SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-K

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

For the fiscal year ended January 29, 1995 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 17, 1995 was approximately $408,000,000.

Number of shares of Common Stock outstanding as of April 17, 1995: 26,656,616.

DOCUMENTS INCORPORATED BY REFERENCE

Document	Location in Form 10-K in which incorporated
Registrant's 1994 Annual Report to Stockholders for the Fiscal Year Ended January 29, 1995	Parts I and II
Registrant's Proxy Statement for the Annual Meeting of Stockholders to be held on June 13, 1995	Part III

PART I

Item 1. Business

General Overview

Phillips-Van Heusen Corporation (the "Company") is a vertically integrated manufacturer, marketer and retailer of men's, women's and children's apparel and footwear. The Company's products include shirts, sweaters and shoes and, to a lesser extent, neckwear, furnishings, bottoms, outerwear and leather and canvas accessories. The Company's principal brand names include "Van Heusen", the best-selling dress shirt brand in the United

States; "Bass", the leading casual shoe brand in the United States; and "Geoffrey Beene", the best-selling designer dress shirt label in the United States. The Company is also a leading manufacturer and distributor of private label shirts and sweaters.

On January 24, 1995, the Company signed a binding agreement to acquire the Apparel Group of Crystal Brands, Inc. ("Crystal Brands"). This transaction was completed on February 17, 1995, and in connection therewith, the Company acquired ownership of the "Izod", "Gant" and "Salty Dog" brand names. The Company believes this acquisition will enhance its strategy of marketing branded products both at wholesale and retail.

On January 24, 1995, the Company also entered into a licensing agreement to make and market "Jantzen" branded men's sweaters (the number-one selling sweater in the United States), sport shirts and related bottoms.

Wholesale distribution consists of the marketing and sale of the Company's products to major department stores, specialty and independent retailers, chain stores and catalog merchants. The Company's wholesale customers for branded and designer apparel include May Co., Federated, JCPenney, Macy's and Younkers. Wholesale customers for its private label shirts include JCPenney, Mervyn's, Lord & Taylor, Lands' End, Sears and Target, while wholesale customers for the Company's private label sweaters and golf apparel include Lands' End, JCPenney, Broadway Stores and Sears. The Company's customers for footwear include May Co., Dillard's, Macy's and Dayton Hudson. In fiscal 1994, no one customer accounted for more than 10% of the Company's sales.

Through its retail operations, the Company sells its products directly to consumers in 872 Company-owned stores operated in five different formats located primarily in manufacturers' outlet malls. At the end of fiscal 1994, these formats were Van Heusen, Geoffrey Beene, Bass, Cape Isle Knitters and Windsor Shirt. See "Acquisition of the Apparel Group of Crystal Brands" for a discussion regarding the acquisition of additional stores and the conversion plan for the Company's Cape Isle Knitters and Windsor Shirt stores.

The Company believes that its growth in recent years has been due in large part to its strategy of developing multiple channels of distribution for its merchandise. These channels include an increasing number of Company-owned outlet stores as well as the Company's wholesale customers. These diverse channels have enabled the Company to strengthen the competitive position of its brands and to extend its brands into new product lines. The Company also believes that the continued enhancement and expanded use of its inventory management and electronic data interchange systems and refinement of its promotional and advertising activities has resulted and will continue to result in further strengthening of its brand images, decreased risks of excess production and more efficient utilization of its production facilities and outside suppliers.

According to research conducted by the NPD Consumer Purchase Panel, the Company's "Van Heusen" shirt brand is the best-selling dress shirt brand in the United States men's dress shirt market, and the Company's "Geoffrey Beene" shirt brand is the best-selling men's designer dress shirt in the United States. Including its branded, designer and private label offerings, the Company believes its overall share of the United States men's dress shirt market is the largest of any single company.

In addition to the Company's success with marketing dress shirts, the Company in recent years has extended its major brand product offerings to sportswear. With the acquisition of the "Izod", "Gant" and "Salty Dog" labels, and the license to manufacture and market "Jantzen" branded sweaters, sport shirts and bottoms, it is expected that sportswear will continue to increase as a percentage of the Company's sales.

The Company was incorporated in the State of Delaware in 1976 as the successor to a business begun in 1881, and, with respect to Bass, a business begun in 1876. The Company's principal executive offices are located at 1290 Avenue of the Americas, New York, New York 10104; its telephone number is (212) 541-5200.

Retail Development

The decision to develop and expand its own retail operations, concurrent with the growth of the manufacturers' outlet retailing industry, has permitted the Company to position itself as a major value-oriented retailer. The Company's retail operations have enabled it to increase sales by offering its products in geographic markets where they were not previously widely available, selling to consumers who favor value-oriented retailers and selling products bearing its brand names and designer labels that are not marketed to its wholesale customers.

Critical to the Company's retailing strategy was the choice of manufacturers' ("factory") outlet centers as the venue to pursue its retailing business. Manufacturers' outlet centers, usually located in tourist/vacation areas or on major highways to these areas, provide a large customer base with significant disposable income and a positive attitude toward shopping and a base of business in locations that limit conflict with the Company's wholesale customers. The development of manufacturers' outlet centers is a key component to the success of the Company. The success of a new outlet mall is heavily dependent on its location and the attraction of a well known group of tenants and, therefore, the Company actively cooperates with developers in the site and tenant selection processes. The Company believes that as a result of its strong presence and success in manufacturers' outlet retailing, developers seek and welcome the Company's input into such processes.

The Company's stores provide the opportunity to liquidate excess and out-of-date inventory and factory "seconds", thereby substantially reducing the need to sell such merchandise to discounters or jobbers at severely marked down prices. The ability to control the sale of such merchandise also prevents the damage to the image of the Company's brands which can result when they are sold by discounters with inferior presentation and advertising.

The Company has developed a retail component for each of its branded products which has enhanced the Company's ability to reach a broad array of consumers for its products. At the same time, it has allowed the Company to expand its brands to other compatible products not carried in its regular wholesale lines. The Company's success in expanding the types of products available under its brand names has led to an increase in the product lines available in its store formats and has enabled the Company to offer in its stores additional products which are not available in the Company's wholesale product lines. For example, the Company now offers men's and women's sportswear and accessories in many of its Bass stores, has continued increasing the number of its stores offering Geoffrey Beene women's wear and plans to expand on its offering of Bass Kids apparel merchandise in 1995.

The Company's retail formats are managed to allow each to enjoy its own focus without infringing on the other formats, thereby enabling all formats to co-exist in one outlet center. Thus, even though Van Heusen, Windsor Shirt and Geoffrey Beene stores each carry the same type of men's apparel products, each targets and markets to a different consumer base: Van Heusen - the American brand, moderate price and moderate fashion consumer; Windsor Shirt - the better traditional consumer; and Geoffrey Beene - the better fashion

forward consumer. In addition, all aspects of each retail format - store design, presentation, sales personnel, packaging, product and price - reinforce the Company's focus on value-oriented retailing to that particular store format's target consumer.

The Company's retail stores show a high level of profitability resulting from low overhead and staffing costs, low rental and common area maintenance charges, short-term leases enabling exit from poorly performing stores, the elimination of accounts receivable carrying costs as all sales are for cash or on third party credit cards, high inventory turnover rates and low fixturing costs. Stores in each of the Company's formats are typically profitable within a year of opening. This is in contrast to traditional mall stores which typically undergo a significant start-up period before becoming profitable. Immediate cash flow generation is an important advantage of outlet mall stores over traditional mall stores, as is the ability to build and open stores in a comparatively short period of time.

Wrinkle-Free Dress Shirts

During fiscal 1994, the Company began marketing wrinkle-free dress shirts to its wholesale customers and in its own retail stores. While increased advertising and higher production costs associated with introducing this product negatively impacted the Company's earnings in 1994, the Company believes these earnings pressures will be less severe in the future due to lower overall production costs. The Company believes that a niche market for non wrinkle-free dress shirts will exist, and, therefore, the Company plans to continue marketing both wrinkle-free and non wrinkle-free dress shirts for the foreseeable future.

Acquisition of the Apparel Group of Crystal Brands

On February 17, 1995, the Company acquired the Apparel Group of Crystal Brands which added "Izod", "Gant" and "Salty Dog" to the Company's roster of highly regarded brands. The Company plans to market sportswear products under these labels both at wholesale and retail. "Izod" and "Gant" products are sold at many better department stores in the United States including Lord and Taylor, Macy's, Belk's, Dillard's and May Co. In connection with the acquisition, the Company acquired 88 outlet stores which market apparel under the various labels acquired from Crystal Brands. The Company plans to convert substantially all of these stores in fiscal 1995 to stores which will market apparel under either the "Izod" or "Gant" label, although several of the acquired stores will either be converted to other store formats which the Company operates, or will be closed. In addition, the Company plans to convert substantially all of its Cape Isle Knitters and Windsor Shirt private label retail stores into stores which will market apparel under the "Izod" and "Gant" labels, respectively. The Company believes that stores which sell products under a known brand name offer the Company higher profit margins, faster inventory turnover and greater opportunity to expand the product offerings in those stores.

Wholesale Distribution

While much of the Company's focus has been on developing the retail aspect of its business, it has also placed significant emphasis on strengthening its wholesale distribution. For example, to provide its customers with products covering a full range of price points and styles, the Company has designed new branded and designer dress shirts. The Company developed the "Editions" sub-brand under the "Van Heusen" label to cover the price point just above typical private label shirts. The Company also markets Bass dress shirts which are designed as a traditionally styled American line. In addition, the Company has strengthened its private label operations by increasing its design staff, developing additional private label offerings and focusing on high volume accounts. The Company believes that by expanding its product offerings, it enables its wholesale customers to market to consumers brand name, designer and private label dress shirts at various price points.

In fiscal 1994, the Company continued to expand usage of its electronic data interchange system. This quick response system provides a computer link between the Company and its wholesale customers that enables both the customer and the Company to track sales, inventory and shipments. Use of the system also reduces the amount of time it takes a customer to determine its inventory needs and order replenishment merchandise and for the Company to respond to the customer's order.

The Company believes that these efforts have helped strengthen its relationships with its wholesale customers, at the same time as the Company has enhanced the image and increased the exposure of its products.

Apparel Business

The marketing of the Company's apparel products is currently conducted principally under the following labels: "Van Heusen", "Geoffrey Beene", "Bass", "Jantzen", "Izod", "Gant" and "Salty Dog". The Company also markets various private label apparel products. The Company manufactures dress shirts and sweaters in the Company's facilities in the United States, Puerto Rico and the Caribbean Basin. Additional dress shirts and sweaters, and all of the other sportswear and accessories which the Company markets, are sourced through contractors throughout the world, but primarily in the Far East.

Van Heusen

"Van Heusen" is the best-selling men's dress shirt brand in the United States, according to research conducted by the NPD Consumer Purchase Panel. In addition to the "Van Heusen" label, branded products are marketed under the sub-brands "417", "Hennessy", "Players", "Over Easy", "Corporate Casual", "Winter-weights" and "Editions."

"Van Heusen" branded dress and sport shirts are marketed at wholesale in the moderate to better price range to major department stores and men's specialty stores nationwide, including May Co., Frederick Atkins, JCPenney, Younkers and Mervyns.

During fiscal 1994, the Company continued to expand its offering of Van Heusen "Corporate Casual" dress shirts. These shirts have a more casual appearance and have a softer feel than regular dress shirts. The trend in the United States to more casual work attire leads the Company to believe that the overall demand for casual work attire, or "Friday Wear", will continue to increase.

In addition, wholesale marketing of Van Heusen apparel includes knit sport shirts and sweaters, and golf apparel which is marketed under the "Van Heusen Players" label. Major customers include JCPenney and Broadway Stores.

Van Heusen outlet stores offer a full collection of first quality men's traditional, classic and contemporary dress furnishings (including dress shirts, belts, hosiery and neckwear), men's sportswear (including sports shirts, sweaters and bottoms) and ladies sportswear (including coordinates and separates) and men's and women's activewear. Other than men's dress shirts, sport shirts and sweaters, such apparel is not marketed or produced for sale to the Company's wholesale customers.

The product mix targeted for Van Heusen stores is intended to satisfy the key apparel needs of men from dress furnishings to casual wear, and of women for casual wear. Van Heusen stores' merchandising strategy is focused on achieving a classic and/or updated traditional look in a range of primarily moderate price points. Target customers represent the broadest spectrum of the American consumer.

Geoffrey Beene

The Company markets dress shirts under the "Geoffrey Beene" label through a licensing agreement with that designer. The licensing agreement terminates

on December 31, 1996, but has renewal options which allow the Company to extend the agreement through December 31, 2011. "Geoffrey Beene" dress shirts are the best-selling men's designer dress shirts in the United States, according to NPD Consumer Purchase Panel research. Consistent with the increase in the demand for casual work attire, the Company has also expanded its marketing of Geoffrey Beene casual dress shirts. Geoffrey Beene shirts are sold in the upper moderate to better price range to major department stores and men's specialty stores nationwide, including Frederick Atkins, Federated, Macy's and May Co. During fiscal 1994, the Company also expanded on its fiscal 1993 introduction of "Geoffrey Beene" men's sweaters.

Geoffrey Beene stores offer a distinctive collection of men's "Geoffrey Beene" labelled designer products, including dress and sport shirts, neckwear, furnishings, outerwear, bottoms and sportswear. As with Van Heusen outlet stores, the products sold in Geoffrey Beene stores, other than "Geoffrey Beene" dress shirts, consist of products which are not also sold through the Company's wholesale distribution channels.

Through their product mix, the Geoffrey Beene stores seek to meet the full needs of men's wardrobes (excluding suits) from dress furnishings to casual wear. The merchandising strategy is focused on an upscale, fashion forward consumer in the upper moderate price range.

During fiscal 1994, the Company increased the number of its stores offering "Geoffrey Beene" women's wear. Stores offering these products carry a full line of women's casual apparel bearing the designer's name. The Company plans to continue expanding the number of stores offering this product in the future.

Bass

The Company's marketing of apparel under the "Bass" label began in 1992 and has been continuously expanded since that time.

"Bass" casual dress shirts, marketed at wholesale to major department stores including Federated, Macy's and Frederick Atkins, are sold in the upper moderate to better price range.

Until July 1992, the Company's Bass outlet stores had marketed only footwear. Since that time, the Company has introduced apparel and accessories consistent with the Bass "lifestyle" into many of its Bass stores. As a further extension of its "Bass" apparel products, the Company introduced a line of "Bass Kids" apparel merchandise in fiscal 1994. The Company plans to expand this product offering into more of its stores in fiscal 1995.

Jantzen

On January 24, 1995, the Company entered into a licensing agreement to make and market "Jantzen" branded men's sweaters, sport shirts (including golf apparel) and related bottoms. The licensing agreement expires January 31, 2000 but, under certain conditions, the Company may extend the agreement for an additional five years. "Jantzen" is the best-selling sweater in the United States according to NPD Consumer Purchase Panel research, and is sold in the moderate to better price range. Major customers for "Jantzen" branded apparel are department and specialty stores including Belk's, Mercantile, Steinbach's and Younkers. The Company believes that the licensing agreement further strengthens the Company's position as the leading sweater and golf apparel supplier in the United States.

Izod

"Izod" branded apparel products consist of men's and women's sportswear (including sweaters) and golf apparel. These products are marketed in the upper moderate to better price range to major retailers including JCPenney, May Co., Macy's and Lord and Taylor. In addition, golf apparel is marketed to golf pro shops and golf resort retail stores.

The Company's retail business offering Izod products will feature stores marketing men's and women's active inspired casual sportswear. Target customers will generally be brand loyalists who expect quality and fashion at reasonable prices. Stores in this format are expected to begin operating in the second half of fiscal 1995.

Gant/Salty Dog

"Gant" branded apparel consists of a collection of men's sportswear, including woven and knit tops and bottoms. The "Gant" brand represents a true American classic offering of men's sportswear designed for comfort and relaxed fit. "Gant" products are marketed in the better price range to major retailers including Dillards, Belk's, May Co., Macy's and Lord and Taylor. "Salty Dog", a sub-brand of "Gant", is used to market casual sportswear with a pre-washed, more casual appearance.

The Company's Gant outlet stores will offer fine quality knit and woven shirts, sweaters, pants and shorts, outerwear and accessories for men. The "Gant" line incorporates several quality sportswear "lifestyles". Included are rugged, spectator-active and Friday casual wear products, all of which maintain detailed construction and the highest quality fabrics. Stores in this format are expected to begin operating in the second half of fiscal 1995.

Private Label Apparel

Private label programs offer the retailer the ability to create its own line of exclusive merchandise and give the retailer control over distribution of the product. The Company's customers work with the Company's designers to develop shirts in the styles, sizes and cuts which the customers desire to sell in their stores with their particular store names or private labels. Private label programs offer the consumer quality product and offer the retailer the opportunity to enjoy higher margins. Private label products, however, do not have the same level of consumer recognition as branded products and private label manufacturers do not generally provide retailers with the same services and support as branded manufacturers.

The Company markets at wholesale men's dress shirts under private labels to major national retail chains, department stores and catalog merchants, including JCPenney, Mervyns, Lord & Taylor, Lands' End, Sears and Marshalls. Private label sport shirts are marketed to major retailers including K-Mart, Wal-Mart, Target, Sears and JCPenney. Private label sweaters and golf apparel are marketed to traditional department and specialty stores, national retail chains and catalog merchants, including JCPenney, Broadway Stores, Sears and Lands' End. The Company also markets shirts to companies in service industries, including major airlines and food chains. The Company believes it is one of the largest marketers of private label shirts in the United States.

The Company currently markets private label apparel in two retail store formats: Windsor Shirt and Cape Isle Knitters. Windsor Shirt stores offer a full line of men's traditional and fashionable apparel, including dress shirts, neckwear, bottoms, sportswear, hosiery and accessories. Cape Isle Knitters stores offer a select line of men's and women's knitwear products, including sweaters and knit tops, both being complemented with pants and shorts, and hosiery. Both the Windsor Shirt and Cape Isle Knitters stores offer merchandise in the moderate to upper moderate price range. See "Acquisition of the Apparel Group of Crystal Brands" for a discussion of the Company's plan to convert its Windsor Shirt and Cape Isle Knitters stores.

Competition in the Apparel Industry

The apparel industry is highly competitive due to its fashion orientation, its mix of large and small producers, the flow of imported merchandise and the wide diversity of retailing methods. Competition has been exacerbated by the recent consolidations and closings of major department store groups. Based on the variety of the apparel marketed by the Company and

the various channels of distribution it has developed, the Company believes it is well-positioned in the industry, although the Company has many diverse competitors in both manufacturing and retailing.

The Company's apparel wholesale divisions experience competition in branded, designer and private label products. Some of the larger dress shirt competitors include: Bidermann Industries ("Arrow" brand); Salant Corporation ("Perry Ellis" and "John Henry" brands); Warnaco ("Hathaway" brand); Smart Shirt (private label shirt division of Kellwood); Capital Mercury (private label shirts); and Oxford Industries (private label shirts). Some of the larger sportswear competitors include: Warnaco ("Chaps" brand); Nautica Enterprises ("Nautica" brand); and Tommy Hilfiger. For sweaters, the Company's brands compete for department store floor space with private label sweaters. While several apparel manufacturers currently operate outlet stores, management believes that none offers a similar selection of product in the variety of formats offered by the Company.

Footwear Business

The Company's footwear business consists of the manufacture and marketing of a full line of traditional men's, women's and children's casual shoes under the "Bass" brand name in the moderate to better price range. During fiscal 1994, the Company also introduced a line of men's dress shoes. Various sub-brands are utilized, the most important ones being "Weejun", "Sunjun" and "Compass." "Bass" is the leading brand of casual shoes in the United States, according to research conducted by Footwear Market Insights ("FMI"), based on pairs of shoes sold. FMI's research shows "Bass" branded footwear with a 5.9% share of the casual shoe market.

Bass' traditional wholesale customers are major department stores and specialty shoe stores throughout the United States, including Federated, May Co., Dillard's, Macy's and Dayton Hudson. In 1992, Bass began marketing its footwear internationally and is now selling footwear to leading retailers in Europe, Canada, South America and Asia.

All footwear carried in the Bass wholesale line is designed "in-house." Additional styles which are sold only in the Company's Bass stores are designed both "in-house" and by third parties. The Company operates manufacturing facilities in the United States, Puerto Rico and the Dominican Republic. Additional footwear is sourced through manufacturers primarily located in the Far East and Brazil.

Company operated Bass stores located in manufacturers' outlet malls typically carry an assortment of "Bass" shoes, in the moderate to upper moderate price range, as well as complementary products not sold to wholesale customers. The Company also operates several "image" stores, located primarily in large upscale regional malls, typically offering a narrower assortment of "Bass" shoes than that carried in Bass outlet stores.

Bass' merchandising strategy is focused on achieving an American classic look which emphasizes classic and traditional footwear design. The stores emphasize the design interpretation "The Look That Never Wears Out" in creating an image for its products.

Competition in the Shoe Industry

The shoe industry is characterized by fragmented competition. Consequently, retailers and consumers have a wide variety of choices regarding brands, style and price. However, over the years, Bass has maintained its important position in the traditional casual footwear market. The Company's primary competitors include Dexter, Rockport, Timberland, Sperry and Sebago. The Company believes, however, that it manufactures a more extensive line of footwear for both genders and in a broader price range than any of its competitors.

Currently, Bass outlet stores have few direct footwear competitors. Dexter and, to an even lesser extent, Timberland are the most prominent casual footwear companies that are competing in the outlet environment. However, multi-branded outlet footwear retailers, such as U.S. Shoe and Famous Footwear, compete on price and assortment.

Merchandise Design, Manufacturing and Product Procurement

The apparel and footwear merchandise manufactured by the Company as well as the vast majority of its sourced products are planned and designed through the efforts of its various merchandise/product development groups. These groups consist of designers, product line builders and merchants who consider consumer taste, fashion, history and the economic environment when creating a product plan for a particular season. Apparel and footwear product lines are developed primarily for two major selling seasons, spring and fall. However, certain of the Company's product lines require more frequent introductions of new merchandise.

The process from initial design to finished product varies greatly, but generally spans nine to 12 months prior to each selling season. Raw materials and production commitments are generally made four to 12 months prior to production and quantities are finalized at that time. In addition, sales are monitored regularly at both the retail and wholesale levels and modifications in production can be made both to increase or reduce availability. The Company's substantial efforts in the area of quick response to sales trends (through the expanded use of its electronic data interchange system) maximize its inventory flexibility and minimize production overruns.

Shirts and sweaters are manufactured in the Company's domestic apparel manufacturing facilities in Alabama, Arkansas and Puerto Rico. The Company also operates facilities in Costa Rica, Guatemala and Honduras. Additionally, the Company contracts for apparel merchandise with vendors principally in the Far East, Middle East and Caribbean areas which meet its quality and cost requirements. Footwear is manufactured in the Company's factories located in Maine, Puerto Rico and the Dominican Republic. In addition, the Company contracts for footwear merchandise which meet its requirements from overseas vendors, principally in Brazil and the Far East.

The Company's foreign offices, located principally in Hong Kong, Korea, Taiwan, Singapore, Brazil and throughout Central America, enable the Company to monitor the quality of the goods manufactured by, and the delivery performance of, its suppliers. The Company continually seeks additional suppliers throughout the world for its sourcing needs and places its orders in a manner designed to limit the risk that a disruption of production at any one facility could cause a serious inventory problem. The Company has experienced no significant production delays or difficulties in importing goods. However, from time to time the Company has incurred added costs by shipping goods by air freight in order for it to meet certain delivery commitments to its customers. The Company's purchases from its suppliers are effected through individual purchase orders specifying the price and quantity of the items to be produced. The Company does not have any long-term, formal arrangements with any of the suppliers which manufacture its products. The Company believes that it is the largest customer of many of its manufacturing suppliers and considers its relations with its suppliers to be satisfactory. No single supplier is critical to the Company's production needs, and the Company believes that an ample number of alternative suppliers exist should the Company need to secure additional or replacement production capacity.

The Company purchases raw materials, including shirting fabric, buttons, thread, labels, yarn, piece goods and leather, from domestic and foreign sources based on quality, pricing (including quotas and duties) and availability factors. The Company believes it is one of the largest procurers of shirting fabric world-wide and purchases the majority of its shirting fabric from overseas manufacturers, due, in part, to decreased domestic production. The Company monitors factors affecting textile production and

imports and remains flexible in order to exploit advantages in obtaining materials from different suppliers and different geographic regions. Rawhide leather for "Bass" footwear is procured mainly from domestic suppliers. The leather used in "Bass" shoes is a by-product of beef production and its availability has remained stable over the past several years as a result of the stability of the beef market. Bass monitors the leather market and makes purchases on the spot market or through blanket contracts with suppliers as price trends dictate. No single supplier of raw materials is critical to the Company's production needs and the Company believes that an ample number of alternative suppliers exist should the Company need to secure additional or replacement raw materials.

Advertising and Promotion

The Company has used national advertising to communicate the Company's marketing message since the 1920's. The Company believes that this effort has helped create strong brand awareness and a high recognition factor among American consumers and has contributed to the overall success of the Company. The Company advertises primarily in national print media including fashion, entertainment/human interest, business, men's, women's and sports magazines. Brand awareness is further supplemented by the Company's co-op advertising program through which the Company and individual retailers combine their efforts and share the cost of store radio, television and newspaper advertisements and in-store advertising and promotional events featuring the Company's branded products.

The Company relies upon local outlet mall developers to promote traffic for their centers. Outlet center developers employ multiple formats including signage (highway billboards, off-highway directional signs, on-site signage and on-site information centers), print advertising (brochures, newspapers and travel magazines), direct marketing (to tour bus companies and travel agents), radio and television, and special promotions.

Trademarks

The Company has the exclusive right to use the "Gant", Izod" and "Salty Dog" names in most countries, the "Van Heusen" name in North, Central and South America as well as the Philippines, and the exclusive world-wide right to use "Bass" for footwear. The Company has registered or applied for registration of numerous other trademarks for use on a variety of items of apparel and footwear and apparel and footwear-related products and owns many foreign trademark registrations. It presently has pending a number of applications for additional trademark registrations. The Company regards its trademarks and other proprietary rights as valuable assets and believes that they have significant value in the marketing of its products.

Licensing

The Company has various agreements under which it licenses the use of its brand names. The Company is licensing the "Van Heusen" name for apparel products in Canada and in most of the South and Central American countries. In the United States, the Company currently licenses the use of the "Van Heusen" name for various products that it does not manufacture or source, including boy's apparel, sleepwear, eyeglasses, neckwear and other accessories and is exploring the possibility of licensing the name for use on other products. The Company licenses the use of the "Bass" name for footwear in Hong Kong, Japan, Europe and Latin America, and for neckwear in the United States. The Company licenses the use of the "Gant" name for outerwear and dress furnishings in the United States. The Company licenses the use of the "Izod" name for infants, toddlers and childrens clothing, as well as "big and tall" apparel, in the United States, and for men's and women's sportswear in Canada. The Company plans to continue expanding its world-wide licensing efforts under the "Gant", "Izod", "Salty Dog" and other trademarks which were acquired from Crystal Brands.

Retail Stores

As of January 29, 1995, the Company operated 872 stores in five different formats: Van Heusen, Bass, Geoffrey Beene, Windsor Shirt and Cape Isle Knitters. The Company's stores are located primarily in manufacturers' outlet malls, except for the Bass "image" stores. Store layouts and designs differ among the five retail formats in order to maximize the effectiveness of the product and pricing strategy directed toward each format's specific target customer.

In connection with the Crystal Brands acquisition, the Company acquired 88 outlet stores which market apparel under the various labels acquired from Crystal Brands. The Company plans to convert substantially all of these stores in fiscal 1995 to stores which will market apparel under either the "Izod" or "Gant" label, although several of the acquired stores will either be converted to other store formats which the Company operates, or will be closed. In addition, the Company plans to convert substantially all of its Cape Isle Knitters and Windsor Shirt private label retail stores into stores which will market apparel under the "Izod" and "Gant" labels, respectively. The Company believes that stores which sell products under a known brand name offer the Company larger profit margins, faster inventory turnover and greater opportunity to expand the product offerings in those stores.

Manufacturers' outlet malls are a growing segment of the retail industry, and the Company is a leading operator of outlet mall stores. Other branded apparel manufacturers who have entered the outlet mall sector include Ralph Lauren, Liz Claiborne, Bugle Boy, J. Crew, Jockey, Donna Karan, Sara Lee, Jones New York, Nautica, Tommy Hilfiger, Calvin Klein and Anne Klein.

The following table sets forth the number of openings and closings of the Company's retail stores by fiscal year since 1990 and the number of stores operated at the end of each fiscal year:

	Fiscal 1994	Fiscal 1993	Fiscal 1992	Fiscal 1991	Fiscal 1990
Store openings:.	139	126	116	126	166 (1)
Store closings:.	47	51	47	40	40
Total stores operated at year end: . .	872	780	705	636	550

(1) Includes 46 Windsor Shirt stores acquired during fiscal 1990.

