SECURITIES & EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended October 29, 1995

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 1-724

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

Delaware	13-1166910
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

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

Registrant's telephone number (212) 541-5200

Indicate by check mark whether registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that registrant was required to file such reports), and (2) has been subject to such filing requirement for the past 90 days.
Yes X No

The number of outstanding shares of common stock, par value $1.00 per share, of Phillips-Van Heusen Corporation as of November 28, 1995: 26,791,801 shares.

PHILLIPS-VAN HEUSEN CORPORATION

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PART I -- FINANCIAL INFORMATION

PART II -- OTHER INFORMATION

Independent Accountants Review Report

Stockholders and Board of Directors
Phillips-Van Heusen Corporation

We have reviewed the accompanying condensed consolidated balance sheet of Phillips-Van Heusen Corporation as of October 29, 1995, and the related condensed consolidated statements of income and cash flows for the 13 and 39 week periods ended October 29, 1995 and October 30, 1994. These financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data, and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, which will be performed for the full year with the objective of expressing an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying condensed consolidated financial statements referred to above for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet of Phillips-Van Heusen Corporation as of January 29, 1995, and the related consolidated statements of income, stockholders' equity, and cash flows for the year then ended (not presented herein) and in our report dated March 14, 1995, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of January 29, 1995, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

ERNST & YOUNG LLP

New York, New York
November 14, 1995

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

	UNAUDITED October 29, 1995	AUDITED January 29, 1995
ASSETS		
Current Assets:		
Cash, including cash equivalents of $11,446 and $68,586	$ 22,311	$ 80,473
Trade receivables, less allowances of $4,951 and $1,617	148,086	77,527
Inventories	357,212	255,244
Other, including deferred taxes of $9,754 and $7,108	18,808	16,426
Total Current Assets	546,417	429,670
Property, Plant and Equipment	135,996	136,297
Goodwill	137,205	17,733
Other Assets, including deferred taxes of $9,502 at January 29, 1995	14,798	12,584
	$834,416	$596,284
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Notes payable	$118,417	$ 0
Accounts payable	50,384	38,759
Accrued expenses	94,888	75,014
Current portion of long-term debt	280	260
Total Current Liabilities	263,969	114,033
Long-Term Debt, less current portion	239,403	169,679
Other Liabilities, including deferred taxes of $2,795 at October 29, 1995	62,202	37,112
Stockholders' Equity:		
Preferred Stock, par value $100 per share; 150,000 shares authorized, no shares outstanding		
Common Stock, par value $1 per share; 100,000,000 shares authorized; shares issued 26,781,801 and 26,610,310	26,782	26,610
Additional Capital	113,856	112,801
Retained Earnings	128,204	136,049
Total Stockholders' Equity	268,842	275,460
	$834,416	$596,284

See accompanying notes.

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

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 29, 1995	October 30, 1994	October 29, 1995	October 30, 1994
Net sales	$448,007	$379,406	$1,080,487	$902,074
Cost of goods sold	308,952	256,019	724,431	604,764
Gross profit	139,055	123,387	356,056	297,310
Selling, general and administrative expenses	116,749	93,582	322,209	257,412
Plant, store closing and restructuring expenses	25,000	-	25,000	-
(Loss) income before interest and taxes	(2,694)	29,805	8,847	39,898
Interest expense, net	6,559	3,377	17,281	10,061
(Loss) income before taxes	(9,253)	26,428	(8,434)	29,837
Income tax (benefit) expense	(4,879)	8,578	(4,594)	9,783
Net (loss) income	$ (4,374)	$ 17,850	$ (3,840)	$ 20,054
Net (loss) income per share	$ (0.16)	$ 0.66	$ (0.14)	$ 0.74
Cash dividends per share	$ 0.0375	$ 0.0375	$ 0.1125	$ 0.1125

See accompanying notes.

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

	Thirty-Nine Weeks Ended	
	October 29, 1995	October 30, 1994
OPERATING ACTIVITIES:		
Net (loss) income	$ (3,840)	$ 20,054
Adjustments to reconcile net (loss) income to net cash used by operating activities:		
Depreciation and amortization	22,498	17,273
Write-off of fixed assets	11,000	
Other-net	(3,480)	(3,135)
Changes in operating assets and liabilities:		
Receivables	(50,618)	(41,150)
Inventories	(65,688)	(20,501)
Accounts payable and accrued expenses	(23,072)	22,692
Other-net	(150)	(3,036)
Net Cash Used By Operating Activities	(113,350)	(7,803)
INVESTING ACTIVITIES:		
Acquisition of the Apparel Group of Crystal Brands	(114,503)	-
Plant and equipment acquired	(25,029)	(37,233)
Contributions from landlords	6,930	10,561
Other-net	2,411	1,908
Net Cash Used By Investing Activities	(130,191)	(24,764)
FINANCING ACTIVITIES:		
Proceeds from revolving line of credit and long-term borrowings	204,737	-
Payments on revolving line of credit and long-term borrowings	(16,580)	(245)
Exercise of stock options	1,227	996
Payment of dividends	(4,005)	(3,983)
Net Cash Provided (Used) By Financing Activities	185,379	(3,232)
DECREASE IN CASH	(58,162)	(35,799)
Cash at beginning of period	80,473	68,070
Cash at end of period	$ 22,311	$ 32,271

Note: Net loss for the thirty-nine weeks ended October 29, 1995 includes a $25,000 pre-tax charge for plant, store closing and restructuring expenses.

See accompanying notes.

Phillips-Van Heusen Corporation

Notes To Consolidated Financial Statements
Unaudited
(In thousands, except per share amounts)

GENERAL

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not contain all disclosures required by generally accepted accounting principles for complete financial statements. Reference should be made to the annual financial statements, including the footnotes thereto, included in the Company's Annual Report to Stockholders for the year ended January 29, 1995.

The results of operations for the thirteen and thirty-nine weeks ended October 29, 1995 and October 30, 1994 are not necessarily indicative of those for a full fiscal year because of seasonal factors. The data contained in these financial statements are unaudited and are subject to year-end adjustments; however, in the opinion of management, all known adjustments (which consist only of normal recurring accruals) have been made to present fairly the consolidated operating results for the unaudited periods.

Certain reclassifications have been made to the segment information for the thirteen and thirty-nine weeks ended October 30, 1994 to present that information on a basis consistent with the thirteen and thirty-nine weeks ended October 29, 1995.

INVENTORIES

Inventories are summarized as follows:

	October 29, 1995	January 29, 1995
Raw materials	$ 8,988	$ 19,849
Work in process	17,186	17,026
Finished goods	331,038	218,369
Total	$357,212	$255,244

Inventories are stated at the lower of cost or market. Cost for the apparel business is determined principally using the last-in first-out method (LIFO), except for certain sportswear inventories which are determined using the first-in first-out method (FIFO). Cost for the footwear business is determined using FIFO. Inventories would have been $15,960 and $12,700 higher than reported at October 29, 1995 and January 29, 1995, respectively, if the FIFO method of inventory accounting had been used for the entire apparel business.

The determination of cost of sales and inventories under the LIFO method can only be made at the end of each fiscal year based on inventory cost and quantities on hand. Interim LIFO determinations are based on management's

estimates of expected year-end inventory levels and costs. Such estimates are subject to revision at the end of each quarter. Since estimates of future inventory levels and costs are subject to external factors, interim financial results are subject to year-end LIFO inventory adjustments.

SEGMENT DATA

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

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

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 29, 1995	October 30, 1994	October 29, 1995	October 30, 1994
Net sales-apparel	$343,625	$271,524	$ 804,560	$621,762
Net sales-footwear	104,382	107,882	275,927	280,312
Total net sales	$448,007	$379,406	$1,080,487	$902,074
Operating (loss) income-apparel*	$ (2,624)	$ 19,971	$ 2,379	$ 22,067
Operating income-footwear*	4,704	13,086	16,496	25,440
Total operating income*	2,080	33,057	18,875	47,507
Corporate expenses	(4,774)	(3,252)	(10,028)	(7,609)
Interest expense, net	(6,559)	(3,377)	(17,281)	(10,061)
(Loss) income before taxes	$ (9,253)	$ 26,428	$ (8,434)	$ 29,837

* Operating income for the thirteen and thirty-nine weeks ended October 29, 1995 includes a $25,000 pre-tax charge, of which $23,000 and $2,000 relate to the Company's apparel and footwear businesses, respectively. These charges relate to plant, store closing and restructuring expenses as described in the accompanying footnote.

