(85,384)	129,074
Increase (decrease) in cash	158	(5,943)	(62,940)
Cash at beginning of period	11,590	17,533	80,473
Cash at end of period	$ 11,748	$ 11,590	$ 17,533

See notes to consolidated financial statements.

PHILLIPS-VAN HEUSEN CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In thousands, except share data)

	Common Stock Shares	Common Stock $1 par Value	Additional Capital	Retained Earnings	Stockholders' Equity
January 29, 1995.	26,610,310	$26,610	$112,801	$136,049	$275,460
Stock options exercised	187,908	188	1,557		1,745
Net income.				294	294
Cash dividends				(4,007)	(4,007)
Investment in Pyramid Sportswear	181,134	181	1,619		1,800
January 28, 1996.	26,979,352	26,979	115,977	132,336	275,292
Stock options exercised	66,353	67	319		386
Net income.				18,530	18,530
Cash dividends.				(4,050)	(4,050)
February 2, 1997.	27,045,705	27,046	116,296	146,816	290,158
Stock options exercised	133,539	133	658		791
Net loss.				(66,579)	(66,579)
Cash dividends.				(4,065)	(4,065)
February 1, 1998.	27,179,244	$ 27,179	$116,954	$ 76,172	$220,305

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except share data)

Summary of Significant Accounting Policies

Principles of Consolidation - The consolidated financial statements include the accounts of PVH and its subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates - 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.

Fiscal Year - Fiscal years are designated in the financial statements and notes by the calendar year in which the fiscal year commences. Accordingly, results for fiscal years 1997 and 1995 represent the 52 weeks ended February 1, 1998 and January 28, 1996, respectively. Fiscal year 1996 represents the 53 weeks ended February 2, 1997.

Cash and Cash Equivalents - PVH considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Asset Impairments - PVH records impairment losses on long-lived assets (including goodwill) used in operations when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by the related assets are less than the carrying amounts of those assets.

Inventories - Inventories are stated at the lower of cost or market. Cost for apparel inventories of $90,999 (1997) and $90,151 (1996) 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).

Property, Plant and Equipment - Depreciation is computed principally by the straight line method over the estimated useful lives of the various classes of property.

Goodwill - Goodwill, net of accumulated amortization of $11,358 and $8,615 in 1997 and 1996, respectively, is being amortized principally by the straight line method over 40 years.

Contributions from Landlords - PVH receives contributions from landlords for fixturing retail stores which the Company leases. Such amounts are amortized as a reduction of rent expense over the life of the related lease. Unamortized contributions are included in accrued expenses and other liabilities and amounted to $12,798 and $18,747 in 1997 and 1996, respectively.

Fair Value of Financial Instruments - Using discounted cash flow analyses, PVH estimates that the fair value of all financial instruments approximates their carrying value, except as noted in the footnote entitled "Long-Term Debt".

Summary of Significant Accounting Policies (Continued)

Stock-Based Compensation - PVH accounts for its stock options under the provisions of APB Opinion No. 25, "Accounting for Stock Issued to Employees," and complies with the disclosure requirements of FASB Statement No. 123, "Accounting for Stock-Based Compensation".

Advertising - Advertising costs are expensed as incurred and totalled $37,762 (1997), $19,427 (1996) and $21,136 (1995).

Earnings Per Share

In 1997, PVH adopted FASB Statement No. 128, "Earnings Per Share". This statement replaced the calculation of primary and fully diluted earnings per share with basic and diluted earnings per share.

PVH computed its basic and diluted earnings per share by dividing net income or loss by:

	1997	1996	1995
Weighted Average Common Shares Outstanding for Basic Earnings Per Share	27,107,633	27,004,115	26,725,804
Impact of Dilutive Employee Stock Options		209,462	295,529
Total Shares for Diluted Earnings Per Share	27,107,633	27,213,577	27,021,333

Income Taxes

Income taxes consist of:

	1997	1996	1995
Federal:			
Current	$ 400	$(4,620)	$(8,219)
Deferred.	(42,985)	7,959	2,995
State, foreign and local:			
Current	562	2,450	1,936
Deferred.	777	255	368
	$(41,246)	$ 6,044	$(2,920)

Taxes paid were $1,155 (1997), $1,262 (1996) and $3,371 (1995). In addition, PVH received an income tax refund of $16,987 in 1996.