The Company plans to continue to expand the number of outlet stores which it operates. To continue this expansion, the Company must be able to open multiple stores in new malls, "back-fill" its store formats in a sufficient number of existing outlet malls and/or develop new store formats. The primary short-term source of the Company's retail expansion will, in addition to the stores acquired from Crystal Brands, be the opening of multiple store formats in new malls. There are currently approximately 22 new malls scheduled to open in 1995 and the Company intends to feature several store formats in almost all of them. A large portion of the retail expansion will come from these new malls and existing mall expansions. In addition, retail expansion will come from "back-filling", which entails adding one or more of the Company's store formats to malls in which the Company already operates stores in one or more other formats. Future growth will also come from the development of new store formats, such as the Geoffrey Beene stores offering casual apparel for women which opened late in the summer of 1993. The addition of these, as well as any other new formats will provide the Company with the opportunity to increase the number of stores the Company operates in existing and new malls. Performance of all stores is reviewed on a regular basis and poorly performing stores are closed when appropriate.

The Company maintains a real estate department which works with the store planning and design department in opening new stores. The real estate department locates appropriate sites based on information regarding area demographics, model store size, available lease arrangements and projected volume and operating returns. In preparation for opening, the store planning and design department coordinates interior plans with landlords, division heads, contractors and developers. As construction is completed, a project manager supervises fixture installation as well as ensures the quality workmanship demanded by the Company. Field management then begins the merchandising process. All of these efforts culminate with the opening of each new store.

The retail distribution strategy has evolved to allow the Company the opportunity to market directly to consumers while limiting the disruption of sales to the Company's traditional wholesale customers by locating primarily in manufacturers' outlet malls in locations such as tourist destination areas. As a leading outlet retailer, the Company has the ability to secure favorable lease terms and locations for its stores.

The Company's plans with respect to expansion are frequently reviewed and revised in light of changing conditions. It is possible that not all of the plans described above will be completed and that other projects may be added.

Tariffs and Import Restrictions

A substantial portion of the Company's products are manufactured by contractors located outside the United States. These products are imported and are subject to United States Customs laws, which impose tariffs as well as import quota restrictions established by the Department of Commerce. However, a significant portion of the Company's apparel products are imported from its Caribbean Basin manufacturing facilities and are therefore eligible for certain duty-advantaged programs commonly known as "807 Programs." While importation of goods from certain countries from which the Company obtains goods may be subject to embargo by United States Customs authorities if shipments exceed quota limits, the Company closely monitors import quotas and can, in most cases, shift production to contractors located in countries with available quotas or to domestic manufacturing facilities. The existence of import quotas has, therefore, not had a material effect on the Company's business.

Employees

As of January 29, 1995, the Company employed approximately 10,000 persons on a full-time basis and approximately 3,800 persons on a part-time basis. Of the approximately 13,800 persons employed by the Company, 65% are employed in the apparel business, 32% are employed in the footwear business and 3% are corporate employees. Approximately 4% of the Company's total employees are represented for the purpose of collective bargaining by three different unions. Additional persons, some represented by these three unions, are employed from time to time based upon the Company's manufacturing schedules and retailing seasonal needs. The Company believes that its relations with its employees are satisfactory.

Item 2. Properties

The Company maintains its principal executive offices at 1290 Avenue of the Americas, New York, New York, occupying approximately 80,000 square feet under a sub-lease which expires on December 30, 1998. The Company also maintains an administrative facility in Bridgewater, New Jersey, where the Company occupies a building of approximately 153,000 square feet under a lease which expires on July 30, 2007. The following tables summarize the other manufacturing facilities, warehouses and distribution centers, administrative offices and retail stores of the Company as of January 29, 1995:

Apparel Business

	Square Feet of Floor Space (000's)		
	Owned	Leased	Total
Manufacturing Facilities	333	277	610
Warehouses and Distribution Centers	1,360	537	1,897
Administrative	16	52	68
Retail Stores	4	1,995	1,999
	1,713	2,861	4,574

Footwear Business

	Owned	Leased	Total
Manufacturing Facilities	274	115	389
Warehouses and Distribution Centers	127	185	312
Administrative	20	135	155
Retail Stores	9	1,388	1,397
	430	1,823	2,253

Leases for these apparel and footwear facilities have expiration dates through December 2003. Information with respect to minimum annual rental commitments under leases in which the Company is a lessee is incorporated herein by reference to the note entitled "Leases" in the Notes to Consolidated Financial Statements incorporated by reference in Item 8 of this report.

Item 3. Legal Proceedings

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

Item 4. Submission of Matters to a Vote of Security Holders

None.

Executive Officers of the Registrant

The following table sets forth certain information concerning the Company's Executive Officers:

Name	Position	Age
Bruce J. Klatsky	Chairman; President; Chief Executive Officer; Director	46
Irwin W. Winter	Vice President, Finance; Chief Financial Officer; Director	61
Walter T. Rossi	Chairman, PVH Retail Group	52
Allen E. Sirkin	Chairman, PVH Wholesale Group	52
Mark Weber	Vice President; Group President, The Sportswear Group	46

Mr. Bruce J. Klatsky has been employed by the Company in various capacities over the last 23 years, and has been President of the Company since 1987. Mr. Klatsky has served as a director of the Company since 1985 and was named Chief Executive Officer in June of 1993 and Chairman of the Board of Directors in June of 1994.

Mr. Irwin W. Winter joined the Company in July 1987 as Vice President, Finance and Chief Financial Officer. Mr. Winter has served as a director of the Company since 1987.

Mr. Walter T. Rossi joined the Company in November of 1992 as Chairman, PVH Retail Group. For more than the last five years prior to joining the Company, he served as Chairman and CEO of Mervyn's, a division of Dayton Hudson.

Mr. Allen E. Sirkin has been employed by the Company since 1985. From 1988 to 1990, he was President of The Van Heusen Company and The Designer Group. He has served as Chairman, The PVH Apparel Group since 1990.

Mr. Mark Weber has been employed by the Company in various capacities over the last 23 years, has been Vice President of the Company since 1988 and was recently named Group President, The Sportswear Group.

PART II

Item 5. Market for Registrant's Common Stock and Related Security Holder Matters

Information with respect to the market for the Company's common stock and related security holder matters which appears under the heading "Selected Quarterly Financial Data" in the 1994 Annual Report to Stockholders, is incorporated herein by reference.

Item 6. Selected Financial Data

Selected Financial Data which appears under the heading "Eight Year Financial Summary" in the 1994 Annual Report to Stockholders, is incorporated herein by reference.

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

Management's Discussion and Analysis of Financial Condition and Results of Operations which appears under the heading "Financial Review" in the 1994 Annual Report to Stockholders, is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data

The consolidated financial statements, which appear in the 1994 Annual Report to Stockholders, are incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

The information required by Item 10 is incorporated herein by reference to the section entitled "Election of Directors" of the Company's proxy statement for the Annual Meeting of Stockholders to be held on June 13, 1995.

Item 11. Executive Compensation

Information with respect to Executive Compensation is incorporated herein by reference to the sections entitled "Executive Compensation", "Compensation Committee Report on Executive Compensation" and "Performance Graph" of the Company's proxy statement for the Annual Meeting of Stockholders to be held on June 13, 1995.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Information with respect to the Security Ownership of Certain Beneficial Owners and Management is incorporated herein by reference to the section entitled "Security Ownership of Certain Beneficial Owners and Management" of the Company's proxy statement for the Annual Meeting of Stockholders to be held on June 13, 1995.

Item 13. Certain Relationships and Related Transactions

Information with respect to Certain Relationships and Related Transactions is incorporated herein by reference to the sections entitled "Election of Directors" and "Compensation of Directors" of the Company's proxy statement for the Annual Meeting of Stockholders to be held on June 13, 1995.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a)(1) The following consolidated financial statements are incorporated by reference in Item 8 of this report:

Consolidated Statements of Income--Years Ended January 29, 1995, January 30, 1994 and January 31, 1993
Consolidated Balance Sheets--January 29, 1995 and January 30, 1994
Consolidated Statements of Cash Flows--Years Ended January 29, 1995, January 30, 1994 and January 31, 1993
Consolidated Statements of Changes in Stockholders' Equity-- Years Ended January 29, 1995, January 30, 1994 and January 31, 1993
Notes to Consolidated Financial Statements

(a)(2) See page F-1 for a listing of financial statement schedules submitted as part of this report.

(a)(3) The following exhibits are included in this report:

Exhibit Number	
3.1	Certificate of Incorporation (incorporated by reference to Exhibit 5 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 1977).
3.2	Amendment to Certificate of Incorporation, filed June 27, 1984 (incorporated by reference to Exhibit 3B to the Company's Annual Report on Form 10-K for the fiscal year ended February 3, 1985).
3.3	Amendment to Certificate of Incorporation, filed June 2, 1987 (incorporated by reference to Exhibit 3(c) to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1988).
3.4	Amendment to Certificate of Incorporation (incorporated by reference to Exhibit 3.4 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 1993).
3.5	Amendment to Certificate of Incorporation (incorporated by reference to Exhibit 3.5 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 1993).
3.6	By-Laws of PVH (incorporated by reference to Exhibit 6 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 1977).
3.7	Amendment to Section 4 of Article II of the By-Laws of PVH (incorporated by reference to Exhibit 28.3 to the Company's Report on Form 8-K filed on September 5, 1987).
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).

Exhibit
Number

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.

4.7 Note Agreement, dated October 1, 1992, among PVH, The Equitable Life Assurance Society of the United States, Equitable Variable Life Insurance Company, Unum Life Insurance Company of America, Nationwide Life Insurance Company, Employers Life Insurance Company of Wausau and Lutheran Brotherhood (incorporated by reference to Exhibit 4.21 to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1993).

4.8 Indenture, dated as of November 1, 1993, between PVH and The Bank of New York, as Trustee (incorporated by reference to Exhibit 4.01 to the Company's Registration Statement on Form S-3 (Reg. No. 33-50751) filed on October 26, 1993).

*10.1 1987 Stock Option Plan, including all amendments through March 30, 1993 (incorporated by reference to Exhibit 10.2 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 1994).

*10.2 1973 Employees' Stock Option Plan (incorporated by reference to Exhibit 1 to the Company's Registration Statement on Form S-8 (Reg. No. 2-72959) filed on July 15, 1981).

*10.3 Supplement to 1973 Employees' Stock Option Plan (incorporated by reference to the Company's Prospectus filed pursuant to Rule 424(c) to the Registration Statement on Form S-8 (Reg. No. 2-72959) filed on March 31, 1982).

*10.4 Phillips-Van Heusen Corporation Special Severance Benefit Plan (incorporated by reference to the Company's Report on Form 8-K filed on January 16, 1987).

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

*10.6 Phillips-Van Heusen Corporation Amendment to Capital Accumulation Plan (incorporated by reference to Exhibit 10(n) to the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 1987).

*10.7 Form of Agreement amending Phillips-Van Heusen Corporation Capital Accumulation Plan with respect to individual participants (incorporated by reference to Exhibit 10(1) to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1988).

Exhibit
Number

*10.8 Phillips-Van Heusen Corporation Supplemental Defined Benefit Plan, dated January 1, 1991, as amended and restated on June 2, 1992 (incorporated by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1993).

*10.9 Phillips-Van Heusen Corporation Supplemental Savings Plan, dated as of January 1, 1991 and amended and restated as of January 1, 1992 (incorporated by reference to Exhibit 10.29 to the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 1992).

10.10 Asset Sale Agreement, dated January 24, 1995, Among the Company and Crystal Brands, Inc., Crystal Apparel, Inc., Gant Corporation, Crystal Sales, Inc., Eagle Shirtmakers, Inc., and Crystal Brands (Hong Kong) Limited (incorporated by reference to Exhibit 1 to the Company's Report on Form 8-K dated March 6, 1995).

*10.11 Agreement, dated as of April 28, 1993, between Bruce J. Klatsky, Lawrence S. Phillips and the Company.

*10.12 Non-Incentive Stock Option Agreement, dated as of April 28, 1993, between the Company and Bruce J. Klatsky. Non-Incentive Stock Option Agreement, dated as of December 3, 1993, between the Company and Bruce J. Klatsky (reload of April 28, 1993 Non-Incentive Stock Option Agreement).

*10.13 Amendment, dated December 6, 1993, to the Agreement, dated April 28, 1993, between Bruce J. Klatsky, Lawrence S. Phillips and the Company.

*10.14 Consulting and non-competition agreement, dated February 14, 1995, between the Company and Lawrence S. Phillips.

*10.15 Form of Restricted Stock Plan, effective as of April 18, 1995.

11. Statement re: Computation of Earnings Per Share.

13. Sections of the 1994 Annual Report to Stockholders for the fiscal year ended January 29, 1995 which are included in Parts I and II of this Form 10-K. These sections are Selected Quarterly Financial Data, Eight Year Financial Summary, Financial Review and the consolidated financial statements.

21. Subsidiaries of the Company.

23. Consent of Independent Auditors.

27. Financial Data Schedule

(b) Reports filed on Form 8-K filed during the fourth quarter of 1994:

Form 8-K dated January 24, 1995

Item 5. Other Item - The Company enters into a binding agreement to acquire the Apparel Group of Crystal Brands, Inc. subject to approval from a Federal Bankruptcy Court.

(c) Exhibits: See (a)(3) above for a listing of the exhibits included as part of this report.

(d) Financial Statement Schedules: See page F-1 for a listing of the financial statement schedules submitted as part of this report.

(e) The Company agrees to furnish to the Commission upon request a copy of each agreement with respect to long-term debt where the total amount of securities authorized thereunder does not exceed 10% of the total consolidated assets of the Company.

* Management contract or compensatory plan or arrangement required to be identified pursuant to Item 14(a) of 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: Bruce J. Klatsky
Bruce J. Klatsky
Chairman, President, Chief Executive Officer and Director

Date: April 19, 1995

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
Bruce J. Klatsky Bruce J. Klatsky	Chairman, President, Chief Executive Officer and Director (Principal Executive Officer)	April 19, 1995
Irwin W. Winter Irwin W. Winter	Vice President, Finance and Director (Principal Financial Officer)	April 18, 1995
Emanuel Chirico Emanuel Chirico	Vice President and Controller (Principal Accounting Officer)	April 20, 1995
Edward H. Cohen Edward H. Cohen	Director	April 18, 1995
Estelle Ellis Estelle Ellis	Director	April 18, 1995
Joseph B. Fuller Joseph B. Fuller	Director	April 20, 1995
Maria Elena Lagomasino Maria Elena Lagomasino	Director	April 20, 1995
Harry N.S. Lee Harry N.S. Lee	Director	April 20, 1995
Bruce Maggin Bruce Maggin	Director	April 20, 1995
Ellis E. Meredith Ellis E. Meredith	Director	April 18, 1995
Steven L. Osterweis Steven L. Osterweis	Director	April 18, 1995
William S. Scolnick William S. Scolnick	Director	April 20, 1995
Peter J. Solomon Peter J. Solomon	Director	April 20, 1995

FORM 10-K-ITEM 14(a)(2)

PHILLIPS-VAN HEUSEN CORPORATION

INDEX TO FINANCIAL STATEMENT SCHEDULES

The following consolidated financial statement schedule of Phillips-Van Heusen Corporation and subsidiaries is included herein:

Schedule II - Valuation and Qualifying Accounts. F-2

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

SCHEDULE II

PHILLIPS-VAN HEUSEN CORPORATION

VALUATION AND QUALIFYING ACCOUNTS
Year Ended January 29, 1995

Column A	Column B	Column C Additions		Column D	Column E
Description	Balance at Beginning of Period	Charged to Costs and Expense	Charged to Other Accounts	Deductions	Balance at End of Period
Deducted from asset accounts:					
Allowance for doubtful accounts.	$2,171,067	$508,862(a)	$277,676(b)	$1,341,067(c)	$1,616,538

(a) Provisions for doubtful accounts.

(b) Recoveries of doubtful accounts previously written off.
(c) Primarily uncollectible accounts charged against the allowance provided therefor.

SCHEDULE II - (Continued)

PHILLIPS-VAN HEUSEN CORPORATION

VALUATION AND QUALIFYING ACCOUNTS
Year Ended January 30, 1994

Column A	Column B	Column C Additions		Column D	Column E
Description	Balance at Beginning of Period	Charged to Costs and Expense	Charged to Other Accounts	Deductions	Balance at End of Period
Allowances deducted from asset accounts:					
Allowance for discounts	$ 19,000	$ -	$ -	$ 19,000(a)	$ -
Allowance for doubtful accounts.	2,311,500	79,228(b)	224,594(c)	444,255(d)	2,171,067
	$ 2,330,500	$ 79,228	$224,594	$463,255	$2,171,067

(a) Allowance reversed since no discounts were given to customers in 1993.
(b) Provisions for doubtful accounts.
(c) Recoveries of doubtful accounts previously written off.
(d) Primarily uncollectible accounts charged against the allowance provided therefor.

SCHEDULE II - (Continued)

PHILLIPS-VAN HEUSEN CORPORATION

VALUATION AND QUALIFYING ACCOUNTS
Year Ended January 31, 1993

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance at Beginning of Period	Charged to Costs and Expense	Charged to Other Accounts	Deductions	Balance at End of Period
Allowances deducted from asset accounts:					
Allowance for discounts	$ 7,500	$ 21,245(a)	$ -	$ 9,745(b)	$ 19,000
Allowance for doubtful accounts.	2,269,500	859,385(c)	96,074(d)	913,459(e)	2,311,500
	$ 2,277,000	$ 880,630	$ 96,074	$ 923,204	$2,330,500

(a) Provision for discounts, deducted from gross sales.
(b) Cash discounts allowed to customers.
(c) Provisions for doubtful accounts.
(d) Recoveries of doubtful accounts previously written off.
(e) Primarily uncollectible accounts charged against the allowance provided therefor.

EXHIBIT 11

PHILLIPS-VAN HEUSEN CORPORATION

COMPUTATION OF EARNINGS PER COMMON SHARE
(In thousands, except per share amounts)

	1994	1993	1992
Primary:			
Income before extraordinary loss	$ 30,015	$ 43,252	$37,881
Extraordinary loss, net of tax	-	(11,394)	-
Net Income	30,015	31,858	37,881
Preferred stock dividend	-	-	2,138
Net income, common shares	$ 30,015	$ 31,858	$35,743
Common shares and common share equivalents:			
Weighted average number of shares outstanding	26,563	26,142	23,766
Shares issuable upon exercise of dilutive common stock options, net of shares assumed to be repurchased (at the average period market price) out of proceeds obtained therefrom	591	964	1,487
Total common shares and common share equivalents	27,154	27,106	25,253
Income per common share and common share equivalents before extraordinary loss	$ 1.11	$ 1.60	$ 1.42
Extraordinary loss per common share and common share equivalents	-	(0.42)	-
Net income per common share and common share equivalents	$ 1.11	$ 1.18	$ 1.42
Fully diluted:			
Net Income	$ 30,015	$ 31,858	$37,881
Total common shares and common share equivalents (see above)	27,154	27,106	25,253
Additional shares issuable upon:			
Conversion of redeemable preferred stock	-	-	1,314
Exercise of dilutive common stock options, net of shares assumed to be repurchased (at the greater of average period or period end market price)	4	18	26
Total common shares and common share equivalents assuming full dilution	27,158	27,124	26,593
Net income per common share and common share equivalents	$ 1.11	$ 1.18	$ 1.42

EXHIBIT 21

SUBSIDIARIES OF THE REGISTRANT

The following table lists all of the subsidiaries of the Company and the jurisdiction of incorporation of each subsidiary. Except as otherwise indicated, each subsidiary does business under its corporate name indicated in the table.

Name	State or Other Jurisdiction of Incorporation
G. H. Bass Franchises Inc.	Delaware
G. H. Bass Caribbean Inc.	Delaware
Caribe M&I Ltd.	Cayman Islands
GHB (Far East) Limited	Hong Kong
Van Heusen Transportation Corporation	Delaware
Tejidos De Coamo, Inc.	Delaware
Envoy Pacific Limited	Hong Kong
Towell Import & Export Limited	Hong Kong
Abese Limited	Hong Kong
Confecciones Imperio, S.A.	Costa Rica
Camisas Modernas, S.A.	Guatemala
G. H. Bass Comercio Exportacacao Ltda.	Brazil
PVH Retail Corp.	Delaware
Windsor Shirt Company	Pennsylvania

EXHIBIT 23

Consent of Independent Auditors

We consent to the incorporation by reference in this Annual Report on Form 10-K of Phillips-Van Heusen Corporation of our report dated March 14, 1995, included in the Annual Report to Stockholders of Phillips-Van Heusen Corporation.

Our audits also included the financial statement schedules of Phillips-Van Heusen Corporation listed in Item 14(a). These schedules are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedules referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth herein.

We also consent to the incorporation by reference in the 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 (From S-8 No. 33-59602), Registration Statement (Form S-8 No. 33-38698), Post-Effective amendment No. 1 to the Registration Statement (Form S-8 No. 33-24057), Post-Effective amendment No. 2 to the Registration Statement (Form S-8 No. 2-73803), Post-Effective amendment No. 4 to the Registration Statement (Form S-8 No. 2-72959), Post-Effective amendment No. 6 to the Registration Statement (Form S-8 No. 2-64564), and Post-Effective amendment No. 13 to the Registration Statement (Form S-8 No. 2-47910), of Phillips-Van Heusen Corporation and in the related Prospectuses of our report dated March 14, 1995, with respect to the consolidated financial statements and schedules of Phillips-Van Heusen Corporation included in this Form 10-K for the year ended January 29, 1995.

ERNST & YOUNG LLP

New York, New York
April 28, 1995

FIRST AMENDMENT

FIRST AMENDMENT, dated as of February 13, 1995 (this "Amendment"), among PHILLIPS-VAN HEUSEN CORPORATION (the "Borrower"), the financial institutions party to the Credit Agreement referred to below on the date hereof and immediately before giving effect to this Amendment (the "Existing Banks"), BANKERS TRUST COMPANY, as agent (in such capacity, the "Agent") for the Banks, each of the lenders listed on Schedule A hereto (the "New Banks"), CORESTATES BANK, N.A. (the "Replaced Bank") and THE FIRST NATIONAL BANK OF BOSTON (the "Replacement Bank"). All capitalized terms used herein and not otherwise defined shall have the meanings specified in the Credit Agreement referred to below.

W I T N E S S E T H :

WHEREAS, the Borrower, the Existing Banks and the Agent are parties to the Credit Agreement, dated as of December 16, 1993 (as modified, supplemented or amended prior to the date hereof, the "Credit Agreement");

WHEREAS, the Replacement Bank will replace the Replaced Bank under the Credit Agreement, and the Replaced Bank will cease to be a Letter of Credit Issuer under the Credit Agreement;

WHEREAS, the Borrower has entered into an Asset Sale Agreement, dated as of January 24, 1995, among Crystal Brands, Inc. ("Crystal Brands"), Crystal Apparel, Inc., Gant Corporation, Crystal Sales, Inc., Eagle Shirtmakers, Inc., Crystal Brands (Hong Kong) Limited and the Borrower (the "Asset Sale Agreement") relating to the acquisition by the Borrower of the Apparel Group of Crystal Brands (the "Acquisition");

WHEREAS, in connection with the Acquisition, the Borrower desires to add the New Banks as Banks under the Credit Agreement and to make certain modifications to the Credit Agreement;

WHEREAS, in connection with the Acquisition, certain trade letters of credit issued by Citibank, N.A. for the account of the Apparel Group of Crystal Brands will cease to be for the account of Crystal Brands and the reimbursement obligations with respect thereto will be assumed by the Borrower, and the Borrower, Citibank, N.A., and the other parties hereto desire that such letters of credit become Trade Letters of Credit under the Credit Agreement;

WHEREAS, subject to the terms and conditions hereof, the parties hereto desire to amend the Credit Agreement as set forth herein;

NOW, THEREFORE, in consideration of the mutual premises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

I. Addition of Replacement Bank. On and after the Part I Amendment Effective Date (as defined below), the following amendments and modifications to the Credit Agreement shall be effective:

1. The Replaced Bank hereby sells and assigns to the Replacement Bank without recourse and without representation or warranty (other than as expressly provided herein), and the Replacement Bank hereby purchases and assumes from the Replaced Bank, all rights and obligations with respect to the Revolving Commitment

of the Replaced Bank and all rights and obligations with respect to the Letter of Credit Commitment of the Replaced Bank. On and after the Part I Amendment Effective Date, the Replaced Bank's Revolving Commitment and Letter of Credit Commitment will be zero and the Replacement Bank's Revolving Commitment and Letter of Credit Commitment will be as set forth in Schedule B hereto.

2. On and after the Part I Amendment Effective Date, the Credit Agreement shall be amended by deleting Schedule I thereto in its entirety and by inserting in lieu thereof a new Schedule I in the form of Schedule B attached hereto. Promptly after the Part I Amendment Effective Date, the Borrower will issue a new Note to the Replacement Bank, dated the Part I Amendment Effective Date, and the Replaced Bank will return its Note to the Borrower.

3. On and after the Part I Amendment Effective Date, Schedule II to the Credit Agreement shall be amended by deleting such Schedule in its entirety and inserting in lieu thereof a new Schedule II in the form of Schedule C hereto. The address of the Replacement Bank shall be as set forth on Schedule C hereto, or at such other address as the Replacement Bank may hereafter notify the other parties to the Credit Agreement in writing.

4. On and after the Part I Amendment Effective Date, Schedule IX to the Credit Agreement shall be amended by deleting such Schedule in its entirety and inserting in lieu thereof a new Schedule IX in the form of Schedule D hereto.

5. The Replaced Bank (i) represents and warrants that it is the legal and beneficial owner of the interest being sold and assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the other Credit Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or the other Credit Documents or any other instrument or document furnished pursuant thereto; and (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or any of its Subsidiaries or the performance or observance by the Borrower of any of its obligations under the Credit Agreement or the other Credit Documents to which they are a party or any other instrument or document furnished pursuant thereto.

6. The Replacement Bank (i) confirms that it has received a copy of the Credit Agreement and the other Credit Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Amendment; (ii) agrees that it will, independently and without reliance upon the Agent, the Existing Banks, the Replaced Bank or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) confirms that it is an Eligible

Transferee; (iv) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Credit Documents as are delegated to the Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (v) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Bank.

7. On the Part I Amendment Effective Date, (x) the Replacement Bank shall acquire all of the Commitment and outstanding Loans of, and participations in Letters of Credit by, the Replaced Bank and, in connection therewith, shall pay to the Replaced Bank in respect thereof an amount equal to the sum of (a) an amount equal to the principal of, and all accrued but unpaid interest on, all outstanding Loans of the Replaced Bank, and (b) an amount equal to such Replaced Bank's Letter of Credit Percentage of all Unpaid Drawings that have been funded by the Replaced Bank, together with all then unpaid interest with respect thereto at such time and (y) the Borrower shall pay to the Replaced Bank all accrued but unpaid Fees payable to the Replaced Bank. Upon the Part I Amendment Effective Date, the payment of amounts referred to in clauses (x) and (y) above and delivery to the Replacement Bank of the appropriate Note executed by the Borrower, the Replacement Bank shall become a Bank under the Credit Agreement and the Replaced Bank shall cease to constitute a Bank thereunder, except with respect to indemnification provisions under the Credit Agreement, which shall survive as to the Replaced Bank.

8. On and after the Part I Amendment Effective Date, all Letters of Credit issued by the Replaced Bank will (i) cease to be Letters of Credit under the Credit Agreement, (ii) cease to be participated in by the Banks and (iii) be governed by and subject to the terms of an agreement or agreements to be entered into by the Replaced Bank and the Borrower.

II. Consummation of the Acquisition. On and after the Part II Amendment Effective Date (as defined below), the following amendments and modifications to the Credit Agreement shall be effective:

1. On and as of the Part II Amendment Effective Date, each of the New Banks hereby assumes a Revolving

Commitment and a Letter of Credit Commitment in an amount set forth opposite such Bank's name on Schedule E hereto.

2. On the Part II Amendment Effective Date, the Credit Agreement shall be further amended by deleting Schedule I thereto in its entirety and by inserting in lieu thereof a new Schedule I in the form of Schedule E attached hereto. Promptly after the Part II Amendment Effective Date, the Borrower will issue an appropriate Note to each Bank in conformity with the requirements of Section 1.06 of the Credit Agreement (which Notes shall be in exchange for the Notes currently held by the Banks in the case of each Bank other than the New Banks).

3. On and after the Part II Amendment Effective Date, Schedule II to the Credit Agreement shall be amended by deleting such Schedule in its entirety and inserting in lieu thereof a new Schedule II in the form of Schedule F hereto. The address of each New Bank shall be as set forth on Schedule F hereto, or at such other address as any New Bank may hereafter notify the other parties to the Credit Agreement in writing.

4. Each of the New Banks (i) confirms that it has received a copy of the Credit Agreement and the other Credit Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Amendment; (ii) agrees that it will, independently and without reliance upon the Agent, the Existing Banks or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Credit Documents as are delegated to the Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (iv) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Bank.

5. On the Part II Amendment Effective Date, (i) each New Bank shall become a "Bank" under, and for all purposes of, the Credit Agreement and the other Credit Documents, (ii) the Borrower shall pay to all Banks all accrued but unpaid Fees and (iii) the Borrower shall repay

and reborrow all Loans such that all Loans are owing to the Banks (including the New Banks) on a pro rata basis after giving effect to the Commitments of the New Banks.