ACQUISITION

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

In connection with the acquisition, the Company acquired assets with a fair value estimated to be $190,427 (including $121,164 of excess of cost over net assets acquired) and assumed liabilities estimated to be $75,924. The Company has not yet determined either the final value of the assets acquired and liabilities assumed or the allocation of these assets and liabilities within the Company's consolidated balance sheet. Accordingly, adjustments to the Company's consolidated balance sheet at October 29, 1995 may be required.

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

	Thirty-Nine Weeks Ended	
	October 29, 1995	October 30, 1994
Net sales	$1,086,618	$1,073,021
Net (loss) income	$ (3,903)	$ 20,388
Net (loss) income per share	$ (0.15)	$ 0.75

PLANT, STORE CLOSING AND RESTRUCTURING EXPENSES

On September 13, 1995, the Company adopted and began to implement a plan designed to reduce costs and realign the product distribution mix primarily within the Company's apparel business. Significant components of the plan include the closure of three domestic apparel manufacturing facilities before year-end and the closing of approximately 200 less profitable retail outlet stores. As a result, the Company has recorded a pre-tax charge of $25,000 in the third quarter of 1995. Approximately $11,000 of this charge relates to the write-off of fixed assets located in such factories and retail outlet stores. The remaining $14,000 relates to termination benefits for approximately twelve hundred employees impacted by this restructuring. The Company believes these changes will improve future profitability through lower operating costs and improved margins. As part of its ongoing expense and cost reduction initiatives, the Company will continue to evaluate its operating structure.

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

RESULTS OF OPERATIONS

Thirteen Weeks Ended October 29, 1995 Compared to Thirteen Weeks Ended October 30, 1994

APPAREL

Net sales of the Company's apparel segment in the third quarter were $343.6 million in 1995 and $271.5 million last year, an increase of approximately 26.6%. The acquisition of the Apparel Group of Crystal Brands, Inc. (Gant and Izod) on February 17, 1995, primarily accounted for this increase.

Gross profit on apparel sales was 30.0% in the third quarter of 1995 compared to 30.4% in last year's third quarter. Increased promotional selling was mostly offset by higher margins from the newly acquired Izod and Gant businesses. In addition, the third quarter LIFO charge was $2.0 million in 1995 compared to $1.0 million last year.

Selling, general and administrative expenses as a percent of apparel sales in the third quarter were 24.0% in 1995 and 23.1% in 1994. The increased percentage relates principally to the inability to fully leverage in-store expenses during this period of retail weakness.

FOOTWEAR

Net sales of the Company's footwear segment were $104.4 million in the third quarter of 1995 and $107.9 million last year, a decrease of approximately 3.2%.

Gross profit on footwear sales was 34.6% in the third quarter of 1995 compared to 37.8% in last year's third quarter. The current quarter contained increased promotional selling, resulting in large part from an exceptionally weak back to school selling season.

Selling, general and administrative expenses as a percent of footwear sales in the third quarter were 28.2% in 1995 and 25.6% in 1994. The increased percentage relates principally to the inability to fully leverage in-store expenses during this extended period of retail weakness.

INTEREST EXPENSE

Net interest expense was $6.6 million in the third quarter of 1995 compared with $3.4 million last year. This increase resulted from the cash purchase of the Apparel Group of Crystal Brands, Inc.

INCOME TAXES

The Company's 1995 estimated tax rate reflects the substantially greater weight of its tax exempt operations in Puerto Rico due to the depressed level of overall income, further reduced by the $25 million plant, store closing and restructuring expense.

CORPORATE EXPENSES

Corporate expenses were $4.8 million in the third quarter of 1995 compared to $3.3 million in 1994. A general increase in corporate expenses included an increase in professional fees related to certain brand research and marketing projects.

Thirty-Nine Weeks Ended October 29, 1995 Compared to Thirty-Nine Weeks Ended October 30, 1994

APPAREL

Net sales of the Company's apparel segment were $804.6 million during the first nine months of 1995, an increase of 29.4% from the prior year's $621.8 million. The acquisition of the Apparel Group of Crystal Brands, Inc. on February 17, 1995, primarily accounted for this increase.

Gross profit on apparel sales was 31.5% in the first nine months of 1995 compared to 31.0% in last year's first nine months. The increased percentage relates principally to higher margins on products sold under the newly acquired Izod and Gant businesses. In addition, the current year includes a LIFO charge of $3.3 million compared with a charge of $3.2 million in the prior year.

Selling, general and administrative expenses as a percent of apparel sales in the first three quarters were 28.4% in 1995 and 27.4% in 1994. The increased percentage relates principally to the inability to fully leverage in-store expenses during this extended period of retail weakness.

FOOTWEAR

Net sales of the Company's footwear segment were $275.9 million compared to the prior year's $280.3 million, a decrease of approximately 1.6%.

Gross profit on footwear sales was 37.2% in the first nine months of 1995 compared to 37.4% last year. The prior year's first half was impacted by significant clearance markdowns to clear slower moving merchandise from inventory. The Company began the current year with a much improved inventory mix, which in turn reduced clearance markdowns in the first half. Offsetting this positive trend were promotional markdowns in the Company's retail stores in the third quarter due to an exceptionally weak back to school selling season.

Selling, general and administrative expenses as a percent of footwear sales in the first nine months were 30.5% in 1995 and 28.3% in 1994. The increased percentage relates principally to the inability to fully leverage in-store expenses during this extended period of retail weakness.

INTEREST EXPENSE

Net interest expense was $17.3 million in the first nine months of 1995 compared with $10.1 million last year. This increase resulted from the cash purchase of the Apparel Group of Crystal Brands, Inc.

INCOME TAXES

The Company's 1995 estimated tax rate reflects the substantially greater weight of its tax exempt operations in Puerto Rico due to the depressed level of overall income, further reduced by the $25 million plant, store closing and restructuring expense.

CORPORATE EXPENSES

Corporate expenses were $10.0 million in the first nine months of 1995 compared to $7.6 million in 1994. A general increase in corporate expenses included an increase in professional fees related to certain brand research and marketing projects. In addition, the prior year included a credit to the Company's unfunded supplemental savings plan liability.

SEASONALITY

The Company's business is seasonal, with higher sales and income during its third and fourth fiscal quarters, which coincide with the Company's two peak retail selling seasons: the first running from the start of the summer vacation period in late May and continuing through September; the second being the Christmas selling season beginning with the weekend following Thanksgiving and continuing through the week after Christmas.

Also contributing to the relative strength of the third fiscal quarter is the high volume of fall shipments to wholesale customers which are generally more profitable than spring shipments. The slower spring selling season at wholesale combined with retail seasonality makes the first fiscal quarter particularly weak.

LIQUIDITY AND CAPITAL RESOURCES

The seasonal nature of the Company's business typically requires the use of cash to fund a build-up in the Company's inventory in the first half of each fiscal year. During the third and fourth quarters, the Company's higher level of sales tends to reduce its inventory and generate cash from operations. While this seasonal pattern has continued in 1995, various factors have caused a significant use of cash in the first three quarters of 1995.

Cash used by operations in the first nine months totalled $113.4 million in 1995 compared with $7.8 million last year. Integration costs resulting from the acquisition of the Apparel Group of Crystal Brands, Inc. and an inventory build-up for a planned increase in fourth quarter sales, also resulting from the acquisition, were the primary reasons for the increase. In addition, a reduced level of earnings, resulting in large part from a $25.0 million pre-tax charge for plant, store closing and restructuring expenses in the third quarter of 1995, contributed to this increase.

The Company has a revolving credit agreement under which the Company may, at its option, borrow and repay amounts (including letters of credit) up to a maximum of $400 million. The Company believes that its borrowing capacity under this facility is adequate for the coming year. At the end of the third quarter, the Company estimated that $70 million of the outstanding cash borrowings under this facility are non-current. The acquisition of the Apparel Group of Crystal Brands, Inc. for cash was funded from the Company's cash reserves and from borrowings under this facility. The resulting increase in long-term debt has increased the Company's long-term debt (net of invested cash) as a percentage of total capital to 45.9% at the end of the current quarter compared with 34.8% at the end of last year's third quarter.