Income Taxes (Continued)

The approximate tax effect of items giving rise to the deferred income tax asset recognized in the Company's balance sheets is as follows:

	1997	1996
Depreciation	$(18,427)	$(18,349)
Landlord contributions	5,030	7,367
Facility and store closing, restructuring and other expenses	27,295	415
Employee compensation and benefits	10,302	9,243
Tax loss and credit carryforwards	31,179	17,231
Other-net	7,746	5,010
	$ 63,125	$ 20,917

A reconciliation of the statutory Federal income tax to the income tax expense (benefit) is as follows:

	1997	1996	1995
Statutory 35% federal tax	$(37,739)	$ 8,601	$ (919)
State, foreign and local income taxes, net of Federal income tax benefit	805	1,463	1,454
Income of Puerto Rico Subsidiaries(1)	(3,258)	(3,757)	(3,298)
Other-net	(1,054)	(263)	(157)
Income tax expense (benefit)	$(41,246)	$ 6,044	$(2,920)

(1) Exemption from Puerto Rico income tax expires in 1998. PVH anticipates this exemption will be extended through 2008.

Inventories

Inventories are summarized as follows:

	1997	1996
Raw materials	$ 15,964	$ 16,670
Work in process	15,216	13,208
Finished goods	218,354	207,544
	$249,534	$237,422

Inventories would have been approximately $12,000 and $13,000 higher than reported at February 1, 1998 and February 2, 1997, respectively, if the FIFO method of inventory accounting had been used for all apparel.

Property, Plant and Equipment

Property, plant and equipment, at cost, are summarized as follows:

	Estimated Useful Lives	1997	1996
Land.		$ 1,646	$ 1,774
Buildings and building improvements	15-40 years	24,932	37,778
Machinery and equipment, furniture and fixtures and leasehold improvements.	5-15 years	187,671	233,884
		214,249	273,436
Less: Accumulated depreciation and amortization		119,667	136,376
		$ 94,582	$137,060

Long-Term Debt

Long-term debt, exclusive of current portion, is as follows:

	1997	1996
Revolving Credit Facility	$ 91,600	$ 40,000
7.75% Debentures.	99,448	99,442
7.75% Senior Notes.	49,286	49,286
Other debt.	670	670
	$241,004	$189,398

PVH issued $100,000 of 7.75% Debentures due 2023 on November 15, 1993 with a yield to maturity of 7.80%. Interest is payable semi-annually. Based on current market conditions, PVH estimates that the fair value of these Debentures on February 1, 1998, using discounted cash flow analyses, was approximately $93,400.

On April 22, 1998, PVH completed a refinancing of its Revolving Credit Facility and its 7.75% Senior Notes by entering into a new $325,000 Senior Secured Credit Facility with a group of banks and by issuing $150,000 of 9.5% Senior Subordinated Notes due May 1, 2008. The net proceeds from the Senior Subordinated Notes were used to retire the 7.75% Senior Notes and to repay a portion of the amount due under PVH's prior Revolving Credit Facility. Accordingly, such amounts have been classified as long-term debt as of February 1, 1998.

The new $325,000 Credit Facility has a 5 year term and all borrowings thereunder are due April 22, 2003. The Facility includes a revolving credit facility which allows PVH, at its option, to borrow and repay amounts up to $325,000. The Facility also includes a letter of credit facility with a sub-limit of $250,000 provided, however, that the aggregate maximum amount outstanding under both the revolving credit facility and the letter of credit facility is $325,000. Interest is payable quarterly at a spread over LIBOR or the prime rate, at the borrower's option, with the spread based on PVH's credit rating and certain financial ratios. The Facility also provides for payment of a fee on the unutilized portion of the Facility.

Long-Term Debt (Continued)

The 9.5% Senior Subordinated Notes have a yield to maturity of 9.58% and interest payable semi-annually.

In connection with the 7.75% Debentures and the $325,000 Credit Facility, substantially all of PVH's trade receivables, inventories and property, plant and equipment have been pledged as collateral.