6. Section 2.01(b) of the Credit Agreement is hereby amended by deleting the reference to "5,000,000" found on the seventh line thereof and inserting in lieu thereof the following new number:

"$8,000,000."

7. Section 10 of the Credit Agreement is hereby amended by deleting the definition of "Maturity Date" found therein in its entirety and inserting in lieu thereof the following new definition:

"'Maturity Date' shall mean February 13, 1999."

8. Section 10 of the Credit Agreement is hereby amended by deleting the reference to "$5,000,000" found on the fifth line of the proviso in the definition of "Standby Letter of Credit" therein and inserting in lieu thereof the following new number:

"$8,000,000."

9. Section 10 of the Credit Agreement is hereby amended by deleting the definition of "Available Total Revolving Commitment" in its entirety and inserting in lieu thereof the following new definition in appropriate alphabetical order:

> "'Available Total Revolving Commitment' shall mean (i) for the period from and including October 16 to and including June 30 of each year, the lesser of (x) the Total Revolving Commitment and (y) $185,000,000, and (ii) for the period from and including July 1 to and including October 15 of each year, the Total Revolving Commitment."

10. On and after the Part II Amendment Effective Date, Schedule IX to the Credit Agreement shall be further amended by deleting such Schedule in its entirety and inserting in lieu thereof a new Schedule IX in the form of Schedule G hereto.

11. The parties hereto agree that on and as of the Part II Amendment Effective Date all trade letters of credit issued by Citibank, N.A. for the account of the Apparel Group

of Crystal Brands, to the extent outstanding on such date and reimbursement obligations with respect to which are assumed by the Borrower pursuant to the Asset Sale Agreement, including any extension or renewal thereof, shall constitute a "Letter of Credit" and a "Trade Letter of Credit" for all purposes of the Credit Agreement, issued, for purposes of Section 2.03(a) thereof, on the Part II Amendment Effective Date. The Borrower represents and warrants that (i) the aggregate stated amount of all such trade letters of credit does not exceed $40,000,000 and (ii) all such letters of credit would be permitted to be issued under the Credit Agreement on the Part II Amendment Effective Date after giving effect to this Amendment. Within two Business Days following the Part II Amendment Effective Date, the Borrower shall deliver to the Agent and each of the Banks a schedule setting forth all of such trade letters of credit.

III. Miscellaneous Provisions.

1. The provisions of Part I hereof shall become effective on the date (the "Part I Amendment Effective Date") on which the Borrower, each of the Existing Banks (including the Replaced Bank) and the Replacement Bank shall have executed and delivered a counterpart of this Amendment.

2. Subject to the last sentence of this Section III(2), the provisions of Part II of this Amendment shall become effective on the date (the "Part II Amendment Effective Date") upon the occurrence of the following:

(a) the Part I Amendment Effective Date shall have occurred, and each of the New Banks shall have executed and delivered a counterpart of this Amendment;

(b) the execution and delivery of new Notes to each of the Banks, dated the Part II Amendment Effective Date;

(c) prior to or contemporaneously with the occurrence of the Part II Amendment Effective Date, the Borrower shall have consummated the Acquisition and delivered to the Agent a certificate of an officer of the Borrower certifying such;

(d) the receipt by the Agent of a legal opinion from counsel to the Borrower satisfactory in form and substance to the Agent;

(e) the receipt by the Agent of a certificate of an officer of the Borrower certifying that after giving effect to this Amendment no Default or Event of Default exists and all representations and warranties contained in the Credit Agreement and in the other Credit Documents are true and correct in all material respects; and

(f) the receipt by the Agent of such other certificates and documents as it shall reasonably request.

Notwithstanding the foregoing, if for any reason the Part II Amendment Effective Date shall not occur by February 28, 1995, then Part II of this Amendment will not thereafter become effective without the prior written consent of each Existing Bank, the Replacement Bank and the New Banks.

3. Except as expressly amended hereby, the terms and conditions of the Credit Agreement shall remain unchanged and in full force and effect.

4. This Amendment may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

5. THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Amendment as of the date first above written.

PHILLIPS-VAN HEUSEN CORPORATION

By
Title:

BANKERS TRUST COMPANY,
Individually, and as Agent

By
Title:

THE CHASE MANHATTAN BANK, N.A.

By
Title:

CITIBANK, N.A.

By
Title:

THE BANK OF NEW YORK

By
Title:

CHEMICAL BANK

By
Title:

CORESTATES BANK, N.A.

By
Title:

THE FIRST NATIONAL BANK OF BOSTON

By
Title:

CIBC, INC.

By
Title:

UNION BANK

By
Title:

SCHEDULE A
to
First Amendment

NEW BANKS

CIBC, Inc.

Union Bank

SCHEDULE B
to
First Amendment

COMMITMENTS

Bank	Revolving Commitment	Letter of Credit Commitment
BANKERS TRUST COMPANY	$16,666,666.65	$25,000,000.00
THE BANK OF NEW YORK	$16,666,666.65	$25,000,000.00
THE CHASE MANHATTAN BANK, N.A.	$16,666,666.65	$25,000,000.00
CHEMICAL BANK	$16,666,666.65	$25,000,000.00
CITIBANK, N.A.	$16,666,666.65	$25,000,000.00
THE FIRST NATIONAL BANK OF BOSTON	$16,666,666.65	$25,000,000.00
Total	$100,000,000.00	$150,000,000.00

SCHEDULE C
to
First Amendment

APPLICABLE LENDING OFFICES

Bank	Base Rate Lending Office	CD Rate Lending Office
Bankers Trust Company	Bankers Trust Company 130 Liberty Street New York, N.Y. 10006 Fax: (201) 250-1530 Attn: Priscilla Newbury with a copy to: Frank Russo	Bankers Trust Company 130 Liberty Street New York, N.Y. 10006 Fax: (212) 250-1530 Attn: Priscilla Newbury with a copy to: Frank Russo
	Eurodollar Lending Office	Letter of Credit Payment Office
	Bankers Trust Company 130 Liberty Street New York, N.Y. 10006 Fax: (201) 250-1530 Attn: Priscilla Newbury with a copy to: Frank Russo	Bankers Trust Company 130 Liberty Street New York, N.Y. 10006 Fax: (212) 250-1530 Attn: Priscilla Newbury with a copy to: Frank Russo

Bank	Base Rate Lending Office	CD Rate Lending Office
The Bank of New York	The Bank of New York 530 Fifth Avenue New York, N.Y. 10036 Fax: (212) 852-4252 Attn: Joanne M. Collett with a copy to: Diana Rivera	The Bank of New York 530 Fifth Avenue New York, N.Y. 10036 Fax: (212) 852-4252 Attn: Joanne M. Collett with a copy to: Diane Rivera
	Eurodollar Lending Office	Letter of Credit Payment Office
	The Bank of New York 530 Fifth Avenue New York, N.Y. 10036 Fax: (212) 852-4252 Attn: Joanne M. Collett with a copy to: Diana Rivera	The Bank of New York 530 Fifth Avenue New York, N.Y. 10036 Fax: (212) 852-4252 Attn: Joanne M. Collett with a copy to: Sal Calvera (Standby Letters of Credit) or Ivan Hernandez (Trade Letters of Credit)

SCHEDULE C

Bank	Base Rate Lending Office	CD Rate Lending Office
The Chase Manhattan Bank, N.A.	Chase Manhattan Bank, N.A. One Chase Manhattan Plaza New York, N.Y. 10081 Fax: (212) 552-7075 Attn: Ellen Gertzog with a copy to: Elizabeth Iacoviello Two Chase Manhattan Plaza New York, NY 10081 Fax: (212) 552-7375	Chase Manhattan Bank, N.A. One Chase Manhattan Plaza New York, N.Y. 10081 Fax: (212) 552-7075 Attn: Ellen Gertzog with a copy to: Elizabeth Iacoviello Two Chase Manhattan Plaza New York, NY 10081 Fax: (212) 552-7375

	Eurodollar Lending Office	Letter of Credit Payment Office
	Chase Manhattan Bank, N.A. One Chase Manhattan Plaza New York, N.Y. 10081 Fax: (212) 552-7075 Attn: Ellen Gertzog with a copy to: Elizabeth Iacoviello Two Chase Manhattan Plaza New York, NY 10081 Fax: (212) 552-7375	Chase Manhattan Bank, N.A. One Chase Manhattan Plaza New York, N.Y. 10081 Fax: (212) 552-7075 Attn: Ellen Gertzog with a copy to: Elizabeth Iacoviello Two Chase Manhattan Plaza New York, NY 10081 Fax: (212) 552-7375

Bank	Base Rate Lending Office	CD Rate Lending Office
Chemical Bank	Chemical Bank 270 Park Avenue New York, N.Y. 10017 Fax: (212) 270-1474 Attn: Claire S. O'Connor	Chemical Bank 270 Park Avenue New York, N.Y. 10017 Fax: (212) 270-1474 Attn: Claire S. O'Connor

	Eurodollar Lending Office	Letter of Credit Payment Office
	Chemical Bank 270 Park Avenue New York, N.Y. 10017 Fax: (212) 270-1474 Attn: Claire S. O'Connor	Chemical Bank 270 Park Avenue New York, N.Y. 10017 Fax: (212) 270-1474 Attn: Claire S. O'Connor

SCHEDULE C

Bank	Base Rate Lending Office	CD Rate Lending Office
Citibank, N.A.	Citibank, N.A. 399 Park Avenue New York, N.Y. 10043 Fax: (212) 559-7585 Attn: Arnold Ziegel with a copy to: Joseph Stein	Citibank, N.A. 399 Park Avenue New York, N.Y. 10043 Fax: (212) 559-7585 Attn: Arnold Ziegel with a copy to: Joseph Stein
	Eurodollar Lending Office	Letter of Credit Payment Office
	Citibank, N.A. 399 Park Avenue New York, N.Y. 10043 Fax: (212) 559-7585 Attn: Arnold Ziegel with a copy to: Joseph Stein	Citibank, N.A. 399 Park Avenue New York, N.Y. 10043 Fax: (212) 559-7585 Attn: Arnold Ziegel with a copy to: Joseph Stein

Bank	Base Rate Lending Office	CD Rate Lending Office
The First National Bank of Boston	Bank of Boston U.S. Corporate 100 Federal Street Mail Stop: 01-21-01 Boston, MA 02110 Fax: (617) 434-6685 Attn: Denise Shaw	Bank of Boston U.S. Corporate 100 Federal Street Mail Stop: 01-21-01 Boston, MA 02110 Fax: (617) 434-6685 Attn: Denise Shaw
	Eurodollar Lending Office	Letter of Credit Payment Office
	Bank of Boston U.S. Corporate 100 Federal Street Mail Stop: 01-21-01 Boston, MA 02110 Fax: (617) 434-6685 Attn: Denise Shaw	Bank of Boston U.S. Corporate 100 Federal Street Mail Stop: 01-21-01 Boston, MA 02110 Fax: (617) 434-6685 Attn: Denise Shaw

SCHEDULE D
to
First Amendment

LETTER OF CREDIT ISSUERS AND ISSUANCE AMOUNTS

A. Standby Letters of Credit

Standby Letter of Credit Banks	Maximum Standby Issuance Amount
Citibank, N.A.	$ 1,000,000
The Bank of New York	2,900,000
Chemical Bank	800,000

B. Trade Letters of Credit

Trade Letter of Credit Banks	Maximum Trade Issuance Amount
The Chase Manhattan Bank, N.A.	$ 45,300,000
Citibank, N.A.	100,000,000

SCHEDULE E
to
First Amendment

COMMITMENTS

Bank	Revolving Commitment	Letter of Credit Commitment
BANKERS TRUST COMPANY	$30,000,000	$30,000,000
THE BANK OF NEW YORK	$ 25,000,000	$ 25,000,000
THE CHASE MANHATTAN BANK, N.A.	$ 25,000,000	$ 25,000,000
CHEMICAL BANK	$ 25,000,000	$ 25,000,000
CITIBANK, N.A.	$ 25,000,000	$ 25,000,000
THE FIRST NATIONAL BANK OF BOSTON	$ 25,000,000	$ 25,000,000
UNION BANK	$ 25,000,000	$ 25,000,000
CIBC, INC.	$ 20,000,000	$ 20,000,000
Total	$200,000,000.00	$200,000,000.00

SCHEDULE F
to
First Amendment

APPLICABLE LENDING OFFICES

Bank	Base Rate Lending Office	CD Rate Lending Office
Bankers Trust Company	Bankers Trust Company 130 Liberty Street New York, N.Y. 10006 Fax: (212) 250-1530/7351 Attn: Priscilla Newbury with a copy to: Frank Russo	Bankers Trust Company 130 Liberty Street New York, N.Y. 100066 Fax: (212) 250-1530/7351 Attn: Priscilla Newbury with a copy to: Frank Russo
	Eurodollar Lending Office	Letter of Credit Payment Office
	Bankers Trust Company 130 Liberty Street New York, N.Y. 10006 Fax: (212) 250-1530/7351 Attn: Priscilla Newbury with a copy to: Frank Russo	Bankers Trust Company 130 Liberty Street New York, N.Y. 100066 Fax: (212) 250-1530/7351 Attn: Priscilla Newbury with a copy to: Frank Russo

Bank	Base Rate Lending Office	CD Rate Lending Office
The Bank of New York	The Bank of New York 530 Fifth Avenue New York, N.Y. 10036 Fax: (212) 852-4252 Attn: Joanne M. Collett with a copy to: Diana Rivera	The Bank of New York 530 Fifth Avenue New York, N.Y. 10036 Fax: (212) 852-4252 Attn: Joanne M. Collett with a copy to: Diane Rivera
	Eurodollar Lending Office	Letter of Credit Payment Office
	The Bank of New York 530 Fifth Avenue New York, N.Y. 10036 Fax: (212) 852-4252 Attn: Joanne M. Collett with a copy to: Diana Rivera	The Bank of New York 530 Fifth Avenue New York, N.Y. 10036 Fax: (212) 852-4252 Attn: Joanne M. Collett with a copy to: Sal Calvera (Standby Letters of Credit) or Ivan Hernandez (Trade Letters of Credit)

SCHEDULE F

Bank	Base Rate Lending Office	CD Rate Lending Office
The Chase Manhattan Bank, N.A.	Chase Manhattan Bank, N.A. One Chase Manhattan Plaza New York, N.Y. 10081 Fax: (212) 552-7075 Attn: Ellen Gertzog with a copy to: Elizabeth Iacoviello Two Chase Manhattan Plaza New York, NY 10081 Fax: (212) 552-7375	Chase Manhattan Bank, N.A. One Chase Manhattan Plaza New York, N.Y. 10081 Fax: (212) 552-7075 Attn: Ellen Gertzog with a copy to: Elizabeth Iacoviello Two Chase Manhattan Plaza New York, NY 10081 Fax: (212) 552-7375

	Eurodollar Lending Office	Letter of Credit Payment Office
	Chase Manhattan Bank, N.A. One Chase Manhattan Plaza New York, N.Y. 10081 Fax: (212) 552-7075 Attn: Ellen Gertzog with a copy to: Elizabeth Iacoviello Two Chase Manhattan Plaza New York, NY 10081 Fax: (212) 552-7375	Chase Manhattan Bank, N.A. One Chase Manhattan Plaza New York, N.Y. 10081 Fax: (212) 552-7075 Attn: Ellen Gertzog with a copy to: Elizabeth Iacoviello Two Chase Manhattan Plaza New York, NY 10081 Fax: (212) 552-7375

Bank	Base Rate Lending Office	CD Rate Lending Office
Chemical Bank	Chemical Bank 270 Park Avenue New York, N.Y. 10017 Fax: (212) 270-1474 Attn: Claire S. O'Connor	Chemical Bank 270 Park Avenue New York, N.Y. 10017 Fax: (212) 270-1474 Attn: Claire S. O'Connor

	Eurodollar Lending Office	Letter of Credit Payment Office
	Chemical Bank 270 Park Avenue New York, N.Y. 10017 Fax: (212) 270-1474 Attn: Claire S. O'Connor	Chemical Bank 270 Park Avenue New York, N.Y. 10017 Fax: (212) 270-1474 Attn: Claire S. O'Connor

SCHEDULE F

Bank	Base Rate Lending Office	CD Rate Lending Office
Citibank, N.A.	Citibank, N.A. 399 Park Avenue New York, N.Y. 10043 Fax: (212) 559-7585 Attn: Arnold Ziegel with a copy to: Joseph Stein	Citibank, N.A. 399 Park Avenue New York, N.Y. 10043 Fax: (212) 559-7585 Attn: Arnold Ziegel with a copy to: Joseph Stein
	Eurodollar Lending Office	Letter of Credit Payment Office
	Citibank, N.A. 399 Park Avenue New York, N.Y. 10043 Fax: (212) 559-7585 Attn: Arnold Ziegel with a copy to: Joseph Stein	Citibank, N.A. 399 Park Avenue New York, N.Y. 10043 Fax: (212) 559-7585 Attn: Arnold Ziegel with a copy to: Joseph Stein

Bank	Base Rate Lending Office	CD Rate Lending Office
The First National Bank of Boston	Bank of Boston U.S. Corporate 100 Federal Street Mail Stop: 01-21-01 Boston, MA 02110 Fax: (617) 434-6685 Attn: Denise Shaw	Bank of Boston U.S. Corporate 100 Federal Street Mail Stop: 01-21-01 Boston, MA 02110 Fax: (617) 434-6685 Attn: Denise Shaw
	Eurodollar Lending Office	Letter of Credit Payment Office
	Bank of Boston U.S. Corporate 100 Federal Street Mail Stop: 01-21-01 Boston, MA 02110 Fax: (617) 434-6685 Attn: Denise Shaw	Bank of Boston U.S. Corporate 100 Federal Street Mail Stop: 01-21-01 Boston, MA 02110 Fax: (617) 434-6685 Attn: Denise Shaw

SCHEDULE F

Bank	Base Rate Lending Office	CD Rate Lending Office
CIBC, Inc.	CIBC, Inc. 2727 Paces Ferry Road, Suite 1200 Atlanta, GA 30339 Fax: (404) 319-4950 Attn: Mary Fann	CIBC, Inc. 2727 Paces Ferry Road, Suite 1200 Atlanta, GA 30339 Fax: (404) 319-4950 Attn: Mary Fann
	Eurodollar Lending Office	**Letter of Credit Payment Office**
	CIBC, Inc. 2727 Paces Ferry Road, Suite 1200 Atlanta, GA 30339 Fax: (404) 319-4950 Attn: Mary Fann	CIBC, Inc. 2727 Paces Ferry Road, Suite 1200 Atlanta, GA 30339 Fax: (404) 319-4950 Attn: Mary Fann

Bank	Base Rate Lending Office	CD Rate Lending Office
Union Bank	Union Bank 350 California Street 11th Floor San Francisco, CA 94104 Fax: (415) 705-7111 Attn: Cecilia M. Valente	Union Bank 350 California Street 11th Floor San Francisco, CA 94104 Fax: (415) 705-7111 Attn: Cecilia M. Valente
	Eurodollar Lending Office	**Letter of Credit Payment Office**
	Union Bank 350 California Street 11th Floor San Francisco, CA 94104 Fax: (415) 705-7111 Attn: Cecilia M. Valente	Union Bank 350 California Street 11th Floor San Francisco, CA 94104 Fax: (415) 705-7111 Attn: Cecilia M. Valente

SCHEDULE G
to
First Amendment

LETTER OF CREDIT ISSUERS AND ISSUANCE AMOUNTS

A. Standby Letters of Credit

Standby Letter of Credit Banks	Maximum Standby Issuance Amount
Citibank, N.A.	$ 1,500,000
Bank of New York	2,900,000
Chemical Bank	800,000

B. Trade Letters of Credit

Trade Letter of Credit Banks	Maximum Trade Issuance Amount
Citibank, N.A.	$125,000,000
The Chase Manhattan Bank, N.A.	69,800,000

AGREEMENT, dated as of April 28, 1993, among BRUCE J. KLATSKY ("Klatsky"), LAWRENCE S. PHILLIPS ("Phillips") and PHILLIPS-VAN HEUSEN CORPORATION (the "Company"), a Delaware corporation.

W I T N E S S E T H:

WHEREAS, the parties hereto desire to provide for an orderly succession of the management of the Company;

NOW, THEREFORE, the parties hereto agree as follows:

1. Transition of Management. (a) Effective as of the Board of Directors meeting scheduled for June 1, 1993, but no later than June 2, 1993, Phillips shall resign as, and Phillips and the Company shall cause Klatsky to be appointed as, the Chief Executive Officer of the Company with all the duties, powers, rights, privileges, responsibilities, perquisites, emoluments and obligations customarily associated with and incident to such office (the "CEO Powers").

(b) Effective as of June 7, 1994, (i) Phillips shall resign as, and Phillips and the Company shall cause Klatsky to be appointed as, the Chairman of the Board of Directors of the Company, with all the duties, powers, rights, privileges, responsibilities, perquisites, emoluments and obligations customarily associated with and incident to such office (the "Chairman Powers," and together with the CEO Powers, the "Powers"), and (ii) Klatsky and the Company shall cause Phillips to be appointed as Honorary Chairman or, at Phillips' election, Chairman Emeritus of the Company.

(c) On or prior to January 28, 1995, Phillips shall relocate his office and his assistant to facilities arranged and paid for by the Company other than in the principal offices maintained by the Company, and his office shall thereafter remain outside of such principal office. Such office and assistant shall be paid for by the Company.

2. Special Severance Benefit. The Company hereby agrees that, among other things, any breach of the obligations to Klatsky under Section 1 of this Agreement shall, with respect to Klatsky, be a "Severance Event" under its Special Severance Benefit Plan (the "Plan"), thereby entitling Klatsky to the full benefits provided for in Section 5 thereof. The Plan is hereby amended by adding the following to the end of the definition of "Severance Event" appearing in Section 2 of the Plan:

> "In addition to the foregoing and not in limitation thereof, a Severance Event with respect to Bruce Klatsky shall mean (a) the failure of the directors of the Company duly to elect Mr. Klatsky as Chief Executive Officer or Chairman of the Board of the Company effective not later than June 2, 1993 and June 7, 1994, respectively, and to continue him in each of such positions so long as he is employed by the Company, (b) subsequent to any election or re-election as provided in the foregoing clause (a), the directors appoint an officer or hire an employee with authority equal or superior to the authority of Mr. Klatsky, (c) the failure of Lawrence S. Phillips to relocate his office on or prior to January 28, 1995 to facilities other than in the principal office maintained by the Company or the failure of Mr. Phillips thereafter to maintain his office outside of such principal office or (d) the failure of the Company to compensate Mr. Klatsky at a rate of at least $750,000 per year and maintain the other terms and conditions of his employment by the Company on no less than substantially the same basis as currently enjoyed by Mr. Klatsky in connection with his employment by the Company."

3. Outstanding Options. The Company hereby amends all of the options heretofore granted to Klatsky to provide that the exercisability of all such options shall be accelerated, and all such options shall be exercisable in full, in the event of the occurrence of a "Severance Event" as defined in the Plan as the same is amended pursuant to Section 2 hereof.

4. Contingent Bonus. To induce Klatsky to enter into this Agreement, the Company hereby agrees to pay Klatsky a bonus (the

"Contingent Bonus") of $3,000,000, on the date, and subject to the terms and conditions, provided for in this Section 4.

(a) Subject to the provisions of Section 4(c), the Contingent Bonus shall be paid to Klatsky, without interest, on April 27, 1996 if Klatsky is employed by the Company on said date.

(b) Subject to the provisions of Section 4(c), the Contingent Bonus shall be forfeited by Klatsky and shall not be paid in the event that the employment of Klatsky with the Company terminates prior to April 27, 1996.

(c) Notwithstanding any other provisions of this Section 4, the Contingent Bonus will not be subject to forfeiture pursuant to Section 4(b) and shall be paid promptly upon the termination of the employment of Klatsky with the Company, (i) in the event of the termination of his employment as a result of his death or his "disability" (as hereinafter defined) or Klatsky's employment with the Company is terminated by the Company without "cause" (as hereinafter defined), (ii) in the event that Klatsky terminates his

employment with the Company following the occurrence of a "Severance Event" as defined in the Plan as the same is amended pursuant to Section 2 hereof, or (iii) Klatsky terminates his employment with the Company by written notice to the Company (the "Termination Notice") as a result of his reasonable determination that Phillips and/or the Company have acted or failed to act in such a manner as to deny, limit or restrict to any significant extent Klatsky's CEO Powers, at any time commencing on June 2, 1993, or his Chairman Powers, at any time commencing on June 7, 1994, provided that prior to giving the Termination Notice, Klatsky has provided the Company with written notice of such determination (the "Determination Notice") and the Company shall have within ten days from receipt of such Determination Notice failed to cure the condition which Klatsky is claiming is the cause of his determination under this clause (iii).

(d) For purposes of this Agreement, (i) "disability" shall mean the inability of Klatsky to perform the duties of the offices to which he has been appointed, as determined by an independent physician, due to any physical or psychological injury, illness or disease and (ii) the Company shall have "cause" to terminate Klatsky's employment only if (A) Klatsky shall engage in fraudulent activities materially injurious to the Company or (B) Klatsky shall be convicted of a felony under state or federal law.

(e) In the event that Klatsky shall have given the Company a Determination Notice pursuant to clause (iii) of Section 4(c), Klatsky shall be entitled, prior to giving a Termination Notice, to submit the matter by written notice to the Company to an arbitrator appointed pursuant to Section 10 hereof to determine (i) whether Klatsky has the right, pursuant to said clause (iii), to terminate his employment and (ii) whether the Company has cured the condition of which Klatsky has complained. Klatsky shall not be under any obligation to give a Termination Notice or to terminate his employment notwithstanding the determination of the arbitrator or his giving of a Determination Notice.

5. Special Bonus. To further induce Klatsky to enter into this Agreement, the Company hereby agrees to pay Klatsky a special bonus of $85,000 on or prior to June 2, 1993.

6. Special Option. To further induce Klatsky to enter into this Agreement, the Company hereby grants to Klatsky an option under the Company's 1987 Stock Option Plan to purchase 100,000 shares of the Company's common stock, $1.00 par value.

7. Continued Service by Phillips. Phillips shall continue to be employed by the Company in the following capacities during the dates indicated upon terms from time to time negotiated by Phillips and the Company which, for the five year period commencing June 7, 1994, shall not be less than the compensation (including in compensation all payments made to Phillips under any of the

Company's pension plans) and, subject to Section 1(c), perquisites currently enjoyed by Phillips:

Date	Office
April 27, 1993 to and including June 1, 1993	Chairman and Chief Executive Officer
June 2, 1993 to and including June 6, 1994	Chairman
June 7, 1994 and thereafter	Honorary Chairman or, at Phillips' election, Chairman Emeritus and consultant to the Chairman

8. Representation and Warranty. Klatsky hereby represents and warrants to the Company and Phillips that he has not entered into any agreement or understanding with Crystal Brands, Inc. to become employed by or provide any services to such company.

9. Indemnification. The Company hereby agrees to indemnify and hold Klatsky harmless from any loss, cost, expense, damage or liability suffered or incurred by reason of Klatsky's breach of any alleged agreement to become employed by or provide services to Crystal Brands, Inc. or his refusal to sign any such written agreement. If any event shall occur which may result in indemnification hereunder, Klatsky shall give the Company prompt written notice thereof. The Company shall, upon written notice to Klatsky within 10 days of the Company's receipt of written notice from Klatsky as herein provided, have the right at its expense to control and assume the defense of the matter giving rise to indemnification hereunder and to compromise or settle any such matter. In the event that the Company shall fail to control and assume the defense of any such matter, the Company shall pay all costs and expenses (including reasonable attorneys' fees and costs) incurred by Klatsky in connection with the defense of such matter.

10. Arbitration. Any determination requested by Klatsky pursuant to Section 4(e) hereof and any dispute with respect to Klatsky's exercise of his rights pursuant to Section 4(c)(iii) hereof shall be determined by arbitration pursuant to the rules of the American Arbitration Association (the "AAA"). Such arbitration shall be conducted on an expedited basis in the City of New York by one arbitrator appointed pursuant to the rules of the AAA. Any award or decision made by such arbitrator shall be final and binding on the parties hereto and may be entered in any court having jurisdiction thereof. The Company shall pay or promptly reimburse Klatsky for all fees and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred by

Klatsky in connection with such arbitration unless it is determined that Klatsky acted in bad faith in seeking or contesting such arbitration. The Company shall be responsible for all of its own fees and expenses incurred in connection with any such arbitration.

11. Expenses of Enforcement. The Company shall pay, or reimburse Klatsky for, the expenses of his counsel in connection with the enforcement of any of the provisions of this Agreement, unless it is determined that Klatsky brought such action in bad faith.

12. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without reference to the conflicts of law provisions thereof.

13. Understanding of Parties; No Waiver. This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings with respect to the subject matter hereof. No waiver shall be deemed to be made by any of the parties to any of its rights hereunder unless that waiver shall be in a writing signed by the waiving party and any such waiver shall only be effective to the extent set forth therein.