PLANT, STORE CLOSING AND RESTRUCTURING EXPENSES

On September 13, 1995, the Company adopted and began to implement a plan designed to reduce costs and realign the product distribution mix primarily within the Company's apparel business. Significant components of the plan include the closure of three domestic apparel manufacturing facilities before year-end and the closing of approximately 200 less profitable retail outlet stores. As a result, the Company has recorded a pre-tax charge of $25 million in the third quarter of 1995. Approximately $11 million of this charge relates to the write-off of fixed assets located in such factories and retail outlet stores. The remaining $14 million relates to termination benefits for approximately twelve hundred employees impacted by this restructuring. The Company believes these changes will improve future profitability through lower operating costs and improved margins. As part of its ongoing expense and cost reduction initiatives, the Company will continue to evaluate its operating structure.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

(a) The following exhibits are included herein:

4.1 Specimen of Common Stock certificate (incorporated by reference to Exhibit 4 to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1981).

4.2 Preferred Stock Purchase Rights Agreement (the "Rights Agreement"), dated June 10, 1986 between PVH and The Chase Manhattan Bank, N.A. (incorporated by reference to Exhibit 3 to the Company's Quarterly Report as filed on Form 10-Q for the period ended May 4, 1986).

4.3 Amendment to the Rights Agreement, dated March 31, 1987 between PVH and The Chase Manhattan Bank, N.A. (incorporated by reference to Exhibit 4(c) to the Company's Annual Report on Form 10-K for the year ended February 2, 1987).

4.4 Supplemental Rights Agreement and Second Amendment to the Rights Agreement, dated as of July 30, 1987, between PVH and The Chase Manhattan Bank, N.A. (incorporated by reference to Exhibit (c)(4) to the Company's Schedule 13E-4, Issuer Tender Offer Statement, dated July 31,1987).

4.5 Credit Agreement, dated as of December 16, 1993, among PVH, Bankers Trust Company, The Chase Manhattan Bank, N.A., Citibank, N.A., The Bank of New York, Chemical Bank and Philadelphia National Bank, and Bankers Trust Company, as agent (incorporated by reference to Exhibit 4.5 to the Company's Annual Report on Form 10-K for the fiscal year ended January 30, 1994).

4.6 First Amendment, dated as of February 13, 1995, to the Credit Agreement dated as of December 16, 1993 (incorporated by reference to Exhibit 4.6 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 1995).

4.7 Second Amendment, dated as of July 17, 1995, to the Credit Agreement dated as of December 16, 1993.

4.8 Third Amendment, dated as of September 27, 1995, to the Credit Agreement dated as of December 16, 1993.

4.9 Fourth Amendment, dated as of September 28, 1995, to the Credit Agreement dated as of December 16, 1993.

4.10 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).

4.11 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 June 13, 1995.

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

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

*10.4 Phillips-Van Heusen Corporation Special Severance Benefit Plan, as amended and restated as of June 13, 1995.

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

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

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

*10.8 Form of Agreement amending Phillips-Van Heusen Corporation Capital Accumulation Plan with respect to individual participants.

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

*10.10 Phillips-Van Heusen Corporation Supplemental Savings Plan, dated as of January 1, 1991 and amended and restated as of 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).

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

*10.12 Agreement, dated as of April 28, 1993, between Bruce J. Klatsky, Lawrence S. Phillips and the Company (incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 1995).

*10.13 Non-Incentive Stock Option Agreement, dated as of April 28, 1993, between the Company and Bruce J. Klatsky. Non-Incentive Stock Option Agreement, dated as of December 3, 1993, between the Company and Bruce J. Klatsky (reload of April 28, 1993 Non-Incentive Stock Option Agreement) (incorporated by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 1995).

*10.14 Amendment, dated December 6, 1993, to the Agreement, dated April 28, 1993, between Bruce J. Klatsky, Lawrence S. Phillips and the Company (incorporated by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 1995).

*10.15 Consulting and non-competition agreement, dated February 14, 1995, between the Company and Lawrence S. Phillips (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 1995).

*10.16 Performance Restricted Stock Plan, effective as of April 18, 1995 (incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 1995).

15. Acknowledgement of Independent Accountants.

27. Financial Data Schedule.

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

(b) Reports on Form 8-K

No reports have been filed on Form 8-K during the quarter covered by this report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PHILLIPS-VAN HEUSEN CORPORATION
Registrant

December 11, 1995

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

Exhibit 15

November 14, 1995

Stockholders and Board of Directors
Phillips-Van Heusen Corporation

We are aware of the incorporation by reference in the Registration Statement (Form S-8, No. 33-59101), Registration Statement (Form S-8, No. 33-59602), Registration Statement (Form S-8, No. 33-38698), Post-Effective amendment No. 1 to the Registration Statement (Form S-8, No. 33-24057), Post-Effective amendment No. 2 to the Registration Statement (Form S-8, No. 2-73803), Post-Effective amendment No. 4 to the Registration Statement (Form S-8, No. 2-72959), Post-Effective amendment No. 6 to the Registration Statement (Form S-8, No. 2-64564), and Post-Effective amendment No. 13 to the Registration Statement (Form S-8, No. 2-47910), of Phillips-Van Heusen Corporation of our report dated November 14, 1995 relating to the unaudited condensed consolidated interim financial statements of Phillips-Van Heusen Corporation which are included in its Form 10-Q for the three month period ended October 29, 1995.

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

ERNST & YOUNG LLP

New York, New York

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

9-MOS	
JAN-28-1996	
OCT-29-1995	
	22,311
	0
	153,037
	4,951
	357,212
	546,417
	135,996
	0
	834,416
	263,969
	239,403
	26,782
	0
	0
	242,060
	834,416
	1,080,487
	1,080,487
	724,431
	724,431
	347,209
	0
	17,281
	(8,434)
	(4,594)
	0
	0
	0
	0
	(3,840)
	(.14)
	(.14)

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

SECOND AMENDMENT

SECOND AMENDMENT, dated as of July 17, 1995 (this "Amendment"), among PHILLIPS-VAN HEUSEN CORPORATION (the "Borrower"), the financial institutions party to the Credit Agreement referred to below (the "Banks"), and BANKERS TRUST COMPANY, as agent (in such capacity, the "Agent") for the Banks. 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 Banks and the Agent are parties to a Credit Agreement, dated as of December 16, 1993 (as modified, supplemented or amended prior to the date hereof, the "Credit Agreement");

WHEREAS, the Borrower is negotiating with Pyramid Sportswear AB (the "Company"), the Gant licensee in Europe, Japan and other countries outside the United States, to make an equity investment of up to $10 million for up to a 25% interest in the Company (or its controlling entity, Pyramid Partners AB);

WHEREAS, such equity investment is presently prohibited by Section 8.03 of the Credit Agreement, and the Borrower has requested that the Banks agree to amend the Credit Agreement to permit such investment;

WHEREAS, subject to the terms and conditions hereof, the Banks have agreed to amend the Credit Agreement as set forth herein to permit such investment;

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:

1. Section 8.03 of the Credit Agreement is hereby amended by (a) deleting the word "and" appearing at the end of clause (viii) thereof and (b) deleting clause (ix) thereof and inserting in lieu thereof the following clauses (ix) and (x):

"(ix) the Borrower and/or its Subsidiaries may make an equity investment of up to $10,000,000 for up to a 25% interest in Pyramid Sportswear AB (or its controlling entity,Pyramid Partners AB); and

(x) Investments not otherwise permitted by the foregoing clauses (i) through (ix) above, provided that the aggregate outstanding amount of Investments made pursuant to this clause (x) shall not exceed $5,000,000 at any time."

2. This Amendment shall become effective on the date (the "Amendment Effective Date") on which the Borrower and the Required Banks shall have executed and delivered a counterpart of this Amendment.

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:

THE FIRST NATIONAL BANK OF BOSTON

By
  Title:

CIBC, INC.