In connection with the early retirement of the 7.75% Senior Notes, PVH paid a yield maintenance premium of $1,446, which will be classified as an extraordinary item in 1998.

The weighted average interest rate on outstanding borrowings under the revolving credit facility at February 1, 1998 and February 2, 1997 was 6.4% and 6.2%, respectively.

Interest paid was $20,784 (1997), $24,039 (1996) and $22,949 (1995).

Scheduled maturities of long-term debt, including current portion, for the next five years are as follows: 1998-$9,857, 1999-$9,857, 2000-$9,857, 2001-$9,857 and 2002-$9,858.

Investment in Pyramid Sportswear

During the fourth quarter of 1995, PVH acquired 25% of Pyramid Sportswear ("Pyramid") for $6,950 in cash and $1,800 in the Company's common stock. PVH accounts for its investment in Pyramid under the equity method of accounting. Pyramid, headquarted in Sweden, designs, develops and sources Gant sportswear under a license from PVH and markets such sportswear in 35 countries around the world. In connection with this investment, PVH also acquired an option to purchase the remaining 75% of Pyramid beginning in 2000.

Stockholders' Equity

Preferred Stock Rights - On June 10, 1986, the Board of Directors declared a distribution of one Right (the "Rights") to purchase Series A Cumulative Participating Preferred Stock, par value $100 per share, for each outstanding share of common stock. As a result of subsequent stock splits, each outstanding share of common stock now carries with it one-fifth of one Right.

Under certain circumstances, each Right will entitle the registered holder to acquire from the Company one one-hundredth (1/100) of a share of said Series A Preferred Stock at an exercise price of $100. The Rights will be exercisable, except in certain circumstances, commencing ten days following a public announcement that (i) a person or group has acquired or obtained the right to acquire 20% or more of the common stock, in a transaction not approved by the Board of Directors or (ii) a person or group has commenced or intends to commence a tender offer for 30% or more of the common stock (the "Distribution Date").

If PVH is the surviving corporation in a merger or other business combination then, under certain circumstances, each holder of a Right will have the right to receive upon exercise the number of shares of common stock having a market value equal to two times the exercise price of the Right.

Stockholders' Equity - (Continued)

In the event PVH is not the surviving corporation in a merger or other business combination, or more than 50% of PVH's assets or earning power is sold or transferred, each holder of a Right will have the right to receive upon exercise the number of shares of common stock of the acquiring company having a market value equal to two times the exercise price of the Right.

At any time prior to the close of business on the Distribution Date, PVH may redeem the Rights in whole, but not in part, at a price of $.05 per Right. During 1996, the rights were extended for a period of 10 years from the date of initial expiration and will expire on June 16, 2006.

Stock Options - Under PVH's stock option plans, non-qualified and incentive stock options ("ISOs") may be granted. Options are granted at fair market value at the date of grant. ISOs and non-qualified options granted have a ten year duration. Generally, options are cumulatively exercisable in three installments commencing three years after the date of grant.

Under APB Opinion No. 25, PVH does not recognize compensation expense because the exercise price of the Company's stock options equals the market price of the underlying stock on the date of grant. Under FASB Statement No. 123, proforma information regarding net income and earnings per share is required as if the Company had accounted for its employee stock options under the fair value method of that Statement.

For purposes of proforma disclosures, PVH estimated the fair value of stock options granted since 1995 at the date of grant using the Black-Scholes option pricing model. The estimated fair value of the options is amortized to expense over the options' vesting period.

The following summarizes the assumptions used to estimate the fair value of stock options granted in each year and certain proforma information:

	1997	1996	1995
Risk-free interest rate	6.49%	6.61%	6.05%
Expected option life	7 Years	7 Years	7 Years
Expected volatility	26.0%	30.6%	30.6%
Expected dividends per share	$ 0.15	$ 0.15	$ 0.15
Weighted average estimated fair value per share of options granted	$ 5.43	$ 5.29	$ 6.11
Proforma net income (loss)	$(68,242)	$17,396	$ (127)
Proforma basic and diluted net income (loss) per share	$ (2.52)	$ 0.65	$(0.00)

As any options granted in the future will also be subject to the fair value proforma calculations, the proforma adjustments for 1997, 1996 and 1995 may not be indicative of future years.