14. Captions. The captions contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

15. Notices. All notices and communications hereunder shall be in writing and shall be sent by registered or certified mail, return receipt requested, addressed to the party for whom or for which intended, in the case of the Company, to its then principal office, or at such other address of which the Company shall have given notice to the other parties hereto in the manner herein provided, and in the case of each of Klatsky and Phillips, at his respective residence address as set forth in the records of the Company or at such other address of which he shall have given notice to the other parties hereto in the manner herein provided, with a copy of all such notices and communications to be given concurrently to Rosenman & Colin, 575 Madison Avenue, New York, New York 10022, Attention: Edward H. Cohen, Esq. and Ruskin, Moscou, Evans & Faltischek, P.C., 170 Old Country Road, Mineola, New York 11501, Attention: Raymond S. Evans, Esq.

16. Further Assurances. Each of the parties hereto shall execute and deliver to the others such additional documents and shall take such further actions as may be reasonably requested to carry out the transactions contemplated by this Agreement, including, without limitation, the giving of notice by the Company to the participants in the Plan of the amendment to such Plan

effected by Section 2 hereof. If the Plan is terminated or is amended so as to adversely affect the rights of Klatsky thereunder by reason of the amendments effected by Section 2 hereof, the Company agrees to enter into an agreement reasonably satisfactory to Klatsky which shall provide Klatsky with the rights to which he is entitled under the Plan by reason of the amendments effected by Section 2 hereof, but the Company shall not be required to enter into an agreement which would provide Klatsky with any rights to which he was entitled under the Plan without regard to the amendments effected by Section 2 hereof.

17. Severability. In the event that any provision of this Agreement shall be declared invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions of this Agreement, it being hereby agreed that such provisions are severable and that this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

18. Successors and Assigns. The terms and provisions of this Agreement shall inure to the benefit of and be binding upon the company and its successors and assigns and each of Klatsky and Phillips and their respective heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

____
Bruce J. Klatsky

____
Lawrence S. Phillips

PHILLIPS-VAN HEUSEN CORPORATION

By___________________________

NON-INCENTIVE STOCK OPTION AGREEMENT, dated April 28, 1993, between PHILLIPS-VAN HEUSEN CORPORATION (the "Company"), a Delaware corporation, and BRUCE J. KLATSKY (the "Optionee").

1. The Company grants to the Optionee an option (the "Option") under the Phillips-Van Heusen Corporation 1987 Stock Option Plan (the "Plan") to purchase from the Company all, but not less than all, of an aggregate of 100,000 shares (the "Optioned Shares") of the common stock, $1.00 par value, of the Company (the "Common Stock"). The Option is not intended to be an incentive stock option within the meaning of section 422A(b) of the Internal Revenue Code of 1986 (the "Code") and this Agreement shall be construed and interpreted in accordance with such intention.

2. The purchase price is $28.00 per share (the "Option Price").

3. The Option shall not be assignable or transferable except by will and/or by the laws of descent and distribution and, during the life of the Optionee, the Option may be exercised only by him.

4. (a) Subject to the provisions of Section 4(c), the Option shall only be exercisable during the twenty-day period commencing on April 27, 1996 and ending on May 17, 1996.

(b) Subject to the provisions of Section 4(c), the Option shall not become exercisable in the event that the employment of the Optionee with the Company terminates prior to April 27, 1996.

(c) Notwithstanding any other provisions of this Section 4, the Option shall become exercisable during the twenty-day period commencing upon the termination of the Optionee's employment with the Company (except that such period shall be three months after the date of the qualification of a representative of his estate in the event the Optionee's employment terminates by reason of death or disability), if any of the following events shall occur: (i) the failure of the directors of the Company duly to elect the Optionee as Chief Executive Officer or Chairman of the Board of the Company effective not later than June 2, 1993 and June 7, 1994, respectively, and to continue him in each of such positions so long as he is employed by the Company, (ii) subsequent to any election or re-election as provided in the foregoing clause (i), the directors appoint an officer or hire an employee with authority equal or superior to the authority of the Optionee, (iii) the failure of Lawrence S. Phillips to relocate his office on or prior to January 28, 1995 to facilities other than in the principal office maintained by the Company or Mr. Phillips' failure thereafter to maintain his office outside of such principal office, (iv) the failure of the Company to compensate the Optionee at a rate of at least $750,000 per year and maintain the other terms and conditions of his employment by the Company on no less than substantially the same basis as currently enjoyed by the Optionee in connection with his employment by the Company, (v) the termination of employment as a result of the Optionee's death or his "disability" (as hereinafter defined) or the Optionee's employment with the Company is terminated by the Company without "cause" (as hereinafter defined) or (vi) the Optionee terminates his employment with the Company pursuant to a "Termination Notice" given pursuant to that certain Agreement, dated as of April 28, 1993, among the Optionee, the Company and Lawrence S. Phillips.

(d) For purposes of this Agreement, (i) "disability" shall mean the inability of the Optionee to perform the duties of the offices to which he has been appointed, as determined by an independent physician, due to any physical or psychological injury, illness or disease and (ii) the Company shall have "cause" to terminate the Optionee's employment only if (A) the Optionee shall engage in fraudulent activities materially injurious to the Company or (B) the Optionee shall be convicted of a felony under state or federal law.

5. Neither the Optionee nor the Optionee's legal representatives, legatees or distributees shall be or be deemed to be the holder of any shares of the Common Stock covered by the Option unless and until certificates for such shares have been issued. Upon payment of the purchase price thereof, shares issued upon exercise of the Option shall be fully paid and nonassessable.

6. In order to exercise the Option, the Optionee shall give written notice of intent to exercise the Option to the Chief Financial Officer of the Company accompanied by payment to the Company of the amount of the aggregate Option Price for the Optioned Shares. All or any portion of such payment may be made in kind by the delivery of shares of the Common Stock having a fair market value, on the date of delivery (as determined in the manner set forth in paragraph C of Section 7 of the Plan), equal to the portion of the Option Price so paid.

7. (a) Unless the shares to be issued upon the exercise of

the Option shall be registered prior to the issuance thereof under

the Securities Act of 1933, the Optionee shall, as a condition of the Company's obligation to issue such shares, give a representation in writing that he is acquiring such shares for his own account as an investment and not with a view to, or for sale in connection with, the distribution of any thereof.

(b) In the event of the death of the Optionee, an additional condition of exercising the Option shall be the delivery to the Company of such tax waivers and other documents as the Committee shall determine. The executors, administrators, legal representatives, distributees and legatees of the Optionee are, after the death of the Optionee, referred to as the Optionee with respect to the Option.

(c) The Optionee shall, as an additional condition of exercising the Option, make such arrangements with the Company with respect to withholding as the Committee shall determine.

8. In the event that a dividend shall be declared upon the Common Stock payable in shares of the Common Stock, the Optioned Shares shall be adjusted by adding to each such share the number of shares which would be distributable thereon if such share had been outstanding on the date fixed for determining the stockholders entitled to receive such stock dividend. In the event that the outstanding shares of the Common Stock shall be changed into or exchanged for a different number or kind of shares of stock or other securities of the Company or of another corporation, whether through reorganization, recapitalization, stock split-up, combination of shares, sale of assets, merger or consolidation in which

the Company is the surviving corporation, then, there shall be substituted for each Optioned Share the number and kind of shares of stock or other securities into which each outstanding share of the Common Stock shall be so changed, or for which each such share shall be exchanged. In the event that there shall be any change, other than as specified in this Section 8, in the number or kind of outstanding shares of the Common Stock, or of any stock or other securities into which the Common Stock shall have been changed, or for which it shall have been exchanged, then, if the Committee shall, in its sole discretion, determine that such change equitably requires an adjustment in the number or kind of Optioned Shares, such adjustment shall be made by the Committee and shall be effective and binding for all purposes of this Agreement. In the case of any such substitution or adjustment as provided for in this Section 8, the Option Price for each Optioned Share shall be the Option Price for all shares of stock or other securities which shall have been substituted for such Optioned Share or to which such share shall have been adjusted in accordance with the provisions in this Section 8. No adjustment or substitution provided for in this Section 8 shall require the Company to sell a fractional share hereunder. In the event of the dissolution or liquidation of the Company, or a merger, reorganization or consolidation in which the Company is not the surviving corporation, then, except as otherwise provided in the second sentence of this Section 8, the Option, to the extent not theretofore exercised, shall terminate forthwith.

9. The existence of the Option shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock or the rights thereof, or dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding whether of a similar character or otherwise.

10. As a condition of the granting of the Option, the Optionee agrees, for himself and his personal representatives, that any dispute or disagreement which may arise under or as a result of or pursuant to this Agreement shall be determined by the Committee acting under the Plan, in its sole discretion, and that any interpretations by said Committee of the terms of this Agreement shall be final, binding and conclusive.

11. In the event the Optionee shall at any time sell any of the shares acquired upon the exercise of the Option, he shall give written notice of the sale to the Chief Financial Officer of the Company within ten days after the date of such sale, which notice shall state the number of such shares sold and the amount received upon such sale.

12. Nothing herein contained shall be deemed to confer upon the Optionee any right to continue to be retained by the Company or its subsidiaries, nor to interfere in any way with the right of

the Company or its subsidiaries to terminate the retention of the Optionee at any time.

13. This Agreement constitutes the entire agreement between the Company and the Optionee with respect to the matters covered hereby and may not be modified except by a written instrument signed by or on behalf of the Company and the Optionee.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by a duly authorized officer, and the Optionee has executed this Agreement, as of the day and year first above written.

PHILLIPS VAN-HEUSEN CORPORATION

By Cynthia L. Tarantino

ACCEPTED AND AGREED TO:

Bruce J. Klatsky
Optionee

NON-INCENTIVE STOCK OPTION AGREEMENT, dated December 3, 1993, between PHILLIPS-VAN HEUSEN CORPORATION (the "Company"), a Delaware corporation, and BRUCE J. KLATSKY (the "Optionee").

1. The Company grants to the Optionee an option (the "Option") under the Phillips-Van Heusen Corporation 1987 Stock Option Plan (the "Plan") to purchase from the Company all, but not less than all, of an aggregate of 100,000 shares (the "Optioned Shares") of the common stock, $1.00 par value, of the Company (the "Common Stock"). The Option is not intended to be an incentive stock option within the meaning of section 422A(b) of the Internal Revenue Code of 1986 (the "Code") and this Agreement shall be construed and interpreted in accordance with such intention.

2. The purchase price is $33.25 per share (the "Option Price").

3. The Option shall not be assignable or transferable except by will and/or by the laws of descent and distribution and, during the life of the Optionee, the Option may be exercised only by him.

4. (a) Subject to the provisions of Section 4(c), the Option shall only be exercisable during the twenty-day period commencing on April 27, 1996 and ending on May 17, 1996.

(b) Subject to the provisions of Section 4(c), the Option shall not become exercisable in the event that the employment of the Optionee with the Company terminates prior to April 27, 1996.

(c) Notwithstanding any other provisions of this Section 4, the Option shall become exercisable during the twenty-day period

commencing upon the termination of the Optionee's employment with the Company (except that such period shall be three months after the date of the qualification of a representative of his estate in the event the Optionee's employment terminates by reason of death or disability), if any of the following events shall occur: (i) the failure of the directors of the Company duly to elect the Optionee as Chief Executive Officer or Chairman of the Board of the Company effective not later than June 2, 1993 and June 14, 1994, respectively, and to continue him in each of such positions so long as he is employed by the Company, (ii) subsequent to any election or re-election as provided in the foregoing clause (i), the directors appoint an officer or hire an employee with authority equal or superior to the authority of the Optionee, (iii) the failure of Lawrence S. Phillips to relocate his office on or prior to January 28, 1995 to facilities other than in the principal office maintained by the Company or Mr. Phillips' failure thereafter to maintain his office outside of such principal office, (iv) the failure of the Company to compensate the Optionee at a rate of at least $750,000 per year and maintain the other terms and conditions of his employment by the Company on no less than substantially the same basis as currently enjoyed by the Optionee in connection with his employment by the Company, (v) the termination of employment as a result of the Optionee's death or his "disability" (as hereinafter defined) or the Optionee's employment with the Company is terminated by the Company without "cause" (as hereinafter defined) or (vi) the Optionee terminates his employment

with the Company pursuant to a "Termination Notice" given pursuant to that certain Agreement, dated as of April 28, 1993, among the Optionee, the Company and Lawrence S. Phillips.

(d) For purposes of this Agreement, (i) "disability" shall mean the inability of the Optionee to perform the duties of the offices to which he has been appointed, as determined by an independent physician, due to any physical or psychological injury, illness or disease and (ii) the Company shall have "cause" to terminate the Optionee's employment only if (A) the Optionee shall engage in fraudulent activities materially injurious to the Company or (B) the Optionee shall be convicted of a felony under state or federal law.

5. Neither the Optionee nor the Optionee's legal representatives, legatees or distributees shall be or be deemed to be the holder of any shares of the Common Stock covered by the Option unless and until certificates for such shares have been issued. Upon payment of the purchase price thereof, shares issued upon exercise of the Option shall be fully paid and nonassessable.

6. In order to exercise the Option, the Optionee shall give written notice of intent to exercise the Option to the Chief Financial Officer of the Company accompanied by payment to the Company of the amount of the aggregate Option Price for the Optioned Shares. All or any portion of such payment may be made in kind by the delivery of shares of the Common Stock having a fair market value, on the date of delivery (as determined in the manner

set forth in paragraph C of Section 7 of the Plan), equal to the portion of the Option Price so paid.

7. (a) Unless the shares to be issued upon the exercise of the Option shall be registered prior to the issuance thereof under the Securities Act of 1933, the Optionee shall, as a condition of the Company's obligation to issue such shares, give a representation in writing that he is acquiring such shares for his own account as an investment and not with a view to, or for sale in connection with, the distribution of any thereof.

(b) In the event of the death of the Optionee, an additional condition of exercising the Option shall be the delivery to the Company of such tax waivers and other documents as the Committee shall determine. The executors, administrators, legal representatives, distributees and legatees of the Optionee are, after the death of the Optionee, referred to as the Optionee with respect to the Option.

(c) The Optionee shall, as an additional condition of exercising the Option, make such arrangements with the Company with respect to withholding as the Committee shall determine.

8. In the event that a dividend shall be declared upon the Common Stock payable in shares of the Common Stock, the Optioned Shares shall be adjusted by adding to each such share the number of shares which would be distributable thereon if such share had been outstanding on the date fixed for determining the stockholders entitled to receive such stock dividend. In the event that the

outstanding shares of the Common Stock shall be changed into or exchanged for a different number or kind of shares of stock or other securities of the Company or of another corporation, whether through reorganization, recapitalization, stock split-up, combination of shares, sale of assets, merger or consolidation in which the Company is the surviving corporation, then, there shall be substituted for each Optioned Share the number and kind of shares of stock or other securities into which each outstanding share of the Common Stock shall be so changed, or for which each such share shall be exchanged. In the event that there shall be any change, other than as specified in this Section 8, in the number or kind of outstanding shares of the Common Stock, or of any stock or other securities into which the Common Stock shall have been changed, or for which it shall have been exchanged, then, if the Committee shall, in its sole discretion, determine that such change equitably requires an adjustment in the number or kind of Optioned Shares, such adjustment shall be made by the Committee and shall be effective and binding for all purposes of this Agreement. In the case of any such substitution or adjustment as provided for in this Section 8, the Option Price for each Optioned Share shall be the Option Price for all shares of stock or other securities which shall have been substituted for such Optioned Share or to which such share shall have been adjusted in accordance with the provisions in this Section 8. No adjustment or substitution provided for in this Section 8 shall require the Company to sell a fractional share hereunder. In the event of the dissolution or liquidation of the Company, or a merger, reorganization or consolidation in which the Company is not the surviving corporation,

then, except as otherwise provided in the second sentence of this Section 8, the Option, to the extent not theretofore exercised, shall terminate forthwith.

9. The existence of the Option shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock or the rights thereof, or dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding whether of a similar character or otherwise.

10. As a condition of the granting of the Option, the Optionee agrees, for himself and his personal representatives, that any dispute or disagreement which may arise under or as a result of or pursuant to this Agreement shall be determined by the Committee acting under the Plan, in its sole discretion, and that any interpretations by said Committee of the terms of this Agreement shall be final, binding and conclusive.

11. In the event the Optionee shall at any time sell any of the shares acquired upon the exercise of the Option, he shall give written notice of the sale to the Chief Financial Officer of the Company within ten days after the date of such sale, which notice shall state the number of such shares sold and the amount received upon such sale.

12. Nothing herein contained shall be deemed to confer upon the Optionee any right to continue to be retained by the Company or its subsidiaries, nor to interfere in any way with the right of the Company or its subsidiaries to terminate the retention of the Optionee at any time.

13. Notwithstanding anything in this Agreement to the contrary, the Option shall not be exercisable in whole or in part unless and until the amendments to the Plan adopted at the September 9, 1993 meeting of the Board of Directors are approved by the stockholders of the Company at the 1994 Annual Meeting of the Stockholders of the Company.

14. This Agreement constitutes the entire agreement between the Company and the Optionee with respect to the matters covered hereby and may not be modified except by a written instrument signed by or on behalf of the Company and the Optionee.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by a duly authorized officer, and the Optionee has executed this Agreement, as of the day and year first above written.

PHILLIPS VAN-HEUSEN CORPORATION

By Pamela N. Hootkin

ACCEPTED AND AGREED TO:

Bruce J. Klatsky
Optionee

December 6, 1993

Mr. Bruce J. Klatsky
45 Kerry Lane
Chappaqua, NY 10514

Dear Bruce:

We refer to that certain agreement (the "April Agreement"), dated as of April 28, 1993, by and among yourself, Lawrence S. Phillips and us. This letter, when accepted by you, will constitute an amendment of the April Agreement.

1. Section 4 of the April agreement is hereby amended in its entirety so that it shall read as follows:

> 4. Contingent Payment. (a) To induce Klatsky to enter into this Agreement, the Company hereby agrees to do the following: (i) pay to Klatsky, on or prior to December 24, 1993, a bonus (the "December Bonus") in the amount of $750,000, (ii) convey to Klatsky, on or prior to December 24, 1993, without additional consideration of any type, kind or nature, the securities (the "Restricted Securities") at a cost of $2,250,000 listed, or described, in Exhibit A annexed hereto, and (iii) lend to Klatsky on the date of such conveyance, the sum of Two Hundred Seventy Eight Thousand Three Hundred Fifty-One and 00/100 ($278,351.00) Dollars (the "December Loan"). The December Loan shall bear interest at the rate of 7 1/2% per annum and shall be evidenced by a promissory note in the form annexed hereto as Exhibit B.
>
> (b) Klatsky shall hold the Restricted Securities (when this term is hereafter used, it shall be deemed to also include proceeds from the sale or redemption of such Restricted Securities) separate and apart from his other assets in a brokerage or custody account chosen by him (the "Account"). Except as otherwise specifically provided in this Agreement, Klatsky shall not sell, assign, transfer or otherwise dispose of, and shall not pledge or hypothecate, any or all of the Restricted Securities. The proceeds from the sale or redemption of any Restricted Securities held in the Account shall, as Klatsky shall determine, either be used to purchase other securities or shall remain in the account and not be reinvested. Any such securities so purchased shall remain in the Account and otherwise be distributed as provided herein and shall be considered Restricted Securities for all purposes of this Agreement. All interest or dividend income or distributions other than stock dividends ("Earned Income") collected on any of the Restricted Securities may, at Klatsky's option, be removed from the Account and retained by him. Whether or not such Earned Income is removed from the Account, the same shall be free from all claims of the Company.
>
> (c) The restriction against removing the Restricted Securities from the Account set forth in subparagraph (b) above shall terminate (i) with respect to Restricted Securities having a fair market value of $83,333, on the last day of each calendar month commencing February, 1994 and ending March, 1996, and (ii) with respect to the remainder of the Restricted Securities, if any, on April 27, 1996. Klatsky shall be entitled to remove the Restricted Securities held in the Account at any time, if restrictions with respect thereto have terminated. Whether or not the Restricted Securities against which the restriction has terminated

have been removed from the Account or not, such securities shall, nevertheless, be free and clear of all claims of the Company.

(d) Notwithstanding any other provisions of this Section 4, the Restricted Securities shall no longer be subject to forfeiture or the restrictions set forth in section 4(b) hereof upon the occurrence of any of the following: (i) termination of Klatsky's employment resulting from death or "disability" (as hereinafter defined), (ii) termination of Klatsky's employment by the Company without "cause" (as hereinafter defined), (iii) termination of Klatsky's employment by Klatsky following the occurrence of a "Severance Event" as defined in the Plan as the same is amended pursuant to Section 2 hereof, or (iv) termination of Klatsky's employment if by written notice to the Company (the "Termination Notice") as a result of Klatsky's reasonable determination that Phillips and/or the Company have acted or failed to act in such a manner as to deny, limit or restrict to any significant extent Klatsky's CEO Powers, at any time commencing on June 2, 1993, or his Chairman Powers, at any time commencing on June 14, 1994, provided that prior to giving the Termination Notice, Klatsky has provided the Company with written notice of such determination (the "Determination Notice") and the Company has within ten days from receipt of such Determination Notice failed to cure the condition which Klatsky is claiming is the cause of his determination under this clause (iv). Failure by Klatsky to give the Determination Notice herein provided after the occurrence of a condition which would have given him the right to do so shall not be deemed a waiver by him of his right thereafter to give such Determination Notice.

(e) If Klatsky's employment with the Company shall

terminate prior to April 27, 1996, then, except as otherwise provided in Section 4(d) hereof, the Restricted Securities which shall not have theretofore been released from the restriction set forth in Section 4(b) hereof shall be forfeited by Klatsky and shall be returned to the Company, free and clear of all claims of Klatsky with respect thereto.

(f) For purposes of this Agreement, (i) "disability" shall mean the inability of Klatsky to perform the duty of the offices to which he has been duly appointed, as determined by an independent physician, due to any physical or psychological injury, illness or disease, and (ii) the Company shall have "cause" to terminate Klatsky's employment only if (A) Klatsky shall engage in fraudulent activities materially injurious to the Company, or (B) Klatsky shall be convicted of a felony under state or federal law.

(g) In the event that Klatsky shall have given the Company a Determination Notice pursuant to clause (iv) of Section 4(d) hereof, Klatsky shall be entitled, prior to giving a Termination Notice, to submit the matter by written notice to the Company to an arbitrator appointed pursuant to Section 10 of the April Agreement to determine whether (A) Klatsky has the right, pursuant to said clause (iv) to terminate his employment, and (B) the Company has duly cured the condition of which Klatsky has complained. Klatsky shall not be under any obligation to give a Termination Notice or to terminate his employment notwithstanding the determination of the arbitrator or his giving of a Determination Notice.

(h) On or before December 24, 1993, Klatsky shall execute, deliver and file with the Internal Revenue Service and the Company an election under Section 83(b)

of the Internal Revenue Code of 1986 (the "83(b) Election"), in substantially the form annexed hereto as Exhibit C, whereby he elects to include in his income for calendar year 1993, for federal, state and local income tax purposes, an amount equal to the fair market value of the Restricted Securities on the date of the conveyance thereof to Klatsky.

(i) The Company shall apply the December Bonus and the proceeds from the December Loan to the payment of tax withholding on the December Bonus and the amount which Klatsky is required to include in income as a result to the 83(b) Election. Of such amount, $236,250 shall be applied to New York State withholding, $13,500 shall be applied to New York City withholding and the balance shall be applied to Federal withholding.

2. If Klatsky shall not be employed by the Company on the date of conveyance of the Restricted Securities, the provisions of this Agreement shall be of no force and effect and the rights of the parties shall be determined under the provisions of the April Agreement as originally executed and delivered.

3. All references in the April Agreement to June 7, 1994 shall be deemed to be references to June 14, 1994.

4. Except as hereby expressly modified and amended, the terms and conditions of the April Agreement shall remain in full force and effect.

If the foregoing is acceptable to you, please sign and return to us the enclosed copy of this letter.

PHILLIPS-VAN HEUSEN CORPORATION
By: Irwin W. Winter
Vice President

AGREED TO AND ACCEPTED

Bruce J. Klatksy
Bruce J. Klatsky

SCHEDULE A
RESTRICTED SECURITIES

The Restricted Securities are to be United States Treasury bills. Bruce J. Klatsky shall have the right to sell and invest the proceeds in municipal bonds chosen by him.

EXHIBIT B

NON-NEGOTIABLE
PROMISSORY NOTE

$278,351.00 New York, New York
December , 1993

FOR VALUE RECEIVED, the undersigned, Bruce Klatsky (the "Maker") of 45 Kerry Lane, Chappaqua, New York 10514, hereby promises to pay to PHILLIPS-VAN HEUSEN CORPORATION (the "Payee"), at 1290 Avenue of the Americas, New York, New York 10104, as herein provided, the principal sum of TWO HUNDRED SEVENTY EIGHT THOUSAND THREE HUNDRED FIFTY-ONE AND 00/100 ($278,351.00) DOLLARS and to pay interest (computed on the basis of a 365-day year, based on the actual number of days elapsed) at a rate of 7 1/2% per annum, such payments to be made as follows:

(i) monthly payments of interest accrued and unpaid on the unpaid principal amount of this Note from the date hereof shall be due and payable in arrears on the last day of each calendar month commencing with March 1994 and ending with July 1994; and

(ii) monthly payments of principal on this Note, each in the amount of EIGHTY-THREE THOUSAND THREE HUNDRED THIRTY-THREE AND 00/100 ($83,333.00) DOLLARS, shall be due and payable on the last day of each of April, 1994, May 1994 and June 1994, and a final payment of principal on this Note in the amount of TWENTY-EIGHT THOUSAND THREE HUNDRED FORTY-TWO AND 00/100 ($28,342.00) DOLLARS shall be due and payable on July 31, 1994.

Payments of principal and interest hereunder shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts in immediately available funds by wire transfer or by check to the address of Payee specified above or at such other place as Payee may from time to time designate.

Should any indebtedness represented by this Note be collected at law or in equity, or in bankruptcy or other proceeding, or should this Note be placed in the hands of attorneys

for collection after default, the Maker agrees to pay, in addition to the principal, and interest due and payable hereon, all costs of collecting or attempting to collect this Note, including all reasonable attorney's fees and expenses (including those incurred in connection with any appeal).

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY OF THE CONFLICT OF LAW RULES THEREOF.

IN WITNESS WHEREOF, the undersigned has executed this Note as of the date hereof.

Bruce J. Klatsky

EXHIBIT C

Election to Include in Gross Income in
Year of Transfer of Property Pursuant to
Section 83(b) of the Internal Revenue Code

The undersigned (hereinafter referred to as the ("Taxpayer") hereby makes an election pursuant to Section 83(b) of the Internal Revenue Code with respect to the property described below and supplies the following information in accordance with the regulations promulgated thereunder:

1. The name, address and taxpayer identification number of the Taxpayer are as follows:

   Name: Bruce J. Klatsky
   Address: 45 Kerry Lane
   Chappaqua, NY 10514
   Tax Identification No.: ###-##-####

2. Description of property with respect to which the election is being made:

   The securities listed on Schedule A annexed hereto, any proceeds from the sale or redemption thereof, and any securities purchased with all or any portion of such proceeds (collectively the "Restricted Securities").

3. The date on which the property was transferred was December   , 1993. The taxable year to which this election relates is calendar year 1993.

4. The nature of the restrictions to which the property is subject is as follows:

Pursuant to the provisions of a certain agreement dated as of April 28, 1993, by and among the Corporation, the Taxpayer and another individual, as amended by letter dated December , 1993, by and between the Corporation and the Taxpayer (such agreement, as so amended, being referred to herein as the "Agreement"), the Taxpayer generally may not sell, assign, pledge or otherwise dispose of the Restricted Securities and must hold the Restricted Securities separate and apart from his other assets in a brokerage or custody account chosen by him (the "Account"). If, while any Restricted Securities are held in the Account, the same are sold or redeemed, the proceeds thereof will continue to be held in the Account and any securities purchased with all or any portion of such proceeds will thereafter be considered as Restricted Securities under the Agreement.

The restrictions described above will terminate (i) with respect to Restricted Securities having a fair market value of $83,333 on the last day of each calendar month commencing with February, 1994 and ending with March 1996; and (ii) with respect to the remainder of the Restricted Securities, if any, on April 27, 1996, and the Taxpayer will thereupon be entitled to remove the same, or the proceeds from the sale or redemption thereof, from the Account free and clear of all claims of the Corporation with respect thereto. If the Taxpayer's employment by the Corporation terminates prior to April 27, 1996, then, except as otherwise provided below, the Restricted Securities (or the proceeds from the sale or redemption thereof) which have not theretofore been released

from these restrictions will be forfeited by the Taxpayer and will be returned to the Corporation, free and clear of all claims of the Taxpayer with respect thereto.

Notwithstanding the foregoing, the Restricted Securities (or the proceeds from the sale or redemption thereof) will no longer be subject to forfeiture or the restrictions set forth above (i) in the event of the termination of the Taxpayer's employment with the Corporation as a result of his death or his "disability;" (ii) in the event that the Taxpayer's employment with the Corporation is terminated by the Corporation without "cause" (as defined in the Agreement), or (iii) in the event that the Taxpayer terminates his employment with the Corporation upon the occurrence of certain other events referred to in the Agreement.