By
  Title:

UNION BANK

By
Title:

THIRD AMENDMENT

THIRD AMENDMENT, dated as of September 27, 1995 (this "Amendment"), among PHILLIPS-VAN HEUSEN CORPORATION (the "Borrower"), the financial institutions party to the Credit Agreement referred to below (the "Banks"), and BANKERS TRUST COMPANY, as agent (in such capacity, the "Agent") for the Banks. 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 Banks and the Agent are parties to a Credit Agreement, dated as of December 16, 1993 (as modified, supplemented or amended prior to the date hereof, the "Credit Agreement");

WHEREAS, subject to the terms and conditions hereof, the Banks and the Borrower have agreed 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:

1. The Credit Agreement is hereby amended by (a) deleting Section 8.05 thereof in its entirety and (b) inserting in lieu thereof the following new Section 8.05:

"8.05 Interest Coverage Ratio. The Borrower will not permit the ratio of (i) EBIT to (ii) Interest Charges for any period of four consecutive fiscal quarters of the Borrower (taken as one accounting period) ending during any fiscal year set forth below to be less than the ratio set forth opposite such fiscal year below:

Fiscal Year Ending on or about	Ratio
January 31, 1996	1.8:1.0
January 31, 1997	1.8:1.0
January 31, 1998	2.0:1.0
January 31, 1999 and thereafter	2.6:1.0"

2. Section 10 of the Credit Agreement is hereby amended by (a) deleting the definition of "EBIT" in its entirety and (b) inserting the following new definition in lieu thereof:

"EBIT" shall mean, for any period, the sum of (i) Consolidated Net Income of the Borrower for such period, (ii) provisions for taxes based on income or profits to the extent such income or profits were included in computing Consolidated Net Income and (iii) consolidated interest expense (including amortization of original issue discount and non-cash interest payments or accruals and the interest component of capitalized lease obligations), net of interest income theretofore deducted from earnings in computing Consolidated Net Income for such period; provided, however, that EBIT shall be determined without giving effect to the Borrower's $23,000,000 restructuring charge announced on September 14, 1995.

3. This Amendment shall become effective on the date (the "Amendment Effective Date") on which the Borrower and the Required Banks shall have executed and delivered a counterpart of this Amendment.

4. Except as expressly amended hereby, the terms

and conditions of the Credit Agreement shall remain unchanged and in full force and effect.

5. 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.

6. 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:

THE FIRST NATIONAL BANK OF BOSTON

By
  Title:

CIBC, INC.

By
  Title:

UNION BANK

By
  Title:

FOURTH AMENDMENT

FOURTH AMENDMENT, dated as of September 28, 1995 (this "Amendment"), among PHILLIPS-VAN HEUSEN CORPORATION (the "Borrower"), the financial institutions party to the Credit Agreement referred to below (the "Banks"), and BANKERS TRUST COMPANY, as agent (in such capacity, the "Agent") for the Banks. 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 Banks and the Agent are parties to a Credit Agreement, dated as of December 16, 1993 (as modified, supplemented or amended prior to the date hereof, the "Credit Agreement");

WHEREAS, subject to the terms and conditions hereof, the Banks and the Borrower have agreed 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:

1. Section 1.01(a) of the Credit Agreement is hereby amended by (a) deleting the last sentence thereof and (b) inserting in lieu thereof the following new sentence:

"Notwithstanding the foregoing, (1) the sum of (x) the aggregate outstanding principal amount of all Revolving Loans outstanding at any time, plus (y) the aggregate outstanding principal amount of all Competitive Bid Loans outstanding at such time, shall not exceed the Total Revolving Commitment, and (2) the sum of (x) the aggregate outstanding principal amount of all Revolving Loans outstanding at any time, plus (y) the aggregate outstanding principal amount of all Competitive Bid Loans outstanding at such time plus (z) the Letter of Credit Outstandings at such time, shall not exceed $400,000,000."

2. Section 1.01(b) of the Credit Agreement is hereby amended by (a) deleting the proviso contained in the first sentence thereof and (b) inserting in lieu thereof the following new proviso:

"provided that after giving effect to any Competitive Bid Borrowing and the use of the proceeds thereof, the aggregate outstanding principal amount of Competitive Bid Loans will not exceed any of the following: (x) $50,000,000, (y) when combined with the aggregate outstanding principal amount of all Revolving Loans then outstanding, the Total Revolving Commitment at such time or (z) when combined with the aggregate outstanding principal amount of all Revolving Loans then outstanding and the Letter of Credit Outstandings at such time, $400,000,000."

3. Section 2.01(b) of the Credit Agreement is hereby amended by (a) deleting clause (i) thereof in its entirety and (b) inserting in lieu thereof the following new clause (i):

"(i) no Letter of Credit shall be issued the Stated Amount of which, when added to the Letter of Credit Outstandings at such time, would exceed either (1) the Total Letter of Credit Commitment as in effect at such time or (2) when further added to the aggregate outstanding principal amount of all Revolving Loans and Competitive Bid Loans at such time, $400,000,000;".

4. Sections 3.01(a), (b) and (c) of the Credit Agreement are hereby amended to read in their entirety as

follows:

"(a) The Borrower agrees to pay the Agent a Commitment commission ("Commitment Commission") for the account of each Bank for the period from and including the Effective Date to and including the Maturity Date or, if earlier, the date upon which the Total Revolving Commitment has been terminated, computed at a rate for each day equal to 1/4 of 1% per annum on the daily average Revolving Commitment of such Bank. Such Commitment Commission shall be due and payable in arrears on the last Business Day of each January, April, July and October and on the date upon which the Total Revolving Commitment is terminated.

(b) The Borrower agrees to pay to the Agent a Letter of Credit Facility Fee (the "Letter of Credit Facility Fee") for the account of each Bank for the period from and including the Effective Date to and including the Maturity Date (or such earlier date as the Total Letter of Credit Commitment shall have been terminated) computed at a rate equal to 1/16 of 1% per annum on the lesser of (i) such Bank's Letter of Credit Percentage of $150,000,000 and (ii) such Bank's Letter of Credit Commitment. The Letter of Credit Facility Fee shall be due and payable in arrears on the last Business Day of each January, April, July and October and on the date upon which the Total Letter of Credit Commitment is terminated.

(c) The Borrower agrees to pay to the Agent for the account of the Banks pro rata on the basis of their respective Letter of Credit Percentages, (i) a fee in respect of each Standby Letter of Credit (the "Standby Letter of Credit Fee") for the period from and including the later of the Effective Date or the date of issuance thereof to and including the termination date thereof computed at a per annum rate for each day equal to the Applicable Letter of Credit Percentage in effect from time to time on the Stated Amount of such Standby Letter of Credit and (ii) a fee in respect of each Trade Letter of Credit (the "Trade Letter of Credit Fee," and together with the Standby Letter of Credit Fee, the "Letter of Credit Fees") for the period from and including the later of the Effective Date or the date of issuance thereof to and including the termination date thereof computed at a per annum rate for each day equal to 3/16 of 1% on the Stated Amount of such Trade Letter of Credit, provided that for each day on which the Letter of Credit Outstandings exceed $150,000,000, the Borrower shall pay an additional Letter of Credit Fee of 1/16 of 1% per annum on such excess. Such Letter of Credit Fees shall be due and payable quarterly in arrears on the 10th Business Day of each February, May, August and November of each year for the three-month period (or portion thereof) ending on and including the 25th day of the immediately preceding month (i.e., January, April, July and October) and on the date upon which the Total Letter of Credit Commitment is terminated."

5. Section 4.02(a) of the Credit Agreement is hereby amended to read in its entirety as follows:

"(a) If on any date the sum of the outstanding principal amount of Revolving Loans and Competitive Bid Loans (all the foregoing, collectively, the "Aggregate Loan Outstandings") exceeds the Total Revolving Commitment as then in effect, the Borrower shall repay on such date the principal of Revolving Loans, in an amount equal to such excess. In addition, if on any date the sum of the Aggregate Loan Outstandings plus the Letter of Credit Outstandings exceeds $400,000,000, the Borrower shall repay on such date the principal of Revolving Loans, in an amount equal to such excess. If, after giving effect to the prepayment of all outstanding Revolving Loans as set forth in either of the preceding sentences, the remaining Aggregate Loan Outstandings exceed the Total Revolving Commitment or the sum of the Aggregate Loan Outstandings plus the Letter of Credit Outstandings exceeds $400,000,000, as the case may be, the Borrower shall repay on such date the principal of Competitive Bid loans in an aggregate amount equal to such excess, provided that no Competitive Bid Loan shall be prepaid pursuant to this sentence unless the Bank that made same consents to such prepayment."

6. Section 10 of the Credit Agreement, and the definition of "Standby Letter of Credit" contained therein, is hereby amended by (a) deleting clause (i) of the proviso contained therein, and (b) inserting in lieu thereof the following new clause (i):

"(i) a letter of credit shall not be a Standby Letter of Credit if at the time of issuance of such letter of credit the Stated Amount of such letter of credit, when added to the Standby Letter of Credit Outstandings, would exceed either (x) $8,000,000, or (y) when added to the Trade Letter of Credit Outstandings at such time, the Total Letter of Credit Commitment, or (z) when added to the Trade Letter of Credit Outstandings at such time and the Aggregate Loan Outstandings at such time, $400,000,000 (the request by the Borrower for a Standby Letter of Credit to constitute a representation and warranty by the Borrower that such limits would not be exceeded after giving effect to the issuance of such Standby Letter of Credit),".