Stockholders' Equity - (Continued)

Other data with respect to stock options follows:

	Shares	Option Price Per Share		Weighted Average Price Per Share
Outstanding at January 29, 1995	1,554,249	$ 4.75 -	$36.25	$16.99
Granted	568,390	10.75 -	17.50	15.02
Exercised	187,908	4.75 -	10.69	7.17
Cancelled	131,383	4.75 -	34.75	20.37
Outstanding at January 28, 1996	1,803,348	4.75 -	36.25	17.14
Granted	948,411	10.75 -	14.38	12.83
Exercised	66,353	4.75 -	8.75	5.81
Cancelled	727,866	6.88 -	36.25	26.07
Outstanding at February 2, 1997	1,957,540	4.75 -	31.63	12.12
Granted	817,250	12.81 -	15.68	14.23
Exercised	133,539	4.75 -	13.13	5.93
Cancelled	179,587	6.88 -	31.63	14.49
Outstanding at February 1, 1998	2,461,664	$ 5.94 -	$31.63	$12.98

Of the outstanding options at February 1, 1998, 434,466 shares have an exercise price below $12.25, 2,023,558 shares have an exercise price from $12.25 to $16.50 and 3,640 shares have an exercise price above $16.50. The weighted average remaining contractual life for all options outstanding at February 1, 1998 is 7.6 years.

Of the outstanding options at February 1, 1998 and February 2, 1997, options covering 650,479 and 645,091 shares were exercisable at a weighted average price of $10.56 and $9.35, respectively. Stock options available for grant at February 1, 1998 and February 2, 1997 amounted to 1,704,250 and 311,496 shares, respectively.

Leases

PVH leases retail stores, manufacturing facilities, office space and equipment. The leases generally are renewable and provide for the payment of real estate taxes and certain other occupancy expenses. Retail store leases generally provide for the payment of percentage rentals based on store sales and other costs associated with the leased property.

At February 1, 1998, minimum annual rental commitments under non-cancellable operating leases, including leases for new retail stores which had not begun operating at February 1, 1998, are as follows:

1998	$ 59,232
1999	46,049
2000	33,183
2001	26,036
2002	19,653
Thereafter	48,174
Total minimum lease payments	$232,327

Leases (Continued)

Rent expense, principally for real estate, is as follows:

	1997	1996	1995
Minimum.	$65,177	$67,914	$69,988
Percentage and other	11,139	11,166	11,807
	$76,316	$79,080	$81,795

Retirement and Benefit Plans

Defined Benefit Plans - PVH has noncontributory, defined benefit pension plans covering substantially all U.S. employees meeting certain age and service requirements. For those vested (after five years of service), the plans provide monthly benefits upon retirement based on career compensation and years of credited service. It is PVH's policy to fund pension cost annually in an amount consistent with Federal law and regulations. The assets of the plans are principally invested in a mix of fixed income and equity investments. In addition, PVH also participates in multi-employer plans, which provide defined benefits to their union employees.

A summary of the components of net pension cost for the defined benefit plans and the total contributions charged to pension expense for the multi-employer plans follows:

	1997	1996	1995
Defined Benefit Plans:			
Service cost - benefits earned during the period.	$ 2,004	$ 2,528	$2,145
Interest cost on projected benefit obligation	7,935	7,425	7,107
Actual gain on plan assets.	(19,772)	(13,688)	(19,533)
Net amortization and deferral of actuarial gains.	11,259	5,354	12,028
Net pension cost of defined benefit plans.	1,426	1,619	1,747
Multi-employer plans	213	253	219
Total pension expense.	$ 1,639	$ 1,872	$1,966

Significant rate assumptions used in determining pension obligations at the end of each year, as well as pension cost in the following year, were as follows:

	1997	1996	1995
Discount rate used in determining projected benefit obligation	7.25%	8.00%	7.50%
Rate of increase in compensation levels.	4.00%	4.50%	4.00%
Long-term rate of return on assets	8.75%	8.75%	8.75%

Retirement and Benefit Plans - (Continued)

The following table sets forth the plans' funded status and amounts recognized for defined benefit plans in the Company's balance sheets:

	1997	1996
Actuarial present value of benefit obligations:		
Vested benefit obligation.	$ 108,656	$ 91,379
Accumulated benefit obligation	$ 110,171	$ 93,373
Plan assets at fair value.	$ 124,663	$ 110,830
Less: projected benefit obligation for services rendered to date	(116,622)	(101,065)
Plan assets in excess of projected benefit obligation.	8,041	9,765
Unrecognized prior service cost.	2,536	3,099
Unrecognized net actuarial gain.	(2,403)	(3,665)
Unrecognized net asset at adoption date of FASB Statement No. 87	(238)	(305)
Net pension asset recognized in the balance sheets	$ 7,936	$ 8,894

Plan assets in excess of projected benefit obligation at February 1, 1998 and February 2, 1997 are net of $4,264 and $3,729, respectively for certain underfunded plans.

PVH has an unfunded supplemental defined benefit plan covering 23 current and retired executives under which the participants will receive a predetermined amount during the 10 years following the attainment of age 65, provided that prior to the termination of employment with PVH, the participant has been in the plan for at least 10 years and has attained age 55. PVH does not intend to admit new participants in the future. At February 1, 1998 and February 2, 1997, $8,309 and $7,450, respectively, are included in other liabilities as the accrued cost of this plan.

Savings and Retirement Plans - PVH has a savings and retirement plan (the "Associates Investment Plan") and a supplemental savings plan for the benefit of its eligible employees who elect to participate. Participants generally may elect to contribute up to 15% of their annual compensation, as defined, to the plans. PVH contributions to the plans are equal to 50% of the amounts contributed by participating employees with respect to the first 6% of compensation and were $1,959 (1997), $2,249 (1996) and $2,668 (1995). In accordance with the terms of the Associates Investment Plan, PVH matching contributions are invested in the Company's common stock.

Post-Retirement Benefits - PVH and its domestic subsidiaries provide certain health care and life insurance benefits to retired employees. Employees become eligible for these benefits if they reach retirement age while working for the Company. Retirees contribute to the cost of this plan, which is unfunded.

Retirement and Benefit Plans - (Continued)

Net post-retirement benefit cost includes the following components:

	1997	1996	1995
Service cost	$ 389	$ 687	$ 466
Interest cost	2,403	2,166	2,128
Amortization of net loss	284	44	37
Amortization of transition obligation	273	273	273
	$3,349	$3,170	$2,904

The following reconciles the plan's accumulated post-retirement benefit with amounts recognized in the Company's balance sheets:

	1997	1996
Accumulated post-retirement benefit obligation:		
Retirees receiving benefits	$27,389	$21,505
Fully eligible active plan participants	2,547	2,132
Active plan participants not eligible for benefits	4,171	5,503
	34,107	29,140
Unrecognized transition obligation	(4,097)	(4,370)
Unrecognized net loss	(8,689)	(4,729)
Post-retirement liability recognized in the balance sheets	$21,321	$20,041

The weighted average annual assumed rate of increase in the cost of covered benefits (i.e., health care cost trend rate) is 7.0% for 1998 and is assumed to decrease gradually to 5.5% by 2010 and remain at that level thereafter. Increasing the assumed health care cost trend rate by one percentage point would increase the accumulated post-retirement benefit obligation as of February 1, 1998 by $3,391, and the aggregate of the service and interest cost components of net post-retirement benefit cost for 1997 by $303. The discount rate used in determining the accumulated post-retirement benefit obligation at February 1, 1998 and February 2, 1997 was 7.25% and 8.0%, respectively.

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 prior years, the Apparel segment included sales, income and assets related to apparel marketed by the Company's footwear division. In the fourth quarter of 1997, PVH adopted FASB Statement No. 131, "Disclosures about Segments of an Enterprise and Related Information". In identifying its reportable segments under the provisions of Statement No. 131, 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, which now excludes Bass apparel. The apparel 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.

Segment Data - (Continued)

Sales for both segments occur principally in the United States. There are no inter-segment sales. The Bass apparel data for prior years has been reclassified for consistent presentation with the current year.