5. The aggregate fair market value of the Restricted Securities (determined without regard to any restrictions other than restrictions which by their terms will never lapse) is approximately $2,250,000.

6. The amount paid by the Taxpayer for the Restricted Securities is zero.

7. A copy of this statement has been furnished to the Corporation.

Dated: December 6, 1993

Bruce J. Klatsky

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

February 14, 1995

Mr. Lawrence S. Phillips
21301 Power Line Road
Suite 309
Boca Raton, Florida 33433

Dear Larry:

This letter, when accepted and agreed to by you, shall confirm the agreement between you ("Phillips") and Phillips-Van Heusen Corporation (the "Company") as follows:

1. The provisions of Section 7 of the Agreement, dated as of April 28, 1993, among Bruce J. Klatsky, Phillips and the Company shall be terminated as of the effective date of this agreement and shall be of no further force and effect thereafter.

2. The Company hereby agrees to retain Phillips as a consultant for the period commencing on the effective date of this agreement and ending on June 14, 2004 or upon the earlier death of Phillips (the "Term"). Phillips hereby accepts such retention, agrees to perform such consulting services as may be reasonably requested of him from time to time by the chief executive officer of the Company and agrees to devote his skills, attention and energies and such portion of his business time as shall be reasonably required to such services; provided, however, that such consultation services shall not require more than an average of 10 hours per month or more than 20 hours in any one month and shall not require Phillips to travel, other than to the Company's principal executive offices and, in such case, not more frequently than once per year; and provided, further, however, that the Company's obligations hereunder shall not be affected as a result of any disability of Phillips or his inability to render consulting services as a result thereof. During the Term, the Company shall pay to Phillips, and Phillips shall accept from the Company, for Phillips' consulting services pursuant to this Section 2, compensation at the rate of $250,000 per annum, payable in equal monthly installments on the first business day of each month, except that a pro rata portion for the month ending February 28, 1995 shall be paid on the date hereof.

3. The Company shall pay for and provide Phillips during the Term with the use of and maintenance for a company car in accordance with past practice with respect to Phillips, including, without limitation, reimbursement of all advance and/or other payments incurred by Phillips upon lease renewals or new leases. The Company shall pay to Phillips during the Term $50,000 per annum to reimburse Phillips for all out-of-pocket expenses incurred by him in connection with the performance of his duties hereunder, which includes reimbursement of all fees and transportation for Phillips and his spouse for attendance at

business-related seminars and the costs of participating in all business-related organizations including the Young Presidents Organization, the World Presidents Organization, the Chief Executive Officers Organization and the Aspen Institute. Such amounts shall be paid to Phillips periodically during each year. During the Term, Phillips and his family shall continue to have the benefit of all merchandise discounts provided to employees of the Company and the Company shall provide all documentation therefor, including the Company's associate discount cards.

4. To the extent available, Phillips shall elect primary coverage for his and his spouse's medical expenses under Medicare and the Company shall, during the Term, provide and pay for additional medical, surgical, dental, optical and other health insurance which, together with such Medicare coverage, if any, will provide Phillips and his spouse with the same coverage to which they have been entitled under the Company's "Corporate Medical Reimbursement Insurance Plan." In the event of Phillips' death during the Term, such coverage will continue at the Company's sole expense for the benefit of Phillips' spouse through June 14, 2004. In addition, simultaneously with the execution of this agreement, the Company is entering into a split-dollar life insurance agreement on the life of Phillips in the form of Schedule A hereto.

5. During the Term, the Company shall continue as heretofore to maintain and make available at its cost a furnished and equipped office (and shall pay all costs associated with the operation of such office) for Phillips and his assistant, and shall continue to employ and pay Phillips' assistant (or any replacement therefor selected by Phillips) at the same salary and with the same benefits as heretofore. The Company shall also continue to pay, or to reimburse Phillips for, the cost of all telecommunications equipment in accordance with past practice.

6. During the Term, the Company shall continue to make (itself or through the Phillips-Van Heusen Foundation) annual contributions (with the first contributions to be made on or before June 14, 1995 and additional annual contributions to be made during each successive year of the Term) to the Phillips-Green Foundation, American Jewish World Service, Beth Israel Medical Center and the Parliamentary Human Rights Foundation, in the amounts of $150,000, $10,000, $10,000 and $10,000, respectively, so long as such organizations remain valid Section 501(c)(3) organizations under the Internal Revenue Code of 1986 or any successor statute; provided, however, if any such organization ceases for any reason to be a valid Section 501(c)(3) organization, the Company, after consultation with Phillips, will select a qualified replacement charitable

organization to which the Company will continue to contribute; and provided further that if the Company, after consultation with Phillips, shall determine that continued contributions to any of the foregoing charitable organizations is not warranted, then the Company, after consultation with Phillips. shall select a replacement charitable organization(s) to which the Company will continue to contribute.

7. On the date this agreement becomes effective, the Company shall grant to Phillips a stock option to acquire 100,000 shares of the Company's common stock at an exercise price equal to the closing price of such common stock on the New York Stock Exchange on the trading day prior to the grant of such option, which option shall be in the form of Schedule B hereto.

8. Phillips agrees, during and after the Term, to keep secret and confidential all proprietary and confidential information heretofore or hereafter acquired by him concerning the business and affairs of the Company or any of its subsidiaries and/or affiliates (as such term is defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended), and further agrees that he will at no time during the Term or thereafter disclose any such information to any person, firm or corporation, other than to the Company or any of its subsidiaries

and/or affiliates or their respective directors, officers, employees and agents, or use the same in any manner other than in connection with the business and affairs of the Company or any of its subsidiaries and/or affiliates, except (i) as may be required by law, (ii) in connection with Phillips' enforcement of his rights under this agreement, (iii) as to such information as may already have become publicly known other than through Phillips in violation of this Section 8 and (iv) with the consent of the Company.

9. Phillips agrees, to the extent permitted by law, that he shall not, during the Term and for the five years after the Term, for any reason whatsoever, directly or indirectly, own, manage, operate, join or control, or participate in the ownership, management, operation or control of, or be a director or employee of, or a consultant to, any business, firm or corporation which is conducting any business which competes with the business of the Company as now conducted; provided, however, that the provisions of this Section 9 shall not apply to investments by Phillips in (i) securities traded on a national securities exchange or on the national over-the-counter market which shall constitute less than two percent of the outstanding class of such securities and (ii) any investment partnership, mutual fund or similar investment vehicle the investment

decisions for which are made by a person or entity not affiliated with Phillips. Notwithstanding anything to the contrary contained herein, Phillips shall not be in breach of this Section 9 with respect to any breach of this Section 9 which is cured by Phillips within 30 days of notification of such breach by the Company. During the Term, the Company shall pay to Phillips, and Phillips shall accept from the Company, in consideration of Phillips' agreement contained in this Section 9, the amount of $500,000 per annum, payable in equal quarterly installments on the first business day of each quarter, except that a pro rata portion for the quarter ending March 31, 1995 shall be paid on the date hereof.

10. Phillips acknowledges and agrees that, because of the unique and extraordinary nature of his services, any breach or threatened breach of the provisions of Sections 8 and 9 hereof will cause irreparable injury and incalculable harm to the Company and that it shall, accordingly, be entitled to seek injunctive or other equitable relief. The foregoing, however, shall not be deemed to waive or to limit in any respect any other right or remedy which the Company may have with respect to such breach.

11. On the date this agreement becomes effective, the

Company shall execute and deliver to Phillips an indemnification agreement substantially in the form of Schedule C hereto.

12. The Company agrees to cause the memorabilia and furnishings currently in the Heritage Room at the Company's principal executive offices to be transported, at its cost, to a location designated by Phillips within 20 days of the date Phillips designates such location.

13. Phillips hereby resigns from the Board of Directors of the Company, effective upon the acceptance of said resignation by the Board of Directors.

14. This agreement shall become effective upon approval thereof by the Board of Directors of the Company at its meeting on February 14, 1995 or at any adjournment thereof. In the event that the Board of Directors of the Company does not approve this agreement at said meeting, none of the provisions of this agreement shall come into force and effect and the provisions of paragraph 7 of the Agreement referred to in Section 1 hereof shall continue in full force and effect.

15. The Company hereby agrees to indemnify and hold harmless Phillips from and against any and all losses, claims,

liabilities, damages, costs and expenses, including, without limitation, reasonable fees and disbursements of counsel, suffered or incurred by Phillips arising out of, relating to, or resulting from the execution, delivery and/or performance of this agreement and/or the consummation of the transactions contemplated hereby.

16. Each of the parties hereto shall pay its or his own legal fees in connection with the negotiation, execution and delivery of this agreement; provided, however, that the Company shall pay the legal fees and disbursements incurred by Phillips in connection with the negotiation, execution and delivery of this agreement; provided, further, however, that the Company shall not be required to pay more than $40,000 of such legal fees and disbursements.

17. This agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without reference to the conflicts of law provisions thereof.

18. This agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings with respect to the subject matter hereof. No waiver shall be

deemed to be made by either of the parties to any of its or his rights hereunder unless that waiver shall be in a writing signed by the waiving party and any such waiver shall only be effective to the extent set forth therein.

19. All notices and communications hereunder shall be in writing and shall be sent by registered or certified mail, return receipt requested, addressed to the party for whom or for which intended, in the case of the Company, to its then principal executive office, or at such other address of which the Company shall have given notice to Phillips in the manner herein provided, and in the case of Phillips, at his residence address as set forth in the records of the Company (which is currently 2197 N. W. 60th Road, Boca Raton, FL 33496) or at such other address of which he hall have given notice to the Company in the manner herein provided, with a copy of all such notices and communications to be given concurrently to Rosenman & Colin, 575 Madison Avenue, New York, New York 10022, Attention: Edward H. Cohen, Esq. and to Shereff, Friedman, Hoffman & Goodman, 919 Third Avenue, New York, NY 10022, Attention: Martin Nussbaum, Esq.

20. Each of the parties hereto shall execute and deliver to the other such additional documents and shall take such further actions as may be reasonably requested to carry out the

transactions contemplated by this agreement.

21. In the event that any provision of this agreement shall be declared invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions of this agreement, it being hereby agreed that such provisions are severable and that this agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

22. The terms and provisions of this agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns and Phillips and his heirs, legal representatives, successors and assigns.

Very truly yours,
PHILLIPS-VAN HEUSEN CORPORATION

By_________________________________
Bruce J. Klatsky,
Chief Executive Officer

ACCEPTED AND AGREED TO:

____
Lawrence S. Phillips

Schedule A

SPLIT DOLLAR LIFE INSURANCE AGREEMENT

AGREEMENT made the ______ day of February, 1995 by and between Phillips-Van Heusen Corporation (the "Corporation") and Laura Phillips and David L. Phillips (the "Policyowners").

WHEREAS, the Corporation wishes to establish a life insurance program for the benefit and protection of Laura Phillips and David L. Phillips, the children of Lawrence S. Phillips, who has been retained as a consultant to the Corporation, under Policy No. ______________ issued by The Guardian Insurance and Annuity Company, Inc., ("Guardian"); said policy hereinafter referred to as the "Policy".

WHEREAS, the Corporation has agreed to pay all premiums due on the Policy in accordance with the provisions of this Agreement; and

WHEREAS, the Policyowners will be the sole owners of the Policy, and the Policy will be collaterally assigned to the Corporation for the purpose of providing security for the repayment of premiums paid by the Corporation;

NOW, THEREFORE, in consideration of the mutual promises contained herein, it is agreed between the parties hereto as follows:

ARTICLE I

The Policy shall be the exclusive property of the Policyowners, and shall be owned by them as tenants in common. The Policyowners may exercise all rights of ownership with respect thereto subject only to the security interest and other rights of the Corporation as expressed in this Agreement. The Policyowners shall be jointly and severally liable to perform their obligations under this Agreement.

ARTICLE II

A. The Corporation shall be responsible for the payment of all premiums due to Guardian with respect to the Policy on or before the date such premium payments are due (or within the grace period allowed by the Policy) and, if so requested, shall give proof of the timely payment of each premium to the Policyowners.

B. The Policyowners shall not be required to pay any part of the premiums; provided, however, that they shall remit to the Corporation an amount equal to any dividends with respect to the Policy paid in cash to the Policyowners, which amount shall

be applied by the Corporation toward the payment of subsequent premiums due with respect to the Policy.

ARTICLE III

The Policyowners shall collaterally assign the Policy to the Corporation pursuant to the terms of this Agreement as security for the repayment of amounts paid by the Corporation toward the premiums on the Policy as provided for in Article II of this Agreement. The collateral assignment shall be substantially in the form of Exhibit "A" attached hereto and made a part hereof.

ARTICLE IV

A. The Corporation, as collateral assignee, shall have the limited right to obtain, from time to time, one or more withdrawals of partial cash value benefit (as defined in the Policy) and/or one or more policy loans based on the Policy's loan value (as defined in the Policy), in an aggregate amount not to exceed, as of the time of any such withdrawal or loan, the lesser of (i) the aggregate amount theretofore paid by the Corporation toward the premiums on the Policy, pursuant to Article II of this Agreement, or (ii) the amount of the aggregate

proceeds of the Policy which would be payable to the Corporation pursuant to Article VI A., Part B (after payment in full of the Part A amount as provided in Article VI A.), if the death of the insured were to occur on the date of any such withdrawal or loan (the "maximum withdrawal/loan amount").

B. If the Corporation withdraws and/or borrows an amount in excess of its maximum withdrawal/loan amount, it must promptly return or repay the amount of such excess to either Guardian or to the Policyowners. The Corporation shall pay all loan interest in connection with loans made to it with respect to the Policy, in addition to the premiums payable by the Corporation pursuant to Article II. In no event shall a payment of interest by the Corporation constitute a premium payment under this Agreement. Any unpaid interest charges shall be added to the outstanding indebtedness of the Policy.

C. The Corporation shall be prohibited from taking any action that might adversely affect the interest of the Policyowners in the Policy and the Policyowners shall be prohibited from taking any action that might adversely affect the interest of the Corporation in the Policy.

D. The Corporation shall have the right to select any dividend options available with respect to the Policy.

E. In the event the Policyowners desire to surrender the Policy, they shall give written notice of their intention to do so to the Corporation. The Corporation, within 30 days of the effective date of such notice, may elect by written notice to the Policyholders that the Policyowners not surrender the Policy whereupon the Policyowners shall transfer their entire right, title and interest in the Policy to the Corporation without additional consideration of any kind. In the event the Corporation does not elect within said 30 day period to have the Policy transferred to it, then the Policyowners shall be free to surrender the Policy subject to the rights of the Corporation under subparagraph F. hereof.

F. In addition to the limited rights in the Policy assigned to the Corporation by the Policyowners pursuant to this Article IV, the Corporation shall have a security interest in any proceeds payable to the Policyowners in the event the Policyowners, prior to the death of the Insured, after complying with the provisions of Article IV E of this Agreement, surrender the Policy pursuant to Article V A. of this Agreement. In such event the Policyowners shall pay to the Corporation, from such

proceeds, an amount equal to the lesser of (i) the amount of such proceeds, or (ii) the aggregate amount theretofore paid (pursuant to ARTICLE II) by the Corporation toward the premiums on the Policy, less the aggregate amount of any withdrawals or borrowings theretofore made by the Corporation with respect to the Policy under Article IV A. hereof and accrued, unpaid interest on such loans. In the event the amount described in clause (ii) of the preceding sentence shall exceed the amount described in clause (i), the Policyowners shall not be liable to the Corporation with respect to such excess or any part thereof. The amount payable by the Policyowners to the Corporation pursuant to this Article IV F. shall be deemed to be received by the Policyowners from Guardian on behalf of the Corporation, and shall be promptly paid over to the Corporation. It is hereby agreed that, alternatively, at the option of the Policyowners, Guardian shall be directed by the Policyowners in writing to draw a check in the appropriate amount payable directly to the Corporation.

ARTICLE V

The Policyowners retain all rights in the Policy not specifically assigned to the Corporation hereunder, including but not limited to the following rights:

A. The right to surrender the Policy and receive the surrender value thereof (subject to the provisions of ARTICLES IV E. and F. hereof).

B. The right to change the beneficiary of the Policy, subject to the provisions of Article VI B hereof.

C. The right to select optional methods of settlement with regard to the Part A death benefit provided for in Article VI A hereof.

ARTICLE VI

A. In the event of the death of the Insured while the Policy and this Agreement are in force, the aggregate proceeds of the Policies shall be divided in two parts and paid as follows:

Part A: The following amounts shall be paid to the Policyowners, in equal shares, per stirpes, (or in the event neither of the Policyowners or their issue shall then survive, the Phillips-Green Foundation), as beneficiaries:

If death occurs on or before June 14, 1996, the amount of $3,375,000;

If death occurs on or before June 14, 1997, the amount of $3,000,000;
If death occurs on or before June 14, 1998, the amount of $2,625,000;
If death occurs on or before June 14, 1999, the amount of $2,250,000;
If death occurs on or before June 14, 2000, the amount of $1,875,000;
If death occurs on or before June 14, 2001, the amount of $1,500,000;
If death occurs on or before June 14, 2002, the amount of $1,125,000;
If death occurs on or before June 14, 2003, the amount of $750,000;
If death occurs on or before June 14, 2004, the amount of $375,000.

Part B: The Corporation as beneficiary shall receive the remainder of the proceeds of the Policy (or all thereof, if the death of the insured shall occur after June 14, 2004).

B. The designations of beneficiary under the Policy contain, and at all times during the term of this Agreement shall contain, a schedule of benefits identical to that set forth above in Article VI A. of this Agreement and the Policyholders shall provide the Corporation from time to time at the request of the Corporation suitable proof thereof.

ARTICLE VII

A. This Agreement shall terminate upon the sooner to occur of:

(1) Surrender of the Policy by the Policyowners pursuant to Article V of this Agreement;

(2) Transfer of the Policy to the Corporation pursuant to ARTICLE IV E. hereof;

(3) Upon thirty (30) days written notice of termination sent by registered or certified mail by the Policyholders to the Corporation; or

(4) June 15, 2004.

B. Upon termination pursuant to Article VII A.(3) or (4) above, the Policyowners shall, within thirty (30) days of the

effective date of such termination, in their sole and absolute discretion, either (i) transfer ownership of the Policy to the Corporation; or (ii) pay to the Corporation an amount equal to the aggregate amount theretofore advanced by the Corporation in payment of premiums on the Policy, less the aggregate amount of any withdrawals or borrowings theretofore made by the Corporation under Article IV A. hereof and accrued, unpaid interest on such loans.

ARTICLE VIII

Any payments made or action taken by Guardian in accordance with the provisions of the Policy and the collateral assignment of the Policy shall fully discharge it from all claims, suits, and demands of all persons whatsoever. With the sole exception of this Article VIII, Guardian shall not be deemed to be a party to this Agreement for any purpose nor in any way be responsible for its validity.

ARTICLE IX

This Agreement shall be binding upon the parties hereto, their heirs, legal representatives, successors, and assigns.

ARTICLE X

Any notice to be given hereunder shall be by certified mail, return receipt requested, to the parties at the addresses set forth below, such notice to be deemed effective on the date of mailing thereof.

Notice to the Policyholders:

Laura Phillips
David L. Phillips
c/o Weitzner, Levine, Hamburg & Chill
437 Madison Avenue, 35th Floor
New York, New York 10022

Notice to the Corporation:

Phillips-Van Heusen Corp.
1290 Avenue of the Americas
New York, New York 10104
Attention: I. Winter

ARTICLE XI

This Agreement embodies all agreements made by the parties with respect to the Policy, and no change, alteration, or modification may be made except in writing signed by all parties hereto.

ARTICLE XII

This Agreement shall be governed by the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have set their hands on the day and year first set forth above.

PHILLIPS-VAN HEUSEN CORPORATION

By:

Attest:
Secretary

(Witness) Laura Phillips

(Witness) David Phillips

COLLATERAL ASSIGNMENT

Pursuant to the provisions of a Split Dollar Life Insurance Agreement entered into by Laura Phillips and David L. Phillips, (the "Policyowners"), and Phillips-Van Heusen Corporation, (the "Corporation"), dated the   day of February, 1995 (the "Agreement"), for value received, we hereby assign unto the Corporation Policy No. (the "Policy") issued by The Guardian Insurance and Annuity Company, Inc. ("Guardian") on the life of Lawrence S. Phillips, as collateral security to the extent specified below.

1. Prior to the death of Lawrence S. Phillips: The Policy's cash values shall be collateral security to the extent of (i) the aggregate amount paid by the Corporation toward premiums on the policy, (ii) less the aggregate amount of any withdrawals or borrowing against the Policy made by the Corporation.

2. Part A of the life insurance proceeds of the Policy shall be an amount equal to:

If death occurs on or before June 14, 1996, the amount of $3,375,000;

If death occurs on or before June 14, 1997, the amount of $3,000,000;

If death occurs on or before June 14, 1998, the amount of $2,625,000;

If death occurs on or before June 14, 1999, the amount of $2,250,000;
If death occurs on or before June 14, 2000, the amount of $1,875,000;
If death occurs on or before June 14, 2001, the amount of $1,500,000;
If death occurs on or before June 14, 2002, the amount of $1,125,000;
If death occurs on or before June 14, 2003, the amount of $750,000;
If death occurs on or before June 14, 2004, the amount of $375,000;

However, in no event shall Part A exceed the life insurance proceeds payable under the policy.

3. Part B of the life insurance proceeds of the Policy shall be the amount remaining after Part A of those proceeds has been paid.

4. The beneficiary for Part B of the life insurance proceeds shall be the Corporation. The beneficiary for Part A of the life insurance proceeds shall be as stated in the policy application or as changed pursuant to the terms and conditions of the Policy by the Policyowners.

5. The interest of any beneficiary for Part B of the life insurance proceeds may not be assigned by the Policyowners, and also shall not be subject to the interest of any assignee.

6. Except as specifically granted to the Corporation pursuant to the terms of the aforesaid Split Dollar Agreement, the Policyowners shall retain all incidence of ownership in the policy. This Collateral Assignment may not be terminated without the consent of the Corporation.

Dated: February , 1995

Witness Laura Phillips

Witness David L. Phillips

has retained the duplicate of this Agreement. The Company assumes no responsibility for the validity of the Assignment.

Dated: February , 1995

HOME OFFICE ENDORSEMENT

Schedule B

PHILLIPS-VAN HEUSEN CORPORATION

NON-INCENTIVE STOCK OPTION AGREEMENT

AGREEMENT made and entered into this 14th day of February, 1995, between PHILLIPS-VAN HEUSEN CORPORATION (the "Company"), a Delaware corporation with its principal executive offices at 1290 Avenue of the Americas, New York, New York 10104, and LAWRENCE S. PHILLIPS (the "Optionee"), an individual residing at 2197 N. W. 60th Road, Boca Raton, FL 33496.

W I T N E S S E T H:

WHEREAS, the Optionee is retained by the Company as a consultant and the Company desires that he have an option to acquire stock in the Company in order to increase his incentive and personal interest in the welfare of the Company; and

WHEREAS, the committee (the "Committee") under the Phillips-Van Heusen Corporation 1987 Stock Option Plan (the "Plan") (a copy of which is delivered herewith by the Company and receipt thereof is acknowledged by the Optionee) shall be responsible for the administration of this Agreement, with such duties and functions as prescribed in this Agreement only, notwithstanding that the option hereby granted is not granted under or pursuant to the Plan.

NOW, THEREFORE, the parties hereby agrees as follows:

23. The Company grants to the Optionee an option (the "Option") to purchase from the Company all or any part of an aggregate of 100,000 shares (the "Optioned Shares") of the common stock, $1.00 par value, of the Company (the "Common Stock"). The Option is not intended to be an incentive stock option within the meaning of section 422A(b) of the Internal Revenue Code of 1986 (the "Code") and this Agreement shall be construed and interpreted in accordance with such intention.

24. The purchase price is $16.50 per share (the "Option Price") (which is 100% of the fair market value thereof on the date of this Agreement).

25. The Option shall not be assignable or transferable except (x) by will and/or by the laws of descent and distribution and (y) to the Optionee's spouse and/or lineal descendants and/or their spouses or any trust of which the Optionee and/or the Optionee's spouse and lineal descendants and their spouses are beneficiaries. Any permitted transferees of the Option shall have all of the rights of the Optionee hereunder and are, after any such transfer, referred to as the Optionees with respect to the Option.

26. The Option, subject to the condition that it shall not be exercised after February 13, 2005, may be exercised in whole at any time or in part from time to time.

27. Neither the Optionee nor the Optionee's legal representatives, legatees or distributees shall be or be deemed to be the holder of any shares of the Common Stock covered by the Option unless and until the Optionee exercises the Option, or any portion hereof. The Optionee shall be deemed to become an owner of record of the Common Stock covered by the Option on the date the Option is exercised and payment of the Option Price was made irrespective of the date of delivery of share certificates. Upon payment of the purchase price thereof, shares issued upon exercise of the Option shall be validly issued and outstanding, fully paid and nonassessable, not subject to preemptive rights, or other contractual rights to purchase securities of the Company, and free of all liens, claims and encumbrances.

28. In order to exercise the Option, the Optionee shall give written notice of intent to exercise the Option to the Chief Financial Officer of the Company or his delegate, in form and substance reasonably satisfactory to the Committee, specifying the number of shares of the Common Stock with respect to which the Option is being exercised, and accompanied by payment to the Company of the amount of the Option Price for the numbers of shares of the Common Stock so specified.

29. A. Unless the shares to be issued upon the exercise of the Option shall be registered prior to the issuance thereof under the Securities Act of 1933 (the "Securities Act"), the

Optionee shall, as a condition of the Company's obligation to issue such shares, give a representation in writing that he is acquiring such shares for his own account as an investment and not with a view to, or for sale in connection with, the distribution of any thereof in violation of the Securities Act.

B. In the event of the death of the Optionee, an additional condition of exercising the Option shall be the delivery to the Company of such tax waivers and other documents as the Committee shall reasonably determine. The executors, administrators and legal representatives of the Optionee shall have all of the rights of the Optionee hereunder and are, after the death of the Optionee, referred to as the Optionee with respect to the Option.

C. The Optionee shall, as an additional condition of exercising the Option, make such arrangements with the Company with respect to withholding as the Committee shall reasonably determine.

30. In the event that a dividend shall be declared upon the Common Stock payable in shares of the Common Stock, the Optioned Shares shall be adjusted by adding to each such share the number of shares which would be distributable thereon if such share had been outstanding on the date fixed for determining the stockholders entitled to receive such stock dividend. In the event that the outstanding shares of the Common Stock shall be changed

into or exchanged for a different number or kind of shares of stock or other securities of the Company or of another corporation, whether through reorganization, recapitalization, stock split-up, combination of shares, sale of assets, merger or consolidation in which the Company is the surviving corporation, then, there shall be substituted for each Optioned Share the number and kind of shares of stock or other securities into which each outstanding share of the Common Stock shall be so changed, or for which each such share shall be exchanged. In the event that there shall be any change, other than as specified in this paragraph 8, in the number or kind of outstanding shares of the Common Stock, or of any stock or other securities into which the Common Stock shall have been changed, or for which it shall have been exchanged, then, if the Committee shall, in its discretion reasonably exercised, determine that such change equitably requires an adjustment in the number or kind of Optioned Shares, such adjustment shall be made by the Committee. In the case of any such substitution or adjustment as provided for in this paragraph 8, the Option Price for each Optioned Share shall be the Option Price for all shares of stock or other securities which shall have been substituted for such Optioned Share or to which such share shall have been adjusted in accordance with the provisions in this paragraph 8. No adjustment or substitution provided for in this paragraph 8 shall require the Company to sell a fractional share hereunder. In the event of the dissolution or liquidation of the Company, or a merger,

reorganization or consolidation in which the Company is not the surviving corporation, then, except as otherwise provided in the second sentence of this paragraph 8, the Option, to the extent not theretofore exercised, shall terminate forthwith.

31. The existence of the Option shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding whether of a similar character or otherwise.

32. In case:

(a) the Company shall declare a dividend (or any other distribution) on its Common Stock other than regular quarterly cash dividends; or

(b) the Company shall authorize the distribution to any holders of the Common Stock of any additional shares of capital stock of any class or other securities convertible, exercisable or exchangeable into shares of capital stock or any options, rights or warrants to subscribe therefor; or

(c) there shall be any capital stock reorganization or reclassification of the Common Stock (other than a subdivision or combination of the outstanding Common Stock and other than a change in the par value of the Common Stock), or any consolidation or merger to which the Company is a party or any exchange of securities with another corporation or any conversion of the shares purchasable upon the exercise of the Option into securities of another corporation or any sale or transfer of all or substantially all of the assets; or

(d) a voluntary or involuntary dissolution, liquidation or winding up of the Company; or a sale of all or substantially all of its property, asset and business shall be proposed;

then the Company shall cause to be provided to the Optionee at least 20 days prior to the applicable date hereinafter specified, a notice stating (i) the date on which a record is to be taken for the purpose of such dividend, distribution, rights or warrants, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution or securities convertible into or exercisable or exchangeable for shares of Common Stock are to be determined, or (ii) the date on which such reorganization, reclassification, consolidation, merger, statutory exchange, sale, transfer, dissolution, liquidation or winding up is expected to

become effective, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange or convert their shares of Common Stock for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, statutory exchange, sale, transfer, dissolution, liquidation or winding up.