7. Section 10 of the Credit Agreement, and the definition of "Trade Letter of Credit" contained therein, is hereby amended by (a) deleting clause (i) of the proviso contained therein, and (b) inserting in lieu thereof the following new clause (i):

"(i) a letter of credit shall not be a Trade Letter of Credit if at the time of the issuance of such letter of credit the Stated Amount of such letter of credit, when added to (x) the Trade Letter of Credit Outstandings at such time and (y) the Standby Letter of Credit Outstandings at such time, would exceed either (1) the Total Letter of Credit Commitment at such time or (2) when further added to the Aggregate Loan Outstandings at such time, $400,000,000 (the request by the Borrower for a Trade Letter of Credit to constitute a representation and warranty by the Borrower that such limits would not be exceeded after giving effect to the issuance of such Trade Letter of Credit),".

8. Section 10 of the Credit Agreement is hereby further amended by (a) deleting the definitions of "Applicable CD Rate Margin," "Applicable Commitment Commission Percentage," "Applicable Eurodollar Margin," "Available Total Revolving Commitment," "Commitment," "Total Commitment" and "Unutilized Revolving Commitment," in their entirety, and (b) inserting the following new definitions in appropriate alphabetical order:

"Applicable CD Rate Margin" shall mean, at any time when the Credit Rating is at any level set forth below, a percentage equal to the number of basis points set forth below opposite such Credit Rating (with 100 basis points equalling 1.0%):

Credit Rating	Applicable CD Rate Margin
A-/A3	27.5
BBB+/Baa1	32.5
BBB/Baa2	37.5
BBB-/Baa3	47.5
BB+/Ba1 or lower	62.5

"Applicable Eurodollar Margin" shall mean, at any time when the Credit Rating of the Borrower is at any level set forth below, a percentage equal to the number of basis points set forth below opposite such Credit Rating (with 100 basis points equalling 1.0%):

Credit Rating	Applicable Eurodollar Margin
A-/A3	15
BBB+/Baa1	20
BBB/Baa2	25
BBB-/Baa3	35
BB+/Ba1 or lower	50

"Applicable Letter of Credit Percentage" shall mean, at any time when the Credit Rating is at any level set forth below, a percentage equal to the number of basis points set forth below opposite such Credit Rating (with 100 basis points equalling 1.0%):

Credit Rating	Applicable Letter of Credit Percentage
A-/A3	40
BBB+/Baa1	45
BBB/Baa2	50
BBB-/Baa3	60
BB+/Ba1 or lower	75

"Commitment" shall mean, for each Bank, at any time, the sum of such Bank's Revolving Commitment and such Bank's Letter of Credit Commitment; provided that pursuant to the terms of this Agreement, no Bank shall be required to make Revolving Loans and participate in Letters of Credit in an aggregate amount in excess of the amount set forth opposite the name of such Bank on Schedule I hereto under the heading "Commitment."

"Total Commitment" shall mean, at any time, the lesser of (i) the sum of the Commitments of each of the Banks at such time and (ii) $400,000,000."

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

10. This Amendment shall become effective on the date (the "Fourth Amendment Effective Date") on which the Borrower and the Required Banks shall have executed and delivered a counterpart of this Amendment.

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

12. 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.

13. 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:

THE FIRST NATIONAL BANK OF BOSTON

By
  Title:

CIBC, INC.

By
  Title:

UNION BANK

By
  Title:

SCHEDULE I

COMMITMENTS

Bank	Revolving Commitment	Letter of Credit Commitment	Commitment
BANKERS TRUST COMPANY	$ 37,500,000	$ 37,500,000	$60,000,000
THE BANK OF NEW YORK	$ 31,250,000	$ 31,250,000	$50,000,000
THE CHASE MANHATTAN BANK, N.A.	$ 31,250,000	$ 31,250,000	$50,000,000
CHEMICAL BANK	$ 31,250,000	$ 31,250,000	$50,000,000
CITIBANK, N.A.	$ 31,250,000	$ 31,250,000	$50,000,000
THE FIRST NATIONAL BANK OF BOSTON	$ 31,250,000	$ 31,250,000	$50,000,000
UNION BANK	$ 31,250,000	$ 31,250,000	$50,000,000
CIBC, INC.	$ 25,000,000	$ 25,000,000	$ 40,000,000
Total	$250,000,000*	$250,000,000*	$400,000,000*

_____

* Although the sum of the Total Revolving Commitment and the Total Letter of Credit Commitment equals $500,000,000, the Credit Agreement limits aggregate outstanding exposure to $400,000,000 and contains provisions ensuring that no Bank will have outstanding Revolving Loans plus participations in outstanding Letters of Credit in an aggregate amount in excess of its Commitment as provided in the third column above.

PHILLIPS-VAN HEUSEN CORPORATION

1987 STOCK OPTION PLAN
(Including all amendments
through June 13, 1995)

1. Purpose.

The purposes of the 1987 Stock Option Plan (the "Plan") are to induce certain individuals to remain in the employ, or to continue to serve as directors, of Phillips-Van Heusen Corporation (the "Company") and its present and future subsidiary corporations (each a "Subsidiary"), as defined in Section 424(f) of the Internal Revenue Code of 1986, as amended (the "Code"), to attract new individuals to enter into such employment and service and to encourage such individuals to secure or increase on reasonable terms their stock ownership in the Company. The Board of Directors of the Company (the "Board") believes that the granting of stock options (the "Options") under the Plan will promote continuity of management and increased incentive and personal interest in the welfare of the Company by those who are or may become primarily responsible for shaping and carrying out the long range plans of the Company and securing its continued growth and financial success. Options granted hereunder are intended to be either (a) "incentive stock options" (which term, when used herein, shall have the meaning ascribed thereto by the provisions of Section 422(b) of the Code) or (b) options which are not incentive stock options ("non-incentive stock options") or (c) a combination thereof, as determined by the Committee (the "Committee") referred to in Section 5 hereof at the time of the grant thereof.

2. Effective Date of the Plan.

The Plan became effective on April 2, 1987. The Plan was amended and restated effective as of January 3, 1991, and amended further as of April 4, 1991, February 4, 1993, March 30, 1993, September 9, 1993, April 18, 1995 and June 13, 1995.

3. Stock Subject to Plan.

3,150,000 (which number reflects all changes in the capitalization of the Company and amendments to the Plan through June 13, 1995) of the authorized but unissued shares of the common stock, $1.00 par value, of the Company (the "Common Stock") are hereby reserved for issue upon the exercise of Options granted 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 issue upon the exercise of Options. If any Options expire or terminate for any reason without having been exercised in full, the unpurchased shares subject thereto shall again be available for the purposes of the Plan.

4. Administration.

The Plan shall be administered by the Committee referred to in Section 5 hereof. 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 terms and provisions of the respective option agreements or certificates (which need not be identical), to determine the individuals (each a "Participant") to whom and the times and the prices at which Options shall be granted, the periods during which each Option shall be exercisable, the number of shares of the Common Stock to be subject to each Option and whether such Option shall be an incentive stock option or a non-incentive stock option 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 employees, their present and potential contributions to the success of the Company and the 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 4 shall be conclusive. Any dispute or disagreement which may arise under or as a result of or with respect to any Option shall be determined by the Committee, in its sole discretion, and any interpretations by the Committee of the terms of any Option shall be final, binding and conclusive.

5. Committee.

The Committee 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 Securities Exchange Act of 1934, as amended (the "Exchange Act"), and both or all of whom shall be "outside directors" within the contemplation of Section 162(m)(4)(C)(i) of the Code. The President of the Company shall also be a member of the Committee, ex-officio, whether or not he is otherwise eligible to be a member of the Committee. 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 to 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 except that the Committee may delegate to any one of its members the authority of the Committee with respect to the grant of Options to persons who shall not be officers and/or directors of the Company and who are not, and in the judgment of the Committee may not be reasonably expected to become, a "covered employee" within the meaning of Section 162(m)(3) of the Code. Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee (or by the member of the Committee to whom authority has been delegated) shall be fully as effective as if it had been made at a meeting duly called and held.