	1997	1996	1995
Net Sales			
Apparel	$ 911,047	$ 897,370	$1,006,701
Footwear and Related Products	438,960	462,223	457,427
Total Net Sales	$1,350,007	$1,359,593	$1,464,128
Operating Income (Loss)			
Apparel(1)	$ (33,049)	$ 30,021	$ 12,432
Footwear and Related Products(2)	(38,853)	32,888	21,026
Total Operating Income (Loss)	(71,902)	62,909	33,458
Corporate Expenses	(15,251)	(15,171)	(12,885)
Interest Expense, net	(20,672)	(23,164)	(23,199)
Income (Loss) Before Taxes	$ (107,825)	$ 24,574	$ (2,626)
Identifiable Assets			
Apparel	$ 355,979	$ 381,274	$ 468,618
Footwear and Related Products	152,518	143,631	165,390
Corporate	151,962	132,531	115,047
	$ 660,459	$ 657,436	$ 749,055
Depreciation and Amortization			
Apparel	$ 10,484	$ 16,105	$ 22,399
Footwear and Related Products	6,561	5,780	7,074
Corporate	8,255	7,553	4,267
	$ 25,300	$ 29,438	$ 33,740
Identifiable Capital Expenditures			
Apparel	$ 8,103	$ 4,269	$ 20,555
Footwear and Related Products	3,957	6,650	7,281
Corporate	5,863	11,659	11,937
	$ 17,923	$ 22,578	$ 39,773

(1) Operating income of the Apparel segment includes charges for facility and store closing, restructuring and other expenses of $78,465 (1997) and $25,000 (1995).

(2) Operating income of the Footwear and Related Products segment includes charges for facility and store closing, restructuring and other expenses of $54,235 (1997) and $2,000 (1995).

Facility and Store Closing, Restructuring and Other Expenses

During 1997 and 1995, the Company recorded pre-tax charges of $132,700 and $27,000 respectively, related principally to a series of actions the Company has taken to accelerate the execution of its ongoing strategies to build its brands. The initiatives related to the 1997 charges are as follows:

Exiting all U.S. mainland footwear manufacturing with the closing of the Company's Wilton, Maine footwear manufacturing facility

Exiting sweater manufacturing with the sale and liquidation of the Company's Puerto Rico sweater operations

Restructuring plant, warehouse and distribution and other administrative areas to reduce product costs and operating expenses and improve efficiencies

Closing an additional 150 underperforming retail outlet stores

Repositioning the Gant brand in the United States to be consistent with its highly successful positioning in Europe

Modifying a repositioning of the Bass brand, including the liquidation of a resulting excess inventory

The cost components of the 1997 charges are as follows:

Inventory markdowns included in cost of goods sold	$ 46,000
Fixed asset write-offs	40,800
Termination benefits for approximately 2,150 employees	19,500
Lease and other obligations	19,100
Other	7,300
	$132,700

As of February 1, 1998, approximately $84,900 had been charged against this reserve, of which approximately $26,600 related to inventory markdowns.

The initiatives related to the 1995 charges were the closing of three domestic shirt manufacturing facilities, closing approximately 300 underperforming retail outlet stores and reorganizing the Company's management structure to enhance the Company's focus on its brands. Approximately $13,000 of the charges related to the write-off of fixed assets located in such factories and retail outlet stores. The remaining $14,000 related to termination benefits, including pension settlements and curtailments of $1,200, for approximately 1,250 employees. As of February 1, 1998, all of this reserve had been utilized.

Other Comments

One of the Company's directors, Mr. Harry N.S. Lee, is a director of TAL Apparel Limited, an apparel manufacturer and exporter based in Hong Kong. During 1997, 1996 and 1995, the Company purchased approximately $26,500, $35,000 and $45,000, respectively, of products from TAL Apparel Limited and certain related companies.

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.

During 1997, 1996 and 1995, the Company paid a $0.0375 per share cash dividend each quarter on its common stock.

Certain items in 1996 and 1995 have been reclassified to present them on a basis consistent with 1997.

REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

To the Stockholders and the Board of Directors
Phillips-Van Heusen Corporation

We have audited the accompanying consolidated balance sheets of Phillips-Van Heusen Corporation and subsidiaries as of February 1, 1998 and February 2, 1997, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for each of the three years in the period ended February 1, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Phillips-Van Heusen Corporation and subsidiaries at February 1, 1998 and February 2, 1997, and the consolidated results of their operations and their cash flows for each of the three years in the period ended February 1, 1998 in conformity with generally accepted accounting principles.

E&Y SIGNATURE STAMP

New York, New York
March 10, 1998, except for the
Long-Term Debt Note, which
is as of April 22, 1998

PHILLIPS-VAN HEUSEN CORPORATION
TEN-YEAR FINANCIAL SUMMARY
(In thousands, except per share data, percents and ratios)

	1997(1)	1996(2)	1995(3)	1994(4)	1993
Summary of Operations					
Net sales					
Apparel	$ 911,047	$ 897,370	$1,006,701	$ 812,993	$ 757,452
Footwear and Related Products	438,960	462,223	457,427	442,472	394,942
	1,350,007	1,359,593	1,464,128	1,255,466	1,152,394
Cost of goods sold and expenses	1,437,160	1,311,855	1,443,555	1,205,764	1,072,083
Interest expense, net	20,672	23,164	23,199	12,793	16,679
Income (loss) before taxes	(107,825)	24,574	(2,626)	36,909	63,632
Income tax expense (benefit)	(41,246)	6,044	(2,920)	6,894	20,380
Income (loss) from continuing operations	(66,579)	18,530	294	30,015	43,252
Loss from discontinued operations					
Extraordinary loss, net of tax					(11,394)
Net income (loss)	$ (66,579)	$ 18,530	$ 294	$ 30,015	$ 31,858
Per Share Statistics(5)					
Basic Earnings Per Share:					
Continuing operations	$ (2.46)	$ 0.69	$ 0.01	$ 1.13	$ 1.66
Discontinued operations					
Extraordinary loss					(0.44)
Net income (loss)	$ (2.46)	$ 0.69	$ 0.01	$ 1.13	$ 1.22
Diluted Earnings Per Share:					
Continuing operations	$ (2.46)	$ 0.68	$ 0.01	$ 1.11	$ 1.60
Discontinued operations					
Extraordinary loss					(0.42)
Net income (loss)	$ (2.46)	$ 0.68	$ 0.01	$ 1.11	$ 1.18
Dividends paid per share	$ 0.15	$ 0.15	$ 0.15	$ 0.15	$ 0.15
Stockholders' equity per share	8.11	10.73	10.20	10.35	9.33
Financial Position					
Current assets	$ 385,018	$ 362,958	$ 444,664	$ 429,670	$ 418,702
Current liabilities	133,335	122,266	183,126	114,033	109,156
Working capital	251,683	240,692	261,538	315,637	309,546
Total assets	660,459	657,436	749,055	596,284	554,771
Long-term debt	241,004	189,398	229,548	169,679	169,934
Convertible redeemable preferred stock					
Stockholders' equity	220,305	290,158	275,292	275,460	246,799
Other Statistics					
Total debt to total capital (6)	53.0%	43.1%	52.3%	38.2%	40.8%
Market value of stockholders' equity	$328,000	$ 365,000	$ 270,000	$ 426,000	$ 949,000
Current ratio	2.9	3.0	2.4	3.8	3.8
Average shares outstanding	27,108	27,004	26,726	26,563	26,142

(1) 1997 includes pre-tax charges of $132,700 for facility and store closing, restructuring and other expenses.

(2) 1996 and 1990 include 53 weeks of operations.

(3) 1995 includes the operations of Izod and Gant from date of acquisition, February 17, 1995, and includes pre-tax charges of $27,000 for facility and store closing, restructuring and other expenses.

(4) 1994 includes pre-tax charges of $7,000 for restructuring and other expenses.

(5) The earnings per share amounts for years prior to 1997 have been restated to comply with FASB Statement No. 128, "Earnings Per Share."

(6) Total capital equals interest-bearing debt, preferred stock and stockholders' equity.

	1992	1991	1990(2)	1989	1988
Summary of Operations					
Net sales					
Apparel	$ 709,361	$596,383	$536,352	$493,395	$460,342
Footwear and Related Products	333,204	307,717	269,963	239,541	180,696
	1,042,565	904,100	806,315	732,936	641,038
Cost of goods sold and expenses	972,357	843,367	752,252	682,687	597,543
Interest expense, net	15,727	16,686	18,884	17,555	16,109
Income before taxes	54,481	44,047	35,179	32,694	27,386
Income tax expense	16,600	12,910	8,795	8,502	6,565
Income from continuing operations	37,881	31,137	26,384	24,192	20,821
Loss from discontinued operations					(152)
Extraordinary loss, net of tax					
Net income (loss)	$ 37,881	$ 31,137	$ 26,384	$ 24,192	$ 20,669
Per Share Statistics(5)					
Basic Earnings Per Share:					
Continuing operations	$ 1.50	$ 1.24	$ 1.00	$ 0.88	$ 0.70
Discontinued operations					(0.01)
Extraordinary loss	-				
Net income (loss)	$ 1.50	$ 1.24	$ 1.00	$ 0.88	$ 0.69
Diluted Earnings Per Share:					
Continuing operations	$ 1.42	$ 1.15	$ 0.95	$ 0.84	$ 0.68
Discontinued operations					(0.01)
Extraordinary loss					
Net income (loss)	$ 1.42	$ 1.15	$ 0.95	$ 0.84	$ 0.67
Dividends paid per share	$ 0.15	$ 0.1425	$ 0.14	$ 0.14	$ 0.14
Stockholders' equity per share	8.14	4.52	3.38	2.53	1.79
Financial Position					
Current assets	$ 410,522	$ 303,143	$ 285,315	$ 266,867	$ 265,039
Current liabilities	115,208	102,976	90,748	84,190	88,191
Working capital	295,314	200,167	194,567	182,677	176,848
Total assets	517,362	398,969	376,790	333,108	323,133
Long-term debt	170,235	121,455	140,259	118,776	116,400
Convertible redeemable preferred stock		72,800	72,800	72,800	72,800
Stockholders' equity	211,413	84,903	62,324	46,085	32,476
Other Statistics					
Total debt to total capital (6)	46.8%	46.0%	53.2%	52.6%	55.1%
Market value of stockholders' equity	$ 753,000	$392,000	$173,000	$132,000	$127,000
Current ratio	3.6	2.9	3.1	3.2	3.0
Average shares outstanding	23,766	18,552	18,260	18,140	18,090

(1) 1997 includes pre-tax charges of $132,700 for facility and store closing, restructuring and other expenses.

(2) 1996 and 1990 include 53 weeks of operations.

(3) 1995 includes the operations of Izod and Gant from date of acquisition, February 17, 1995, and includes pre-tax charges of $27,000 for facility and store closing, restructuring and other expenses.

(4) 1994 includes pre-tax charges of $7,000 for restructuring and other expenses.

(5) The earnings per share amounts for years prior to 1997 have been restated to comply with FASB Statement No. 128, "Earnings Per Share."

(6) Total capital equals interest-bearing debt, preferred stock and stockholders' equity.

EXHIBIT 23

Consent of Independent Auditors

We consent to 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 Phillips-Van Heusen Corporation and in the related Prospectuses of our report dated March 10, 1998 (except for the Long-Term Debt Note, which is as of April 22, 1998), with respect to the consolidated financial statements as amended and schedules of Phillips-Van Heusen Corporation included in this Form 10-K/A No. 1 for the year ended February 1, 1998.

ERNST & YOUNG LLP

New York, New York
April   , 1998

5

THIS SCHEDULE CONTAINS RESTATED SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE PHILLIPS-VAN HEUSEN CORPORATION FINANCIAL STATEMENTS INCLUDED IN ITS 10-K/A NO. 1 REPORT FOR THE YEAR ENDED FEBRUARY 1, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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YEAR
FEB-01-1998
FEB-01-1998
11,748
0
91,567
2,911
249,534
385,018
94,582
0
660,459
133,335
241,004
0
0
27,179
193,126
660,459
1,350,007
1,350,007
937,965
937,965
499,195
0
20,672
(107,825)
(41,246)
(66,579)
0
0
0
(66,579)
(2.46)
(2.46)

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