33. As a condition of the granting of the Option, the Optionee agrees, for himself and his personal representatives, that any dispute or disagreement which may arise under or as a result of or pursuant to this Agreement shall be initially determined by the Committee, in its discretion reasonably exercised.

34. Promptly upon receipt of a written request of the Optionee that the Company effect the registration under the Securities Act of the resale by the Optionee to the public of all the Optioned Shares, the Company will file, at its sole expense, a Registration Statement on Form S-3 or any similar available short form Registration Statement under the Securities Act covering such resale, and the Company will use its best efforts to cause such Registration Statement to be declared effective under the Securities Act within 30 days after the date of such request and to remain effective until the earlier to occur of such resale of all of the Optioned Shares or the expiration of 90 days of effectiveness of such Registration Statement. The Company shall

indemnify the Optionee for liabilities arising under the Securities Act in accordance with customary practice.

35. This Agreement constitutes the entire agreement between the Company and the Optionee with respect to the matters covered hereby and may not be modified except by a written instrument signed by or on behalf of the Company and the Optionee.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by a duly authorized officer, and the Optionee has executed this Agreement, as of the day and year first above written.

PHILLIPS-VAN HEUSEN CORPORATION

By /s/ Bruce J. Klatsky

ACCEPTED AND AGREED TO:

/s/ Lawrence S. Phillips
Optionee

Schedule C

INDEMNITY AGREEMENT

This Indemnity Agreement (this "Agreement") is made and entered into as of the   day of February, 1995 by and between PHILLIPS-VAN HEUSEN CORPORATION, a Delaware corporation (the "Company"), and LAWRENCE S. PHILLIPS ("Indemnitee").

WHEREAS, Indemnitee has been a director of the Company since 1951 and served as an officer of the Company from 1951 through 1994;

WHEREAS, Indemnitee has agreed to resign as a director of the Company and to serve as a consultant to the Company in accordance with the terms of that certain letter agreement, dated as of the date hereof, between Indemnitee and the Company (the "Letter Agreement");

WHEREAS, the By-laws of the Company (the "By-laws") provide that the Company shall indemnify any person to the fullest extent permitted by the Delaware General Corporation Law (the "DGCL");

WHEREAS, DGCL Section 145(f) expressly recognizes that the indemnification provisions of the DGCL are not exclusive of any other rights to which a person seeking indemnification may be entitled under bylaw, agreement, vote of stockholders or disinterested directors or otherwise;

WHEREAS, the Company, in connection with, and as a condition of, Indemnitee's agreement to enter into the Letter Agreement, has agreed to provide Indemnitee with the benefits contemplated by this Agreement.

NOW, THEREFORE, in consideration of the promises, conditions and representation set forth herein, and for other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, the Company and Indemnitee hereby agree as follows:

Section 1. Definitions. The following terms, as used herein, shall have the following meanings:

(a) "Covered Claim" shall mean any claim against Indemnitee (whether such claim is asserted by or in the right of the Company or otherwise) based upon or arising out of any past, present or future act, omission, neglect or breach of duty, including, without limitation, any actual or alleged error,

omission, misstatement or misleading statement, that Indemnitee may commit or suffer, or may have committed or suffered, while serving in his capacity as a director, officer, employee and/or agent of the Company and/or, at the Company's request, as a director, officer, employee and/or agent of another corporation, partnership, joint venture, trust or other enterprise, provided that such claim:

(i) is not solely based upon and does not arise solely out of Indemnitee gaining in fact any personal profit or advantage to which Indemnitee is not legally entitled;

(ii) is not for any accounting of profits made from the purchase or sale by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of any state law; and

(iii) is not based solely upon and does not arise solely out of Indemnitee's knowingly fraudulent, deliberately dishonest or willful misconduct.

Notwithstanding the foregoing, Covered Claim shall not include any claim against Indemnitee (whether such claim is asserted by or in the right of the Company or otherwise) based upon or arising out of any future act, omission, neglect or breach of duty, including, without limitation, any actual or alleged error, omission, misstatement or misleading statement, that Indemnitee may commit or suffer which are not committed or suffered in connection with Indemnitee's provision of services to the Company pursuant to, and in accordance with, the Letter Agreement.

(b) "Determination" shall mean a determination, based upon the facts known at the time, made by:

(i) the Board of Directors of the Company, by the vote of a majority of the directors who are not parties to the action, suit or proceeding in question ("Disinterested Directors"), at a meeting at which there is a quorum;

(ii) if there are no such Disinterested Directors, or if directed by a majority of such Disinterested Directors at a meeting of the Board of Directors of the Company at which there is a quorum, by independent legal counsel in a written opinion;

(iii) the stockholders of the Company; or

(iv) a court of competent jurisdiction in a final, nonappealable adjudication.

For the purposes hereof, "independent legal counsel" as used in Section 1(b)(ii) hereof shall not be any person or firm who, under applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or the Indemnitee in an action to determine the Indemnitee's rights under this Agreement.

(c) "Payment" shall mean any and all amounts that Indemnitee is or becomes legally obligated to pay in connection with a Covered Claim, including, without limitation, damages, judgments, amounts paid in settlement, reasonable costs of investigation, reasonable fees of attorneys, costs of investigative, judicial or administrative proceedings or appeals, and costs of attachment or similar bonds.

Section 2. Indemnification. The Company shall indemnify and hold harmless Indemnitee against and from any and all Payments to the extent that:

(a) the Company shall not have advanced expenses to Indemnitee pursuant to the provisions of Article VII of the By-laws or otherwise and no determination shall have been made pursuant to such Article or the DGCL that the Indemnitee is not entitled to indemnification;

(b) Indemnitee shall not already have received payment on account of such Payments pursuant to one or more valid and collectable insurance policies; and

(c) such indemnification by the Company is not unlawful.

The Company shall have no obligation to indemnify Indemnitee under this Agreement for any amounts paid in a settlement of any action, suit or proceeding effected without the Company's prior written consent, which consent shall not be unreasonably withheld. Without Indemnitee's prior written consent, the Company shall not settle any claim in any manner that (x) would impose any obligation on Indemnitee which would not be indemnified against by the Company under this Agreement and (y) does not include a complete and irrevocable release of Indemnitee. Indemnitee shall not unreasonably withhold his consent to any proposed settlement.

Section 3. Indemnification Procedure; Advancements of Costs and Expenses.

(a) Promptly after receipt by Indemnitee of notice of the commencement or threat of commencement of any action, suit or proceeding, Indemnitee shall, if indemnification with respect thereto may be sought from the Company under this Agreement, notify the Company thereof in writing. Failure to give such notice shall not affect right to indemnification provided herein except and to extent the Company is materially prejudiced by such failure.

(b) If, at the time of receipt of such notice the Company has directors' and officers' liability insurance in effect, and such insurance would provide insurance with respect to the Covered Claim, the Company shall give prompt notice of the commencement of such action, suit or proceeding to the insurers in accordance with the procedures set forth in the respective policies in favor of Indemnitee. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all Payments payable as a result of such action, suit or proceeding in accordance with the terms of such policies.

(c) Subject to Section 3(d), all costs and expenses, including reasonable fees of attorneys, incurred by Indemnitee in defending or investigating such action, suit or proceeding shall be paid by the Company in advance of the final disposition of such action, suit or proceeding; provided, however, that no such costs or expenses shall be paid by the Company if, with respect to such action, suit or proceeding, a Determination is made that:

(i) Indemnitee did not act in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; or

(ii) in the case of any criminal action or proceeding, Indemnitee had reasonable cause to believe his conduct was unlawful.

The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the Indemnitee did not satisfy the foregoing standard of conduct to the extent applicable thereto.

Indemnitee hereby undertakes to and agrees that he will repay the Company for any costs or expenses advanced by or on behalf of the Company pursuant to this Section 3(c) if it shall ultimately be determined by a court of competent jurisdiction in a final, nonappealable adjudication that Indemnitee is not entitled to indemnification under this Agreement.

(d) If the Company shall advance the costs and expenses of any such action, suit or proceeding pursuant to Section 3(c) of this Agreement, it shall be entitled to assume the defense of such action, suit or proceeding, if appropriate, with counsel reasonably satisfactory to Indemnitee, upon delivery to Indemnitee of written notice of its election so to do. After delivery of such notice, the Company shall not be liable to Indemnitee under this Agreement for any costs or expenses subsequently incurred by Indemnitee in connection with such defense other than costs and expenses of investigation; provided, however, that:

(i) Indemnitee shall have the right to employ separate counsel in any such action, suit or proceeding provided that the fees and expenses of such counsel incurred after delivery of notice by the Company of its assumption of such defense shall be at Indemnitee's own expense; and

(ii) the fees and expenses of counsel employed by Indemnitee shall be at the expense of the Company if (aa) the employment of counsel by Indemnitee has previously been authorized by the Company, (bb) Indemnitee shall have reasonably concluded that there is, or will likely be, a conflict of interest between the Company and Indemnitee in the conduct of any such defense, or (cc) the Company shall not, in fact, have employed counsel to assume the defense of such action, suit or proceeding.

(e) All payments on account of the Company's advancement obligations under Section 3(c) of this Agreement shall be made within ten (10) days of Indemnitee's written request therefor. All other payments on account of the Company's obligations under this Agreement shall be made within thirty (30) days of Indemnitee's written request therefor, unless a Determination is made that the claims giving rise to Indemnitee's request are not payable under this Agreement. Each request for payment hereunder shall be accompanied by evidence of Indemnitee's incurrence of the costs and expenses for which such payment is sought.

Section 4. Amendment to Certificate or By-laws. The Company shall not adopt any amendment to the Certificate of Incorporation or By-laws of the Company the effect of which would be to deny, diminish or encumber the Indemnitee's rights to indemnity pursuant to the Certificate of Incorporation or By-laws of the Company, the DGCL or any other applicable law as applied to any act or failure to act occurring in whole or in part prior to the date (the "Effective Date") upon which the amendment was approved by the Board of Directors of the Company or the

stockholders of the Company, as the case may be. In the event that the Company shall adopt any amendment to the Certificate of Incorporation or By-laws of the Company the effect of which is to so deny, diminish or encumber the Indemnitee's rights to indemnity, such amendment shall apply only to acts or failures to act occurring entirely after the Effective Date thereof.

Section 5. Enforcement of Indemnification; Burden of Proof. If a claim for indemnification or advancement of costs and expenses under this Agreement is not paid in full by or on behalf of the Company within the time period specified in Section 3(e) of this Agreement, Indemnitee may at any time thereafter bring suit against the Company to recover the unpaid amount of such claim. In any such action, the Company shall have the burden of proving that indemnification is not required under this Agreement.

It is the intent of the Company that the Indemnitee not be required to incur the expenses associated with the enforcement of his rights under this Agreement by litigation or other legal action because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. Accordingly, if the Company fails to comply with any of its obligations under the Agreement or in the event that the Company or any other person takes any action to declare the Agreement void or unenforceable, or institutes any action, suit or proceeding designed (or having the effect of being designed) to deny, or to

recover from, the Indemnitee the benefits intended to be provided to the Indemnitee hereunder, the Company irrevocably authorizes the Indemnitee from time to tine to retain counsel of his choice, at the expense of the Company as hereafter provided, to represent the Indemnitee in connection with the initiation or defense of any litigation or other legal action, whether by or against the Company or any director, officer, stockholder or other person affiliated with the Company, in any jurisdiction. Regardless of the outcome thereof, the Company shall pay and be solely responsible for any and all costs, charges and expenses, including without limitation reasonable attorneys' and others' fees and expenses, reasonably incurred by the Indemnitee as a result of the Company or any person contesting the validity or enforceability of this Agreement or any provision thereof as aforesaid; provided, however, that the Company shall not so pay or be so responsible if it is determined by a court of competent jurisdiction that to so pay and be so responsible would be unlawful.

Section 6. Employee Benefit Plans. The term "other enterprise," as used in this Agreement, shall include employee benefit plans. All references in this Agreement to, "serving...at the Company's request" shall include any service by Indemnitee as a director, officer, employee and/or agent of the Company which imposes duties on, or involves services by, Indemnitee with respect to an employee benefit plan, its participants or

beneficiaries. If Indemnitee acts in good faith and in a manner he reasonably believes to be in the interests of the participants and beneficiaries of an employee benefit plan, then, for purposes of Section 3(c)(i) hereof, Indemnitee shall be deemed to have acted in a manner he "reasonably believed to be in or not opposed to the best interests of the Company."

Section 7. Rights Not Exclusive. The rights to indemnification and advancement of costs and expenses provided hereunder shall not be deemed exclusive of any other rights to which Indemnitee may be entitled under any charter document, bylaw, agreement, insurance policy, vote of stockholders or disinterested directors or otherwise.

Section 8. Subrogation. In the event of payment under this Agreement by or on behalf of the Company, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who promptly shall execute, at the sole expense of the Company, all papers that may be required and, at the sole expense of the Company, promptly shall do all things that may be necessary to secure such rights, including, without limitation, the execution of such documents as may be necessary to enable the Company effectively to bring suit to enforce such rights.

Section 9. Choice of Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York without reference to the conflicts of law provisions thereof.

Section 10. Jurisdiction. The Company and Indemnitee hereby irrevocably consent to the jurisdiction of the courts of the State of New York for all purposes in connection with any action, suit or proceeding which arises out of or relates to this Agreement, and agree that any action instituted under this Agreement shall be brought only n the state courts of the State of New York.

Section 11. Attorney's Fees. Subject to Section 5 hereof, if any action, suit or proceeding is commenced in connection with or related to this Agreement, the prevailing party shall be entitled to have its costs and expenses, including, without limitation, reasonable fees of attorneys and reasonable expenses of investigation, paid by the losing party.

Section 12. Severability. In the event that any provision of this Agreement shall be declared invalid or unenforceable, such invalidity or enforceability shall not affect the validity or enforceability of the other provisions of this Agreement, it being hereby agreed that such provisions are severable and that this Agreement shall be construed in all

respects as if such invalid or unenforceable provisions were omitted.

Section 13. Successors and Assigns. This Agreement shall be binding upon all successors and assigns of the Company, including any transferee of all or substantially all of its assets and any successor by merger or otherwise by operation of law, and shall be binding upon and inure to the benefit of the heirs, legal representatives, successors and assigns of Indemnitee.

Section 14. Notices. All notices and communications hereunder shall be in writing and shall be sent by registered or certified mail, return receipt requested, addressed to the party for whom or for which intended, in the case of the Company, to its then principal executive office, or at such other address of which the Company shall have given notice to Indemnitee in the manner herein provided, and in the case of Indemnitee, at his residence address as set forth in the records of the Company (which is currently 2197 N.W. 60th Road, Boca Raton, Florida 33496) or at such other address of which he shall have given notice to the Company in the manner herein provided, with a copy of all such notices and communications to be given concurrently to Rosenman & Colin, 575 Madison Avenue, New York, New York 10022, Attention: Edward H. Cohen, Esq. and to Shereff, Friedman, Hoffman & Goodman, LLP, 919 Third Avenue, New York, NY 10022, Attention: Martin Nussbaum, Esq.

Section 15. Prior Agreements; Waivers. This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof and, except as contemplated hereby, supersedes all prior agreements and understandings with respect to the subject matter hereof. No waiver shall be deemed to be made by either of the parties to any of its or his rights hereunder unless that waiver shall be in a writing signed by the waiving party and any such waiver shall only be effective to the extent set forth therein.

Section 16. Descriptive Headings. The descriptive headings in this Agreement are included for the convenience of the parties only and shall not affect the construction of this Agreement.

Section 17. Counterparts. This Agreement may be executed in two counterparts, both of which taken together shall constitute one document.

Section 18. Amendment. No amendment, modification, termination or cancellation of this Agreement shall be effective unless made in writing and signed by each of the parties hereto.

IN WITNESS WHEREOF, the Company and Indemnitee have executed this Agreement as of the day and year first above written.

PHILLIPS-VAN HEUSEN CORPORATION

By:
Name:
Title:

Name: Lawrence S. Phillips

PHILLIPS-VAN HEUSEN CORPORATION

PERFORMANCE RESTRICTED STOCK PLAN
(As Adopted Effective as of April 18, 1995)

1. Purpose. The purpose of the Phillips-Van Heusen Performance Restricted Stock Plan (the "Plan") is to induce certain senior executive employees to remain in the employ of the Company and its present and future Subsidiaries, to attract new individuals to enter into such employ, to encourage ownership of shares in the Company by such employees and to provide additional incentive for such employees to promote the success of the Company's business.

2. Definitions

(a) "Affiliate" shall mean any Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, any other Person.

(b) "Award" shall mean an amount calculated with respect to a Participant and with respect to a Fiscal Year in accordance with the provisions of Section 8(c).

(c) "Base Compensation", as used with respect to a Participant and with respect to a Fiscal Year, shall mean such Participant's annual rate of salary from the Company and its Subsidiaries on the first business day of such Fiscal Year; provided, however, that if a Participant shall not be an employee of the Company or any of its Subsidiaries on the first day of a Fiscal Year, then his Base Compensation with respect to such Fiscal Year shall be equal to the product of (i) such Participant's annual rate of salary from the Company and its Subsidiaries on the first business day on which he or she shall become such an employee and (ii) the fraction the numerator of which shall be the number of days remaining in such Fiscal Year from and after the date on which he or she shall have first become an employee of the Company and/or one or more of its Subsidiaries and the denominator of which shall be the number of days in such Fiscal Year.

(d) "Board" shall mean the Board of Directors of the Company.

(e) A "Change in Control" shall be deemed to occur upon (i) the election of one or more individuals to the Board which election results in one-third of the directors of the Company consisting of individuals who have not been directors of the Company for at least two years, unless such individuals have been elected as directors by three-fourths of the directors of the Company who have been directors of the Company for at least two years, (ii) the sale by the Company of all or substantially all of its assets to any Person, the consolidation of the Company with any person, the merger of the Company with any Person as a result of which merger the Company is not the surviving entity as a publicly held corporation, (iii) the sale or transfer of shares

of the Company by the Company and/or any one or more of its stockholders, in one or more transactions, related or unrelated, to one or more Persons under circumstances whereby any Person and its Affiliates shall own, after such sales and transfers, at least one-fourth, but less than one-half, of the shares of the Company having voting power for the election of directors, unless such sale or transfer has been approved in advance by three-fourths of the directors of the Company who have been directors of the Company for at least two years, or (iv) the sale or transfer of shares of the Company by the Company and/or any one or more of its stockholders, in one or more transactions, related or unrelated, to one or more Persons under circumstances whereby any Person and its Affiliates shall own, after such sales and transfers, at least one-half of the shares of the Company having voting power for the election of directors.

(f) "Code" shall mean the Internal Revenue Code of 1986 as in effect at the time with respect to which such term is used.

(g) "Common Stock" shall mean the shares of the common stock, $1.00 par value, of the Company authorized and outstanding on the date of the adoption of the Plan.

(h) "Company" shall mean Phillips-Van Heusen Corporation, a Delaware corporation.

(i) "Corporate EBIT Goal" shall mean a dollar amount established by the Committee with respect to a Fiscal Year as

provided in Section 8(a) of the consolidated net income of the Company and its Subsidiaries before interest and taxes, after charges with respect to the Plan required by generally accepted accounting principles, before non-operating expenses and/or reserves, including but not limited to expenses and/or reserves for plant closings and/or restructurings, before any extra-ordinary items within the contemplation of generally accepted accounting principles, and with such additional modifications as the Committee shall determine at or prior to its determination referred to in Section 8(a). Such net income shall be determined in accordance with generally accepted accounting principles consistently applied.

(j) "Corporate Executive Goal" shall mean a dollar amount established by the Committee with respect to a Fiscal Year which shall be equal to the aggregate of the Divisional Goals with respect to such Fiscal Year (as adjusted to eliminate duplication) minus the corporate and other expenses with respect to such Fiscal Year taken into account in determining the Corporate EBIT Goal with respect to such Fiscal Year.

(k) "Corporate Executive Group" shall mean all of the following officers of the Company: Chief Executive Officer, Chief Financial Officer, Treasurer, Controller, Vice President of Human Resources and Vice President, Chief Information Officer and such

other senior executive officers, if any, as the Committee shall determine at or prior to its determination referred to in Section 8(a).

(l) "Discharge for Cause" shall mean the termination of a Participant's employment by the Company and its Subsidiaries by reason of (i) the commission by such Participant of any act or omission that would constitute a crime under federal, state or equivalent foreign law, (ii) the commission by such Participant of any act of moral turpitude, (iii) fraud, dishonesty or other acts or omissions that result in a breach of any fiduciary or other material duty of such Participant to the Company and/or any one or more of its Subsidiaries, or (iv) continued alcohol or other substance abuse that renders such Participant incapable of performing his or her material duties to the satisfaction of the Company and/or its Subsidiaries.

(m) "Divisional Goal" shall mean a dollar amount established by the Committee with respect to a Fiscal Year as provided in Section 8(a) of the net income of the operating division with respect to which such determination is made before interest and taxes, after charges with respect to the Plan required by generally accepted accounting principles and allocated to such operating division, before non-operating expenses and/or reserves, including but not limited to expenses and/or reserves for plant closings and/or restructurings, before any extraordinary items within the contemplation of generally

accepted accounting principles, and with such additional modifications as the Committee shall determine at or prior to its determination referred to in Section 8(a). Such net income shall be determined in accordance with generally accepted accounting principles consistently applied.

(n) "Exchange Act" shall mean the Securities Exchange Act of 1934 as in effect at the time with respect to which such term is used.

(o) The "Fair Market Value" of a share of the Common Stock on any date shall be equal to (i) the closing sale price of the Common Stock on the New York Stock Exchange on such date or (ii) if there is no sale of the Common Stock on such Exchange on such date, the average of the bid and asked prices on such Exchange at the close of the market on such date.

(p) "Fiscal Year" shall mean the 52 or 53 week period ending on the Sunday on or closest to January 31 of each calendar year on the basis of which the Company maintains its books and records.

(q) "Grant Value", as used with respect to a share of the Common Stock and with respect to a Fiscal Year, shall mean the greater of (i) the average of the Fair Market Values of a share of the Common Stock at the close of trading on each business day

included in the 90 day period ending on the last day of such Fiscal Year and (ii) 85% of the Fair Market Value thereof on the last business day of such Fiscal Year.

(r) "Participant" shall mean a senior executive employee of the Company and/or one or more of its Subsidiaries who shall have become a Participant hereunder as provided in Section 8(a).

(s) "Permanent Disability" shall mean a physical and/or mental condition of a Participant caused by a non-self-inflicted injury, illness or disease which, in the opinion of the Committee, based upon such medical evidence as the Committee shall reasonably determine, renders such Participant unable to perform the duties and responsibilities of his or her position with the Company and its Subsidiaries and which will be permanent and continuous for the remainder of his or her life.

(t) "Person" shall mean any individual, partnership, firm, trust, corporation or other similar entity, and when two or more Persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of the Company, such partnership, limited partnership, syndicate or group shall be deemed a "Person".

(u) "Restricted Stock Agreement" shall mean an agreement between the Company and a Participant embodying the restrictions on the transfer of Restricted Shares referred to in Section 10.

(v) "Stock Restrictions" shall mean the restrictions on the ability of a Participant to transfer Restricted Shares issued to such Participant hereunder referred to in Sections 10(a) and 10(b) and embodied in a Restricted Stock Agreement between the Company and such Participant.

(w) "Subsidiary" shall have the meaning ascribed thereto by the provisions of section 424(f) of the Code.

(x) "Termination Without Cause" shall mean the termination of a Participant's employment by the Company and all of its Subsidiaries at the request of the Company under circumstances which do not constitute Discharge for Cause.

3. Effective Date of the Plan. The Plan became effective on April 18, 1995, by action of the Board, subject to ratification of the Plan at the 1995 Annual Meeting of the Stockholders of the Company.

4. Stock Subject to Plan. 600,000 of the authorized but unissued shares of the Common Stock are hereby reserved for issuance under the Plan; provided, however, that the number of shares so reserved may from time to time be reduced to the extent that a corresponding number of issued and outstanding shares of the Common Stock are purchased by the Company and set aside for issuance under the Plan. If any shares of the Common Stock

issued under the Plan are reacquired by the Company as provided in Section 10(b), such shares shall again be available for the purposes of the Plan.

5. Committee. The Plan shall be administered by a Committee which shall consist of two or more members of the Board both or all of whom shall be "disinterested persons" within the meaning of Rule 16b-3(c)(i) promulgated under the Exchange Act and "outside directors" within the contemplation of section 162(m)(4)(C) of the Code. The Committee shall be appointed annually by the Board, which may at any time and from time to time remove any members of the Committee, with or without cause, appoint additional members of the Committee and fill vacancies, however caused, in the Committee. A majority of the members of the Committee shall constitute a quorum. All determinations of the Committee shall be made by a majority of its members present at a meeting duly called and held. Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be fully as effective as if it had been made at a meeting duly called and held.

6. Administration. Subject to the express provisions of the Plan, the Committee shall have complete authority, in its discretion, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, to determine the Corporate EBIT Goal, the Corporate Executive Goal and the various Divisional Goals with respect to each Fiscal Year, to determine

the terms and provisions of the Restricted Stock Agreements, to determine the Participants with respect to each Fiscal Year and to make all other determinations necessary or advisable for the administration of the Plan. In making such determinations, the Committee may take into account the nature of the services rendered by the respective Participants, their present and potential contributions to the success of the Company and its Subsidiaries and such other factors as the Committee in its discretion shall deem relevant. The Committee's determination on the matters referred to in this Section 6 shall be conclusive. Any dispute or disagreement which may arise hereunder or under any Restricted Stock Agreement or as a result of or with respect to any Award shall be determined by the Committee, in its sole discretion, and any interpretations by the Committee of the terms thereof shall be final, binding and conclusive.

7. Eligibility. Participation in the Plan with respect to any Fiscal Year shall only be available to persons who are senior executive employees of the Company and/or one or more of its Subsidiaries on the date of the Committee's determination with respect to such Fiscal Year provided for in Section 8(a).

8. Calculation of Fiscal Year Awards. (a) The Committee shall, no later than 90 days after the commencement of each Fiscal Year, determine the senior executive employees of the Company and its Subsidiaries who will participate in the Plan with respect to such Fiscal Year, the Corporate EBIT Goal and the

Corporate Executive Goal which will be applicable with respect to such Fiscal Year and, in the case of each Participant who is not a member of the Corporate Executive Group, the Divisional Goal with respect to the operating division for which such Participant has responsibility. The Committee shall promptly thereafter send written notice of such determination to the Board and the Chief Financial Officer of the Company and, to the extent applicable to any Participant, to such Participant.

(b) The Committee shall, within 30 days after the receipt of the Company's audited financial statements with respect to any Fiscal Year, calculate the percentage of the Corporate EBIT Goal which has been achieved with respect to such Fiscal Year and, if such percentage is at least 100%, the percentage of the Corporate Executive Goal and of each Divisional Goal which has been achieved with respect to such Fiscal Year and the amount of the Award which has been earned by each Participant with respect to such Fiscal Year. Each Participant's Award with respect to any Fiscal Year shall be determined in accordance with the provisions of Section 8(c) and, except as otherwise provided in Section 8(d), shall be the sum of the amount calculated with respect to him or her in accordance with the provisions of Section 8(c)(i) and whichever shall be applicable of Sections 8(c)(ii) and 8(c)(iii). The Committee shall, promptly after it has made such calculations, send written notice thereof to the Board and the Chief Financial Officer of the Company and, to the extent applicable to any Participant, to such Participant.

(c) The amount of each Participant's Award with respect to each Fiscal Year shall be the sum of the amounts calculated as follows:

(i) In the case of each Participant, if the Corporate EBIT Goal is achieved with respect to such Fiscal Year, an amount equal to 25% of his or her Base Compensation with respect to such Fiscal Year.

(ii) If at least 100% of the Corporate EBIT Goal is achieved with respect to such Fiscal Year, then, in the case of each Participant who shall be a member of the Corporate Executive Group on the date of the Committee's determination referred to in Section 8(a), (A) if at least 90% but less 95% of the Corporate Executive Goal is achieved with respect to such Fiscal Year, an amount equal to 12-1/2% of his or her Base Compensation with respect to such Fiscal Year, (B) if at least 95% but less than 100% of the Corporate Executive Goal is achieved with respect to such Fiscal Year, an amount equal to 18-3/4% of his or her Base Compensation with respect to such Fiscal Year, (C) if at least 100% but less than 105% of the Corporate Executive Goal is achieved with respect to such Fiscal Year, an amount equal to 25% of his or her Base Compensation with respect to such Fiscal Year, (D) if at least 105% but less than 110% of the Corporate Executive Goal is achieved with respect to such Fiscal Year, an amount equal to 31-1/4% of his or her Base

Compensation with respect to such Fiscal Year, and (E) if at least 110% of the Corporate Executive Goal is achieved with respect to such Fiscal Year, an amount equal to 37-1/2% of his or her Base Compensation with respect to such Fiscal Year.

(iii) If at least 100% of the Corporate EBIT Goal is achieved with respect to such Fiscal Year, then, in the case of each Participant who shall not be a member of the Corporate Executive Group on the date of the Committee's determination referred to in Section 8(a), (A) if at least 90% but less 95% of his or her Divisional Goal is achieved with respect to such Fiscal Year, an amount equal to 12-1/2% of his or her Base Compensation with respect to such Fiscal Year, (B) if at least 95% but less than 100% of his or her Divisional Goal is achieved with respect to such Fiscal Year, an amount equal to 18-3/4% of his or her Base Compensation with respect to such Fiscal Year, (C) if at least 100% but less than 105% of his or her Divisional Goal is achieved with respect to such Fiscal Year, an amount equal to 25% of his or her Base Compensation with respect to such Fiscal Year, (D) if at least 105% but less than 110% of his or her Divisional Goal is achieved with respect to such Fiscal Year, an amount equal to 31-1/4% of his or her Base Compensation with respect to such Fiscal Year, and (E) if at

least 110% of his or her Divisional Goal is achieved with respect to such Fiscal Year, an amount equal to 37-1/2% of his or her Base Compensation with respect to such Fiscal Year.

(d) (i) Notwithstanding the provisions of Section 8(c), if a Participant shall not be entitled to an Award under the provisions of Section 8(c)(i) with respect to any Fiscal Year (due to the fact that at least 100% of the Corporate EBIT Goal has not been achieved with respect to such Fiscal Year), then such Participant shall not be entitled to any Award with respect to such Fiscal Year under whichever shall be applicable to him or her of Sections 8(c)(ii) or 8(c)(iii).

(ii) If any Participant shall cease to be employed by the Company and all of its Subsidiaries prior to the end of any Fiscal Year, he or she shall not be entitled to receive an Award with respect to such Fiscal Year.

9. Settlement of Fiscal Year Awards. The Company shall, no later than 30 days after the date of the delivery to its Chief Financial Officer of the certification by the Committee referred to in Section 8(b) with respect to any Fiscal Year, deliver to each Participant who shall have received an Award hereunder with respect to such Fiscal Year and

(a) who shall be employed by the Company and/or one or more of its Subsidiaries on the date of such delivery or

(b) whose employment by the Company and all of its Subsidiaries shall have terminated after the end of such Fiscal Year by reason of any of the events referred to in Section 10(c),

a stock certificate, registered in the name of such Participant, with respect to the largest whole number of shares of the Common Stock which shall be equal to or less than the number derived by dividing the amount of such Participant's Award with respect to such Fiscal Year by the Grant Value of a share of the Common Stock with respect to such Fiscal Year. Each share of the Common Stock issued to a Participant referred to in clause (a) above shall be subject to an agreement between the Company and the Participant which will embody the terms and conditions of Section 10.

10. Stock Restrictions. (a) Except as otherwise provided in this Section 10 and in Section 12(b), each share of the Common Stock issued in accordance with the provisions of Section 9 (a "Restricted Share") to a Participant referred to in clause (a) thereof may not be sold, assigned, transferred or otherwise disposed of, and may not be pledged or hypothecated, prior to the last business day of the third Fiscal Year following the Fiscal Year during which the Award with respect to which it was issued was earned.

(b) Except as otherwise provided in Section 10(c), if the employment by the Company and all of its Subsidiaries of the Participant to whom Restricted Shares have been issued shall terminate prior to the last business day of the third Fiscal Year following the Fiscal Year during which the Award with respect to which it was issued was earned, such Restricted Shares shall be forfeited and he or she shall be obligated to redeliver such Restricted Shares to the Company immediately without the receipt of any consideration therefore.

(c) Anything herein to the contrary notwithstanding, the restrictions set forth in Sections 10(a) and 10(b) shall terminate as to all of the Restricted Shares owned by a Participant which shall not have theretofore have been required to be redelivered to the Company upon the occurrence of any of the following events:

(i) Such Participant's employment by the Company and all of its Subsidiaries shall have terminated by reason of his or her death or Permanent Disability or on or after his or her 65th birthday or after the occurrence of a Change in Control.

(ii) Such Participant's employment by the Company and all of its Subsidiaries shall have terminated on or after his or her 55th birthday and prior to his or her 65th birthday and after he or she shall have completed at least ten years of employment with the Company and the Committee, on the recommendation of the Company's Chief Executive Officer, shall so determine.

(iii) Such Participant's employment by the Company and all of its Subsidiaries shall have terminated by reason of his or her Termination Without Cause and the Committee, on the recommendation of the Company's Chief Executive Officer, shall so determine.

(d) Upon issuance of the certificate or certificates for Restricted Shares in the name of a Participant, such Participant shall thereupon be a stockholder of the Company with respect to all the Restricted Shares represented by such certificate or certificates and shall have the rights of a stockholder with respect to such Restricted Shares, including the right to vote such Restricted Shares and to receive all dividends and other distributions paid with respect to such Restricted Shares.

(e) Each Participant who is entitled to receive shares of the Common Stock in accordance with the provisions of Section 9 shall

(i) represent and warrant to the Company that he or she is acquiring such shares for investment for his or her own account (unless there is then current a prospectus relating to such shares under Section 10(a) of the Securities Act of 1933, as amended) and, in any event, that he or she will not sell or otherwise dispose of such shares except in compliance with the provisions of said Act, and

(ii) agree that the Company may place on the certificates representing the shares or new or additional or different shares or securities distributed with respect to such shares such legend or legends as the Company may deem appropriate and that the Company may place a stop transfer order with respect to such shares with the Transfer Agent(s) for the Common Stock.

In addition, if such shares shall be Restricted Shares, such Participant shall

(iii) agree that such Restricted Shares shall be subject to, and shall be held by him or her in accordance with, all of the applicable terms and considerations of the Plan, and

(iv) at his or her option, (A) be entitled to make the election permitted under section 83(b) of the Code to include in gross income in the taxable year in which the Restricted Shares are transferred to him or her an amount

equal to the Fair Market Value of such shares at the time of transfer, notwithstanding that such shares are subject to a substantial risk of forfeiture within the meaning of section 83(c)(1) of the Code, or (B) include in gross income the Fair Market Value of the Restricted Shares as of the date on which such restrictions lapse.

The foregoing agreement, representation and warranty shall be contained in an agreement in writing which shall be delivered by such Participant to the Company.

11. Adjustment of Number of Shares. In the event that a dividend shall be declared upon the Common Stock payable in shares of the Common Stock, the number of shares of the Common Stock then subject to any Restricted Stock Agreement and the number of shares of the Common Stock reserved for issuance in accordance with the provisions of the Plan but not yet issued (and if the record date with respect thereto shall occur during the period commencing at the end of a Fiscal Year and ending on the date of issuance referred to in Section 9, the number of shares required to be issued) shall be adjusted by adding to each such share the number of shares which would be distributable thereon if such shares had been outstanding on the date fixed for determining the stockholders entitled to receive such stock dividend. In the event that the outstanding shares of the Common Stock shall be changed into or exchanged for a different number

or kind of shares of stock or other securities of the Company or of another corporation, whether through reorganization, recapitalization, stock split-up, combination of shares, sale of assets, merger or consolidation in which the Company is the surviving corporation, then, there shall be substituted for each share of the Common Stock then subject to a Restricted Stock Agreement and for each share of the Common Stock reserved for issuance in accordance with the provisions of the Plan but not yet issued (and if the record date with respect thereto shall occur during the period commencing at the end of a Fiscal Year and the date of issuance referred to in Section 9, for each such share so required to be so issued), the number and kind of shares of stock or other securities into which each outstanding share of the Common Stock shall be so changed or for which each such share shall be exchanged. In the event that there shall be any change, other than as specified in this Section 11, in the number or kind of outstanding shares of the Common Stock, or of any stock or other securities into which the Common Stock shall have been changed, or for which it shall have been exchanged, then, if the Committee shall, in its sole discretion, determine that such change equitably requires an adjustment in the number or kind of shares then subject to a Restricted Stock Agreement and the number or kind of shares reserved for issuance in accordance with the provisions of the Plan but not yet issued (and if the record date with respect thereto shall occur during the period commencing at the end of a Fiscal Year and the date of issuance

referred to in Section 9, for each such share so required to be so issued, the number or kind of shares required to be so issued), such adjustment shall be made by the Committee and shall be effective and binding for all purposes of the Plan and of each Restricted Stock Agreement entered into in accordance with the provisions of the Plan. No adjustment or substitution provided for in this Section 11 shall require the Company to deliver a fractional share under the Plan or any Restricted Stock Agreement.

12. Withholding and Waivers. (a) Each Participant shall make such arrangements with the Company with respect to income tax withholding as the Company shall determine in its sole discretion is appropriate to ensure payment of federal, state or local income taxes due with respect to the issuance and/or ownership of shares of the Common Stock issued hereunder and the release of the Stock Restrictions on Restricted Shares issued hereunder. In the event of the death of a Participant, an additional condition to the Company's obligation to issue shares of the Common Stock to the executors or administrators of such Participant's estate in accordance with the provisions of Section 9 and to release the Stock Restrictions provided hereunder on any Restricted Shares owned by such Participant as provided in Section 10(b) shall be the delivery to the Company of such tax waivers, letters testamentary and other documents as the Committee may reasonably determine.

(b) A Participant may, in the discretion of the Committee and subject to such rules as the Committee may adopt, elect to satisfy his or her withholding obligation arising as a result of the release of the Stock Restrictions with respect to any Restricted Shares, in whole or in part, by electing (an "Election") to deliver to the Company shares of the Common Stock (other than shares of the Common Stock as to which the Stock Restrictions (under this or any other agreement entered into in accordance with the Plan) shall not have theretofore terminated) having a Fair Market Value, determined as of the date that the amount to be withheld is determined (the "Tax Date"), equal to the amount required to be so withheld. Such Participant shall pay the Company in cash for any fractional share that would otherwise be required to be delivered.

(c) Each Election shall be subject to the following restrictions:

(i) The Election must be made on or prior to the Tax Date;

(ii) The Election shall be irrevocable;

(iii) The Election is subject to the approval of the Committee;

(iv) If the Participant's transactions in shares of the Common Stock are subject to the provisions of section

16(b) of the Exchange Act, an Election may not be made within six months of the date of the execution and delivery of the Restricted Stock Agreement governing such Restricted Shares.

(v) If the Participant's transactions in shares of the Common Stock are subject to the provisions of section 16(b) of the Exchange Act, the Election must be made (A) six months or more prior to the Tax Date or (B) during the period beginning on the third business date following the date of the release of the Company's quarterly or annual statement of sales and earnings and ending on the twelfth business day following such date.

Plan nor the grant of any Awards hereunder shall require the Company or any Subsidiary to continue any Participant in the employ of the Company or such Subsidiary.

14. Termination and Amendment of the Plan. The Board may at any time terminate the Plan or make such modifications of the Plan as it shall deem advisable; provided, however, that the Board may not without further approval of the holders of a majority of the shares of the Common Stock present in person or by proxy at any special or annual meeting of the stockholders, increase the number of shares which may be issued under the Plan (as adjusted in accordance with the provisions of Section 11), or

change the manner of calculating Awards or change the class of persons eligible to become Participants hereunder or withdraw the authority to administer the Plan from the Committee. Except as otherwise provided in Section 11, no termination or amendment of the Plan may, without the consent of the Participant to whom any Restricted Shares shall theretofore have been granted, adversely affect the rights of such Participant with respect to such Restricted Shares.

15. Expiration and Termination of the Plan. Unless the holders of a majority of the shares of the Common Stock present in person or by proxy at any special or annual meeting of the Stockholders occurring on or prior to the date of the 1999 Annual Meeting of the Stockholders shall approve the continuation of the Plan after the 1999 Annual Meeting of the Stockholders (for a term which shall not exceed five years from the date of such special or annual meeting at which such approval is obtained), no Awards shall be granted hereunder with respect to any Fiscal Year ending after January 30, 2000.

FINANCIAL REVIEW

Phillips-Van Heusen's primary strategy is to maximize stockholder value by maximizing the value of its brands through strong wholesale distribution coupled with the ability to reach consumers directly through its retail stores. This strategy was enhanced importantly in early 1995 by the acquisition of "Gant" and "Izod", two outstanding sportswear brands. The significance of this acquisition is discussed throughout this report.

The year 1994 proved to be, by far, the most difficult since the Company's recapitalization in 1987. After six consecutive years of double digit growth in sales and earnings, Phillips-Van Heusen experienced slower sales growth in certain key categories and a significant reduction from the prior year in overall earnings. Virtually all of the Company's businesses were negatively impacted to some degree by extremely difficult apparel and footwear markets, a condition that began in late 1992 and worsened throughout 1994.

Despite the difficult environment, the Company achieved another year of record sales primarily due to the continued expansion of its retail business. Retail sales were $764.7 million in 1994, up from $679.6 million and $571.8 million in 1993 and 1992, respectively. During 1994, dress shirts, which represent approximately 25% of the Company's total sales (and 60% of its wholesale apparel sales) were hit particularly hard. It is the Company's belief that virtually all of apparel and footwear continue to be strongly influenced by business and fashion cycles. While this particular down period in apparel and footwear has lasted longer than usual - it should, like all business cycles, reverse itself. This report speaks to a variety of initiatives that Phillips-Van Heusen has taken to position itself to return with increased strength and balance, no matter when the recovery occurs.

RESULTS OF OPERATIONS

The Company analyzes its results of operations by its vertically integrated apparel and footwear segments. Reference should be made to the Segment Data footnote on page 34.

APPAREL

Net sales of the Company's apparel segment were $883.9 million in 1994, $800.5 million in 1993 and $709.4 million in 1992, representing increases of 10.4% and 12.8%, respectively. These increases relate principally to growth in retail sales, including the expanded offering of apparel at the Bass Company stores, offset, in part, in 1993, by a small reduction in wholesale sales caused by a downsizing of the Company's private label dress shirt and sweater business.

Wholesale shirt sales were negatively impacted by a period of weak demand following a strong but short-lived fashion surge in 1992. This period of weak dress shirt demand was somewhat offset by capitalizing on the very important trend to more casual attire for work as the Company's "Corporate Casual" Friday-wear business continued to grow in 1994. This positive trend is expected to continue in 1995 and should accelerate with the Company's expanded offering of "Beene Unbuttoned" casual dress shirts.

Gross profit on sales was 30.8% in 1994 compared with 33.1% in 1993 and 33.8% in 1992. Both the Company's wholesale and retail divisions experienced gross profit reductions in 1994 from the prior year. General market conditions worsened considerably in 1994 and were further disrupted by the introduction of Wrinkle-Free shirts at Van Heusen and Geoffrey Beene.

Three separate issues relating to the introduction of Wrinkle-Free shirts affected gross margins:

- The decision by most retailers to achieve a very fast transition into Wrinkle-Free shirts led to increased promotional selling of non wrinkle-free shirts, thus exacerbating an already weak market.

- Start-up costs of Wrinkle-Free shirts, including accelerated amortization of new equipment, as well as training and manufacturing inefficiencies, added some $4 million to 1994 costs.

- Higher production costs associated with the Company's post-cured vapor phase manufacturing process of its Wrinkle-Free shirts further reduced 1994 initial gross margins.

At retail, gross margins were negatively impacted by the overall weak apparel environment resulting in the taking of significant promotional markdowns to generate sales. The Company's branded store formats of Van Heusen and Geoffrey Beene had considerably better overall results than the private label store formats of Cape Isle Knitters and Windsor Shirt. Outlet stores, as discussed in the Chairman's letter, are generally destination apparel stores which do, in fact, require extra travel time and therefore are very much influenced by trends (good and bad) affecting specialty apparel stores.

Also impacting overall gross margins was a LIFO charge of $1.2 million in 1994 compared with $0.2 million in 1993 and a credit of $1.7 million in 1992.

Selling, general and administrative expenses were 26.7% of sales in 1994, compared with 26.1% in 1993 and 26.8% in 1992. Expense levels in both 1994 and 1993 were negatively impacted by a higher weighing of retail business as part of the overall apparel sales mix. In addition, 1994 included $3 million of introductory Wrinkle-Free marketing costs. Importantly, two cost reduction programs initiated late in the fourth quarter should contribute to expense reductions in 1995 and beyond. The Company implemented a plan to restructure and consolidate certain managerial, field supervisory and administrative functions associated with its retail operations. At wholesale, the Company adopted a plan to realign its four marketing divisions into two - Dress Shirts and Sportswear. In addition to reducing expenses, this new structure should improve marketing focus and product supply pipeline efficiency.

Looking ahead, the Company believes that while 1995 will continue to be a year of transition, Wrinkle-Free shirts will become established as an important part of the overall dress shirt business and non Wrinkle-Free shirts will also be established in a fixed niche, thereby eliminating a good deal of the uncertainty that existed in 1994. Start-up costs should gradually abate and gross margins should normalize as production is moved to lower cost Caribbean plants and pre-cured fabrics requiring lower cost manufacturing are introduced into overall production - on selected oxford and broadcloth shirtings where they are able to produce superior results. The Company will continue to utilize its post-cured vapor phase treatment on lighter weight fabrics such as pinpoint oxfords where it believes that other wrinkle-free treatments are not close to the same quality standard.

The Company's sweater business should benefit significantly from the recently announced licensing agreement to make and market Jantzen sweaters, the number-one selling sweater brand in the U.S. In addition, ownership of Izod brings with it the famous Izod cardigan sweater, which also should help

to maximize this business. These two new brands, along with Van Heusen and Geoffrey Beene, make the Company the leading supplier of branded sweaters in the U.S.

As for men's sportswear, which seems to be on a very solid growth trajectory, the Company's position in Van Heusen sportswear has been substantially supplemented by the Jantzen license covering active sportswear as well as sweaters and, of course, by Izod and Gant. This is clearly an area targeted for important growth and development in 1995 and beyond.

At retail, all store formats have business initiatives which are viewed very positively. These include Van Heusen for Her, Geoffrey Beene for Women and, most importantly, the conversion of the Company's two private label formats, Cape Isle Knitters and Windsor Shirt, into stores marketing apparel under the Izod and Gant labels, respectively.

While 1995 appears at this point to be a continuation of the prior year's generally poor retail environment, the Company believes that its many initiatives at all levels of business should provide the basis for solid improvement in the periods ahead.

FOOTWEAR

Net sales of the Company's footwear segment, conducted through its Bass division (excluding Bass apparel), were $371.5 million in 1994 compared with $351.9 million in 1993 and $333.2 million in 1992, representing increases of 5.6% in both years.

Footwear sales were negatively impacted in both years by the generally poor retail environment described above. One particularly successful footwear category, however, was men's and women's sandals which increased substantially in 1994 and successfully offset the decline in the exceptionally strong performance of canvas shoes in 1992 and 1993.

International sales grew to $8.2 million in 1994 from $7.1 million in 1993, driven by territory growth in Europe and Asia as well as introductions in South America and the Caribbean.

Gross profit on sales was 37.1% in 1994 compared with 39.7% in 1993 and 43.7% in 1992. As in apparel, the Company's footwear business in 1994 was marked by sluggish consumer demand and a highly promotional environment. At the same time, 1994 was for Bass a period focused on streamlining inventory, reducing SKU's and sharpening size offerings. This combination led to moderate overall growth and significantly reduced gross profit margins as greater off-price sales at both wholesale and retail depressed margins. At Retail, Bass Footwear experienced many of the same pressures as the Company's apparel stores, including a weak specialty store environment and a generally soft women's career market. This was offset, in part, by good performance in men's waterproof shoes and sandals.

Selling, general and administrative expenses were 28.6%, compared with 29.1% in 1993 and 33.0% in 1992, which reflects the continued leveraging and management of footwear's expense structure.

Looking ahead, the Company believes that Bass' well-established product diversification will be particularly helpful in the coming year, with continued strong growth in the men's and women's sandal category as well as good growth in the casual and outdoor shoe categories. The men's Weejun, with its updated styling of classic looks, enjoyed a 6% increase in 1994 over 1993 and should continue to do well. Internationally, sales are targeted for continued growth in 1995, principally due to greater penetration in already existing markets.

RESTRUCTURING CHARGE

In the fourth quarter of 1994, the Company recorded a pre-tax restructuring charge totaling $7.0 million associated with its apparel

business. The Company has restructured and consolidated certain managerial, field supervisory and administrative functions associated with its retail operations, and adopted a plan to realign its wholesale apparel business from four operating divisions into a dress shirt division and a sportswear division. This new structure will reduce expenses and should improve the Company's marketing focus and product pipeline efficiency. These expense reduction initiatives are part of an ongoing process to optimize the Company's operating structure.

Also, in connection with the acquisition of the Izod and Gant labels, respectively, the Company adopted a plan to convert its Cape Isle Knitters and Windsor Shirt private label retail stores to stores that will market branded apparel under the Izod and Gant labels, respectively. The Company believes that these store conversions should have a very positive impact on the future sales and earnings of these two retail companies.

CORPORATE EXPENSES

Corporate expenses were $10.9 million in 1994 compared with $13.4 million in 1993 and $15.5 million in 1992. The primary reason for the decrease in 1994 was a reduction in the Company's liability for its supplemental savings plan which is linked to the market value of Phillips-Van Heusen stock - in addition to a reduction in general corporate spending. In 1992, the Company incurred a one-time cost of $2.4 million in connection with moving to new facilities in Bridgewater, New Jersey and South Portland, Maine. Those relocations accounted for most of the higher expense level in that year.

INTEREST EXPENSE

Interest expense was $12.8 million compared with $16.7 million in 1993 and $15.7 million in 1992. The decrease in 1994 relates principally to the November 1993 refinancing to lower interest rates of a portion of the Company's long-term debt. In addition, lower average debt and higher interest rates on invested cash contributed to the interest expense reduction.

INCOME TAXES

The Company's effective tax rate was 18.7% in 1994 compared with 32.0% in 1993 and 30.5% in 1992. The significantly reduced rate in 1994 resulted, in part, from the reversal of estimated tax liabilities no longer deemed necessary. In addition, the $7.0 million restructuring charge reduced income from domestic sources, which is taxed at normal rates, thereby increasing the proportionate share of tax exempt income earned from the Company's operations in Puerto Rico.

EXTRAORDINARY LOSS - EARLY RETIREMENT OF DEBT

In 1993, the Company incurred a loss, net of tax, of $11.4 million, or $.42 per share, in connection with the early retirement of long-term debt. See "Liquidity and Capital Resources" below for further discussion of this transaction.

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 summer vacation in late May and continuing through September; the second being the Christmas selling season beginning with 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 more profitable than spring shipments. The slower spring selling season at wholesale combined with the retail seasonality make the first quarter particularly weak.

ACQUISITION

On January 24, 1995 Phillips-Van Heusen Corporation entered into a binding agreement to acquire the Crystal Brands Apparel Group for $114.7 million in cash. This acquisition, completed on February 17, 1995, adds Gant, Izod and Salty Dog to its roster of highly regarded brands: Van Heusen, Bass and Geoffrey Beene.

The acquisition, financed by a combination of invested cash plus use of the Company's revolving credit bank line, should not be dilutive in the initial transitional year, and should be quite positive thereafter.

LIQUIDITY AND CAPITAL RESOURCES

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

(In thousands)	1994	1993	1992
Income from operations adjusted for non-cash items	$44,256	$59,714	$51,962
Early retirement of debt	--	(11,394)	--
Change in working capital	5,138	(6,254)	(30,448)
Capital spending, net	(37,830)	(37,883)	(32,034)
Cash dividends on common stock	(3,983)	(3,920)	(3,556)
Cash dividends on preferred stock	--	--	(2,138)
Issuance of common stock	--	--	133,949
Repurchase of preferred stock	--	--	(121,148)
Exercise of stock options	2,629	7,425	8,722
Other changes	2,438	(678)	13,067
Increase in cash, before net change in debt	$12,648	$7,010	$18,376

The Company's ongoing emphasis on achieving a faster inventory turn was once again the key driver in achieving a positive cash flow. Measured against an overall sales increase of 8.9%, inventory was reduced 5.4% to $255.2 million from $269.9 million. The Company expects this favorable trend in inventory turnover to continue.

Capital expenditures in 1994 included the near-completion of the Company's 500,000 square foot distribution facility in Jonesville, North Carolina, investment in Wrinkle-Free manufacturing capacity and the continued upgrading of information systems. Spending in 1993 included the initial investment in the distribution facility as well as the completion of new office facilities in South Portland, Maine. During 1992 through 1994, the Company continued to invest in new retail store openings and refurbishing existing stores. With the completion of the distribution center in early 1995, capital expenditures for the full year 1995 should be somewhat lower.

During 1993 and 1992, the Company took a number of steps to strengthen its financial position. On May 4, 1992, the Company completed the sale of 6.4 million shares of its common stock. Approximately $121.1 million of the net proceeds were used to repurchase the Company's preferred stock, with the

remaining $12.8 million used to reduce debt. This transaction improved cash flow on an annual basis by approximately $8.0 million by eliminating the non-tax deductible 11.25% dividend on the preferred stock plus interest savings on the debt reduction (offset in part by the dividends on the common stock issued in connection with the sale). On October 29, 1992, the Company issued $69 million of Senior Notes due 1996-2002 at a blended rate of 7.75%. The proceeds were used to repay all the outstanding borrowings under the Company's revolving credit facility, with the remaining proceeds invested in short-term instruments.

Concurrent with the Company achieving an investment grade rating from both Standard & Poor's and Moody's, on November 15, 1993 the Company issued $100 million of 7.75% debentures due 2023 with a yield to maturity of 7.80%. The net proceeds were used to redeem the outstanding 11.2% and 9.93% senior notes. Due to prepayment provisions associated with the redeemed notes, the Company incurred the extraordinary loss noted earlier. Also in 1993, the Company entered into a new revolving credit agreement with its existing bank group; the interest rate on this facility was reduced from LIBOR plus .75% to LIBOR plus .50%.

In February 1995, in conjunction with the acquisition of the Crystal Brands Apparel Group, the Company increased the size of its bank credit facility to $400 million ($200 million in revolving credit lines and $200 million in letter of credit lines) from a total facility of $250 million - and maintained the same pricing.

Total debt (net of invested cash) as a percentage of total capital was reduced to 26.9% at year-end 1994 compared to 29.7% and 34.3% at year-end 1993 and 1992, respectively.

This much improved financial position, together with its continued anticipation of positive cash flow, allowed the Company to accomplish the acquisition of the Crystal Brands Apparel Group for cash without compromising its objective of maintaining its investment grade rating.

PHILLIPS-VAN HEUSEN CORPORATION

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

	1994	1993	1992
Net sales.	$1,255,466	$1,152,394	$1,042,565
Cost of goods sold	845,655	747,555	657,040
Gross profit	409,811	404,839	385,525
Selling, general and administrative expenses	353,109	324,528	311,717
Restructuring expenses	7,000	-	3,600
Income before interest and taxes	49,702	80,311	70,208
Interest expense, net.	12,793	16,679	15,727
Income before taxes.	36,909	63,632	54,481
Income taxes	6,894	20,380	16,600
Income before extraordinary loss	30,015	43,252	37,881
Extraordinary loss on debt retirement.	-	(11,394)	-
Net income	$ 30,015	$ 31,858	$ 37,881
Net income per share:			
Before extraordinary loss.	$ 1.11	$ 1.60	1.42
Extraordinary loss	-	(0.42)	-
Net income	$ 1.11	$ 1.18	$ 1.42

See notes to consolidated financial statements.

PHILLIPS-VAN HEUSEN CORPORATION

CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	January 29, 1995	January 30, 1994
ASSETS		
Current Assets:		
Cash, including cash equivalents of $68,586 and $66,064	$ 80,473	$ 68,070
Trade receivables, less allowances of $1,617 and $2,171	77,527	61,986
Inventories	255,244	269,871
Other, including deferred taxes of $7,108 and $5,727.	16,426	18,775
Total Current Assets.	429,670	418,702
Property, Plant and Equipment.	136,297	109,506
Goodwill	17,733	18,189
Other Assets, including deferred taxes of $9,502 and $4,608.	12,584	8,374
	$596,284	$554,771
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable.	$ 38,759	$ 42,188
Accrued expenses.	70,039	60,696
Accrued income taxes.	4,975	6,027
Current portion of long-term debt	260	245
Total Current Liabilities	114,033	109,156
Long-Term Debt, less current portion	169,679	169,934
Other Liabilities.	37,112	28,882
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 26,610,310 and 33,190,750	26,610	33,191
Additional capital.	112,801	118,360
Retained earnings	136,049	269,055
	275,460	420,606
Less: 6,728,576 shares of common stock held in treasury as of January 30, 1994 - at cost	0	(173,807)
Total Stockholders' Equity.	275,460	246,799
	$596,284	$554,771

See notes to consolidated financial statements.

PHILLIPS-VAN HEUSEN CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	1994	1993	1992
Operating activities:			
Net Income before extraordinary loss	$ 30,015	$ 43,252	$ 37,881
Adjustments to reconcile to cash provided by operating activities:			
Depreciation and amortization	24,309	19,126	15,020
Deferred income taxes	(6,275)	(2,195)	(518)
Extraordinary loss on debt retirement	-	(11,394)	-
Other-net	(3,793)	(469)	(421)
Changes in operating assets and liabilities:			
Receivables	(15,541)	(3,168)	(8,768)
Inventories	14,627	(11,110)	(32,367)
Accounts payable and accrued expenses	1,759	11,321	8,412
Other-net	4,293	3,297	2,275
Net Cash Provided By Operating Activities	49,394	42,066	21,514
Investing activities:			
Plant and equipment acquired	(53,140)	(47,866)	(36,771)
Contributions from landlords	15,310	9,983	4,737
Collection of note receivable	-	-	5,100
Sale of property	-	-	5,964
Other-net	2,438	(678)	2,003
Net Cash Used By Investing Activities	(35,392)	(38,561)	(18,967)
Financing activities:			
Issuance of common stock	-	-	133,949
Repurchase of preferred stock	-	-	(121,148)
Proceeds from revolving line of credit and long-term borrowings	-	141,023	146,900
Payments on revolving line of credit and long-term borrowings	(245)	(157,026)	(95,166)
Exercise of stock options	2,630	7,425	8,722
Cash dividends on common stock	(3,984)	(3,920)	(3,556)
Cash dividends on preferred stock	-	-	(2,138)
Net Cash (Used) Provided By Financing Activities	(1,599)	(12,498)	67,563
Increase (Decrease) in cash	12,403	(8,993)	70,110
Cash at beginning of period	68,070	77,063	6,953
Cash at end of period	$ 80,473	$ 68,070	$ 77,063

See notes to consolidated financial statements.

PHILLIPS-VAN HEUSEN CORPORATION

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

	Common Stock					
	Shares	$1 par Value	Additional Capital	Retained Earnings	Treasury Stock	Common Stockholders' Equity
February 2, 1992	25,518,344	$25,518	$24,285	$208,930	$(173,830)	$84,903
Issuance of common stock and repurchase of preferred stock.	6,440,000	6,440	79,161			85,601
Stock options exercised.	786,047	786	9,036			9,822
Net income				37,881		37,881
Cash dividends:						
Common stock				(3,556)		(3,556)
Preferred stock.				(2,138)		(2,138)
Stock repurchased and cancelled	(40,223)	(40)	(1,060)			(1,100)
January 31, 1993	32,704,168	32,704	111,422	241,117	(173,830)	211,413
Stock options exercised.	486,647	487	6,940			7,427
Net income				31,858		31,858
Cash dividends on common stock				(3,920)		(3,920)
Issue 150 shares from treasury .					23	23
Stock repurchased and cancelled	(65)		(2)			(2)
January 30, 1994	33,190,750	33,191	118,360	269,055	(173,807)	246,799
Stock options exercised.	148,471	148	2,493			2,641
Net income				30,015		30,015
Cash dividends on common stock .				(3,984)		(3,984)
Retirement of treasury stock . .	(6,728,576)	(6,729)	(8,041)	(159,037)	173,807	0
Stock repurchased and cancelled	(335)		(11)			(11)
January 29, 1995	$26,610,310	$ 26,610	$112,801	$136,049	$ 0	$275,460

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 the Company and its subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation.

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 1994, 1993 and 1992 represent the 52 weeks ended January 29, 1995, January 30, 1994 and January 31, 1993.

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

Inventories - Inventories are stated at the lower of cost or market. Cost for the apparel segment is determined principally using the last-in, first-out method (LIFO). Cost for the footwear segment 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 $2,405 and $1,949 in 1994 and 1993, respectively, is being amortized principally by the straight line method over 40 years. The Company assesses the recoverability of goodwill based on the estimated future non-discounted cash flows over the remaining amortization period.

Contributions from Landlords - The Company receives contributions from landlords for fixturing new 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 $24,146 and $14,568 at January 29, 1995 and January 30, 1994, respectively.

Fair Value of Financial Instruments - The Company estimates that the fair value of all financial instruments approximates their carrying value, except as noted in the footnote entitled "Long-Term Debt and Extraordinary Loss."

Advertising - The Company expenses advertising costs as incurred. Advertising expenses totalled $18,532 in 1994, $15,615 in 1993 and $13,791 in 1992.

Net Income Per Share - Primary net income per share has been computed by dividing net income, adjusted for the Series B Convertible Redeemable Preferred Stock ("preferred stock") dividend requirement of $2,138 in 1992, by the weighted average number of common shares outstanding during the year and common share equivalents applicable to dilutive stock options; the number of shares used in such computation was 27,154,173 (1994), 27,105,888 (1993) and 25,253,170 (1992).

Fully diluted net income per share in 1994, 1993 and 1992 is not materially different from primary net income per share and is not presented.

Income Taxes

Income taxes from continuing operations consist of:

	1994	1993	1992
Federal:			
Current	$11,720	$16,628	$11,945
Deferred	(5,585)	(1,088)	(518)
State, foreign and local:			
Current	1,449	4,945	5,173
Deferred	(690)	(105)	-
	$ 6,894	$20,380	$16,600

Taxes paid were $12,766 (1994), $9,936 (1993) and $14,858 (1992).

The approximate tax effect of items giving rise to the deferred income tax asset recognized on the Company's balance sheet at January 29, 1995 and January 30, 1994 is as follows:

	1994	1993
Depreciation	$(8,713)	$(10,535)
Landlord contributions	9,207	6,227
Restructuring costs	3,084	1,732
Employee compensation and benefits	7,175	6,790
Other-net	5,857	6,121
	$16,610	$ 10,335

A reconciliation of the statutory Federal income tax rate to the effective income tax rate is as follows:

	1994	1993	1992
Statutory Federal tax rate	35.0%	35.0%	34.0%
State, foreign and local income taxes, net of Federal income tax benefit	5.0	4.3	4.9
Income of Puerto Rico subsidiaries(1)	(8.0)	(4.8)	(7.3)
Reversal of estimated tax liabilities(2)	(11.1)	-	-
Other-net	(2.2)	(2.5)	(1.1)
Effective income tax rate	18.7%	32.0%	30.5%

(1)Exemption from Puerto Rico income tax expires in 1998.
(2)During 1994, the Company reversed estimated tax liabilities totalling $4,100 where were no longer deemed necessary.

During 1994 and 1993, the Company recognized a tax benefit of $1,568 and $1,972 related to the exercise of stock options. These benefits were credited to additional capital.

Inventories

Inventories are summarized as follows:

	1994	1993
Raw materials	$ 19,849	$ 16,710
Work in process	17,026	13,941
Finished goods	218,369	239,220
	$255,244	$269,871

Inventories would have been $12,700 and $11,500 higher than reported at January 29, 1995 and January 30, 1994, respectively, if the FIFO method of inventory accounting had been used for the apparel segment.

Property, Plant and Equipment

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

	1994	1993
Land	$ 1,710	$ 1,716
Buildings and building improvements	32,961	27,996
Machinery and equipment, furniture and fixtures and leasehold improvements	210,688	169,527
	245,359	199,239
Less: Accumulated depreciation and amortization	109,062	89,733
	$136,297	$109,506

Long-Term Debt and Extraordinary Loss

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

	1994	1993
7.75% Debentures	$ 99,429	$ 99,424
7.75% Senior Notes	69,000	69,000
Other debt	1,250	1,510
	$169,679	$169,934

The Company 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. The net proceeds from the sale of these debentures, together with cash from the Company's working capital, were used to redeem the Company's then outstanding 11.2% Senior Note and 9.93% Senior Notes. Due to certain prepayment provisions associated with the redeemed Notes, the Company recognized a one-time extraordinary loss of $11,394, net of a $7,025 tax benefit, in the fourth quarter of 1993.

Due to increases in long-term interest rates since the Company's issuance of the 7.75% Debentures, the Company estimates that the present value of these Debentures on January 29, 1995, using discounted cash flow analyses, was approximately $82,827.

The Company issued a series of Senior Notes due 1996-2002 with an average interest rate of 7.75% to a group of investors on October 29, 1992. The notes are payable in seven equal annual installments commencing November 1, 1996. Interest is payable semi-annually.

Long-Term Debt and Extraordinary Loss - (Continued)

In connection with the acquisition of the Apparel Group of Crystal Brands, Inc., the Company amended its primary revolving credit agreement on February 13, 1995. The amended agreement provides that the Company may, at its option, borrow and repay amounts up to a maximum of $185,000, except that for the Company's third quarter, during which period its borrowings peak, the maximum amount available to the Company is $200,000. All outstanding borrowings under this agreement are due February 13, 1999. Interest on amounts borrowed under the revolving credit agreement is payable quarterly at the prime rate or at LIBOR plus .50%. A commitment fee of .25% is payable quarterly on the unutilized portion of the facility.

On February 13, 1995, the Company entered into a secondary revolving credit agreement under which the Company may, at its option, borrow and repay amounts up to a maximum of $15,000. Borrowings under this agreement bear interest at prevailing market rates as determined by the lending bank.

Interest paid was $14,131 (1994), $18,007 (1993), $15,357 (1992).

Scheduled maturities of long-term debt, including current portion, for the next five years are as follows: 1995-$260, 1996-$10,137, 1997-$10,157, 1998-$10,182 and 1999-$10,202.

Issuance of Common Stock and Repurchase of Series B Convertible Redeemable Preferred Stock

On May 4, 1992, the Company completed the sale of 6,440,000 shares of its common stock with net proceeds of $133,949. On the same day, the Company used $121,148 of these proceeds to repurchase its preferred stock (with a liquidation value of $72,800) from The Prudential Insurance Company of America. The price paid for the preferred stock reflects both a reduction in interest rates since the time of the original issue of the preferred stock as well as the value of its conversion feature. The net effect of these two transactions was to increase the Company's stockholders' equity by $85,601.

While it was outstanding, the preferred stock was entitled to receive cumulative cash dividends at the annual rate of 11.25% per $100 of liquidation value (equivalent to an annual dividend of $675 per share).

If the issuance of the common stock and repurchase of the preferred stock had been completed on February 3, 1992, instead of May 4, 1992, the Company's net income per share for 1992 of $1.42 would have been unchanged.

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 the Company 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.

In the event the Company is not the surviving corporation in a merger or other business combination, or more than 50% of the Company'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, the Company may redeem the Rights in whole, but not in part, at a price of $.05 per Right. The Rights will expire June 16, 1996, unless such date is extended or the Rights are earlier redeemed by the Company.

Stock Options - Under the Company'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. All options are cumulatively exercisable in three installments commencing two years after the date of grant for grants issued prior to March 30, 1993, and commencing three years after the date of grant for grants issued after that date.

Stockholders' Equity - (Continued)

Other data with respect to stock options follows:

	Shares	Option Price Per Share	
Outstanding at February 2, 1992	2,279,784	$3.55-	$20.00
Granted	235,370	22.15-	27.00
Exercised	786,047	3.55-	11.00
Cancelled	65,006	4.75-	22.38
Outstanding at January 31, 1993	1,664,101	3.80-	27.00
Granted	479,029	28.00-	36.00
Exercised	486,647	3.80-	28.00
Cancelled	98,023	4.75-	31.63
Outstanding at January 30, 1994	1,558,460	3.80-	36.00
Granted	196,907	15.25-	36.25
Exercised	148,471	4.75-	22.38
Cancelled	52,647	4.75-	33.25
Outstanding at January 29, 1995	1,554,249	$4.75-	$36.25

Of the outstanding options at January 29, 1995, and January 30, 1994, options covering 900,242 and 778,362 shares were exercisable, respectively. Stock options available for grant at January 29, 1995 and January 30, 1994 amounted to 219,748 and 364,208 shares, respectively.

Leases

The Company 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 January 29, 1995, minimum annual rental commitments under non-cancellable operating leases, including leases for new retail stores which had not begun operating at January 29, 1995, are as follows:

1995	61,685
1996	56,343
1997	50,270
1998	40,042
1999	29,611
Thereafter	78,937
Total minimum lease payments	$316,888

Leases - (Continued)

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

	1994	1993	1992
Minimum	$56,089	$46,275	$39,809
Percentage and other	10,435	12,232	9,067
	$66,524	$58,507	$48,876

Retirement and Benefit Plans

Defined Benefit Plans - The Company 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 the Company'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, the Company 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:

	1994	1993	1992
Defined Benefit Plans:			
Service cost - benefits earned during the period	$2,294	$1,828	$ 1,453
Interest cost on projected benefit obligation	2,922	2,429	2,039
Actual loss (gain) on plan assets	1,854	(2,074)	(2,255)
Net amortization and deferral of actuarial gains	(3,048)	612	771
Net pension cost of defined benefit plans	4,022	2,795	2,008
Multi-employer plans	214	215	222
Total pension expense	$4,236	$3,010	$ 2,230

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:

	1994	1993	1992
Discount rate used in determining projected benefit obligation	8.75%	7.5%	8.0%
Rate of increase in compensation levels	5.25%	5.0%	5.5%
Long-term rate of return on assets	8.75%	7.5%	7.5%

Retirement and Benefit Plans - (Continued)

The following table sets forth the plans' funded status and amounts recognized on the Company's balance sheet at January 29, 1995 and January 30, 1994 for defined benefit plans:

	1994	1993
Actuarial present value of benefit obligations:		
Vested benefit obligation	$29,358	$ 30,884
Accumulated benefit obligation	$30,680	$ 32,171
Projected benefit obligation for services rendered to date	$36,401	$ 39,318
Less: plan assets at fair value	(26,012)	(26,011)
Projected benefit obligation in excess of plan assets	10,389	13,307
Unrecognized prior service cost	(4,209)	(4,771)
Unrecognized net actuarial loss	(2,485)	(5,435)
Unrecognized net asset at adoption date of FAS Statement No. 87	442	509
Net pension liability recognized on the balance sheet	$ 4,137	$ 3,610

The net pension liability is included in accrued expenses and other liabilities.

The Company has an unfunded supplemental defined benefit plan covering 25 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 the Company, the participant has been in the plan for at least 10 years and has attained age 55. The Company does not intend to admit new participants in the future. At January 29, 1995 and January 30, 1994, $6,127 and $5,343, respectively, are included in other liabilities as the accrued cost of this plan.

Savings and Retirement Plans - The Company 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 may elect to contribute up to 6% of their annual compensation, as defined, to the plans. Company contributions to the plans are equal to 50% of the amounts contributed by participating employees and were 2,406 in 1994, $2,303 in 1993 and $2,206 in 1992. In accordance with the terms of the Associates Investment Plan, a portion of its assets are invested in the Company's common stock.

Post-retirement Benefits - The Company 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.

On February 1, 1993, the Company adopted FAS Statement No. 106 which requires that the cost of this plan be recognized as an expense as employees render service instead of when the benefits are paid. Post-retirement benefit cost for 1992, which was recorded on a cash basis and totalled $459 in that year, has not been restated.

Net post-retirement benefit cost includes the following components:

	1994	1993
Service cost	$ 402	$ 275
Interest cost	850	739
Amortization of transition obligation	273	273
	$1,525	$1,287

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

Accumulated post-retirement benefit obligation:

	1994	1993
Retirees receiving benefits	7,086	$7,481
Fully eligible active plan participants	1,065	1,092
Active plan participants not eligible for benefits	2,300	2,053
	10,451	10,626
Unrecognized transition obligation	(4,916)	(5,189)
Unrecognized net loss	(709)	(1,011)
Post-retirement liability recognized on the balance sheet	$ 4,826	$4,426

The weighted average annual assumed rate of increase in the cost of covered benefits (i.e., health care cost trend rate) is 9.0% for 1995 and is assumed to decrease gradually to 5.0% by 2040 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 January 29, 1995 by $1,045, and the aggregate of the service and interest cost components of net post-retirement benefit cost for 1994 by $163. The discount rate used in determining the accumulated post-retirement benefit obligation was 8.75%.

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, women's and children's apparel to traditional wholesale accounts 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 traditional wholesale accounts 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.

	1994	1993	1992
Net Sales			
Apparel	$ 883,949	$ 800,454	$709,361
Footwear	371,517	351,940	333,204
Total Net Sales	$1,255,466	$1,152,394	$1,042,565
Operating Income			
Apparel(1)	$ 29,091	$ 56,139	$ 49,931
Footwear(2)	31,525	37,559	35,786
Total Operating Income	60,616	93,698	85,717
Corporate Expenses(3)	(10,914)	(13,387)	(15,509)
Interest Expense, net	(12,793)	(16,679)	(15,727)
Income Before Taxes	$ 36,909	$ 63,632	$ 54,481
Identifiable Assets			
Apparel	$ 307,111	$ 305,132	$283,256
Footwear	176,261	164,197	140,091
	483,372	469,329	423,347
Corporate	110,966	85,442	94,015
	$ 594,338	$ 554,771	$517,362
Depreciation and Amortization			
Apparel	$ 17,977	$ 12,843	$ 10,700
Footwear	4,125	4,405	3,066
	22,102	17,248	13,766
Corporate	2,207	1,878	1,254
	$ 24,309	$ 19,126	$ 15,020
Identifiable Capital Expenditures			
Apparel	$ 36,176	$ 29,449	$ 23,488
Footwear	6,152	16,038	6,453
	42,328	45,487	29,941
Corporate	10,812	2,379	6,830
	$ 53,140	$ 47,866	$ 36,771

(1) Operating income of the apparel segment includes net charges for restructuring of $7,000 in 1994 and $2,000 in 1992.

(2) In 1992, reserves of $1,600 for closing the Company's footwear catalog business were charged to operating income of the footwear segment.

(3) In 1992, corporate expenses include $2,400 for relocating the Company's administrative offices to Bridgewater, New Jersey and South Portland, Maine.

Segment Data - (Continued)

Apparel inventories as of January 29, 1995 and January 30, 1994 of $132,875 and $150,857, respectively, were determined using the LIFO method.

Acquisition

On January 24, 1995, the Company entered into a binding agreement to acquire the Apparel Group of Crystal Brands, Inc. for $114,700 in cash, subject to certain adjustments. This acquisition was completed on February 17, 1995. The cash used for the acquisition was provided in part from the Company's invested cash, and in part from borrowings under the Company's revolving credit agreements. The assets acquired relate principally to the production and distribution of men's and women's sportswear under the brand names Izod, Gant and Salty Dog.

Restructuring

During the fourth quarter of 1994, the Company implemented a plan to restructure and consolidate certain managerial, field supervisory and administrative functions associated with its retail operations, and adopted a plan to realign its wholesale apparel business from four operating divisions into a dress shirt division and a sportswear division. This new structure will reduce expenses while improving the Company's marketing focus.

Also, in connection with the acquisition of Crystal Brands, the Company adopted a plan to convert its Cape Isle Knitters and Windsor Shirt private label retail stores to stores which will market branded apparel under the Izod and Gant labels. The Company believes that these store conversions will have a positive impact on the future sales and earnings of these two retail companies.

As a result, the Company eliminated approximately eighty five positions at a cost of $3,300. Also, various other costs associated with the retail and wholesale consolidations and with the Cape Isle Knitters and Windsor Shirt conversions estimated at $5,300 have been recognized. Included in the current year's restructuring charge is a reversal of $1,600 of prior year's restructuring reserves, related to the Company's wholesale sweater operations, which were determined to be no longer required as a result of certain events in the fourth quarter. Accordingly, $7,000 has been recognized as a net restructuring charge during the fourth quarter of 1994. Prior to January 29, 1995, approximately $847 of termination benefits had been charged against the $8,600 restructuring reserve.

As part of its ongoing expense reduction initiatives, the Company continues to evaluate its operating structure.

Other Comments

The Company has available a letter of credit facility from its lending banks totaling $200,000 of which $98,469 was utilized at January 29, 1995.

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

During 1994, 1993 and 1992 the Company has paid $0.0375 quarterly cash dividends per share on its common stock.

Certain items in 1993 and 1992 have been reclassified to present these items on a basis consistent with 1994.

MANAGEMENT'S REPORT ON RESPONSIBILITY FOR FINANCIAL REPORTING

Management of the Company has the responsibility for preparing the accompanying financial statements and for their integrity and objectivity. The statements have been prepared by management in conformity with generally accepted accounting principles. The financial statements include some amounts that are based on management's best estimates and judgements. Management also prepared the other information in the annual report and is responsible for its accuracy and consistency with the financial statements.

The Company maintains a system of internal accounting controls designed to provide management with reasonable assurance that transactions are executed in accordance with management's authorization and recorded properly. The concept of reasonable assurance is based on the recognition that the cost of a system of internal control should not exceed the benefits derived and that the evaluation of those factors requires estimates and judgements by management. Further, because of inherent limitations in any system of internal accounting control, errors or irregularities may occur and not be detected. Nevertheless, management believes that a high level of internal control is maintained by the Company through the selection and training of qualified personnel, the establishment and communication of accounting and business policies, and its internal audit program.

The Audit Committee of the Board of Directors, composed solely of outside directors, meets periodically with management and the Company's internal auditors and independent auditors to review matters relating to the quality of financial reporting and internal accounting control and the nature, extent and results of their audits. The Company's internal auditors and independent auditors have complete access to the Audit Committee.

SIGNATURE STAMP

BRUCE J. KLATSKY
Chairman, President and
Chief Executive Officer

SIGNATURE STAMP

IRWIN W. WINTER
Vice President and
Chief Financial Officer

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 January 29, 1995 and January 30, 1994, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for each of the three years in the period ended January 29, 1995. 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 January 29, 1995 and January 30, 1994, and the consolidated results of their operations and their cash flows for each of the three years in the period ended January 29, 1995 in conformity with generally accepted accounting principles.

E&Y SIGNATURE STAMP

New York, New York
March 14, 1995

PHILLIPS-VAN HEUSEN CORPORATION

SELECTED QUARTERLY FINANCIAL DATA - UNAUDITED
(In thousands, except per share data)

	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
	1994	1993	1994	1993(1)	1994	1993	1994(2)	1993(3)
Net sales.	$238,897	$221,924	$283,771	$264,016	$379,406	$357,389	$353,392	$309,065
Gross profit	79,162	78,124	94,761	94,893	123,387	124,272	112,501	109,656
Income (loss) before extraordinary loss . . .	(3,531)	(2,208)	5,735	7,757	17,850	24,520	9,961	13,183
Net income	(3,531)	(2,208)	5,735	7,757	17,850	24,520	9,961	1,789
Net income (loss) per share:								
Before extraordinary loss.	(0.13)	(.08)	0.21	0.29	0.66	0.91	0.37	0.48
Extraordinary loss (4) . .	-	-	-	-	-	-	-	(0.42)
Net income (5).	(0.13)	(.08)	0.21	0.29	0.66	0.91	0.37	0.06
Price range of common stock								
High.	39	32 3/4	33 1/2	33 3/8	23 3/4	34 1/2	16 3/8	37 5/8
Low	32 7/8	26 5/8	18 1/2	25 3/4	14	25 7/8	14	32 1/4

(1) Net income for the second quarter of 1993 includes a pre-tax credit of $1,700 for the adjustment of certain fringe benefit accruals.

(2) Net income for the fourth quarter of 1994 includes a net pre-tax charge of $7,000 for restructuring, a pre-tax LIFO credit of $1,991 and a credit of $4,209 which resulted from an adjustment to the estimated tax rate used in the first three quarters.

(3) Net income for the fourth quarter of 1993 includes a pre-tax LIFO credit of $1,699.

(4) Net income for the fourth quarter of 1993 includes an extraordinary loss, net of tax, of $11,394 related to the prepayment of certain debt.

(5) Fully diluted net income per share has not been presented since the results are not materially different from primary net income per share.

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

The Company's financial summary is presented from 1987, the year in which the Company recapitalized its balance sheet and acquired G.H. Bass & Co.

	1994	1993	1992	1991
Summary of Operations				
Net sales				
Apparel.	$ 883,949	$ 800,454	$ 709,361	$596,383
Footwear	371,517	351,940	333,204	307,717
	1,255,466	1,152,394	1,042,565	904,100
Cost of goods sold and expenses.	1,205,764	1,072,083	972,357	843,367
Interest expense, net.	12,793	16,679	15,727	16,686
	1,218,557	1,088,762	988,084	860,053
Income before taxes.	36,909	63,632	54,481	44,047
Income taxes	6,894	20,380	16,600	12,910
Income from continuing operations before extraordinary loss.	30,015	43,252	37,881	31,137
(Loss) income from discontinued operations	-	-	-	-
Extraordinary loss, net of tax	-	(11,394)	-	-
Net income.	$ 30,015	$ 31,858	$ 37,881	$ 31,137
Per Share Statistics(3)				
Income from continuing operations before extraordinary loss.	$ 1.11	$ 1.60	$ 1.42	$ 1.15
Discontinued operations.	-	-	-	-
Extraordinary loss	-	(0.42)	-	-
Net income	$ 1.11	$ 1.18	$ 1.42	$ 1.15
Dividends paid per share	0.15	0.15	0.15	0.1425
Stockholders' equity per share..	10.35	9.33	8.14	4.52
Financial Position				
Invested cash.	$ 68,586	$ 66,064	$ 75,862	$ 5,326
Current assets	429,670	418,702	410,522	303,143
Current liabilities.	114,033	109,156	115,208	102,976
Working capital.	315,637	309,546	295,314	200,167
Total assets	596,284	554,771	517,362	398,969
Long-term debt	169,679	169,934	170,235	121,455
Series B convertible redeemable preferred stock.		-	-	72,800
Stockholders' equity	275,460	246,799	211,413	84,903
Other Statistics				
Total debt to total capital (4).	38.2%	40.8%	46.8%	46.0%
Net debt to net capital (5).	26.9%	29.7%	34.3%	45.0%
Market value of stockholders' equity	$ 426,000	$ 949,000	$ 753,000	$392,000
Current ratio.	3.8	3.8	3.6	2.9
Average shares and equivalents outstanding	27,154	27,106	25,253	19,897

(1) 1990 includes 53 weeks of operations.

(2) 1987 includes the operations of G.H. Bass & Co. from date of acquisition, August 21, 1987, and includes a gain on settlement of pension plans of $3,415, or $0.13 per share.

(3) Fully diluted net income per share has not been presented since the results are either not materially different from primary net income per share or are anti-dilutive.

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

(5) Net debt and net capital are total debt and total capital reduced by invested cash.

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

The Company's financial summary is presented from 1987, the year in which the Company recapitalized its balance sheet and acquired G.H. Bass & Co.

	1990(1)	1989	1988	1987(2)
Summary of Operations				
Net sales				
Apparel	$536,352	$493,395	$460,342	$416,407
Footwear	269,963	239,541	180,696	83,618
	806,315	732,936	641,038	500,025
Cost of goods sold and expenses	752,252	682,687	597,543	457,842
Interest expense, net	18,884	17,555	16,109	6,210
	771,136	700,242	613,652	464,052
Income before taxes	35,179	32,694	27,386	35,973
Income taxes	8,795	8,502	6,565	14,655
Income from continuing operations before extraordinary loss	26,384	24,192	20,821	21,318
(Loss) income from discontinued operations	-	-	(152)	8,691
Extraordinary loss, net of tax	-	-	-	-
Net income	$ 26,384	$ 24,192	$ 20,669	$ 30,009
Per Share Statistics(3)				
Income from continuing operations before extraordinary loss	$ 0.95	$ 0.84	$ 0.68	$ 0.66
Discontinued operations	-	-	(0.01)	0.33
Extraordinary loss	-	-	-	-
Net income	$ 0.95	$ 0.84	$ 0.67	$ 0.99
Dividends paid per share	0.14	0.14	0.14	0.125
Stockholders' equity per share	3.38	2.53	1.79	1.24
Financial Position				
Invested cash	$ 5,796	$ 3,551	$ 7,191	$ 8,979
Current assets	285,315	266,867	265,039	258,135
Current liabilities	90,748	84,190	88,191	86,741
Working capital	194,567	182,677	176,848	171,394
Total assets	376,790	333,108	323,133	317,773
Long-term debt	140,259	118,776	116,400	120,848
Series B convertible redeemable preferred stock	72,800	72,800	72,800	72,800
Stockholders' equity	62,324	46,085	32,476	22,456
Other Statistics				
Total debt to total capital (4)	53.2%	52.6%	55.1%	56.9%
Net debt to net capital (5)	52.2%	51.9%	53.7%	55.1%
Market value of stockholders' equity	$173,000	$132,000	$127,000	$ 86,000
Current ratio	3.1	3.2	3.0	3.0
Average shares and equivalents outstanding	19,094	19,140	18,572	26,258

(1) 1990 includes 53 weeks of operations.

(2) 1987 includes the operations of G.H. Bass & Co. from date of acquisition, August 21, 1987, and includes a gain on settlement of pension plans of $3,415, or $0.13 per share.

(3) Fully diluted net income per share has not been presented since the results are either not materially different from primary net income per share or are anti-dilutive.

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

(5) Net debt and net capital are total debt and total capital reduced by invested cash.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE PHILLIPS-VAN HEUSEN CORPORATION FINANCIAL STATEMENTS INCLUDED IN ITS 10-K REPORT FOR THE YEAR ENDED JANUARY 29, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

YEAR
JAN-29-1995
JAN-29-1995
80,473
0
77,527
(1,617)
255,244
429,670
136,297
0
596,284
114,033
169,679
26,610
0
0
248,850
596,284
1,255,466
1,255,466
845,655
845,655
360,109
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12,793
36,909
6,894
30,015
0
0
0
30,015
1.11
1.11

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