6. Eligibility.

An Option may be granted only to a key employee of the Company or a Subsidiary. A director of the Company or a Subsidiary who is not an employee of the Company or a Subsidiary shall be eligible to receive an Option, but only as provided in Section 21 hereof.

7. Option Prices.

A. The initial per share option price of any Option which is an incentive stock option shall be the price determined by the Committee, but not less than the fair market value of a share of the Common Stock on the date of grant; provided, however, that, in the case of a Participant who owns more than 10% of the total combined voting power of the Common Stock at the time an Option which is an incentive stock option is granted to him, the initial per share option price shall not be less than 110% of the fair market value of a share of the Common Stock on the date of grant.

B. The initial per share option price of any Option which is a non-incentive stock option shall not be less than 85% of the fair market value of a share of the Common Stock on the date of the grant; provided, however, that, in the case of a non-incentive stock option granted to a person who is, or in the judgment of the Committee may reasonably be expected to become, a

"covered employee" within the meaning of Section 162(m)(3) of the Code, the initial per share option price shall not be less than the fair market value of a share of the Common Stock on the date of grant.

C. For all purposes of the Plan, 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 the business day preceding such date or (ii) if there is no sale of the Common Stock on such Exchange on such business day, the average of the bid and asked prices on such Exchange at the close of the market on such business day.

8. Option Term.

Participants shall be granted Options for such term as the Committee shall determine, not in excess of ten years from the date of the granting thereof; provided, however, that, in the case of a Participant who owns more than 10% of the total combined voting power of the Common Stock at the time an Option which is an incentive stock option is granted to him, the term with respect to such Option shall not be in excess of five years from the date of the granting thereof.

9. Limitations on Amount of Options Granted.

A. The aggregate fair market value of the shares of the

Common Stock for which any Participant may be granted incentive stock options which are exercisable for the first time in any calendar year (whether under the terms of the Plan or any other stock option plan of the Company) shall not exceed $100,000.

B. No Participant shall, during any fiscal year of the Company, be granted Options to purchase more than 100,000 shares of the Common Stock (or, in the case of the fiscal year of the Company ending in January, 1994, 250,000 shares of the Common Stock).

10. Exercise of Options.

A. A Participant may not exercise an Option during the period commencing on the date of the granting of such Option to him and ending on the day next preceding the third anniversary of such date. A Participant may (i) during the period commencing on the third anniversary of the date of the granting of an Option to him and ending on the day next preceding the fourth anniversary of such date, exercise such Option with respect to one-third of the shares granted thereby, (ii) during the period commencing on such fourth anniversary and ending on the day next preceding the fifth anniversary of the date of the granting of such Option, exercise such Option with respect to two-thirds of the shares granted thereby, and (iii) during the period commencing on such

fifth anniversary, exercise such Option with respect to all of the shares granted thereby.

B. Except as hereinbefore otherwise set forth, an Option may be exercised either in whole at any time or in part from time to time.

C. An Option may be exercised only by a written notice of intent to exercise such Option with respect to a specific number of shares of the Common Stock and payment to the Company of the amount of the option price for the number of shares of the Common Stock so specified; provided, however, that, if the Committee shall in its sole discretion so determine at the time of the grant of any Option, 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 equal to the portion of the option price so paid; provided, further, however, that, subject to the requirements of Regulation T (as in effect from time to time) promulgated under the Exchange Act, the Committee may implement procedures to allow a broker chosen by a Participant to make payment of all or any portion of the option price payable upon the exercise of an Option and receive, on behalf of such Participant, all or any portion of the shares of the Common Stock issuable upon such exercise.

D. The Board may, in its discretion, permit any Option to be exercised, in whole or in part, prior to the time when it would otherwise be exercisable.

E. I. Notwithstanding the provisions of paragraph A of this Section 10, in the event that a Change in Control shall occur, then, each Option theretofore granted to any Participant which shall not have theretofore expired or otherwise been cancelled or become unexercisable shall become immediately exercisable in full. For the purposes of this paragraph E, a "Change in Control" shall be deemed to occur upon (a) 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, (b) 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, (c) 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 (d) 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. For the purposes of this division I, (1) the term "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, (2) the term "Person" shall mean any individual, partnership, firm, trust, corporation or other similar entity and (3) 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".

II. In the event that a Change of Control shall occur, then, from and after the time of such event, neither the provisions of this paragraph E nor any of the rights of any Participant thereunder shall be modified or amended in any way.

III. The provisions of this Section 10E shall only apply to Options granted under the Plan on or subsequent to June 13, 1995. Options granted prior to such date shall be governed by the provisions of the Plan as in effect on the date of the grant thereof.

11. Transferability.

No Option shall be assignable or transferable except by will and/or by the laws of descent and distribution and, during the life of any Participant, each Option granted to him may be exercised only by him.

12. Termination of Employment.

In the event a Participant leaves the employ of the Company and the Subsidiaries, whether voluntarily or otherwise but other than by reason of his death or retirement, each Option theretofore granted to him which shall not have theretofore expired or otherwise been cancelled shall, to the extent not theretofore exercised, terminate upon the earlier to occur of the expiration of 30 days after the date of such Participant's termination of employment and the date of termination specified in such Option. Notwithstanding the foregoing, if a Participant is terminated for cause (as defined herein), each Option theretofore granted to him which shall not have theretofore expired or otherwise been cancelled shall, to the extent not theretofore exercised,

terminate forthwith. For purposes of the foregoing, the term "cause" shall mean: (i) the commission by the Participant of any act or omission that would constitute a crime under federal, state or equivalent foreign law, (ii) the commission by the 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 to the Company and/or the Subsidiaries, or (iv) continued alcohol or other substance abuse that renders the Participant incapable of performing his material duties to the satisfaction of the Company and/or the Subsidiaries. In the event a Participant leaves the employ of the Company and the Subsidiaries by reason of his retirement, each Option theretofore granted to him which shall not have theretofore expired or otherwise been cancelled shall become immediately exercisable in full and shall, to the extent not theretofore exercised, terminate upon the earlier to occur of the expiration of three months after the date of such retirement and the date of termination specified in such Option. In the event a Participant's employment with the Company and the Subsidiaries terminates by reason of his death, each Option theretofore granted to him which shall not have theretofore expired or otherwise been cancelled shall become immediately exercisable in full and shall, to the extent not theretofore exercised, terminate upon the earlier to occur of the expiration of three months after the date of the qualification of a representative of his estate and the date of termination specified in such Option.

13. 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 Option and the number of shares of the Common Stock reserved for issuance in accordance with the provisions of the Plan but not yet covered by an Option and the number of shares set forth in Section 9B hereof shall be adjusted by adding to each 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 any Option and for each share of the Common Stock reserved for issuance in accordance with the provisions of the Plan but not yet covered by an Option and for each share of the Common Stock referred to in Section 9B hereof, 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 13, 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 any Option and the number or kind of shares reserved for issuance in accordance with the provisions of the Plan but not yet covered by an Option and the number or kind of shares referred to in Section 9B hereof, such adjustment shall be made by the Committee and shall be effective and binding for all purposes of the Plan and of each stock option agreement or certificate entered into in accordance with the provisions of the Plan. In the case of any substitution or adjustment in accordance with the provisions of this Section 13, the option price in each stock option agreement or certificate for each share covered thereby prior to such substitution or adjustment shall be the option price for all shares of stock or other securities which shall have been substituted for such share or to which such share shall have been adjusted in accordance with the provisions of this Section 13. No adjustment or substitution provided for in this Section 13 shall require the Company to sell a fractional share under any stock option agreement or certificate. 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 13, each Option, to the extent not theretofore exercised, shall terminate forthwith.

14. Purchase for Investment, Withholding and Waivers.

Unless the shares to be issued upon the exercise of an Option by a Participant shall be registered prior to the issuance thereof under the Securities Act of 1933, as amended, such Participant will, as a condition of the Company's obligation to issue such shares, be required to 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 the event of the death of a Participant, a condition of exercising any Option shall be the delivery to the Company of such tax waivers and other documents as the Committee shall determine. In the case of each non-incentive stock option, a condition of exercising the same shall be the entry by the person exercising the same into such arrangements with the Company with respect to withholding as the Committee may determine.

15. No Stockholder Status.

Neither any Participant nor his legal representatives, legatees or distributees shall be or be deemed to be the holder

of any share of the Common Stock covered by an Option unless and until a certificate for such share has been issued. Upon payment of the purchase price thereof, a share issued upon exercise of an Option shall be fully paid and non-assessable.

16. No Restrictions on Corporate Acts.

Neither the existence of the Plan nor any Option shall in any way affect 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.

17. Declining Market Price.

In the event the fair market value of the Common Stock declines below the option price set forth in any Option, the Committee may, at any time, adjust, reduce, cancel and re-grant any unexercised Option or take any similar action it deems to be for the benefit of the Participant in light of the declining fair market value of the Common Stock; provided, however, that none of

the foregoing actions may be taken without the prior approval of the Board.

18. No Employment Right.

Neither the existence of the Plan nor the grant of any Option shall require the Company or any Subsidiary to continue any Participant in the employ of the Company or such Subsidiary.

19. 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 as to which Options may be granted under the Plan (as adjusted in accordance with the provisions of Section 13 hereof), or change the manner of determining the option prices, or extend the period during which an Option may be granted or exercised. Except as otherwise provided in Section 13 hereof, no termination or amendment of the Plan may, without the consent of the Participant to whom any Option shall theretofore have been granted, adversely affect the rights of such Participant under such Option.

20. Expiration and Termination of the Plan.

The Plan shall terminate on April 1, 1997 or at such earlier time as the Board may determine. Options may be granted under the Plan at any time and from time to time prior to its termination. Any Option outstanding under the Plan at the time of the termination of the Plan shall remain in effect until such Option shall have been exercised or shall have expired in accordance with its terms.

21. Options for Outside Directors.

A. A director of the Company who is not an employee of the Company or a Subsidiary (an "Outside Director") shall be eligible to receive an Option. Except as otherwise provided in this Section 21, each such Option shall be subject to all of the terms and conditions of the Plan.

B. I. At the first meeting of the Board immediately following each Annual Meeting of the Stockholders of the Company, each Outside Director shall be granted an Option, which shall be a non-incentive stock option, to purchase the number (calculated to the nearest 100 shares) of shares of the Common Stock derived by dividing $50,000 by the fair market value (as defined in Section 7C hereof) of a share of the Common Stock on the date of grant.

II. The initial per share option price of each Option granted to an Outside Director shall be equal to the fair market value of a share of the Common Stock on the date of grant.

III. The term of each Option granted to an Outside Director shall be ten years from the date of the granting thereof.

IV. All or any portion of the payment required upon the exercise of an Option granted to an Outside Director may be made in kind by the delivery of shares of the Common Stock having a fair market value equal to the portion of the option price so paid.

C. I. The provisions of Section 12 hereof shall not be applicable to any Option granted to an Outside Director.

II. In the event an Outside Director ceases to be an Outside Director prior to his 65th birthday, whether voluntarily or otherwise but other than by reason of his death, each Option theretofore granted to him which shall not have theretofore expired or otherwise been cancelled shall, to the extent not theretofore exercised, terminate forthwith.

III. In the event an Outside Director ceases to be an Outside Director after his 65th birthday other than by reason of his death, each Option theretofore granted to him which shall not have theretofore expired or otherwise been cancelled shall become immediately exercisable in full and shall, to the extent not

theretofore exercised, terminate upon the earlier to occur of the expiration of three months after the date on which he shall cease to be an Outside Director and the date of termination specified in such Option.

IV. In the event of the death of an Outside Director, each Option theretofore granted to him which shall not have theretofore expired or otherwise been cancelled shall become immediately exercisable in full and shall, to the extent not theretofore exercised, terminate upon the earlier to occur of the expiration of three months after the date of the qualification of a representative of his estate and the date of termination specified in such Option.

D. The provisions of this Section 21 may not be amended except by the vote of a majority of the members of the Board and by the vote of a majority of the members of the Board who are not Outside Directors and the provisions of this Section 21 shall not be amended more than once every six months, other than to comport with changes in the Code, the Employee Retirement Income Security Act of 1974 or the regulations or rules thereunder.

PHILLIPS-VAN HEUSEN CORPORATION
SPECIAL SEVERANCE BENEFIT PLAN
Amended and Restated as of June 13, 1995

1. PURPOSE.

The Plan is intended to induce the Participants to remain in the employ of the Company, notwithstanding any possible concern on their behalf as to the security of their employment with the Company in the event of a Change in Control, and to provide special benefits in recognition of the valuable services heretofore rendered by the Participants to the Company and in consideration of the Participants' remaining in the employ of the Company pursuant to a written contract or the terms of the Plan.

2. DEFINITIONS.

Affiliate - 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.

Board - The Board of Directors of PVH.

Change in Control - A Change in Control shall be deemed to occur upon (i) the election of one of more individuals to the Board which election results in one-third of the directors of PVH consisting of individuals who have not been directors of PVH for at least two years, unless such individuals have been elected as directors or nominated for election as directors by three-fourths of the directors of PVH who have been directors of PVH for at least two years; (ii) the sale by PVH of all or substantially all of its assets to any Person, the consolidation of PVH with any Person, the merger of PVH with any Person as a result of which merger PVH is not the surviving entity as a publicly held corporation; (iii) the sale or transfer of shares of PVH by PVH 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 PVH 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 PVH who have been directors of PVH for at least two years; or (iv) the sale or transfer of shares of PVH by PVH 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 PVH having voting power for the election of directors. Nothing contained in this definition shall limit or restrict the right of any director who is a Participant from participating in any discussions or voting on any matter referred to in this definition at any meeting of the Board.

Code - The Internal Revenue Code of 1986 as in effect at the time with respect to which such term is used.

Company - PVH and all of the Subsidiaries.

Discharge for Cause - Discharge for Cause shall be deemed to occur only upon a good faith determination by the Board that the termination of the employment by the Company of a Participant is necessary by reason of (i) the commission by such Participant of any act which, if successfully prosecuted by the appropriate authorities, would constitute a felony under state or federal law; (ii) such Participant's embezzlement or intentional misappropriation of any property of the Company; or (iii) such Participant's having divulged, furnished or made accessible to anyone other than the Company, its directors, officers, employees, auditors and legal advisors, otherwise than in the regular course of the business of the Company, any confidential knowledge or information relating to the customers, employees, operations, financial condition, revenues or projections of the Company, other than information in the public domain which has not been improperly disclosed by such Participant. Such determination by the Board may be made only after reasonable written notice to such Participant from a member of the Board setting forth details of the allegations which may constitute Discharge for Cause and after an opportunity for such Participant, together with his counsel, to be heard by the Board.

Effective Marginal Tax Rate - The percentage equal to (i) the product of 1.03 and the highest tax rate set forth in section 1(a) of the Code (currently 39.6%), plus (ii) the highest combined marginal state and local income tax rate to which the Participant with respect to whom such term is used shall be subject with respect to compensation income, minus (iii) the product of the tax rate set forth in clause (i) above and the tax rate set forth in clause (ii) above, plus (iv) the highest tax rate set forth in section 3111(b)(6) of the Code (currently 1.45%), plus (v) the highest tax rate set forth in section 4999(a) of the Code (currently 20%).

Parachute Indemnity Amount - The amount determined with respect to a Participant as follows:

(i) There shall first be determined, after giving effect to the payment of such Participant's Primary Benefit but not to such Participant's Secondary Benefit, the aggregate of such Participant's "excess parachute" payments within the contemplation of section 280G(b)(1) of the Code.

(ii) There shall then be determined the amount of the aggregate taxes imposed upon such "excess parachute payments" by the provisions of section 4999(a) of the Code.

(iii) The amount determined in accordance with the provisions of clause (ii) shall then be multiplied by the fraction the numerator of which shall be one and the denominator of which shall be one minus such Participant's Effective Marginal Tax Rate with respect to the calendar year in which his employment by the Company shall terminate and such product shall be such Participant's Parachute Indemnity Amount.

Participant - Each person designated by the Compensation Committee of the Board who shall be an officer of PVH, an officer of any of the Subsidiaries or any other key employee of the Company. Any Participant who shall be a Participant at the time of a Change in Control shall remain a Participant until the earlier to occur of the expiration of two years following a Change in Control or the termination of such Participant's employment with the Company.

Person - An individual, partnership, firm, trust, corporation or other similar entity. 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 PVH, such partnership, limited partnership, syndicate or group shall be deemed a "Person" for the purposes of the Plan.

Plan - The Phillips-Van Heusen Corporation Special Severance Benefit Plan.

Primary Benefit - Shall have the meaning accorded thereto in Section 5.

PVH - Phillips-Van Heusen Corporation, a Delaware corporation.

Secondary Benefit - Shall have the meaning accorded thereto in Section 5.

Subsidiary - Any Person of which a majority of the capital stock having voting power for the election of directors or other governing board is owned by PVH and/or one or more of the Subsidiaries.

Any term used in the Plan in the masculine gender shall include the feminine gender.

3. EMPLOYMENT COMMITMENT.

An employee of the Company shall not be designated as a Participant unless (a) such employee enters into an agreement with PVH or a Subsidiary that he will remain in the service of PVH or such Subsidiary for a period, subject to the terms of the Plan, of at least one year from the date of such agreement or (b) such employee is a party to a written contract of employment with PVH

or a Subsidiary for a term extending at least one year from the date he is designated as a Participant. Such agreement may provide that the employee shall serve at the pleasure of PVH or such Subsidiary, and at such compensation as PVH or such Subsidiary shall reasonably determine from time to time, but not less than his compensation as in effect on the date of such agreement. Such agreement may also provide that it does not confer upon the employee any right to continue in the employ of PVH or such Subsidiary and that it does not interfere in any way with the right of PVH or such Subsidiary to terminate the employment of the employee at any time.

4. RIGHT TO TERMINATE EMPLOYMENT.

Notwithstanding the provisions of any agreement to the contrary, including without limitation an agreement required pursuant to Section 3, in the event of a Change in Control, each Participant shall have the right to terminate voluntarily his employment with the Company, with or without reason, within two years after the occurrence of such Change in Control by giving written notice of termination to PVH.

5. SPECIAL SEVERANCE BENEFITS.

Upon the voluntary termination of employment with the Company by any Participant within two years after the occurrence of a Change in Control, or upon the involuntary termination of employment with the Company of any Participant for any reason other than death or Discharge for Cause within two years after

the occurrence of a Change in Control, PVH, or the consolidated, surviving or transferee Person in the event of a consolidation, merger or sale of assets, shall pay to such Participant, in a lump sum immediately subsequent to the date of such termination, in addition to any compensation otherwise owed to such Participant at the time of such termination (under any contract, other plan or otherwise), (a) an amount (the "Primary Benefit") equal to the product of (i) three and (ii) the average annual cash compensation, including salary and bonuses, paid to and/or accrued with respect to such Participant during the two-year period preceding the date of such termination, or such portion of said period as such Participant shall have been employed by the Company, and (b) an amount (the "Secondary Benefit) equal to such Participant's Parachute Indemnity Amount; provided, however, that at the time of the designation of any employee of the Company as a Participant, the Compensation Committee may, in its sole and absolute discretion, by written notice to such Participant, reduce the Primary Benefit with respect to such Participant and thereafter from time to time the Compensation Committee may, in its sole and absolute discretion, by written notice to such Participant, increase the Primary Benefit, but in no event to an amount greater than the Primary Benefit provided for in this Section; provided, further, that at the time an employee of the Company shall be designated as a Participant, the Compensation Committee may, in its sole and absolute discretion, by written notice to such Participant, provide that, if such Participant

shall have been an employee of the Company for less than two years preceding the date of his termination, the Primary Benefit with respect to such Participant shall be the product of (I) three and (II) such amount as such Participant would have received had he served the Company for at least two years, using such assumptions as to total cash compensation that would have been paid to and/or accrued with respect to such Participant during such two years as the Compensation Committee may provide, or such lesser amount as the Compensation Committee may determine. Upon the voluntary termination of employment with the Company by any Participant within two years after the occurrence of a Change in Control, or upon the involuntary termination of employment with the Company of any Participant for any reason other than death or Discharge for Cause within two years after the occurrence of a Change in Control, PVH, or the consolidated, surviving or transferee Person in the event of a consolidation, merger or sale of assets, shall also provide, for the period of three years commencing on such termination of employment, medical, dental, life and disability insurance coverage for such Participant and the members of his family which is not less favorable to such Participant than the group medical, dental, life and disability insurance coverage carried by the Company for such Participant and the members of his family either immediately prior to such termination of employment or on the occurrence of such Change in Control, whichever is greater; provided, however, that the obligations set forth in this sentence shall terminate

to the extent such Participant obtains comparable medical, dental, life and disability insurance coverage from any other employer during such three-year period, but such Participant shall not have any obligation to seek or accept employment during such three-year period, whether or not any such employment would provide comparable medical, dental, life and disability insurance coverage. All payments made under the Plan to any Participant shall be subject to withholding and to such other deductions as shall at the time of such payment be required under any income tax or other law, whether of the United States or any other jurisdiction.

6. ADMINISTRATION.

The Plan shall be administered by the Compensation Committee appointed by the Board, which Committee shall consist of three or more individuals who shall serve at the pleasure of the Board. Subject to the provisions of the Plan, the Compensation Committee shall have the authority to interpret the Plan and to prescribe, amend and rescind rules and regulations relating to it. Any determination by the Compensation Committee in carrying out, administering or construing the Plan (including without limitation the designation of an individual as a Participant) made prior to a Change in Control shall be final and binding for all purposes upon PVH and all other interested Persons and their heirs, successors and personal representatives. The Board may from time to time appoint members of the Compensation Committee

in substitution for or in addition to members previously appointed and may fill vacancies, however caused, in the Compensation Committee. The Board shall elect one of the Compensation Committee's members as its Chairman and the Compensation Committee shall hold its meetings at such times and places as it shall deem advisable. A majority of the members of the Compensation Committee shall constitute a quorum. All action by the Compensation Committee shall be taken by a majority of its members present at a meeting. Any action may be taken by a written instrument signed by a majority of the members of the Compensation Committee and action so taken shall be fully effective as if it had been taken by a vote of a majority of the members at a meeting duly called and held. The Board may appoint a Secretary for the Compensation Committee (who, if no other designation shall be made, shall be the Secretary of PVH) and the Compensation Committee shall keep minutes of its meetings and shall make rules and regulations for the conduct of its business as it shall deem advisable.

7. COSTS OF ENFORCEMENT.

In the event that, subsequent to a Change in Control, any Participant incurs any costs or expenses, including attorneys fees, in the enforcement of his rights under the Plan, then, unless PVH, or the consolidated, surviving or transferee Person in the event of a consolidation, merger or sale of assets, is wholly successful in defending against the enforcement of such

rights, PVH, or such consolidated, surviving or transferee Person, shall promptly pay to such Participant all such costs and expenses.

8. AMENDMENT OR TERMINATION.

The Board may amend or terminate the Plan in whole or in part at any time upon notice to all of the Participants; provided, however, that, subsequent to a Change in Control or during the period of 90 days prior to a Change in Control, no such amendment which could adversely affect the rights of any Participant nor any termination shall become effective until the expiration of two years following a Change in Control.

9. NOTICES.

Any notice or other communication pursuant to the Plan intended for a Participant shall be deemed given when personally delivered to such Participant or sent to such Participant by registered or certified mail, return receipt requested, at such Participant's address as it appears on the records of the Company, or at such other address as such Participant shall have specified by notice to PVH in the manner herein provided. Any notice or other communication pursuant to the Plan intended for PVH shall be deemed given when personally delivered to the Secretary of PVH or sent to PVH by registered or certified mail, return receipt requested, attention of its Secretary, at 1290 Avenue of the Americas, New York, New York 10104, or at such

other address as PVH shall have specified by notice to the Participants in the manner herein provided.

10. GOVERNING LAW.

The Plan shall be governed by the laws of the State of New York.

Phillips-Van Heusen Letterhead

Dear :

We refer to that certain agreement, dated , by and between you and us which provides you with a target monthly benefit of $ under our so-called "Capital Accumulation Plan". This letter, when accepted by you, will constitute an amendment of such agreement to the extent set forth herein:

1. Part A of Article THIRD of said agreement is hereby amended to read as follows:

A. The term "Acceleration Event" shall mean a Change in Control.

2. Part D of Article THIRD of said agreement (the definition of a "Change in Chief Executive Officer") is hereby deleted.

3. Part E of Article THIRD of said agreement (the definition of "Change in Control") is hereby amended by deleting the proviso at the end thereof.

4. Part M of Article THIRD of said agreement (the definition of "Phillips Family") is hereby deleted.

5. Except as hereby expressly amended and modified, the provisions of said 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.

Very truly yours,

PHILLIPS-VAN HEUSEN CORPORATION

By:

ACCEPTED AND AGREED TO: