SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 10-K

FOR ANNUAL AND TRANSITION REPORTS PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

(MARK ONE)

(X) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED FEBRUARY 2, 2003

OR

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

COMMISSION FILE NUMBER
0-50186

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

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

200 MADISON AVENUE
NEW YORK, NEW YORK 10016
(Address of principal executive offices)

212-381-3500
(Registrant's telephone number)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
COMMON STOCK, $1.00 PAR VALUE	NEW YORK STOCK EXCHANGE
PREFERRED STOCK PURCHASE RIGHTS	NEW YORK STOCK EXCHANGE

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: NONE

Indicate by check mark whether registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for at least 90 days.

Yes X No
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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.
(X)

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2).

Yes X No
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The aggregate market value of the registrant's voting stock held by nonaffiliates of the registrant (assuming, for purposes of this calculation only, that the registrant's directors, executive officers and greater than 10% shareholders are affiliates of the registrant) based upon the closing sale price of the registrants common stock on April 15, 2003 was $320,590,069.

Number of shares of Common Stock outstanding as of April 15, 2003: 30,324,716.

DOCUMENTS INCORPORATED BY REFERENCE

DOCUMENT	LOCATION IN FORM 10-K IN WHICH INCORPORATED
REGISTRANT'S PROXY STATEMENT FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JUNE 10, 2003	PART III

* * *

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

Forward-looking statements in this Annual Report on Form 10-K, including, without limitation, statements relating to our plans, strategies, objectives, expectations and intentions, are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy, and some of which might not be anticipated, including, without limitation, the following: (1) our plans, strategies, objectives, expectations and intentions are subject to change at any time at our discretion; (2) the levels of sales of our apparel and footwear products, both to our wholesale customers and in our retail stores, and the levels of sales of our licensees at wholesale and retail, and the extent of discounts and promotional pricing in which we and our licensees are required to engage, all of which can be affected by weather conditions, changes in the economy, fuel prices, reductions in travel, fashion trends and other factors; (3) our plans and results of operations will be affected by our ability to manage our growth and inventory, including our ability to realize revenue growth, cost savings or synergies from integrating, developing and growing Calvin Klein; (4) our operations and results of operations could be affected by quota restrictions (which, among other things, could limit our ability to produce products in cost-effective countries that have the labor and technical expertise needed), the availability and cost of raw materials (particularly petroleum-based synthetic fabrics, which are currently in high demand), our ability to adjust timely to changes in trade regulations and the migration and development of manufacturers (which can affect where our products can best be produced), and civil conflict, war or terrorist acts, the threat of any of the foregoing or political and labor instability in the United States or any of the countries where our products are or are planned to be produced; (5) acquisitions and issues arising with acquisitions and proposed transactions, including without limitation, the ability to integrate an acquired entity into us with no substantial adverse effect on the acquired entity's or our existing operations, employee relationships, vendor relationships, customer relationships or financial performance and (6) other risks and uncertainties indicated from time to time in our filings with the Securities and Exchange Commission. See "BUSINESS - RISK FACTORS."

We do not undertake any obligation to update publicly any forward-looking statement, including, without limitation, any estimate regarding revenues or earnings, whether as a result of the receipt of new information, future events or otherwise.

PART I

ITEM 1. BUSINESS

Unless the context otherwise requires, the terms "we," "our" or "us" refer to Phillips-Van Heusen Corporation and its subsidiaries taken as a whole. Our fiscal years are based on the 52-53 week period ending on the Sunday closest to February 1, and are designated by the calendar year in which the fiscal year commences. We derive market share data information used herein from various industry sources. References to the brand names Calvin Klein, CK, cK Calvin Klein, Van Heusen, Izod, Izod Club, Bass, G.H. Bass & Co., Geoffrey Beene, Arrow, DKNY, Kenneth Cole New York and Reaction by Kenneth Cole and to other brand names in this report are to registered trademarks owned by us or licensed to us by the owner. References to our acquisition of Calvin Klein refer to our February 2003 acquisition of Calvin Klein, Inc., Calvin Klein (Europe), Inc., Calvin Klein (Europe II) Corp., Calvin Klein Europe S.r.l. and CK Service Corp., which companies we refer to collectively as "Calvin Klein."

OVERVIEW

We are one of the largest apparel and footwear companies in the world, with a heritage dating back over 120 years. We design and market nationally recognized branded dress shirts, sportswear and footwear. We believe we market one in three of the dress shirts sold in the United States and have a leading position in men's sportswear tops and men's casual footwear. Our portfolio of brands includes our own brands, Van Heusen, Bass, and IZOD, and our licensed brands, Geoffrey Beene, Arrow, DKNY, Kenneth Cole New York and Reaction by Kenneth Cole. We recently acquired Calvin Klein, a leading lifestyle design and marketing company, whose brands enjoy high global recognition.

We design, source and market substantially all of our products on a brand-by-brand basis targeting distinct consumer demographics and lifestyles. We market our brands at multiple price points and across multiple channels of distribution. This allows us to provide products to a broad range of consumers, while minimizing competition among our brands and reducing our reliance on any one demographic group, merchandise preference or distribution channel. Currently, our products are distributed at wholesale through more than 10,000 doors in national and regional department, mid-tier department, mass market, specialty and independent stores in the United States. We also leverage our apparel design and sourcing expertise by offering private label programs to retailers. Our wholesale business represents our core business and we believe that it is the basis for our brand equity. As a profitable complement to our wholesale business, we also market our products directly to consumers through our Van Heusen, IZOD, Geoffrey Beene and Bass retail stores, primarily located in outlet malls throughout the United States.

We were incorporated in the State of Delaware in 1976 as the successor to a business begun in 1881, and, with respect to our footwear group, to G.H. Bass & Co., a business begun in 1876. Our principal executive offices are located at 200 Madison Avenue, New York, New York 10016; our telephone number is (212) 381-3500.

We make available, at no cost, on or through our corporate website our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we have electronically filed such material with the Securities and Exchange Commission. Our corporate website address is www.pvh.com.

THE CALVIN KLEIN ACQUISITION

On February 12, 2003, we acquired Calvin Klein. Over the past 30 years, we believe Calvin Klein has become one of the best known designer names in the world. We believe that the Calvin Klein brands - Calvin Klein, cK and cK Calvin Klein - complement our existing portfolio of brands by providing us with the opportunity to market products at higher price points, in higher-end distribution channels and to different consumer groups than our existing product offerings. Although the Calvin Klein brand is well established and enjoys 96% brand awareness among consumers worldwide, there are numerous product areas in which no products, or only a limited number of products, are offered under any Calvin Klein label, including men's and women's better sportswear, footwear and certain accessories. We believe our expertise in brand management, product design, sourcing and other logistics provides us with the ability to successfully expand product offerings and distribution under the Calvin Klein brands while preserving the brands' prestige and global presence. As a result, we believe we have the opportunity to realize sales growth and enhanced profitability.

Worldwide retail sales of products sold under the Calvin Klein brands exceeded $3 billion in calendar 2002. These products are sold primarily under licenses and other arrangements and include jeans, underwear, fragrances, eyewear, men's tailored clothing, ties, shoes, hosiery, socks, swimwear, watches, coats, leather goods, table top and soft home furnishings and accessories. Calvin Klein also designs, manufactures and markets high-end ready-to-wear collection apparel and accessories for men and women under the Calvin Klein brand. We believe these collections are an important factor in maintaining the Calvin Klein image. The collection apparel and accessories are sold to a limited number of high-end department stores and independent boutiques throughout the world and through three company-operated stores located in New York City, Dallas and Paris. We have recently entered into an agreement to license the existing collection apparel businesses to Vestimenta, S.p.A., one of the world's leading manufacturers and distributors of women's and men's high-end ready-to-wear apparel, commencing with the spring 2004 collection. During the period prior to our license of the businesses, we will transfer the operations of the businesses to Vestimenta. Calvin Klein controls all design operations and product development for most of its licensees and all of its collection apparel, which it will continue to do under its agreement with Vestimenta. Calvin Klein oversees a worldwide marketing and advertising budget of over $200 million, the majority of which is funded by its licensees. We believe that maintaining control over design and advertising through Calvin Klein's dedicated in-house teams plays a key role in the continued strength of the Calvin Klein brands. We believe that Calvin Klein's corporate overhead and back office expenses are significantly higher than required by the size and needs of its business. We intend to significantly reduce these costs and integrate many Calvin Klein overhead functions with our current operations, thereby increasing the cash flow and profitability of Calvin Klein. It is not our intention to reduce the in-house marketing and advertising and design divisions of Calvin Klein.

OUR BUSINESS

Our business includes the design, sourcing and marketing of a varied selection of branded and private label dress shirts, sportswear and footwear as well as the licensing of our brands for an assortment of products. Our business is currently reported in two segments: Apparel, and Footwear and Related Products. The Apparel segment is operated in two groups: dress shirts and sportswear. Sales of our products are made principally in the United States. See "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Segment Data" in the Notes to Consolidated Financial Statements included in "Item 15 - Exhibits, Financial Statement Schedules and

Reports on Form 8-K" for information regarding the revenues, profits and total assets attributable to the Apparel and Footwear and Related Products segments.

APPAREL

DRESS SHIRTS

We market our dress shirts principally under the Van Heusen, Arrow, IZOD, Geoffrey Beene, cK Calvin Klein, Kenneth Cole New York, Reaction by Kenneth Cole and DKNY brands.

Our dress shirt business, which generated, through the wholesale channel, 22.7% of our fiscal 2002 revenues, includes the design and marketing of dress shirts in a broad selection of styles and colors that are sold at retail price points generally ranging from $20 to $65 a shirt.

The Van Heusen dress shirt has provided a strong foundation for us for most of our history and is the best selling dress shirt brand in the United States. The Van Heusen dress shirt targets the updated classical consumer, is marketed at opening to moderate price points and is distributed through more than 3,500 doors, principally in department stores, including Belk, Inc., Federated Department Stores, Inc., J. C. Penney Company, Inc., The May Department Stores Company and Saks Inc., and through our Van Heusen retail stores.

The Arrow dress shirt targets the updated classical consumer, is marketed at opening to moderate price points and is distributed through more than 2,000 doors, principally in mid-tier department stores, including Kohl's Corporation and Sears, Roebuck & Co. The Arrow dress shirt is positioned as a mid-tier department store complement to Van Heusen. We market Arrow dress shirts under a license agreement with Cluett American Corp. that expires on June 30, 2007 and which we may extend through June 30, 2017.

IZOD dress shirts were launched in the third quarter of fiscal 2001. The IZOD dress shirt targets the modern traditional consumer, is marketed at moderate price points and is distributed through more than 1,200 doors, principally in department stores, including Belk, JCPenney and May.

The Geoffrey Beene dress shirt is the best selling designer dress shirt brand in U.S. department stores in the United States. The Geoffrey Beene dress shirt targets the more style conscious consumer, is marketed at moderate to upper moderate price points and is distributed through more than 2,500 doors, principally in department stores, including Federated, Marshall Field's, May and Saks, and through our Geoffrey Beene retail stores. We market Geoffrey Beene dress shirts under a license agreement with Geoffrey Beene Inc. that expires on December 31, 2008 and which we may extend through December 31, 2013.

cK Calvin Klein dress shirts were launched for the holiday 2002 season. The cK Calvin Klein dress shirt targets the classical contemporary consumer, is marketed at better price points and currently is distributed through more than 550 doors, principally in department and specialty stores, including Federated, Marshall Field's and May. We market cK Calvin Klein dress shirts under a license agreement with Calvin Klein, which we entered into prior to our acquisition of Calvin Klein.

The Kenneth Cole New York dress shirt targets the modern consumer, is marketed at better price points and is distributed through more than 650 doors, principally in department stores including Dillards, Inc., Federated, Marshall Field's and May. The Reaction by Kenneth Cole dress shirt targets the more youthful, modern consumer, is marketed at opening better to better price points and is distributed through more than 350 doors, principally in department stores, including Federated and May. We market the two Kenneth Cole brands of dress shirts under a license agreement with K.C.P.L., Inc. that expires on December 31, 2005.

The DKNY dress shirt targets the contemporary consumer, is marketed at better price points and is distributed through more than 900 doors, principally in department and specialty stores, including Federated, Marshall Field's and

Saks. We market DKNY dress shirts under a license agreement with Donna Karan Studio that expires on December 31, 2003.

We also offer private label programs to retailers. Private label offerings allow a retailer to sell its own line of exclusive merchandise and give the retailer control over distribution of the product. These programs present an opportunity for us to leverage our design, sourcing and logistics expertise. Our private label customers work with our designers to develop shirts in the styles, sizes and cuts that the customers desire to sell in their stores under their private labels. Private label programs offer the consumer quality product and offer the retailer the opportunity to enjoy product exclusivity at generally higher margins. Private label products, however, generally do not have the same level of consumer recognition as branded products and private label manufacturers do not generally provide retailers with the same breadth of services and in-store sales and promotional support as branded manufacturers. We market private label dress shirts to national department and mass market stores. Our private label programs include Stafford for JCPenney, Grant Thomas for Lord & Taylor, Cezani for Saks and Puritan and George for Wal-Mart Stores, Inc.

SPORTSWEAR

We market our sportswear principally under the IZOD, Van Heusen, Arrow and Geoffrey Beene brands. Our sportswear business, which generated 50.7% of our fiscal 2002 revenues, includes men's knit and woven sports shirts, sweaters, bottoms, swimwear, boxers and outerwear marketed at wholesale and sportswear, accessories and other apparel for men and women offered in our Van Heusen, IZOD and Geoffrey Beene retail stores.

IZOD is the best selling main floor department store men's sportswear tops brand. IZOD apparel consists of active-inspired men's sportswear, including sweaters, knit and woven sports shirts, slacks, fleecewear and microfiber jackets. IZOD sportswear targets the active consumer, is marketed at moderate to upper moderate price points and is distributed through more than 2,400 doors, principally in department stores, including Belk, Federated, JCPenney, May and Saks, and through our IZOD retail stores. Our IZOD stores offer men's and women's active-inspired sportswear, with a focus on golf, travel and resort apparel.

Van Heusen is the best selling main floor department store men's woven sport shirt brand in the United States. Van Heusen sportswear also includes knit sport shirts and sweaters. Like Van Heusen dress shirts, Van Heusen sport shirts and sweaters target the updated classical consumer, are marketed at opening to moderate price points and are distributed through more than 3,500 doors, principally in department stores, including Belk, Federated, JCPenney, May and Saks, and through our Van Heusen retail stores. Our Van Heusen stores offer a range of men's products from dress furnishings to sportswear, as well as women's sportswear.

Arrow sportswear targets the updated classical consumer, is marketed at moderate price points and is distributed through more than 2,000 doors, principally in mid-tier department stores, including Kohl's and Sears. Arrow sportswear consists of men's knit and woven tops, sweaters and bottoms. We market Arrow sportswear at wholesale under the same license agreement as Arrow dress shirts.

Geoffrey Beene sportswear targets a more style conscious consumer than IZOD, Van Heusen and Arrow and is positioned as a designer label for men's woven and knit sports shirts on the main floor of department stores. Geoffrey Beene sportswear is marketed at upper moderate price points and is distributed through more than 800 doors, principally in department stores, including Federated, Marshall Field's and May, and through our Geoffrey Beene retail stores. Our Geoffrey Beene stores offer men's furnishings, casual and dress casual sportswear and women's casual and dress casual sportswear, under a license agreement which expires on December 31, 2005, which we may extend for up to two additional three-year periods, the last of which would end on December 31, 2011. We market Geoffrey Beene men's sportswear at wholesale under the same license agreement as the Geoffrey Beene dress shirts.

Our extensive resources in both product development and sourcing have permitted us to market private label sport shirts to department and mass market stores. Our private label programs include Cherokee and Merona for Target Corp.

and Puritan for Wal-Mart. We also market private label sport shirts to companies in service industries, including airlines and restaurant chains.

As Calvin Klein does not currently offer men's better sportswear, we plan to launch a men's better sportswear line in fall 2004, reflecting the Calvin Klein style and capitalizing on the strong Calvin Klein brand identity. These products will target better fashion department and specialty store customers and be sold in sportswear collection areas, complementing the existing main floor sportswear offerings of our other brands. We expect to capitalize on our experience in developing successful sportswear lines, sourcing expertise and strong wholesale customer relationships to take advantage of this market opportunity. The foregoing is a forward-looking statement and there can be no assurances that we will be able to launch successfully, grow and maintain such a business. Factors that could affect the business include the willingness of retailers to allocate appropriate selling space and consumer acceptance of the goods produced. See "RISK FACTORS" in this Item.

We are seeking a strategic relationship with an experienced women's apparel partner to develop a women's better sportswear line, another large market segment for which Calvin Klein does not currently offer products. We intend to oversee all design operations and product development in order to ensure that the distinctive brand image of Calvin Klein is maintained. The Calvin Klein advertising team will play a key role in the marketing of this new line. There can be no assurance that we will be able to reach an agreement with a licensee on such basis, if at all.

FOOTWEAR AND RELATED PRODUCTS

Our Footwear and Related Products segment, which generated 25.8% of our fiscal 2002 revenues, includes casual and dress casual shoes for men, women and children marketed at wholesale and in our Bass retail stores and Bass apparel and accessories for men and women offered only in our Bass retail stores.

The Bass brand has a leading position in men's casual footwear in the United States. Bass footwear is generally known for its classic American style, is marketed at moderate price points and is distributed through more than 3,600 doors, principally in department and specialty shoe stores, including Dillards, Federated and May, as well as in our Bass retail stores. Our Bass stores typically carry a modified assortment of Bass footwear from our wholesale line, as well as styles not available at wholesale. Most of our stores also carry Bass apparel for men and women, as well as accessories such as handbags, belts and travel gear. Bass brand products are sold in over 30 countries, including through 38 Bass stores offering exclusively Bass footwear and footwear-related products operated by distributors.

In the fall of 2002, we introduced a line of IZOD footwear consisting of men's and women's active footwear for market-testing purposes. IZOD footwear is marketed at moderate to upper moderate price points and is distributed in Belk, Federated, May and Saks.

LICENSING

We license our brands globally for a broad range of products. The licensing of our brands generated 0.8% of our fiscal 2002 revenues. On a pro forma basis reflecting our acquisition of Calvin Klein, royalty, design and similar fees from business partners would have generated 8.7% of our fiscal 2002 revenues. We believe royalty, design and similar fees provide us with a relatively stable flow of revenues with high margins, and extend and strengthen our brands globally. The pro forma data is unaudited and is based upon our audited consolidated financial statements included in Item 15 to this report and in the audited combined financial statements of Calvin Klein to be included in Item 7 to our current report on Form 8-K/A in respect of our acquisition of Calvin Klein. The pro forma data does not purport to represent what our actual results would have been in fiscal 2002 had we completed the transaction on the first day of fiscal 2002 nor what they will be in any future priod.

We grant licensing partners the right to manufacture and sell at wholesale specified products under one or more of our brands. In addition, certain foreign licensees are granted the right to open retail stores under the licensed brand name and sell only goods under that name in such stores. A substantial portion of the sales by our domestic licensing partners are made to our largest wholesale customers. As compensation for our contributions under these agreements, each licensing partner pays us royalties based upon its sales of our branded products, subject generally, to payment of a minimum royalty. These payments generally range from 3.0% to 7.0% of the licensing partners' sales of the licensed products. In addition, licensing partners are generally required to spend an amount equal to between 2.0% and 5.0% of their sales to advertise our products. We provide support to our business partners and seek to preserve the integrity of our brand names by taking an active role in the design, quality control, advertising, marketing and distribution of each licensed product, most of which are subject to our prior approval and continuing oversight.

CALVIN KLEIN ROYALTY AND DESIGN REVENUES

An important source of revenues for Calvin Klein is its business arrangements with licensees and other third parties worldwide that manufacture and distribute globally a broad array of products under the Calvin Klein brands. For fiscal 2002, approximately 52% of revenues from Calvin Klein's business partners was generated by its domestic business partners and approximately 48% was generated by its foreign business partners. Worldwide retail sales of products sold under the Calvin Klein brands exceeded $3 billion in calendar 2002. Calvin Klein combines its design, marketing and imaging skills with the specific manufacturing, distribution and geographic capabilities of its business partners to enter into new product categories and extend existing lines of business. Calvin Klein's largest business partners in terms of royalty, design and similar fees paid to Calvin Klein in fiscal 2002 were:

- Warnaco, Inc. accounting for approximately 36%
- Calvin Klein Cosmetics Corporation (Unilever N.V.) accounting for approximately 23%
- Marchon Eyewear, Inc. accounting for approximately 9%

Calvin Klein has a total of 28 licensing and other strategic arrangements. The products offered by Calvin Klein's key business partners include:

Business Partner	Product Category
Warnaco, Inc.	Men's, women's and children's jeanswear; men's underwear and sleepwear; women's intimate apparel and sleepwear
Calvin Klein Cosmetics Corporation (Unilever N.V.)	Men's, women's and children's fragrance and bath products
Marchon Eyewear, Inc	Men's and women's optical frames and sunglasses
O.B.T. Co., Ltd (Japan)	Men's and women's cK Calvin Klein bridge apparel and certain casual attire and women's coats and accessories
CK Jeanswear Europe, S.p.A.	Men's, women's and children's jeanswear and women's belts
CK Jeanswear Asia Ltd	Men's, women's and children's jeanswear
Design Works Inc	Soft home furnishing products
CK Watch Co., Ltd. (Swatch SA)	Men's and women's watches and clocks
McGregor Industries, Inc	Men's and women's socks and women's tights
Peerless Delaware, Inc.	Men's tailored clothing

Additional products sold bearing Calvin Klein brands include certain men's furnishings and small leather goods, table top furnishings, women's better footwear and swimwear and men's dress footwear.

With respect to revenues generated from the sale of Calvin Klein men's underwear and sleepwear and women's intimate apparel and sleepwear, Warnaco pays us an administration fee based on Warnaco's worldwide sales of underwear, intimate apparel and sleepwear bearing any of the Calvin Klein marks under an administration agreement between Calvin Klein and Warnaco. As a result of our acquisition of Calvin Klein, Warnaco is entitled to control design and advertising related to the sale of underwear, intimate apparel and sleepwear products bearing the Calvin Klein name. See "--Trademarks".

We intend to continue to license the Calvin Klein brands to existing licensees and to seek additional licensing partners as profitable opportunities arise. We believe that licensing the brands provides us with a relatively stable flow of revenues with high margins and enables us to market globally the Calvin Klein brands across multiple product categories, further enhancing the image and reach of these lifestyle brands.

We recently entered into an agreement to license our men's and women's high-end ready-to-wear collection apparel businesses to Vestimenta, one of the world's leading manufacturers and distributors of women's and men's high-end ready-to-wear apparel. The license is an exclusive, worldwide, 10-year license for the Calvin Klein Collection brand. During a transition period we will transfer the operations of our collection apparel businesses to Vestimenta. Vestimenta will be responsible for the merchandising, manufacturing, quality control, selling, warehousing and shipping aspects of such businesses. Our Calvin Klein design and advertising teams will be responsible for substantially all design, marketing, advertising and public relations aspects of the collection apparel businesses and will approve the wholesale customers to which Vestimenta will sell the collections. We believe this business relationship will optimize our global opportunities, enhance the brand image of Calvin Klein and result in cost savings.

OTHER LICENSING REVENUES

We license our Van Heusen, IZOD, IZOD Club and G.H. Bass & Co. brand names for various products worldwide. We also sublicense to others the Arrow and Geoffrey Beene brand names for various products. Our largest licensing partners in fiscal 2002 by licensing revenues paid to us were:

- Fishman & Tobin, Inc. accounting for approximately 18%
- Oxford Industries, Inc. accounting for approximately 15%
- Block Sportswear, Inc. accounting for approximately 14%

We license under a total of 58 license agreements. The products offered by our key domestic licensing partners include:

Licensing Partner	Licensed Product Category
Block Sportswear, Inc.	Van Heusen and IZOD 'big and tall' sportswear
Custom Leather Canada Limited	Van Heusen belts
Fishman & Tobin, Inc.	Van Heusen and IZOD boys' sportswear
Host Apparel, Inc.	Van Heusen pajamas and robes
Aptaker Co., Inc. d/b/a Nouveau Eyewear	Van Heusen and G.H. Bass eyewear
Randa Neckwear Corp.	Van Heusen neckwear
Tropical Sportswear International, Inc.	Van Heusen men's pants
Westport Corporation	Van Heusen small leather goods
Clearvision Optical Company, Inc.	IZOD eyewear
Gold Toe Brand, Inc.	IZOD and IZOD Club hosiery
Humphrey's Accessories LLC	IZOD belts

International Home Textiles, Inc.	IZOD soft home furnishing products
Kellwood Company	IZOD women's sportswear
Knothe Corporation	IZOD sleepwear and loungewear
Mallory & Church Corporation	IZOD neckwear
Peerless Delaware, Inc	IZOD tailored clothing
Oxford Industries, Inc	IZOD Club men's and women's golf apparel

Additional products sold bearing our marks include Van Heusen underwear, handkerchiefs, scarves and hosiery and IZOD leather outerwear. A large number of our Van Heusen licenses are with foreign licensees that offer dress shirts and sportswear under that brand name.

WHOLESALE CUSTOMERS

Our wholesale business represents our core business and we believe that it is the basis for our brand equity. Currently, our products are distributed at wholesale through more than 10,000 doors in national and regional department, mid-tier department, mass market, specialty and independent stores in the United States. A few of our customers, including Federated, JCPenney, Kohl's, May and Wal-Mart account for significant portions of our revenues. Sales to our five largest customers were 30.7% of our revenues in fiscal 2002, 27.7% of our revenues in fiscal 2001 and 28.3% of our revenues in fiscal 2000. No single customer accounted for greater than 10% of our revenues in fiscal 2002.

We believe we provide our customers with a significantly high level of service. We have six separate sales forces covering the following products and product categories:

- national brand dress shirts - Van Heusen, Arrow and IZOD
- designer brand dress shirts - cK Calvin Klein, Geoffrey Beene, Kenneth Cole New York, Reaction by Kenneth Cole and DKNY
- Van Heusen and Geoffrey Beene sportswear
- IZOD sportswear
- Arrow sportswear
- Bass and IZOD footwear

Each sales force includes a team of sales professionals that work closely with our customers providing them with a dedicated level of service including designing a focused selling strategy for each brand while ensuring that each brand's particular qualities and identities are strategically positioned to target a distinct consumer base. Our customers offer our dress shirts and men's sportswear on the main floor of their stores and we offer our customers merchandising support with visual display fixtures and in-store marketing. When a line of our products is displayed in a stand-alone area on the main floor, we are able to further enhance brand recognition, to permit more complete merchandising of our lines and to differentiate the presentation of products. We believe the broad appeal of our products, with multiple well known brands offering differing styles at different price points, together with our customer, advertising and marketing support and our ability to offer products with innovative qualities, allow us to expand and develop relationships with apparel retailers in the United States.

We believe that our investments in logistics and supply chain management allow us to respond rapidly to changes in sales trends and consumer demands while enhancing our inventory management efficiencies. We believe our customers can better manage their inventories as a result of our continuous analysis of sales trends, our broad array of product availability and our quick response capabilities. Certain of our products can be ordered at any time through our EDI replenishment systems. For customers who reorder these products, we generally ship these products within one to two days of order receipt.

The Calvin Klein men's and women's high-end ready-to-wear collection apparel and accessories are sold to a limited number of high-end department stores and independent boutiques throughout the world, including Bergdorf Goodman, Neiman Marcus, Nordstrom and Saks. We also operate three stores that offer the collections. Ranging in size from 5,400 to 20,000 square feet, these stores are located in New York City, Dallas and Paris.

RETAIL STORES

We operate over 700 retail stores under the Van Heusen, IZOD, Bass and Geoffrey Beene names. Ranging in size from 1,000 to 11,000 square feet, with an average of approximately 4,000 square feet, our stores are primarily located in outlet malls throughout the United States. We believe our profitable retail division is an important complement to our wholesale operations because we believe that the stores further enhance consumer awareness of our brands, including by offering products that are not available in our wholesale lines, while also providing a means for managing excess inventory.

Our Van Heusen outlet stores offer men's dress shirts and neckwear, men's and women's sportswear, including woven and knit shirts, sweaters, bottoms and outerwear, and men's and women's accessories. The stores are targeted to the value-conscious, middle American consumer.

Our IZOD outlet stores offer men's and women's active-inspired sportswear, including knit and woven shirts, sweaters, bottoms and activewear. These stores focus on golf, travel and resort clothing.

Our Bass outlet stores offer a modified assortment of Bass footwear from our wholesale line, as well as styles not available at wholesale. Most of our stores also carry apparel for men and women, including tops, bottoms and outerwear and accessories such as handbags, wallets, belts and travel gear.

Our Geoffrey Beene outlet stores offer men's dress shirts and neckwear, men's and women's sportswear including woven and knit shirts, sweaters, bottoms and outerwear and men's and women's accessories. These stores are targeted towards a more fashion-conscious, designer-oriented consumer.

We also market selected Bass/G.H. Bass & Co. and footwear and IZOD sportswear over the Internet on a limited basis.

We intend to enhance our retail position by opening Calvin Klein stores in premium outlet malls that are consistent with the Calvin Klein image and in which other prestige designers maintain stores. We currently intend to open between 75 and 85 Calvin Klein outlet stores over time in such premium outlet malls. We believe that the strength of the Calvin Klein brands, our strong presence and considerable experience operating stores in outlet malls across the United States and our established relationships with landlords of the premium outlet malls should enable us to successfully execute this strategy. The foregoing is a forward-looking statement and there can be no assurances that we will be able to open and successfully operate such stores. Factors that could affect our plans and the business include the availability of appropriate locations at a cost acceptable to us and consumer acceptance of the goods we offer. See "RISK FACTORS" in this Item.

DESIGN

Our business depends on our ability to stimulate consumer tastes and demands, as well as on our ability to remain competitive in the areas of quality and price.

A significant factor that plays a key role in the continued strength of our brands is our in-house design teams. We form separate teams of designers and merchandisers for each of our brands, and with respect to Calvin Klein, for each product category, creating a structure that focuses on the special qualities and identity of each brand and product. These designers and merchandisers consider consumer taste and lifestyle and trends when creating a brand or product plan for a particular season. The process from initial design to finished product varies greatly, but generally spans six to ten months prior to each selling season. Apparel and footwear product lines are developed primarily for two major selling seasons, spring and fall. However, certain of our product lines offer more frequent introductions of new merchandise.

Calvin Klein has developed a cohesive team of senior design directors who share a vision for the Calvin Klein brands and who each lead a separate design team. We intend to maintain the in-house design teams of Calvin Klein. These teams will continue to control all design operations and product development for most licensees and other strategic alliances. In addition, new teams sharing the same vision will be assembled to play a key role in developing our men's better sportswear line, and oversee all design operation and product development in connection with the licensing of a women's better sportswear line.

SOURCING AND PRODUCTION

To address the needs of our customers, we are continuing to make investments and develop strategies to enhance our ability to provide our customers with timely product availability and delivery. Our investments in sophisticated systems should allow us to reduce the cycle time between the design of products to the delivery of those products to our customers. We believe the enhancement of our supply chain efficiencies and working capital management through the effective use of our distribution network and overall infrastructure will allow us to better control costs and provide improved service to our customers.

Approximately 225 different manufacturers produce our products in over 300 factories worldwide. During fiscal 2002, in excess of 95% of our products were produced by manufacturers located in foreign countries. We source finished products and raw materials. Raw materials include fabric, buttons, thread, labels, leather and similar materials. Raw materials and production commitments are generally made two to six months prior to production and quantities are finalized at that time. We believe we are one of the largest procurers of shirting fabric in the world. Finished products consist of manufactured and fully assembled products ready for shipment to our customers and our stores. Most of our dress shirts and all of our sportswear are sourced and manufactured to our specifications by independent manufacturers in the Far East, Indian subcontinent, Middle East, Caribbean and Central America who meet our quality, cost and human rights requirements. Our footwear is sourced and manufactured to our specifications by independent manufacturers who meet our quality, cost and human rights requirements, principally located in the Far East, Europe, South America and the Caribbean. No single supplier is critical to our production needs, and we believe that an ample number of alternative suppliers exist should we need to secure additional or replacement production capacity and raw materials. Given our extensive network of sourcing partners, we believe we are able to obtain goods at low cost and on a timely basis.

Our foreign offices and buying agents enable us to monitor the quality of the goods manufactured by, and the delivery performance of, our suppliers, which includes the enforcement of human rights standards through our on-going approval and monitoring system. In addition, sales are monitored regularly at both the retail and wholesale levels and modifications in production can be made either to increase or reduce inventories. We continually seek additional suppliers throughout the world for our sourcing needs and place our orders in a manner designed to limit the risk that a disruption of production at any one facility could cause a serious inventory problem. We have not experienced significant production delays or difficulties in importing goods. Our purchases from our suppliers are effected through individual purchase orders specifying the price and quantity of the items to be produced.

Approximately 7% of our dress shirts are manufactured in our domestic apparel manufacturing facility located in Ozark, Alabama. This facility, which we own, is approximately 108,000 square feet, and is utilized by us primarily as a quick response facility, including by fulfilling product replenishment orders.

WAREHOUSING AND DISTRIBUTION

To facilitate distribution, our products are shipped from manufacturers to our wholesale and retail warehousing and distribution centers for inspection, sorting, packing and shipment to our customers. Ranging in size from 67,000 to 575,000 square feet our centers are located in North Carolina, Tennessee, Pennsylvania, Georgia, Arkansas, Maine and New Jersey. Each of our centers is generally dedicated to serving either our wholesale customers or our retail stores. Our warehousing and distribution centers are designed to provide responsive service to our customers and our retail stores, as the case may be, on a cost-effective basis. This includes the use of various forms of electronic communications to meet customer needs, including advance shipping notices for all major customers. We believe our current warehousing and distribution centers have sufficient capacity to accommodate future growth, including our strategies for Calvin Klein, without a significant increase in capital expenditures. We further believe that our distribution centers and capabilities compare favorably on a cost and service basis with those of our competitors and that these constitute part of our core competencies.

ADVERTISING AND PROMOTION

We market substantially all of our products on a brand-by-brand basis targeting distinct consumer demographics and lifestyles. Our marketing programs are an integral feature of our product offerings. Advertisements generally portray a lifestyle rather than a specific item. We intend for each of our brands to be a leader in its respective market segment, with strong consumer awareness and consumer loyalty. We believe that our brands are successful in their respective segments because we have strategically positioned each brand to target a distinct consumer demographic. We will continue to design and market our products to complement each other, satisfy lifestyle needs, emphasize product features important to our target consumers and produce consumer loyalty.

We advertise our brands primarily in national print media, including fashion, entertainment/human interest, business, men's, women's, niche and sports magazines and The New York Times. We also participate in cooperative advertising programs with our customers, as we believe that brand awareness and in-store positioning are further strengthened by our contributions to such programs.

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

In acquiring Calvin Klein, we believe we acquired one of the best known designer names in the world. One of the efforts that has helped to establish the Calvin Klein image has been its high-profile, cutting-edge advertising campaigns that have stimulated admiration, publicity, curiosity and debate. Calvin Klein has a dedicated in-house advertising agency with experienced in-house creative and media teams that develop and execute a substantial portion of the advertising for products under the Calvin Klein brands. The teams work closely with other functional areas within Calvin Klein and its licensing and other business partners to deliver a consistent and unified brand message to the consumer. Calvin Klein oversees a worldwide marketing and advertising budget of over $200 million, a majority of which is funded by its licensees.

Calvin Klein products are advertised primarily in national print media, through outdoor signage and, with respect to fragrances, in television advertising spots. We believe promotional activities throughout the year further strengthen brand awareness of the Calvin Klein brands. The spring and fall Calvin Klein high-end ready-to-wear apparel collections are presented at major fashion shows in New York City and Milan, which typically generate extensive media coverage. Other Calvin Klein promotional efforts include in-store appearances by fashion models, providing wardrobes to celebrities for award ceremonies, product launches, gift-with-purchase programs, charity events and special corporate-sponsored events.

It is our intention to continue the Calvin Klein advertising and promotional practices and strategies. In order to accomplish this, we intend to leave the Calvin Klein marketing and advertising teams in place and to continue to maintain the Calvin Klein advertising and promotions budget at or above recent historical levels. The foregoing is a forward-looking statement and there can be no assurances in this regard. See "RISK FACTORS" in this Item.

TRADEMARKS

We own the Van Heusen, Bass, G.H. Bass & Co., IZOD and IZOD Club brands, as well as related trademarks and lesser-known names. As a result of our acquisition of Calvin Klein, we beneficially own the Calvin Klein, cK and cK Calvin Klein marks. Calvin Klein and Warnaco are co-owners of the Calvin Klein Trademark Trust, which is the sole and exclusive title owner of substantially all registered Calvin Klein, cK and cK Calvin Klein trademarks. The sole purpose of the trust is to hold these marks. Calvin Klein maintains and protects the marks on behalf of the trust pursuant to a servicing agreement. The trust exclusively licenses to Warnaco on a perpetual, royalty-free basis the use of the marks on men's underwear and sleepwear and women's intimate apparel and sleepwear, and to Calvin Klein on a perpetual, royalty-free basis the use of the marks on all other products. Warnaco pays us a fee based on Warnaco's worldwide sales of underwear, intimate apparel and sleepwear products bearing any of the Calvin Klein marks under an administration agreement between Calvin Klein and Warnaco.

In acquiring the Calvin Klein, cK and cK Calvin Klein marks, we agreed to allow Mr. Calvin Klein to retain the right to use his name, on a non-competitive basis, with respect to his right of publicity, unless those rights were already being used in the Calvin Klein business. We also granted Mr. Klein a royalty-free worldwide right to use the Calvin Klein mark with respect to certain personal businesses and activities, such as motion picture, television and video businesses; a book business; writing, speaking and/or teaching engagements; non-commercial photography; charitable activities; and architectural and industrial design projects, subject to certain limitations designed to protect the image and prestige of the Calvin Klein brands and to avoid competitive conflicts.

Our trademarks are the subject of registrations and pending applications throughout the world for use on a variety of apparel, footwear and related products, and we continue to expand our worldwide usage and registration of new and related trademarks. In general, trademarks remain valid and enforceable as long as the marks continue to be used in connection with the products and services with which they are identified and, as to registered trade names, the required registration renewals are filed. In markets outside of the United States, particularly those where products bearing any of our brands are not sold by us or any of our licensees or other authorized users, our rights to the use of trademarks may not be clearly established.

We regard the license to use our trademarks and our other intellectual property rights in and to the trademarks as valuable assets in marketing our products and, on a worldwide basis, vigorously seek to protect them against infringement. We are susceptible to others imitating our products and infringing our intellectual property rights. This is especially the case since our acquisition of Calvin Klein, as the Calvin Klein brands enjoy significant worldwide consumer recognition and its generally higher pricing provides significant opportunity and incentive for counterfeiters and infringers. Calvin Klein has a broad, proactive enforcement program, which we believe has been generally effective in controlling the sale of counterfeit products in the United States and in major markets abroad. We have taken enforcement action with respect to our other marks on an as needed basis.

OUR RELATIONSHIP WITH MR. KLEIN

In order to assist in a seamless transition of our acquisition of Calvin Klein, we have entered into a three-year consulting agreement with Mr. Klein for $1.0 million per year. Mr. Klein is available to consult on advertising, marketing, design, promotion and publicity aspects of Calvin Klein.

Prior to our acquisition of Calvin Klein, Calvin Klein was obligated to pay Mr. Klein and his heirs in perpetuity a percentage of sales of certain products bearing any of the Calvin Klein brands under a design services letter agreement. In connection with our acquisition of Calvin Klein, we bought all of Mr. Klein's rights under that agreement in consideration of a warrant to purchase our common stock and for granting him the right to receive from us contingent purchase price payments for a period of 15 years based on a percentage of total worldwide net sales of products bearing any of the Calvin Klein brands. In addition, Mr. Klein was released from all of his obligations under that agreement, including his obligation to render design services to Calvin Klein, and the design services letter agreement was terminated. On a pro forma basis reflecting our acquisition of Calvin Klein, such payment to Mr. Klein would have been $20.1 million for fiscal 2002. Our obligation to make contingent purchase price payments to Mr. Klein in connection with our acquisition of Calvin Klein is guaranteed by our Calvin Klein subsidiaries and is secured by a subordinated pledge of all of the equity interests in our Calvin Klein subsidiaries. Upon repayment of the $125.0 million term loan from the affiliates of Apax Managers, Inc. and Apax Partners Europe Managers Limited, this obligation will also be secured by a subordinated lien on substantially all of our domestic Calvin Klein subsidiaries' assets. Events of default under the agreements governing the collateral for our contingent payment obligations to Mr. Klein, include, but are not limited to (1) our failure to make payments to Mr. Klein when due, (2) covenant defaults, (3) cross-defaults to other indebtedness in excess of an agreed amount, (4) events of bankruptcy, (5) monetary judgment defaults and (6) a change of control, including the sale of any portion of the equity interests in our Calvin Klein subsidiaries. An event of default under those agreements would permit Mr. Klein to foreclose on his security interest in the collateral. In addition, if we fail to pay Mr. Klein a contingent purchase price payment when due and such failure to pay continues for 60 days or more after a final judgment by a court is rendered relating to our failure to pay, Mr. Klein will no longer be restricted from competing with us as he otherwise would be under the non-competition provisions contained in the purchase agreement relating to our acquisition of Calvin Klein, although he would still not be able to use any of the Calvin Klein brands or any similar trademark in any competing business.

COMPETITION

The apparel industry is competitive as a result of its fashion orientation, its mix of large and small producers, the flow of domestic and imported merchandise and the wide diversity of retailing methods. Some of our larger branded apparel competitors include Polo/Ralph Lauren, Tommy Hilfiger, Nautica, Perry Ellis and Chaps. As a result of our acquisition of Calvin Klein, we believe Donna Karan, Ralph Lauren's Purple Label, Giorgio Armani, Gucci and Prada also will be our competitors. In addition, we face significant competition from retailers, including our own wholesale customers, through their private label programs.

The footwear industry is characterized by fragmented competition. Consequently, retailers and consumers have a wide variety of choices regarding brands, style and price. However, over the years, the Bass brand has maintained an important position in casual footwear, while we have extended the brand's offerings to modern, contemporary casual and dress casual styles. We believe that few of our competitors have the overall men's and women's brand recognition of Bass. Our primary footwear competitors include Dockers, Timberland, Rockport, Sperry and Naturalizer.

We compete primarily on the basis of style, quality and service. Our business depends on our ability to stimulate consumer tastes and demands, as well as on our ability to remain competitive in the areas of quality, service and price. We believe we are particularly well positioned to compete in the apparel and footwear industries. Our diversified portfolio of apparel brands and apparel and footwear products and our use of multiple channels of distribution has allowed us to develop a business that produces results which are not dependent on any one demographic group, merchandise preference or distribution channel. We have developed a portfolio of brands that appeal to a broad spectrum of consumers. Our owned brands have long histories and enjoy high recognition within their respective consumer segments. We develop our owned and licensed brands to complement each other and to generate strong consumer loyalty. The acquisition of Calvin Klein and its prestigious brands provides us with the opportunity to develop businesses that target different consumer groups at higher price points and in higher-end distribution channels than our other brands, as well as with significant global opportunities due to the worldwide recognition of the Calvin Klein brands.

TARIFFS AND IMPORT RESTRICTIONS

A substantial portion of our products is manufactured by contractors located outside the United States. These products are imported and are subject to U.S. customs laws, which impose tariffs as well as import quota restrictions for textiles and apparel established by the U.S. government. In addition, a portion of our imported products is eligible for certain duty-advantaged programs commonly known as NAFTA, AGOA, CBTPA and CBI. While importation of goods from some countries from which we obtain goods may be subject to embargo by U.S. Customs authorities if shipments exceed quota limits, we closely monitor import quotas and can, in most cases, shift production to contractors located in countries with available quotas. The existence of import quotas has, therefore, not had a material adverse effect on our business. Moreover, with the gradual elimination of textile and apparel quotas over the next few years by the World Trade Organization, these quota restrictions will no longer affect our business in most countries.

ENVIRONMENTAL MATTERS

Our facilities and operations are subject to various environmental, health and safety laws and regulations, including the proper maintenance of asbestos-containing materials. In addition, we may incur liability under environmental statutes and regulations with respect to the contamination of sites that we own or operate or previously owned or operated (including contamination caused by prior owners and operators of such sites, abutters or other persons) and the off-site disposal of hazardous materials. We believe our operations are in compliance with terms of all applicable laws and regulations.

EMPLOYEES

As of April 15, 2003, we employed approximately 5,670 persons on a full-time basis and approximately 3,760 persons on a part-time basis. Approximately 5.4% of our employees are represented for the purpose of collective bargaining by five different unions. Additional persons, some represented by these five unions, are employed from time to time based upon our manufacturing schedules and retailing seasonal needs. Our collective bargaining agreements generally are for three-year terms. One of these agreements, which covers 62 employees, expires in May 2003. We believe that our relations with our employees are satisfactory.

OUR EXECUTIVE OFFICERS

The following table sets forth the name, age and position of each of our executive officers:

NAME	AGE	POSITION
Bruce J. Klatsky	54	Chairman and Chief Executive Officer; Director
Mark Weber	54	President and Chief Operating Officer; Director
Emanuel Chirico	45	Executive Vice President and Chief Financial Officer
Francis K. Duane	46	Vice Chairman, Sportswear
Allen E. Sirkin	60	Vice Chairman, Dress Shirts
Diane M. Sullivan	47	Vice Chairman, Footwear
Michael Zaccaro	57	Vice Chairman, Retail Apparel

Mr. Bruce J. Klatsky has been employed by us in various capacities over the last 30 years, and was our President from 1987 to March 1998. Mr. Klatsky was named Chief Executive Officer in June of 1993 and Chairman of the Board in June of 1994.

Mr. Mark Weber has been employed by us in various capacities over the last 30 years, had been a Vice President since 1988, was Vice Chairman since 1995 and was named President and Chief Operating Officer in 1998.

Mr. Emanuel Chirico joined us as Vice President and Controller in 1993. Mr. Chirico was named Executive Vice President and Chief Financial Officer in 1999.

Mr. Francis K. Duane became our Vice Chairman, Sportswear in February 2001, after serving as President of our IZOD division since May 1998. From 1996 until 1998, he was President, Worldwide Sales, of Guess, Inc., an apparel company.

Mr. Allen E. Sirkin has been employed by us since 1985. He served as Chairman of our Apparel Group from 1990 until 1995 and was named Vice Chairman, Dress Shirts in 1995.

Ms. Diane M. Sullivan joined us as Vice Chairman, Footwear in September 2001. From 1999 until 2001, she was President, Chief Operating Officer and a Director of The Stride Rite Corporation, a footwear company. From 1997 until 1999, Ms. Sullivan was a Group President with The Stride Rite Corporation.

Mr. Michael Zaccaro became our Vice Chairman, Retail Apparel in April 2002. Prior to that he was Group President, Van Heusen and IZOD Retail from August 2001 until April 2002, President, IZOD Retail from January 1999 until July 2001 and President, Van Heusen Retail from August 1996 until December 1998.

Each of our executive officers holds the office indicated until his or her successor is chosen and qualified at the regular meeting of the board of directors held immediately following the annual meeting of stockholders.

RISK FACTORS

OUR SUBSTANTIAL LEVEL OF DEBT COULD IMPAIR OUR FINANCIAL CONDITION.

We currently have a substantial amount of debt. Our significant level of debt could have important consequences to investors, including:

- requiring a substantial portion of our cash flows from operations be used for the payment of interest on our debt, therefore reducing the funds available to us for our operations or other capital needs;

- limiting our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate because our available cash flow after paying principal and interest on our debt may not be sufficient to make the capital and other expenditures necessary to address these changes;

- increasing our vulnerability to general adverse economic and industry conditions because, during periods in which we experience lower earnings and cash flow, we will be required to devote a proportionally greater amount of our cash flow to paying principal and interest on our debt;

- limiting our ability to obtain additional financing in the future to fund working capital, capital expenditures, acquisitions and general corporate requirements;

- placing us at a competitive disadvantage to other relatively less leveraged competitors that have more cash flow available to fund working capital, capital expenditures and general corporate requirements; and

- any borrowings we make at variable interest rates, including our revolving credit facility, leave us vulnerable to increases in interest rates generally.

WE MAY NOT BE ABLE TO REALIZE REVENUE GROWTH, COST SAVINGS OR SYNERGIES FROM INTEGRATING, DEVELOPING AND GROWING CALVIN KLEIN.

A significant portion of our business strategy involves integrating, developing and growing the Calvin Klein business. Our realization of any revenue growth, cost savings or synergies from Calvin Klein will depend largely upon our ability to:

- quickly and substantially reduce the administrative and corporate overhead and back office expenses of Calvin Klein;

- develop, and obtain selling space for, a Calvin Klein men's better sportswear line and successfully design and market that line over time;

- enter into a strategic licensing relationship on satisfactory terms with an experienced women's apparel partner to develop a successful Calvin Klein women's better sportswear line;

- successfully develop the licensing relationship with Vestimenta for the men's and women's high-end ready-to-wear collection apparel businesses;

- open and successfully operate a chain of Calvin Klein retail outlet stores in premium outlet malls;

- maintain and enhance the distinctive brand identity of Calvin Klein while integrating the Calvin Klein business within our company;

- maintain good working relationships with Calvin Klein's licensees and enter into new licensing arrangements; and

- execute our strategies for Calvin Klein without adversely impacting our existing business.

We cannot assure you that we can successfully execute any of these actions or our growth strategy for the Calvin Klein brands or that the launch of our Calvin Klein men's better sportswear line or the launch of any other Calvin Klein branded products by us or our licensees will achieve the degree of consistent success necessary to generate profits or positive cash flow. Our ability to successfully carry out our growth strategy may be affected by, among other things, our ability to enhance our relationships with existing customers to obtain additional selling space and develop new relationships with apparel retailers, economic and competitive conditions, changes in consumer spending patterns and changes in consumer tastes and style trends. If we fail to develop and grow successfully the Calvin Klein business, our financial condition and results of operations may be materially and adversely affected.

WE FACE SIGNIFICANT CHALLENGES INTEGRATING CALVIN KLEIN.

To achieve the anticipated benefits of our acquisition of Calvin Klein, we will need to integrate our Calvin Klein subsidiaries into our operations. We will face significant challenges in consolidating functions and integrating management procedures, personnel and operations in an efficient and effective manner, including:

- increased demands on management related to the significant increase in our size and diversity of our businesses after our acquisition of Calvin Klein;

- the diversion of management's attention from our company's daily operations to implement our strategies for Calvin Klein;

- the retention and integration of key Calvin Klein employees, including designers and marketing and advertising professionals;

- identifying and maintaining aspects of Calvin Klein that are to be kept separate and distinct from our other businesses, such as our plans in the areas of design, marketing and advertising, and difficulties in assimilating the different cultures and practices between our businesses and the Calvin Klein business where operations are to be merged; and

- merging administrative systems and other functions, including information technology, accounting, financial reporting and logistics systems, distribution facilities and operations and books and records practices and procedures, as well as in maintaining uniform standards and controls, including internal accounting and audit controls, procedures and policies.

A SUBSTANTIAL PORTION OF OUR REVENUES AND GROSS PROFIT IS DERIVED FROM A SMALL NUMBER OF LARGE CUSTOMERS AND THE LOSS OF ANY OF THESE CUSTOMERS COULD SUBSTANTIALLY REDUCE OUR REVENUES.

A few of our customers, including Federated, JCPenney, Kohl's, May and Wal-Mart, account for significant portions of our revenues. Sales to our five largest customers were 30.7% of our revenues in fiscal 2002, 27.7% of our revenues in fiscal 2001 and 28.3% of our revenues in fiscal 2000. We do not have long-term agreements with any of our customers and purchases generally occur on an order-by-order basis. A decision by any of our major customers, whether motivated by competitive conditions, financial difficulties or otherwise, to decrease significantly the amount of merchandise purchased from us or our licensing or other business partners, or to change their manner of doing business with us or our licensing or other business partners, could substantially reduce our revenues and have a material adverse effect on our financial condition and results of operations. The retail industry has, in the past, experienced a great deal of consolidation and other ownership changes. Retailers, in the future, may further consolidate, undergo restructurings or reorganizations, or realign their affiliations, any of which could decrease the number of stores that carry our products or increase the ownership concentration within the retail industry. These changes could increase our reliance on a smaller number of large customers.

OUR BUSINESS COULD BE ADVERSELY AFFECTED BY FINANCIAL INSTABILITY EXPERIENCED BY OUR CUSTOMERS.

During the past several years, various retailers have experienced significant financial difficulties, which have resulted in bankruptcies, liquidations and store closings. We sell our products primarily to national and regional department, mid-tier department and mass market stores in the United States on credit and evaluate each customer's financial condition on a regular basis in order to determine the credit risk we take in selling goods to them. The financial difficulties of a customer could cause us to curtail business with that customer and we may be unable to shift sales to another viable customer. We may also assume more credit risk relating to receivables of a customer experiencing financial instability. Should these circumstances arise with respect to our customers, our inability to shift sales or to collect on our trade accounts receivable from any one of our customers could substantially reduce our revenues and have a material adverse effect on our financial condition and results of operations.

WE PRIMARILY USE FOREIGN SUPPLIERS FOR OUR PRODUCTS AND RAW MATERIALS, WHICH POSES RISKS TO OUR BUSINESS OPERATIONS.

During fiscal 2002, in excess of 95% of our apparel products and 95% of our raw materials for apparel were produced by and purchased or procured from independent manufacturers located in countries in the Far East, Indian subcontinent, Middle East, Caribbean and Central America. We believe that we are one of the largest procurers of shirting fabric in the world. Additionally, 100% of our footwear products and of the raw materials therefor were produced by and purchased or procured from independent manufacturers located in countries in the Far East, Europe, South America and the Caribbean. Although no single supplier and no one country is critical to our production needs, any of the following could materially and adversely affect our ability to produce or deliver our products and, as a result, have a material adverse effect on our business, financial condition and results of operations:

- political or labor instability in countries where contractors and suppliers are located;

- political or military conflict involving the United States, which could cause a delay in the transportation of our products and raw materials to us and an increase in transportation costs;

- heightened terrorism security concerns, which could subject imported or exported goods to additional, more frequent or more thorough inspections, leading to delays in deliveries or impoundment of goods for extended periods or could result in decreased scrutiny by customs officials for counterfeit goods, leading to lost sales, increased costs for our anti-counterfeiting measures and damage to the reputation of our brands;

- a significant decrease in availability or increase in cost of raw materials, particularly petroleum-based synthetic fabrics, which are currently in high demand;

- the migration and development of manufacturers, which can affect where our products are or are planned to be produced;

- imposition of regulations and quotas relating to imports and our ability to adjust timely to changes in trade regulations, which, among other things, could limit our ability to produce products in cost-effective countries that have the labor and expertise needed;

- imposition of duties, taxes and other charges on imports;

- significant fluctuation of the value of the dollar against foreign currencies; and

- restrictions on transfers of funds out of countries where our foreign licensees are located.

IF OUR MANUFACTURERS FAIL TO USE ACCEPTABLE ETHICAL BUSINESS PRACTICES, OUR BUSINESS COULD SUFFER.

We require our manufacturers to operate in compliance with applicable laws, rules and regulations regarding working conditions, employment practices and environmental compliance. Additionally, we impose upon our business partners, operating guidelines that require additional obligations in those areas in order to promote ethical business practices, and our staff periodically visits and monitors the operations of our independent manufacturers to determine compliance. However, we do not control our independent manufacturers or their labor and other business practices. If one of our manufacturers violates labor or other laws or implements labor or other business practices that are generally regarded as unethical in the United States, the shipment of finished products to us could be interrupted, orders could be cancelled, relationships could be terminated and our reputation could be damaged. Any of these events could have a material adverse effect on our revenues and, consequently, our results of operations.

OUR RELIANCE ON INDEPENDENT MANUFACTURERS COULD CAUSE DELAY AND DAMAGE CUSTOMER RELATIONSHIPS.

In fiscal 2002, we relied upon independent third parties for the manufacture of more than 95% of our apparel products and 100% of our footwear products. We do not have long-term contracts with any of our suppliers. A manufacturer's failure to ship products to us in a timely manner or to meet required quality standards could cause us to miss the delivery date requirements of our customers for those products. As a result, customers may cancel their orders, refuse to accept deliveries or demand reduced prices. Any of these actions taken by our customers may have a material adverse effect on our revenues and, consequently, our results of operations.

AS A RESULT OF OUR ACQUISITION OF CALVIN KLEIN, WE HAVE INCREASED OUR DEPENDENCE ON REVENUES FROM ROYALTY, DESIGN AND SIMILAR FEES.

In fiscal 2002, $10.8 million, or 0.8%, of our revenues were derived from licensing royalties. In fiscal 2002, 73.3% of Calvin Klein's revenues were derived from royalty, design and similar fees from business partners. On a pro forma basis reflecting our acquisition of Calvin Klein, royalty, design and similar fees would have generated 8.7% of our fiscal 2002 revenues (and will account for a significant portion of our revenues in the future). A few of Calvin Klein's business partners, including Warnaco, Unilever and Marchon Eyewear account for significant portions of its revenues. Royalty, design and similar fees from Calvin Klein's three largest business partners accounted for approximately 46% of its revenues in fiscal 2002. The operating profit associated with our royalty, design and similar fee revenues is significant because the operation expenses directly associated with administering and monitoring an individual licensing or similar agreement are minimal. Therefore, the loss of a significant business partner, whether due to the termination or expiration of the relationship, the cessation of the business partner's operations or otherwise, (including as a result of financial difficulties), without an equivalent replacement, could materially affect our profitability. For example, Warnaco accounted for approximately 26% of Calvin Klein's revenues and approximately 36% of Calvin Klein's royalty, design and similar fee revenues, in fiscal 2002. Although Warnaco has emerged from bankruptcy proceedings, no assurance can be given as to its future financial stability. While we generally have significant control over our business partners' products and advertising, we rely on our business partners for, among other things, operational and financial controls over their businesses. Our business partners' failure to successfully market licensed products or our inability to replace our existing business partners could adversely affect our revenues both directly from reduced royalty, design and similar fees received and indirectly from reduced sales of our other products. Risks are also associated with a business partner's ability to:

- obtain capital;
- manage its labor relations;
- maintain relationships with its suppliers;
- manage its credit risk effectively; and
- maintain relationships with its customers.

In addition, we rely on our business partners to preserve the value of our brands. Although we make every attempt to protect our brands through, among other things, approval rights over design, production quality, packaging, merchandising, distribution, advertising and promotion of our products, we cannot assure you that we can control the use by our business partners of each of our licensed brands. The misuse of our brands by a material business partner could have a material adverse effect on our business, financial condition and results of operations. For example, Calvin Klein in the past has been involved in legal proceedings with Warnaco with respect to certain quality and distribution issues. As a result of our acquisition of Calvin Klein, Warnaco is entitled to control design and advertising related to the sale of underwear, intimate apparel and sleepwear products bearing the Calvin Klein brands. We cannot assure you that Warnaco will maintain the same standards of design and advertising previously maintained by Calvin Klein, although we believe they are generally obligated to do so.

OUR RETAIL STORES ARE HEAVILY DEPENDENT ON THE ABILITY AND DESIRE OF CONSUMERS TO TRAVEL AND SHOP.

Our retail stores are located principally in outlet malls, which are typically located in or near vacation destinations or away from large population centers where department stores and other traditional retailers are concentrated. As a result, fuel shortages, increased fuel prices, travel restrictions, travel concerns and other circumstances, including as a result of war, terrorist attacks or the perceived threat of war or terrorist attacks, which would lead to decreased travel, could have a material adverse affect on us, as was the case after the September 11th terrorist attacks. Other factors which could affect the success of our stores include:

- the location of the mall or the location of a particular store within the mall;
- the other tenants occupying space at the mall;
- increased competition in areas where the outlet malls are located;
- a downturn in the economy generally or in a particular area where an outlet mall is located; and
- the amount of advertising and promotional dollars spent on attracting consumers to the malls.

WE MAY BE UNABLE TO PROTECT OUR TRADEMARKS AND OTHER INTELLECTUAL PROPERTY RIGHTS.

Our trademarks and other intellectual property rights are important to our success and our competitive position. We are susceptible to others imitating our products and infringing our intellectual property rights. Since our acquisition of Calvin Klein, we are more susceptible to infringement of our intellectual property rights, as the Calvin Klein brands enjoy significant worldwide consumer recognition and the generally higher pricing of Calvin Klein branded products creates additional incentive for counterfeiters and infringers. Imitation or counterfeiting of our products or infringement of our intellectual property rights could diminish the value of our brands or otherwise adversely affect our revenues. We have and, prior to our acquisition, Calvin Klein has in the past resolved conflicts regarding our intellectual property through both legal action and negotiated settlements, none of which, we believe, has had a material impact on our business, financial condition and results of operations. Nevertheless, we cannot assure you that the actions we have taken to establish and protect our trademarks and other intellectual property rights will be adequate to prevent imitation of our products by others or to prevent others from seeking to invalidate our trademarks or block sales of our products as a violation of the trademarks and intellectual property rights of others. In addition, we cannot assure you that others will not assert rights in, or ownership of, trademarks and other intellectual property rights of ours or in marks that are similar to ours or marks that we license and/or market or that we will be able to successfully resolve these types of conflicts to our satisfaction. In some cases, there may be trademark owners who have prior rights to our marks because the laws of certain foreign countries may not protect intellectual property rights to the same extent as do the laws of the United States. In other cases there may be holders who have prior rights to similar marks. For example, we were involved in a proceeding relating to a company's claim of prior rights to the IZOD mark in Mexico, and Calvin Klein was involved in a proceeding relating to a company's claim of prior rights to the Calvin Klein mark in Chile. We are currently involved in opposition and cancellation proceedings with respect to marks similar to some of our brands, both domestically and internationally.

THE SUCCESS OF CALVIN KLEIN DEPENDS ON THE VALUE OF OUR CALVIN KLEIN BRANDS, AND IF THE VALUE OF THOSE BRANDS WERE TO DIMINISH, OUR BUSINESS COULD BE ADVERSELY AFFECTED.

Our success depends on our brands and their value. The Calvin Klein name is integral to the existing Calvin Klein business, as well as to the implementation of our strategies for growing and expanding Calvin Klein. Although Mr. Klein will continue as a consultant for three years, he is no longer a member of management. Our Calvin Klein business could be adversely affected if there is a perception by consumers that, as a result of the sale of the business, Mr. Klein's role has changed in a manner that is disadvantageous to the Calvin Klein business. The Calvin Klein brands could be adversely affected if Mr. Klein's public image or reputation were to be tarnished. We may seek in the future stockholder approval to change the name of our company to "Calvin Klein Inc." or a similar name. Any such name change could increase our risks related to the public perception of the Calvin Klein name. In addition, we market some of our products under the names and brands of other recognized designers: Geoffrey Beene, Kenneth Cole and Donna Karan (DKNY). Our sales of those products could be materially and adversely affected if any of those designer's images or reputations were to be negatively impacted.

OUR REVENUES AND PROFITS ARE CYCLICAL AND SENSITIVE TO GENERAL ECONOMIC CONDITIONS, CONSUMER CONFIDENCE AND SPENDING PATTERNS.

The apparel and footwear industries in which we operate have historically been subject to substantial cyclical variations and are particularly affected by adverse trends in the general economy, with consumer spending tending to decline during recessionary periods. The success of our operations depends on consumer spending. Consumer spending is impacted by a number of factors, including actual and perceived economic conditions affecting disposable consumer income (such as unemployment, wages and salaries), business conditions, interest rates, availability of credit and tax rates in the general economy and in the international, regional and local markets where our products are sold. Any significant deterioration in general economic conditions (such as the current economic downturn) or increases in interest rates could reduce the level of consumer spending and inhibit consumers' use of credit. In addition, war, terrorist activity or the threat of war and terrorist activity may adversely affect consumer spending, and thereby have a material adverse effect on our financial condition and results of operations.

WE FACE INTENSE COMPETITION IN THE APPAREL AND FOOTWEAR INDUSTRIES.

Competition is strong in the segments of the apparel and footwear industries in which we operate. We compete with numerous domestic and foreign designers, brands and manufacturers of apparel, accessories and footwear, some of which are significantly larger or more diversified or have greater resources than we do. In addition, through their use of private label programs, we compete directly with our wholesale customers. We compete within the apparel and footwear industries primarily on the basis of:

- anticipating and responding to changing consumer tastes and demands in a timely manner and developing attractive, quality products;

- maintaining favorable brand recognition;

- appropriately pricing products and creating an acceptable value proposition for customers;

- providing strong and effective marketing support;

- ensuring product availability and optimizing supply chain efficiencies with third-party manufacturers and retailers; and

- obtaining sufficient retail floor space and effective presentation of our products at retail.

We attempt to minimize risks associated with competition, including risks related to changing style trends and product acceptance, by closely monitoring retail sales trends. The failure, however, to compete effectively or to keep pace with rapidly changing markets could have a material adverse effect on our business, financial condition and results of operations. In addition, if we misjudge the market for our products, we may be faced with significant excess inventories for some products and missed opportunities with others.

THE LOSS OF MEMBERS OF OUR EXECUTIVE MANAGEMENT AND OTHER KEY EMPLOYEES COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS.

We depend on the services and management experience of Bruce J. Klatsky, Mark Weber and other of our executive officers who have substantial experience and expertise in our business. We also depend on key employees involved in our licensing, design and advertising operations. Competition for qualified personnel in the apparel and footwear industries is intense, and competitors may use aggressive tactics to recruit our key employees. The unexpected loss of services of one or more of these individuals could materially adversely affect us.

SIGNIFICANT INFLUENCE BY CERTAIN STOCKHOLDERS.

In connection with our acquisition of Calvin Klein, affiliates of Apax Managers, Inc. and Apax Partners Europe Managers Limited purchased our Series B convertible preferred stock, which is currently convertible by them into 37.1% of our outstanding common stock. If we elect not to pay a cash dividend for any quarter, then the Series B convertible preferred stock will be treated for purposes of the payment of future dividends and upon conversion, redemption or liquidation as if an in-kind dividend has been paid. As a result, it is possible that if we do not pay a cash dividend in any quarter through the third quarter of fiscal 2009 (assuming no further issuances of common stock, including as a result of the exercise of stock options), a change in control will result under our existing various indentures and certain other agreements.

While the holders of our Series B convertible preferred stock are prohibited from initiating a takeover, in certain circumstances, they may be able to participate in a bidding process initiated by a third party. As long as affiliates of the Apax affiliates own at least 50% of the shares of our Series B convertible preferred stock initially sold to the Apax affiliates, they will have the ability to prevent a change of control, or a sale of all or substantially all of our assets. Additionally, as long as 50% of our Series B convertible preferred stock remains outstanding, the holders of our Series B convertible preferred stock will have a right to purchase their pro rata share of newly issued securities. The holders of our Series B convertible preferred stock have certain additional rights, including the right to approve the issuance of certain new series of our preferred stock, which could also have the effect of discouraging a third party from pursuing a non-negotiated takeover, and preventing changes in control, of our company.

As a result of the rights related to their ownership of our Series B convertible preferred stock, the Apax affiliates have substantial influence over our company, including by virtue of their right to elect separately as a class three directors and to have one of their directors serve on the audit, compensation, nominating and executive committees of our board.

ITEM 2. PROPERTIES

The general location, use, ownership status and approximate size of the principal properties which we currently occupy are set forth below:

LOCATION	USE	OWNERSHIP STATUS	APPROXIMATE AREA IN SQUARE FEET
New York, New York	Corporate, apparel and footwear administrative offices and showrooms	Leased	138,000
Bridgewater, New Jersey	Corporate and apparel administrative offices	Leased	163,000
S. Portland, Maine	Footwear administrative offices	Leased	99,000
Ozark, Alabama	Apparel manufacturing facilities	Owned	108,000
Reading, Pennsylvania	Apparel warehouse and distribution center	Owned	410,000
Chattanooga, Tennessee	Apparel warehouse and distribution center	Owned	451,000
Chattanooga, Tennessee	Apparel storage	Leased	60,000
Schuylkill Haven, Pennsylvania	Apparel warehouse and distribution center	Owned	251,000
Austell, Georgia	Apparel warehouse and distribution center	Leased	421,000
Brinkley, Arkansas	Apparel warehouse and distribution center	Owned	112,000
Wilton, Maine	Footwear warehouse and distribution center	Owned	352,000
North Jay, Maine	Footwear warehouse and distribution center	Owned	67,000
Jonesville, North Carolina	Apparel and footwear warehouse and distribution center	Owned	575,000
Hong Kong	Corporate, apparel and footwear administrative offices	Leased	18,000

In addition, we lease certain other administrative/support offices in various domestic and international locations. We also currently operate and lease over 700 apparel and footwear retail stores in the United States.

In connection with our acquisition of Calvin Klein, we acquired leases for administrative offices and showrooms in New York, New York, where we occupy approximately 159,000 square feet, a warehouse and distribution center in North Bergen, New Jersey, where we occupy approximately 180,000 square feet, and certain other administrative/support offices and retail stores in various domestic and international locations, including three outlet stores and four company-operated stores, three of which sell collection apparel and accessories and one of which sells jeanswear. We intend to close the distribution center in New Jersey in connection with our licensing arrangement with Vestimenta. We also intend to close the three outlet stores, and the company-operated store that sells jeanswear and is located in London.

Information with respect to minimum annual rental commitments under leases in which we are a lessee is included in the note entitled "Leases" in the Notes to Consolidated Financial Statements included in Item 8 of this report.

ITEM 3. LEGAL PROCEEDINGS

We are a party to certain litigation which, in management's judgment based in part on the opinions of legal counsel, will not have a material adverse effect on our financial position.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED SECURITY HOLDER MATTERS

Certain information with respect to the market for our common stock, which is listed on the New York Stock Exchange, and related security holder matters appear in the Notes to Consolidated Financial Statements under the headings "Other Comments" on page F-19 "Selected Quarterly Financial Data" on page F-21 and "Ten Year Financial Summary" on pages F-23 and F-24. As of April 11, 2003, there were 1,093 stockholders of record of our common stock. The closing price of our common stock on April 11, 2003 was $12.81.

ITEM 6. SELECTED FINANCIAL DATA

Selected Financial Data appears under the heading "Ten Year Financial Summary" on pages F-23 and F-24.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

We manage and analyze our operating results in two business segments: (1) Apparel and (2) Footwear and Related Products. We derive revenues principally from marketing products to wholesale customers and in our own retail stores. Our fiscal years are based on the 52 to 53 week period ending on the Sunday closest to February 1, and are designated by the calendar year in which the fiscal year commences. Results for fiscal year 2002 represent the 52 weeks ended February 2, 2003. Results for fiscal year 2001 represent the 52 weeks ended February 3, 2002. Results for fiscal year 2000 represent the 53 weeks ended February 4, 2001.

The following table summarizes our results of operations in fiscal 2002, 2001 and 2000.

	FISCAL YEAR ($ IN THOUSANDS)					
	2002		2001		2000	
Total revenues	$ 1,404,973	100.0%	$ 1,431,892	100.0%	$ 1,455,548	100.0%
Gross profit	531,230	37.8	506,230	35.4	505,372	34.7
Selling, general & administrative expenses	462,195	32.9	465,091	32.5	434,835	29.9
Earnings before interest and taxes	69,035	4.9	41,139	2.9	70,537	4.8
Interest expense, net	22,729	1.6	24,451	1.7	22,322	1.5
Income before taxes	46,306	3.3	16,688	1.2	48,215	3.3
Income tax expense	15,869	1.1	6,008	0.4	18,115	1.2
Net income	$ 30,437	2.2%	$ 10,680	0.8%	$ 30,100	2.1%

Fiscal 2002 presented a challenging economic climate. Total revenues for the first half of the year were below prior year levels, followed by a modest improvement in the second half, resulting in total revenues of $1.4 billion, down 2% compared with fiscal 2001. However, our ability to manage inventory efficiently in the face of this difficult environment allowed us to reduce markdowns, which resulted in a 240 basis point improvement in gross margin and a 68% increase in earnings before interest and taxes. Working capital management also provided significant cash flow benefits that, in addition to reducing net interest expense, enabled us to end the year with $117.1 million of cash, an increase of $73.5 million over the prior fiscal year.

Fiscal 2001 should be viewed as two distinct time periods. During the first half of fiscal 2001, total revenues and net income grew 10% and 84%, respectively, over the prior year principally driven by the financial performance of the Kenneth Cole dress shirt and the Arrow dress shirt and sportswear businesses. The licenses for those businesses were acquired in

July 2000. Circumstances changed drastically after the tragic events of September 11th, which had a major negative impact on our business in the second half of the year causing full year revenues to be down 2% and net income to be down 65% after giving effect to the $13.4 million after tax charge ($21.0 million before tax) for restructuring described below. Despite this decline in sales, we ended fiscal 2001 with inventories 14% below the prior year level and positive cash flow of $23.4 million.

In the fourth quarter of fiscal 2001, in response to the changing economic climate and the gradual elimination, over the next few years, of import quotas on apparel in most countries from which we source our products, we made a decision to effect certain staff reductions, exit three Central American dress shirt manufacturing facilities and liquidate certain related dress shirt inventories. As a result, we recorded a $21.0 million charge, which included $15.6 million related to closing the manufacturing facilities and staff reductions in the first quarter of fiscal 2002 and $5.4 million related to the liquidation of related dress shirt inventories. We believe these actions have resulted in greater efficiency and flexibility in our sourcing and lower cost of goods.

ACQUISITION OF CALVIN KLEIN

On February 12, 2003, we acquired Calvin Klein. The total net consideration paid was $438.0 million, subject to post closing adjustments, and was comprised of $408.0 million in net cash and $30.0 million of our common stock. In addition, as part of the purchase price and in consideration for Mr. Klein's sale to us of all of his rights under a design services letter agreement with Calvin Klein, Mr. Klein received a warrant to purchase 320,000 shares of our common stock at $28 per share and will receive contingent purchase price payments based on the worldwide net sales of products bearing any of the Calvin Klein brands for a period of 15 years. Such contingent purchase price payments will be charged to goodwill and intangible assets. The cash portion of the consideration was financed by the issuance of $250.0 million of our Series B convertible preferred stock to affiliates of Apax Managers, Inc. and Apax Partners Europe Managers Limited, the borrowing of $100.0 million of a $125.0 million secured term loan from the Apax affiliates and with a portion of our available cash. The additional $25.0 million of the term loan was drawn down on March 14, 2003. The Series B convertible preferred stock is convertible into common stock at a current conversion price of $14 per share and carries an 8% dividend, payable in cash. If we elect not to pay a cash dividend for any quarter, then the Series B convertible preferred stock will be treated for purposes of the payment of future dividends and upon conversion, redemption or liquidation as if an in-kind dividend had been paid.

As a result of the acquisition, we will generate a substantially greater level of royalty, design and similar fees, which are expected to be reported separately as a component of total revenues. Royalty, design and similar fees, which generate higher margins, are expected to have a positive impact on our reported operating margins when compared with historical levels.

RESULTS OF OPERATIONS

As noted above, in fiscal 2001, we incurred a $21.0 million charge for restructuring and other costs, of which the Apparel segment incurred $19.0 million and the Footwear and Related Products segment incurred $2.0 million. The following discussion of financial performance separately identifies these costs. We believe that presenting the comparisons in this manner is a more meaningful presentation as it more appropriately reflects the results of our on-going operations and relative performance.

APPAREL

The following table summarizes the operating results of our Apparel segment in fiscal 2002, 2001 and 2000.

	FISCAL YEAR					
	2002		2001		2000	
	($ IN THOUSANDS)					
Total revenues	$1,042,855	100.0%	$1,061,412	100.0%	$1,071,029	100.0%
Gross profit	376,091	36.1	347,377	32.7	350,943	32.8
Selling, general & administrative expenses	302,784	29.0	302,387	28.5	276,008	25.8
Operating income	$ 73,307	7.0%	$ 44,990	4.2%	$ 74,935	7.0%

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NOTE: This table includes the $19.0 million portion of the restructuring charge incurred by the Apparel segment in fiscal 2001, of which $5.4 million was charged to gross profit and $13.6 million was charged to selling, general and administrative expenses. Without taking into account the restructuring charge, gross margin in fiscal 2001 was 33.2%, selling, general and administrative expenses as a percentage of total revenues was 27.2% and operating margin was 6.0%.

Revenues in both fiscal 2002 and 2001 were adversely affected by a very weak apparel environment, particularly in dress shirts, compared with a strong selling environment in fiscal 2000. The decrease in fiscal 2002 was also the result of a reduction in promotional and close-out dress shirt sales used to liquidate excess inventory during fiscal 2001. Adjusting for the 53rd week in fiscal 2000, apparel sales increased by 1.0% in fiscal 2001.

Gross margin increased 290 basis points in fiscal 2002 to 36.1%, from 33.2% in fiscal 2001 and 32.8% in fiscal 2000. The gross margin in fiscal 2001 of 33.2% excludes a $5.4 million portion of the charge for restructuring and other costs, which reduced fiscal 2001 gross margin to 32.7%. The improvement in gross margin in fiscal 2002 resulted from the cost benefits realized from the closure, at the beginning of the year, of our three Central American dress shirt manufacturing facilities, as well as the higher level of regular price selling experienced during the year. Aggressive inventory management during fiscal 2001 enabled us to manage through a weak sales environment at both wholesale and in our retail stores and resulted in an increase in gross margin to 33.2% compared with 32.8% in fiscal 2000.

Our selling, general and administrative expenses as a percentage of total revenues were 29.0% in fiscal 2002, compared with 27.2% in fiscal 2001 and 25.8% in fiscal 2000. Such expenses in fiscal 2001 exclude a $13.6 million portion of the charge for restructuring and other costs, which increased fiscal 2001 selling, general and administrative expenses to 28.5% of total revenues. The increase in these expenses as a percentage of total revenues over the last two fiscal years is due to higher payroll, incentive compensation, medical and other employee benefit expenses coupled with the lack of off-setting sales growth over the period.

Operating income was $73.3 million in fiscal 2002, up from $64.0 million in fiscal 2001, excluding the charge for restructuring and other costs of $19.0 million incurred by this segment. This compares with $74.9 million in fiscal 2000. The significant improvement in gross profit in fiscal 2002 offset the decline in revenues and resulted in a 14.6% improvement in operating income. Our operating income margin increased to 7.0% in fiscal 2002 from 6.0% in fiscal 2001, excluding the charge for restructuring and other costs, which reduced operating income margin to 4.2%. Our operating income margin was 7.0% in fiscal 2000.

FOOTWEAR AND RELATED PRODUCTS

The following table summarizes the operating results of our Footwear and Related Products segment in fiscal 2002, 2001 and 2000.

	FISCAL YEAR					
	2002		2001		2000	
	($ IN THOUSANDS)					
Total revenues	$362,118	100.0%	$370,480	100.0%	$384,519	100.0%
Grossprofit	155,139	42.8	158,853	42.9	150,570	39.2
Selling, general & administrative expenses	133,932	37.0	139,328	37.6	132,817	34.6
Operatingincome	$21,207	5.9%	$19,525	5.3%	$17,753	4.6%

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NOTE: This table includes the $2.0 million portion of the restructuring charge incurred by the Footwear and Related Products segment in fiscal 2001. Without taking into account the restructuring charge, in fiscal 2001 selling, general and administrative expenses as a percentage of total revenues was 37.1% and operating margin was 5.8%.

The decline in revenues in fiscal 2002 resulted from a weak back-to-school season and a sluggish holiday season, particularly in our own retail stores, which were partially offset by increases in revenues in the first half of the year. The fiscal 2001 decline in revenues was principally attributable to the soft retail environment in the second half of the year, exacerbated by the events of September 11th, which negatively impacted both our wholesale and retail store sales.

Gross margin remained relatively flat in fiscal 2002 at 42.8% and 42.9% in fiscal 2001, compared with 39.2% in fiscal 2000. The increase in fiscal 2001 was a result of improved merchandising strategies, which resulted in reduced levels of promotional selling from the prior year.

Selling, general and administrative expenses as a percentage of total revenues were 37.0% in fiscal 2002, compared with 37.1% in fiscal 2001 and 34.6% in fiscal 2000. The fiscal 2001 expenses exclude the $2.0 million portion of the charge for restructuring and other costs incurred by the segment, which increased fiscal 2001 selling, general and administrative expenses to 37.6% of total revenues. The increase in these expenses as a percentage of total revenues in fiscal 2001 was a result of higher payroll, medical and other employee benefit expenses coupled with a lack of offsetting sales growth over the period.

Operating income was $21.2 million in fiscal 2002, compared with $21.5 million in fiscal 2001, before the $2.0 million portion of the charge for restructuring and other costs incurred by the segment. This compares with $17.8 million in fiscal 2000. Our operating income margins were 5.9% in fiscal 2002 and 5.8% in fiscal 2001, before the charge for restructuring and other costs, which reduced operating income margin to 5.3%. Our operating income margin was 4.6% in fiscal 2000.

CORPORATE EXPENSES

Corporate expenses were $25.5 million in fiscal 2002, $23.4 million in fiscal 2001 and $22.2 million in fiscal 2000. The increase in both years resulted principally from an increase in certain logistical and information technology expenses. We continue to make investments in information technology and back-office logistics in order to improve our supply chain management, which we believe enables us to better manage our inventories.

INTEREST EXPENSE

Net interest expense in fiscal 2002 was $22.7 million, compared with $24.5 million in fiscal 2001 and $22.3 million in fiscal 2000. The reduction in fiscal 2002 was the result of higher cash balances due to the significant positive cash flow generated during the year. The increase in fiscal 2001 resulted from funding the acquisition of the Arrow and Kenneth Cole licenses in July 2000, as well as the acquisition at the end of fiscal 2000 of the Van Heusen trademark in parts of the world where we did not previously own the trademark.

INCOME TAXES

Our income tax expense rate was 34.3% in fiscal 2002, compared with 36.0% in fiscal 2001 and 37.6% in fiscal 2000. The reduction in the tax rate over the prior two years reflects various tax saving strategies which generated certain federal and state income tax credits.

LIQUIDITY AND CAPITAL RESOURCES

Our cash requirements are principally to fund growth in working capital, primarily accounts receivable and inventory to support increases in sales, and capital expenditures, including investments in information technology, warehousing and distribution and our retail stores. Historically, we have financed these requirements from internally generated cash flow or seasonal borrowings under our revolving credit facility.

Cash provided by our operating activities was $105.2 million in fiscal 2002, $63.7 million in fiscal 2001 and $35.4 million in fiscal 2000. The increase in fiscal 2002 was driven by the improvement in our net income, as well as our continued effective management of working capital, particularly receivables which benefited from strong year-end collections. The increase in cash flow from operations in fiscal 2001 compared with fiscal 2000 was the result of aggressive working capital management, particularly inventory. We currently anticipate that cash flow from operations will be lower in fiscal 2003 than the prior year resulting in part from funding approximately $35.0 million to $40.0 million of costs associated with integrating and restructuring the Calvin Klein business. The balance of approximately $5.0 million to $10.0 million of cash restructuring expenses will occur in fiscal 2004. The foregoing is a forward-looking statement. Our cash flow may be different than anticipated if our actual sales are less than or greater than projected sales levels or collection of receivables differs from what is projected. In addition, our cash flow will be impacted if we are unable to quickly and substantially reduce the administrative and corporate overhead and back office expenses of Calvin Klein. We refer you to "BUSINESS - RISK FACTORS."

Capital spending in fiscal 2002 was $29.5 million compared with $33.4 million in fiscal 2001 and $31.9 million in fiscal 2000. The reduction in spending in fiscal 2002 resulted from the level and timing of expenditures related to investments in information technology and warehousing and distribution. We currently anticipate capital spending in fiscal 2003 will approximate $33.0 million to $38.0 million, which we would expect to fund from our operating cash flow. We will also be making contingent purchase price payments to Mr. Klein as required under the acquisition agreement, based on a percentage of worldwide sales of products bearing any of the Calvin Klein brands. We estimate such payments will be approximately $20.0 million in fiscal 2003. We expect to fund these payments from internally generated operating cash flow and existing cash balances. The foregoing is a forward-looking statement. Changes in our plans or projections regarding investments in information technology and warehousing and distribution, as well as a change in cash flow could affect actual capital spending levels. See "BUSINESS - RISK FACTORS." In addition, the actual payments to Mr. Klein will be dependent on the level of sales of goods bearing any of the Calvin Klein brands by us, by our licensees and by other authorized users.

Total debt as a percentage of total capital was 47.8% at the end of fiscal 2002, compared with 48.4% and 48.1% at the end of fiscal 2001 and fiscal 2000, respectively. These percentages, net of cash, were 32.6%, 43.6% and 46.0% at the end of each of the last three fiscal years, respectively, reflecting our generation of significant amounts of cash flow in fiscal years 2002 and 2001.

In October 2002, we refinanced our $325.0 million revolving credit facility with a syndicate of lenders for a term of five years. The new facility was structured as an asset based loan and, as such, we are subject to fewer covenants than under our prior revolving credit facility. The new facility provides for revolving credit borrowings, as well as the issuance of letters of credit. Borrowing spreads and letters of credit fees are based on spreads above Eurodollar and other available interest rates, with the spreads changing based upon a pricing grid. For example, revolving credit spreads range from 175 to 275 basis points over Eurodollar loan rates and 100 to 200 basis points on outstanding letters of credit. The initial spreads and fees under the new facility were approximately 100 basis points higher than under the previous facility due to a much tighter lending environment than existed at the time of entering into the prior facility. As of February 2, 2003, there were no revolving credit loans outstanding and $143.0 million in letters of credit outstanding.

In conjunction with the acquisition of Calvin Klein on February 12, 2003, we entered into a two-year secured term loan agreement for $125.0 million with affiliates of Apax Managers, Inc. and Apax Partners Europe Managers Limited.

We have entered into agreements that create contractual obligations and commercial commitments. These obligations and commitments will have an impact on future liquidity and the availability of capital resources. The tables set forth below present a summary of these obligations and commitments as of February 2, 2003.

CONTRACTUAL OBLIGATIONS

	PAYMENTS DUE BY PERIOD				
DESCRIPTION	TOTAL OBLIGATIONS	LESS THAN ONE YEAR	ONE TO THREE YEARS	FOUR TO FIVE YEARS	AFTER FIVE YEARS
	(IN THOUSANDS)				
Long-term debt.........	$ 249,012	$ -	$ -	$ -	$ 249,012
Operating leases(1)....	209,289	59,894	97,384	24,534	27,477
Total contractual cash obligations.........	$ 458,301	$ 59,894	$ 97,384	$ 24,534	$ 276,489

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(1) Includes store operating leases, which generally provide for payment of direct operating costs in addition to rent. These obligation amounts include future minimum lease payments and exclude such direct operating costs.

COMMERCIAL COMMITMENTS(1)

	AMOUNT OF COMMITMENT PER PERIOD				
DESCRIPTION	TOTAL OBLIGATIONS	LESS THAN ONE YEAR	ONE TO THREE YEARS	FOUR TO FIVE YEARS	AFTER FIVE YEARS
	(IN THOUSANDS)				
Trade letters of credit outstanding(2).......	$ 137,813	$ 137,813	$ -	$ -	$ -
Standby letters of credit(2)..............	5,202	5,202	-	-	-
Raw material purchase guarantees(3).........	4,500	-	4,500	-	-
Contingent purchase price payments(4)....	-	-	-	-	-
Total commercial commitments.........	$ 147,515	$ 143,015	$ 4,500	$ -	$ -

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(1) Excludes purchase orders for merchandise and supplies in the normal course of business, which are fulfilled (or expire if not fulfilled) within 12 months.

(2) Issued under our revolving credit facility. At February 2, 2003, there were no outstanding borrowings under this facility.

(3) Represents the maximum amount guaranteed for the purchase of raw materials by Productos Textiles, S.A. de C.V., one of our suppliers.

(4) Represents contingent purchase price payments to Mr. Klein. As part of the Calvin Klein acquisition purchase price, Mr. Klein will receive contingent purchase price payments for 15 years based on a percentage of total worldwide net sales of products bearing any of the Calvin Klein brands. Such payment would have been $20.1 million in fiscal 2002.

MARKET RISK

Financial instruments held by us include cash equivalents and long-term debt. Based upon the amount of cash equivalents held by us at February 2, 2003 and the average net amount of cash equivalents which we currently anticipate holding during fiscal 2003, we believe that a change of 100 basis points in interest rates would not have a material effect on our financial position. The long-term debt note to our consolidated financial statements on page F-10 of this report outlines the principal amounts, interest rates, fair values and other terms required to evaluate the expected sensitivity of interest rate changes on the fair value of our fixed rate long-term debt.

SEASONALITY

Historically our business has been seasonal, with higher sales and income in the second half of the year which coincides with our two peak retail selling seasons. Our first peak selling season runs from the start of the back-to-school and fall selling season beginning in August and continues through September, and our second peak selling season is the Christmas selling season which begins on the weekend following Thanksgiving and continues through the week after Christmas.

Also contributing to the strength of the second half is the high volume of fall shipments to wholesale customers, which as a result of sales leverage generate more profit than spring shipments. Historically, the spring selling season at wholesale, with its lower sales volume, combines with similar retail seasonality to make the first quarter weaker than the other quarters. In the future, however, some of this historical seasonality is expected to be moderated, especially in the first quarter of the year. This is due to the impact of the substantial level of royalty, design and similar fee revenues from Calvin Klein, which tend to be earned more evenly throughout the year.

ADOPTION OF NEW ACCOUNTING STANDARD

In 2002, we adopted FASB Statement No. 142, "Goodwill and Other Intangible Assets." This standard requires that goodwill and other indefinitely lived intangible assets not be amortized, but instead be tested for impairment. The notes to our consolidated financial statements provide information regarding the impact that such amortization had on our net income and earnings per share in 2001 and 2000. During 2002, we completed the required transitional impairment tests. No impairment resulted from these tests.

ACCOUNTING POLICIES INVOLVING SIGNIFICANT ESTIMATES

Our financial statements are based on the selection and application of significant accounting policies, which require management to make significant estimates and assumptions. We believe that the following are the more critical judgmental areas in the application of our accounting policies that currently affect our financial condition and results of operations:

Sales allowance accrual - We have arrangements with many of our department and specialty store customers to support their sales of our products. We establish accruals which, based on a review of the individual customer arrangements and the expected performance of our products in their stores, we believe will be required to satisfy our obligations to them. It is possible that our estimates could vary from actual results, which would require adjustment to the allowance accruals.

Inventories - We state our inventories at the lower of cost or market. When market conditions indicate that inventories may need to be sold below cost, we write down our inventories to the estimated net realizable value. We believe that all inventory writedowns required at February 2, 2003 have been recorded. If market conditions were to change, it is possible that the required level of inventory reserves would need to be adjusted.

Income taxes - As of February 2, 2003, we have deferred tax assets totaling $51.4 million, of which $33.0 million relates to tax loss and credit carryforwards which begin to expire principally in 2010. Realization of these carryforwards is primarily dependent upon our achievement of future taxable income. Based on the extended expiration dates and projections of future taxable income, we have determined that realization of these assets is more likely than not. If future changes to market conditions require us to change our judgment as to realization, it is possible that material adjustments to deferred tax assets may be required.

Goodwill and other intangible assets - As discussed above and in the notes to our audited consolidated financial statements, in fiscal 2002 we adopted FASB Statement No. 142. This statement requires, among other things, that goodwill and other indefinitely lived intangible assets no longer be amortized, and instead be tested for impairment based on fair value. An impairment loss could have a material adverse impact on our financial condition and results of operations. Performance of the goodwill impairment tests requires significant judgments regarding the allocation of net assets to the reporting unit level, which is the level at which the impairment tests are required. The determination of whether an impairment exists also depends on, among other factors, the estimated fair value of the reporting units, which itself depends in part on market conditions.

Investment in Gant AB - As of February 2, 2003, other noncurrent assets included $13.4 million for an equity investment in Gant AB, which owns the Gant trademark. We evaluate annually whether the carrying amount of this investment is impaired based on the estimated fair market value of Gant AB.

Medical claims accrual - We self-insure a significant portion of our employee medical costs. Based on trends and the number of covered employees, we record estimates of medical claims which have been incurred but not paid. If actual medical claims varied significantly from these estimates, an adjustment to the medical claims accrual would be required.

Pension benefits - Included in the calculations of expense and liability for our pension plans are various assumptions, including return on assets, discount rate and future compensation increases. Based on these assumptions, and due in large part to the poor performance of U.S. equity markets in the past few years, we have certain unrecognized costs for our pension plans at February 2, 2003. Depending on future asset performance and discount rates, we could be required to amortize these costs in the future which could have a material effect on future pension expense. We are currently estimating that our fiscal 2003 pension expense will increase by approximately $5.0 million compared with fiscal 2002. We could be required to fund a significant portion of pension costs, beginning as early as fiscal 2004.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Information with respect to Quantitative and Qualitative Disclosures About Market Risk appears under the heading "Market Risk" in Item 7.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information required by Item 10 is incorporated herein by reference to the section entitled "Election of Directors" in our proxy statement for the Annual Meeting of Stockholders to be held on June 10, 2003. Information with regard to compliance by our officers and directors with Section 16(a) of the Securities Exchange Act is incorporated herein by reference to the section entitled "Section 16(a) Beneficial Ownership Reporting Compliance" in our proxy statement for the Annual Meeting of Stockholders to be held on June 10, 2003. Information with regard to our executive officers is contained in the section entitled "Executive Officers of the Registrant" in Item 1, Part I of this report.

ITEM 11. EXECUTIVE COMPENSATION

Information with respect to Executive Compensation is incorporated herein by reference to the sections entitled "Executive Compensation", "Compensation Committee Report on Executive Compensation" and "Performance Graph" in our proxy statement for the Annual Meeting of Stockholders to be held on June 10, 2003.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information with respect to the Security Ownership of Certain Beneficial Owners and Management and Equity Compensation Plan Information is incorporated herein by reference to the sections entitled "Security Ownership of Certain Beneficial Owners and Management" and "Equity Compensation Plan Information" in our proxy statement for the Annual Meeting of Stockholders to be held on June 10, 2003.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information with respect to Certain Relationships and Related Transactions is incorporated herein by reference to the sections entitled "Election of Directors" and "Compensation of Directors" in our proxy statement for the Annual Meeting of Stockholders to be held on June 10, 2003.

ITEM 14. CONTROLS AND PROCEDURES

Within the 90 days prior to the filing date of this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective. Disclosure controls and procedures are controls and procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

There have been no significant changes in our internal controls or in other factors that could significantly affect internal controls subsequent to the date we carried out this evaluation.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a)(1) See page F-1 for a listing of the consolidated financial statements included in Item 8 of this report.

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

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

	EXHIBIT NUMBER	
	2.1	Stock Purchase Agreement, dated December 17, 2002, among Phillips-Van Heusen Corporation, Calvin Klein, Inc., Calvin Klein (Europe), Inc., Calvin Klein (Europe II) Corp., Calvin Klein Europe S.r.l., CK Service Corp., Calvin Klein, Barry Schwartz, Trust for the Benefit of the Issue of Calvin Klein, Trust for the Benefit of the Issue of Barry Schwartz, Stephanie Schwartz-Ferdman and Jonathan Schwartz (incorporated by reference to Exhibit 10.1 to our Report on Form 8-K of Phillips-Van Heusen Corporation, filed on December 20, 2002). The registrant agrees to furnish supplementally a copy of any omitted schedules to the Commission upon request.
	3.1	Certificate of Incorporation (incorporated by reference to Exhibit 5 to our Annual Report on Form 10-K for the fiscal year ended January 29, 1977).
	3.2	Amendment to Certificate of Incorporation, filed June 27, 1984 (incorporated by reference to Exhibit 3B to our Annual Report on Form 10-K for the fiscal year ended February 3, 1985).
	3.3	Certificate of Designation of Series A Cumulative Participating Preferred Stock, filed June 10, 1986 (incorporated by reference to Exhibit A of the document filed as Exhibit 3 to our Quarterly Report as filed on Form 10-Q for the period ended May 4, 1986).
	3.4	Amendment to Certificate of Incorporation, filed June 2, 1987 (incorporated by reference to Exhibit 3(c) to our Annual Report on Form 10-K for the fiscal year ended January 31, 1988).
	3.5	Amendment to Certificate of Incorporation, filed June 1, 1993 (incorporated by reference to Exhibit 3.5 to our Annual Report on Form 10-K for the fiscal year ended January 30, 1994).
	3.6	Amendment to Certificate of Incorporation, filed June 20, 1996 (incorporated by reference to Exhibit 3.1 to our Report on Form 10-Q for the period ended July 28, 1996).
	3.7	By-Laws of Phillips-Van Heusen Corporation, as amended through June 18, 1996 (incorporated by reference to Exhibit 3.2 to our Quarterly Report on Form 10-Q for the period ended July 28, 1996).
	3.8	Certificate of Designations, Preferences, and Rights of Series B Convertible Preferred Stock of Phillips-Van Heusen Corporation (incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K, filed on February 26, 2003).
+	3.9	Corrected Certificate of Designations, Preferences and Rights of Series B Convertible Preferred Stock of Phillips-Van Heusen Corporation, dated April 17, 2003.
	4.1	Specimen of Common Stock certificate (incorporated by reference to Exhibit 4 to our 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 our 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 our 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 our Schedule 13E-4, Issuer Tender Offer Statement, dated July 31, 1987).

4.5 Third Amendment to Rights Agreement, dated June 30, 1992, from Phillips-Van Heusen Corporation to The Chase Manhattan Bank, N.A. and The Bank of New York (incorporated by reference to Exhibit 4.5 to our Quarterly Report on Form 10-Q for the period ended April 30, 2000).

4.6 Notice of extension of the Rights Agreement, dated June 5, 1996, from Phillips-Van Heusen Corporation to The Bank of New York (incorporated by reference to Exhibit 4.13 to our Quarterly Report on Form 10-Q for the period ended April 28, 1996).

4.7 Fourth Amendment to Rights Agreement, dated April 25, 2000, from Phillips-Van Heusen Corporation to The Bank of New York (incorporated by reference to Exhibit 4.7 to our Quarterly Report on Form 10-Q for the period ended April 30, 2000).

4.8 Supplemental Rights Agreement and Fifth Amendment to the Rights Agreement dated February 12, 2003, between Phillips-Van Heusen Corporation and The Bank of New York (successor to The Chase Manhattan Bank, N.A.), as rights agent (incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K, filed on February 26, 2003).

4.9 Indenture, dated as of April 22, 1998, with PVH as issuer and Union Bank of California, N.A., as Trustee (incorporated by reference to Exhibit 4.7 to our Quarterly Report on Form 10-Q for the period ended May 3, 1998).

4.10 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 our Registration Statement on Form S-3 (Reg. No. 33-50751) filed on October 26, 1993).

4.11 First Supplemental Indenture, dated as of October 17, 2002 to Indenture dated as of November 1, 1993 between PVH and The Bank of New York, as Trustee (incorporated by reference to Exhibit 4.15 to our Quarterly Report on Form 10-Q for the period ended November 3, 2002).

4.12 Second Supplemental Indenture, dated as of February 12, 2002 to Indenture, dated as of November 1, 1993, between Phillips-Van Heusen Corporation and the Bank Of New York, As Trustee (incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K, filed on February 26, 2003).

*10.1 1987 Stock Option Plan, including all amendments through April 29, 1997 (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the period ended May 4, 1997).

*10.2 Phillips-Van Heusen Corporation Special Severance Benefit Plan, as amended through March 7, 2002 (incorporated by reference to Exhibit 10.2 to our Annual Report on Form 10-K for the period ended February 3, 2002).

*10.3 Phillips-Van Heusen Corporation Capital Accumulation Plan (incorporated by reference to our Current Report on Form 8-K filed on January 16, 1987).

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

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

*10.6 Form of Agreement amending Phillips-Van Heusen Corporation Capital Accumulation Plan with respect to individual participants (incorporated by reference to Exhibit 10.8 to our Quarterly Report on Form 10-Q for the period ending October 29, 1995).

*10.7 Agreement amending Phillips-Van Heusen Corporation Capital Accumulation Plan with respect to Bruce J. Klatsky (incorporated by reference to Exhibit 10.13 to our Quarterly Report on Form 10-Q for the period ended May 4, 1997).

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

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

*10.10 Phillips-Van Heusen Corporation 1997 Stock Option Plan, effective as of April 29, 1997, as amended through December 18, 2001 (incorporated by reference to Exhibit 10.10 to our Annual Report on Form 10-K for the period ended February 3, 2002).

*10.11 Phillips-Van Heusen Corporation Senior Management Bonus Program for fiscal year 1999 (incorporated by reference to Exhibit 10.13 to our Quarterly Report on Form 10-Q for the period ended August 1, 1999).

*10.12 Phillips-Van Heusen Corporation Long-Term Incentive Plans for the 21 month period ending February 4, 2001 and the 33 month period ending February 3, 2002 (incorporated by reference to Exhibit 10.14 to our Annual Report on Form 10-K for the fiscal year ended January 30, 2000).

*10.13 Phillips-Van Heusen Corporation 2000 Stock Option Plan, effective as of April 27, 2000, as amended through December 18, 2001 (incorporated by reference to Exhibit 10.13 to our Annual Report on Form 10-K for the period ended February 3, 2002).

*10.14 Phillips-Van Heusen Corporation Performance Incentive Bonus Plan, effective as of March 2, 2000, as amended through March 7, 2001 (incorporated by reference to Exhibit 10.15 to our Annual Report on Form 10-K for the fiscal year ended February 4, 2001).

*10.15 Phillips-Van Heusen Corporation Long-Term Incentive Plan, effective as of January 31, 2000 (incorporated by reference to Exhibit 10.17 to our Quarterly Report on Form 10-Q for the period ended July 30, 2000).

10.16 Revolving Credit Agreement, dated as of October 17, 2002, among PVH, The IZOD Corporation, PVH Wholesale Corp., PVH Retail Corp., izod.com.inc., G.H. Bass Franchises Inc., CD Group Inc., and the lender parties thereto, JP Morgan Chase Bank, as Administrative Agent and Collateral Agent, Lead Arranger and Sole Bookrunner, Fleet Retail Finance Inc., as Co-Arranger and Co-Syndication Agent, Sun Trust Bank, as Co-Syndication Agent, The CIT Group/Commercial Services, Inc., as Co-Documentation Agent, and Bank of America, N.A., as Co-Documentation Agent (incorporated by reference to Exhibit 10.01 to our Quarterly Report on Form 10-Q for the period ended November 3, 2002).

10.17 Securities Purchase Agreement, dated December 16, 2002, among Phillips-Van Heusen Corporation, Lehman Brothers Inc. and the Investors named therein (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K, filed on December 20, 2002).

10.18 Warrant, issued on February 12, 2003, by Phillips-Van Heusen Corporation to the Calvin Klein 2001 Revocable Trust (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K, filed on February 26, 2003).

10.19 Term Loan Agreement, dated as of December 16, 2002, by and between Phillips-Van Heusen Corporation, each of the lenders listed therein, and Apax Managers, Inc., as administrative agent for the lenders (incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K, filed on February 26, 2003).

10.20 First Amendment to the Term Loan Agreement, dated as of February 12, 2003, by and between Phillips-Van Heusen Corporation, each of the lenders listed therein, and Apax Managers, Inc., as administrative agent for the lenders (incorporated by reference to Exhibit 10.4 to our Current Report on Form 8-K, filed on February 26, 2003).

10.21 First Amendment and Waiver Agreement, dated as of December 13, 2002 to the Revolving Credit Agreement, dated as of October 17, 2002, among Phillips-Van Heusen Corporation, The IZOD Corporation, PVH Wholesale Corp., PVH Retail Corp., izod.com.inc., G.H. Bass Franchises Inc., CD Group Inc., and the lender parties thereto, JPMorgan Chase Bank, as Administrative Agent and Collateral Agent, Lead Arranger and Sole Bookrunner, Fleet Retail Finance Inc., as Co-Arranger and Co-Syndication Agent, Sun Trust Bank, as Co-Syndication Agent, The CIT Group/Commercial Services, Inc., as Co-Documentation Agent, and Bank of America, N.A., as Co-Documentation Agent (incorporated by reference to Exhibit 10.5 to our Current Report on Form 8-K, filed on February 26, 2003).

10.22 Consent dated as of February 12, 2003 among Phillips-Van Heusen Corporation, The IZOD Corporation, PVH Wholesale Corp., PVH Retail Corp., izod.com.inc., G.H. Bass Franchises Inc., CD Group Inc., and the lender parties thereto, JPMorgan Chase Bank, as Administrative Agent and Collateral Agent, Lead Arranger and Sole Bookrunner, Fleet Retail Finance Inc., as Co-Arranger and Co-Syndication Agent, Sun Trust Bank, as Co-Syndication Agent, The CIT Group/Commercial Services, Inc., as Co-Documentation Agent, and Bank of America, N.A., as Co-Documentation Agent (incorporated by reference to Exhibit 10.6 to our Current Report on Form 8-K, filed on February 26, 2003).

10.23 Registration Rights Agreement, dated as of February 12, 2003, by and among Phillips-Van Heusen Corporation, the Calvin Klein 2001 Revocable Trust, Barry Schwartz, Trust for the Benefit of the Issue of Calvin Klein, Trust for the Benefit of the Issue of Barry Schwartz, Stephanie Schwartz-Ferdman and Jonathan Schwartz, and the Investors listed therein (incorporated by reference to Exhibit 10.7 to our Current Report on Form 8-K, filed on February 26, 2003).

10.24 Investors' Rights Agreement, dated as of February 12, 2003, by and among Phillips-Van Heusen Corporation and the Investors listed therein (incorporated by reference to Exhibit 10.8 to our Current Report on Form 8-K, filed on February 26, 2003).

+ 21 Phillips-Van Heusen Subsidiaries.

+ 23 Consent of Independent Auditors.

+ 99.1 Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act.

+ 99.2 Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act.

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* Management contract or compensatory plan or arrangement required to be identified pursuant to Item 15(c) of this report.

+ Filed herewith.

(b) Reports on Form 8-K filed during the fourth quarter of 2002:

We filed a report on Form 8-K, dated as of December 17, 2002 regarding our intent to purchase all of the issued and outstanding shares of certain Calvin Klein related companies.

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

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

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: April 21, 2003

PHILLIPS-VAN HEUSEN CORPORATION

By: /s/ Bruce J. Klatsky
BRUCE J. KLATSKY
CHAIRMAN, CHIEF EXECUTIVE OFFICER AND DIRECTOR

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

SIGNATURE	TITLE	DATE
/s/ Bruce J. Klatsky Bruce J. Klatsky	Chairman, Chief Executive Officer and Director (Principal Executive Officer)	April 21, 2003
/s/ Mark Weber Mark Weber	President, Chief Operating Officer and Director	April 21, 2003
/s/ Emanuel Chirico Emanuel Chirico	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	April 16, 2003
/s/ Vincent A. Russo Vincent A. Russo	Vice President and Controller (Principal Accounting Officer)	April 17, 2003
/s/ Edward H. Cohen Edward H. Cohen	Director	April 21, 2003
/s/ Joseph B. Fuller Joseph B. Fuller	Director	April 21, 2003
/s/ Joel H. Goldberg Joel H. Goldberg	Director	April 21, 2003
/s/ Marc Grosman Marc Grosman	Director	April 21, 2003
/s/ Dennis F. Hightower Dennis F. Hightower	Director	April 21, 2003
/s/ David A. Landau David A. Landau	Director	April 21, 2003
/s/ Harry N.S. Lee Harry N.S. Lee	Director	April 17, 2003
/s/ Bruce Maggin Bruce Maggin	Director	April 21, 2003
/s/ Henry Nasella Henry Nasella	Director	April 21, 2003
/s/ Christian Nather Christian Nather	Director	April 21, 2003
/s/ Peter J. Solomon Peter J. Solomon	Director	April 21, 2003

I, Bruce J. Klatsky, certify that:

1. I have reviewed this annual report on Form 10-K of Phillips-Van Heusen Corporation;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report.

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: April 21, 2003

/s/ Bruce J. Klatsky

Bruce J. Klatsky
Chairman and Chief Executive Officer

I, Emanuel Chirico, certify that:

1. I have reviewed this annual report on Form 10-K of Phillips-Van Heusen Corporation;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report.

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: April 21, 2003

/s/ Emanuel Chirico

Emanuel Chirico
Executive Vice President and
Chief Financial Officer

FORM 10-K-ITEM 15(a)(1) AND 15(a)(2)

PHILLIPS-VAN HEUSEN CORPORATION

INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES

15(a)(1) The following consolidated financial statements and supplementary data are included in Item 8 of this report:

15(a)(2) The following consolidated financial statement schedule is included herein:

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

PHILLIPS-VAN HEUSEN CORPORATION

CONSOLIDATED INCOME STATEMENTS
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	2002	2001	2000
Net sales	$1,394,212	$1,422,177	$1,447,934
Royalty and other revenues	10,761	9,715	7,614
Total revenues	1,404,973	1,431,892	1,455,548
Cost of goods sold	873,743	925,662	950,176
Gross profit	531,230	506,230	505,372
Selling, general and administrative expenses	462,195	465,091	434,835
Income before interest and taxes	69,035	41,139	70,537
Interest expense, net	22,729	24,451	22,322
Income before taxes	46,306	16,688	48,215
Income tax expense	15,869	6,008	18,115
Net income	$ 30,437	$ 10,680	$ 30,100
Basic net income per share	$ 1.10	$ 0.39	$ 1.10
Diluted net income per share	$ 1.08	$ 0.38	$ 1.10

See notes to consolidated financial statements.

PHILLIPS-VAN HEUSEN CORPORATION

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE DATA)

	FEBRUARY 2, 2003	FEBRUARY 3, 2002
ASSETS		
Current Assets:		
Cash and cash equivalents	$117,121	$ 43,579
Trade receivables, less allowances for doubtful accounts of $2,872 and $2,496	68,371	81,551
Inventories	230,971	233,704
Other, including deferred taxes of $19,404 and $19,656	34,664	46,466
Total Current Assets	451,127	405,300
Property, Plant and Equipment	142,635	135,817
Goodwill	94,742	94,742
Other Intangible Assets	18,233	18,233
Other Assets, including deferred taxes of $32,043 and $29,633	64,963	54,841
	$771,700	$708,933
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 40,638	$ 29,375
Accrued expenses	86,801	84,983
Total Current Liabilities	127,439	114,358
Long-Term Debt	249,012	248,935
Other Liabilities	123,022	79,913
Stockholders' Equity:		
Preferred stock, par value $100 per share; 150,000 shares authorized; no shares outstanding		
Common stock, par value $1 per share; 100,000,000 shares authorized; shares issued 27,812,954 and 27,646,172	27,813	27,646
Additional capital	123,645	121,659
Retained earnings	155,525	129,248
Accumulated other comprehensive loss	(34,370)	(12,500)
	272,613	266,053
Less: 28,581 and 24,627 shares of common stock held in treasury-at cost	(386)	(326)
Total Stockholders' Equity	272,227	265,727
	$771,700	$708,933

See notes to consolidated financial statements.

PHILLIPS-VAN HEUSEN CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	2002	2001	2000
OPERATING ACTIVITIES:			
Net income	$ 30,437	$ 10,680	$ 30,100
Adjustments to reconcile to net cash provided by operating activities:			
Depreciation and amortization	25,678	25,734	20,051
Deferred income taxes	13,594	4,756	9,885
Equity income	(828)	(486)	(864)
Changes in operating assets and liabilities:			
Receivables	13,180	17,888	(33,018)
Inventories	2,733	39,331	(10,173)
Accounts payable and accrued expenses	13,081	(23,737)	13,515
Prepaids and other-net	7,353	(10,513)	5,893
Net Cash Provided By Operating Activities	105,228	63,653	35,389
INVESTING ACTIVITIES:			
Property, plant and equipment acquired	(29,451)	(33,406)	(31,898)
Acquisition of net assets associated with Arrow and Kenneth Cole license agreements		(5,000)	(56,765)
Acquisition of worldwide rights to Van Heusen trademark		(600)	(18,100)
Net Cash Used By Investing Activities	(29,451)	(39,006)	(106,763)
FINANCING ACTIVITIES:			
Proceeds from revolving line of credit		58,300	50,290
Payments on revolving line of credit		(58,300)	(50,290)
Exercise of stock options	1,985	2,845	1,196
Acquisition of treasury shares	(60)		(326)
Cash dividends	(4,160)	(4,136)	(4,094)
Net Cash Used By Financing Activities	(2,235)	(1,291)	(3,224)
Increase (decrease) in cash	73,542	23,356	(74,598)
Cash at beginning of period	43,579	20,223	94,821
Cash at end of period	$117,121	$ 43,579	$ 20,223

See notes to consolidated financial statements.

PHILLIPS-VAN HEUSEN CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(IN THOUSANDS, EXCEPT SHARE DATA)

	COMMON STOCK						
	SHARES	$1 PAR VALUE	ADDITIONAL CAPITAL	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE LOSS	TREASURY STOCK	STOCKHOLDERS' EQUITY
January 30, 2000	27,289,869	$27,290	$117,697	$ 96,698			$241,685
Net income..................				30,100			30,100
Stock options exercised.....	138,239	138	1,058				1,196
Cash dividends..............				(4,094)			(4,094)
Acquisition of 24,627 treasury shares...........						$(326)	(326)
February 4, 2001.............	27,428,108	27,428	118,755	122,704		(326)	268,561
Net income..................				10,680			10,680
Minimum pension liability, net of tax.................					$ (12,500)		(12,500)
Total comprehensive loss....							(1,820)
Stock options exercised.....	218,064	218	2,627				2,845
Tax benefit from exercise of stock options..........			277				277
Cash dividends..............				(4,136)			(4,136)
February 3, 2002.............	27,646,172	27,646	121,659	129,248	(12,500)	(326)	265,727
Net income..................				30,437			30,437
Minimum pension liability, net of tax.................					(21,870)		(21,870)
Total comprehensive income..							8,567
Stock options exercised.....	166,782	167	1,818				1,985
Tax benefit from exercise of stock options..........			168				168
Cash dividends..............				(4,160)			(4,160)
Acquisition of 3,954 treasury shares...........						(60)	(60)
February 2, 2003.............	27,812,954	$27,813	$123,645	$155,525	$(34,370)	$(386)	$272,227

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation - The consolidated financial statements include the accounts of Phillips-Van Heusen Corporation and its subsidiaries, taken as a whole (the "Company"). Significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates - The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from the estimates.

Fiscal Year - Fiscal years are designated in the financial statements and notes by the calendar year in which the fiscal year commences. Results for 2002 represent the 52 weeks ended February 2, 2003. Results for 2001 represent the 52 weeks ended February 3, 2002. Results for 2000 represent the 53 weeks ended February 4, 2001.

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

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

Inventories - Inventories are stated at the lower of cost or market. Cost for certain apparel inventories of $121,129 (2002) and $105,768 (2001) is determined using the last-in, first-out method (LIFO). Cost for footwear and other apparel inventories is determined using the first-in, first-out method (FIFO).

Property, Plant and Equipment - Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of the related assets on a straight-line basis. The range of useful lives is as follows: Buildings and building improvements: 15-40 years; machinery, software and equipment: 3-10 years; furniture and fixtures: 7-10 years. Leasehold improvements are amortized using the straight-line method over the lesser of the term of the related lease or the estimated useful life of the asset. Major additions and betterments are capitalized, and repairs and maintenance are charged to operations in the period incurred.

Contributions from Landlords - The Company receives contributions from landlords primarily for opening retail stores which the Company leases from the landlords. Such amounts are amortized as a reduction of rent expense over the life of the related lease.

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

Revenue Recognition - Sales are recognized upon shipment of products to customers since title passes upon shipment and, in the case of sales by our outlet stores, when goods are sold to consumers. Allowances for estimated returns and discounts are provided when sales are recorded. Royalty revenue is recognized when licensed products are sold by the Company's licensees. For licensees whose sales are not expected to exceed contractual sales minimums, royalty revenue is recognized based on contractual minimums.

(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

Advertising - Advertising costs are expensed as incurred and totalled $33,544 (2002), $33,132 (2001) and $34,773 (2000).

Shipping and Handling Fees and Costs - Shipping and handling fees billed to customers are recorded as revenue. The costs associated with shipping goods to customers are recorded as cost of sales.

Reclassifications - For comparative purposes, certain prior period amounts have been reclassified to conform to the current period's presentation.

Stock-Based Compensation - The Company accounts for its stock options under the intrinsic value method of APB Opinion No. 25, "Accounting for Stock Issued to Employees," and complies with the disclosure requirements of FASB Statement No. 123, "Accounting for Stock-Based Compensation," as amended by FASB Statement No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure." Under APB Opinion No. 25, the Company does not recognize compensation expense because the exercise price of the Company's stock options equals the market price of the underlying stock on the date of grant.

The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of FASB Statement No. 123:

	2002	2001	2000
Net income, as reported	$30,437	$10,680	$30,100
Deduct: Stock-based employee compensation expense determined under fair value method, net of related tax effects	3,368	2,998	2,499
Net income, as adjusted	$27,069	$ 7,682	$27,601
Net income per share:			
Basic - as reported	$ 1.10	$ 0.39	$ 1.10
Diluted - as reported	$ 1.08	$ 0.38	$ 1.10
Basic - as adjusted	$ 0.98	$ 0.28	$ 1.01
Diluted - as adjusted	$ 0.97	$ 0.28	$ 1.01

The assumptions used to calculate the fair value of stock options at their grant dates are presented in the note entitled "Stockholder's Equity."

(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

EARNINGS PER SHARE

The Company computed its basic and diluted earnings per share by dividing net income by:

	2002	2001	2000
Weighted Average Common Shares Outstanding for Basic Earnings Per Share	27,770,112	27,595,111	27,305,450
Impact of Dilutive Employee Stock Options	395,030	451,706	110,499
Total Shares for Diluted Earnings Per Share	28,165,142	28,046,817	27,415,949

(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

INCOME TAXES

Income taxes consist of:

	2002	2001	2000
Federal:			
Current	$ 609		$ 7,200
Deferred	13,594	$4,284	8,324
State, foreign and local:			
Current	1,666	1,252	1,030
Deferred		472	1,561
	$15,869	$6,008	$18,115

The current Federal tax provision in 2002 and 2000 relates to estimated alternative minimum tax.

Taxes paid were $1,197 (2002), $1,454 (2001) and $8,248 (2000).

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

	2002	2001
Depreciation and amortization	$(19,343)	$(15,213)
Landlord contributions	-	791
Employee compensation and benefits	16,796	14,093
Tax loss and credit carryforwards	32,983	33,040
Minimum pension liability	21,000	7,700
Other-net	11	8,878
	$ 51,447	$ 49,289

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

	2002	2001	2000
Statutory 35% federal tax	$16,207	$ 5,841	$16,875
State, foreign and local income taxes, net of Federal income tax benefit	1,082	1,019	1,415
Other-net	(1,420)	(852)	(175)
Income tax expense	$15,869	$ 6,008	$18,115

INVENTORIES

Inventories, comprised principally of finished goods, are stated at the lower of cost or market. Cost for certain apparel inventories is determined using the last-in, first-out method (LIFO). Cost for footwear and other apparel inventories is determined using the first-in, first-out method (FIFO). At February 2, 2003 and February 3, 2002, no LIFO reserve was recorded because LIFO cost approximates FIFO cost.

(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

PROPERTY, PLANT AND EQUIPMENT

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

	2002	2001
Land	$ 1,139	$ 1,139
Buildings and building improvements	28,004	25,389
Machinery and equipment, furniture and fixtures and leasehold improvements	299,396	277,380
	328,539	303,908
Less: Accumulated depreciation and amortization	185,904	168,091
	$142,635	$135,817

LONG-TERM DEBT

Long-term debt is as follows:

	2002	2001
9 1/2% senior subordinated notes due 2008	$149,521	$149,454
7 3/4% debentures due 2023	99,491	99,481
	$249,012	$248,935

The Company issued $100,000 of 7 3/4% debentures due 2023 on November 15, 1993 with a yield to maturity of 7.80%. Interest is payable semi-annually. Based on current market conditions, the Company estimates that the fair value of these debentures on February 2, 2003, using discounted cash flow analyses, was approximately $82,000. In connection with the debentures, the Company must maintain a certain level of stockholders' equity in order to make restricted payments, as defined in the indenture governing the debentures, including cash dividends.

The Company issued $150,000 of 9 1/2% senior subordinated notes due 2008 on April 22, 1998 with a yield to maturity of 9.58%. Interest is payable semi-annually. Based on current market conditions, the Company estimates that the fair value of these notes on February 2, 2003, using discounted cash flow analyses, was approximately $153,200. In connection with the notes, the Company must maintain, among other things, a certain cash flow coverage ratio in order to make restricted payments, as defined in the indenture governing the notes, including cash dividends.

The Company has a secured revolving credit facility which provides for revolving credit borrowings as well as the issuance of letters of credit. The Company may, at its option, borrow and repay amounts up to a maximum of $325,000 under both the revolving credit borrowings and the issuance of letters of credit. Borrowing spreads and letters of credit fees are based on spreads above Eurodollar and other available interest rates, with the spreads changing based upon a pricing grid. For example, revolving credit spreads range from 175 to 275 basis points over Eurodollar loan rates and 100 to 200 basis points on outstanding letters of credit. All outstanding borrowings and letters of credit under this credit facility are due October 17, 2007.

In connection with the revolving credit facility and the 7 3/4% debentures due 2023 substantially all of the Company's assets have been pledged as collateral.

The amount outstanding under the letter of credit facility as of February 2, 2003 was $143,015.

Interest paid was $23,782 (2002), $24,805 (2001) and $23,818 (2000).

There are no scheduled maturities of long-term debt until 2008.

STOCKHOLDERS' EQUITY

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

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

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

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

At any time prior to the close of business on the Distribution Date, the Company may redeem the Rights in whole, but not in part, at a price of $.05 per Right. The rights are currently scheduled to expire on June 16, 2006.

(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

Stock Options - Under the Company's stock option plans, non-qualified and incentive stock options ("ISOs") may be granted. Options are granted with an exercise price equal to the closing price of the common stock on the trading date immediately preceding the date of grant. ISOs and non-qualified options granted have a ten-year duration. Depending upon which plan options have been granted under, options are cumulatively exercisable in either three installments commencing three years after the date of grant or in four installments commencing one year after the date of grant.

For purposes of the required disclosure requirements of FASB Statement No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure," as illustrated in the Summary of Significant Accounting Policies, the Company estimated the fair value of stock options granted since 1995 at the date of grant using the Black-Scholes model. The estimated fair value of the options is then amortized to expense over the options' vesting period.

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

	2002	2001	2000
Risk-free interest rate	4.75%	5.30%	6.52%
Expected option life	7 Years	7 Years	7 Years
Expected volatility	30.4%	30.7%	30.0%
Expected dividends per share	$0.15	$0.15	$0.15
Weighted average estimated fair value per share of options granted	$5.55	$5.17	$3.62

Other data with respect to stock options follows:

	SHARES	OPTION PRICE PER SHARE			WEIGHTED AVERAGE PRICE PER SHARE
Outstanding at January 30, 2000	3,568,447	$ 6.38	-	$31.63	$12.48
Granted	868,900	9.00	-	13.19	9.48
Exercised	138,239	6.38	-	10.25	8.65
Cancelled	282,105	7.31	-	14.75	12.14
Outstanding at February 4, 2001	4,017,003	6.81	-	31.63	11.99
Granted	921,600	9.65	-	17.40	13.43
Exercised	218,064	9.38	-	14.75	13.05
Cancelled	314,850	9.00	-	16.50	13.46
Outstanding at February 3, 2002	4,405,689	6.81	-	31.63	12.13
Granted	893,850	10.61	-	15.72	14.80
Exercised	166,782	7.50	-	14.75	11.90
Cancelled	267,132	9.38	-	22.38	12.33
Outstanding at February 2, 2003	4,865,625	$ 6.81	-	$31.63	$12.62

(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

Of the outstanding options at February 2, 2003, 1,585,675 shares have an exercise price below $13.06, 2,470,410 shares have an exercise price from $13.06 to $14.75 and 809,540 shares have an exercise price above $14.75. The weighted average remaining contractual life for all options outstanding at February 2, 2003 is 6.6 years.

Of the outstanding options at February 2, 2003 and February 3, 2002, options covering 2,412,946 and 1,705,585 shares were exercisable at a weighted average price of $12.51 and $12.84, respectively. Stock options available for grant at February 2, 2003 and February 3, 2002 amounted to 1,007,257 and 1,686,792 shares, respectively.

LEASES

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

At February 2, 2003, minimum annual rental commitments under non-cancellable operating leases, including leases for new retail stores which had not begun operating at February 2, 2003, are as follows:

2003	$59,894
2004	46,122
2005	30,581
2006	20,681
2007	14,234
Thereafter	37,777
Total minimum lease payments	$209,289

Rent expense is as follows:

	2002	2001	2000
Minimum	$65,843	$65,010	$60,919
Percentage and other	13,009	11,138	10,299
	$78,852	$76,148	$71,218

RETIREMENT AND BENEFIT PLANS

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

The Company and its domestic subsidiaries also provide certain postretirement health care and life insurance benefits. Employees become eligible for these benefits if they reach retirement age while working for the Company. Retirees contribute to the cost of this plan, which is unfunded.

(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

During 2002, the postretirement plan was amended to eliminate benefits for active participants who, as of January 1, 2003, had not attained age 55 and 10 years of service. This change reduced the benefit obligation by $9,297, which eliminated the unrecognized transition obligation and unrecognized prior service cost. A negative unrecognized prior service cost was established for the remainder.

Following is a reconciliation of the changes in the benefit obligation for each of the last two years:

	Pension Plans		Postretirement Plan	
	2002	2001	2002	2001
Beginning of year	$148,960	$135,167	$ 37,408	$35,490
Service cost	3,211	2,837	67	669
Interest cost	10,998	10,474	2,012	2,677
Benefit payments, net	(8,822)	(7,651)	(2,494)	(2,584)
Actuarial loss	18,587	4,115	7,974	1,156
Plan amendments		4,018	(9,297)	
End of year	$172,934	$148,960	$ 35,670	$37,408

Following is a reconciliation of the fair value of the assets held by the Company's pension plans for each of the last two years:

	2002	2001
Beginning of year	$123,187	$136,601
Actual return	(8,239)	(6,784)
Benefits paid	(8,822)	(7,651)
Company contributions	5,532	1,021
End of year	$111,658	$123,187

Net benefit cost recognized in each of the last three years is as follows:

	Pension Plans			Postretirement Plan		
	2002	2001	2000	2002	2001	2000
Service cost, including expenses	$. 3,371	$ 2,997	$ 2,369	$ 67	$ 669	$ 478
Interest cost	10,998	10,474	9,704	2,012	2,677	2,633
Amortization of net loss	161	112	(1,243)	388	339	163
Amortization of transition (asset) obligation	(21)	(40)	(46)		273	273
Expected return on plan assets	(12,393)	(11,949)	(12,628)			
Amortization of prior service cost	1,949	2,140	1,453	(444)	104	104
	$ 4,065	$ 3,734	$ (391)	$2,023	$4,062	$3,651

(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

Following is a reconciliation of the benefit obligation at the end of each of the last two years to the amounts recognized on the balance sheet:

	Pension Plans		Postretirement Plan	
	2002	2001	2002	2001
Benefit obligation at year-end	$172,934	$148,960	$ 35,670	$37,408
Unrecognized prior service cost	(5,412)	(7,361)	5,323	(525)
Unrecognized losses	(65,567)	(29,004)	(15,651)	(8,073)
Unrecognized transition asset (obligation)		21		(3,005)
Minimum pension liability	55,370	20,200		
Plan assets at fair value	(111,658)	(123,187)		
Liability recognized on the balance sheet	$ 45,667	$ 9,629	$ 25,342	$25,805

Included in the above disclosures are certain pension plans with projected and accumulated benefit obligations in excess of plan assets of $20,777 and $15,190, respectively, as of February 3, 2002. As of February 2, 2003, all pension plans had projected and accumulated benefit obligations in excess of plan assets.

The health care cost trend rate assumed for 2003 is 10.5% and is assumed to decrease by 0.5% per year through 2014. Thereafter, the rate assumed is 5.0%. If the assumed health care cost trend rate increased or decreased by 1%, the aggregate effect on the service and interest cost components of the net postretirement benefit cost for 2002 and on the postretirement benefit obligation at February 2, 2003 would be as follows:

	1% Increase	1% Decrease
Impact on service and interest cost	$ 175	$ (156)
Impact on year-end benefit obligation	$ 3,389	$(2,958)

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

	2002	2001
Discount rate	6.75%	7.50%
Rate of increase in compensation levels (applies to pension plans only)	4.00%	4.00%
Long-term rate of return on assets	8.75%	9.00%

(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

The Company has an unfunded supplemental defined benefit plan covering 23 current and retired executives under which the participants will receive a predetermined amount during the 10 years following the attainment of age 65, provided that prior to the termination of employment with the Company, the participant has been in the plan for at least 10 years and has attained age 55. At February 2, 2003 and February 3, 2002, $14,471 and $13,053, respectively, are included in other liabilities as the accrued cost of this plan.

The Company has a savings and retirement plan and a supplemental savings plan for the benefit of its eligible employees who elect to participate. The Company matches a portion of employee contributions to the plans. Matching contributions were $3,061 (2002), $3,082 (2001) and $2,608 (2000).

GOODWILL AND OTHER INTANGIBLE ASSETS

In 2002, the Company adopted FASB Statement No. 142, "Goodwill and Other Intangible Assets." This standard requires that goodwill and other indefinitely lived intangible assets not be amortized, but instead be tested for impairment. During 2002, the Company completed the required transitional impairment tests. No impairment resulted from these tests.

At the end of each of 2002 and 2001, accumulated amortization was $16,849 for goodwill and $467 for other intangible assets. No amortization for other intangible assets was recorded in 2002 due to the Company's determination that such assets are indefinitely lived.

If goodwill and other indefinitely lived intangible assets had not been amortized in 2001 and 2000, the Company's adjusted net income and earnings per share would have been as follows:

	2001			2000		
	NET INCOME	BASIC NET INCOME PER SHARE	DILUTED NET INCOME PER SHARE	NET INCOME	BASIC NET INCOME PER SHARE	DILUTED NET INCOME PER SHARE
As reported	$10,680	$0.39	$0.38	$30,100	$1.10	$1.10
Amortization of goodwill and other indefinitely lived intangible assets, net of tax	2,849	0.10	0.10	1,877	0.07	0.07
As adjusted	$13,529	$0.49	$0.48	$31,977	$1.17	$1.17

(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

ACQUISITIONS

Effective February 2, 2001, the Company acquired from Coats Viyella plc the rights to the Van Heusen trademark in the parts of the world where the Company did not previously have such rights. The purchase price and related fees were $18,700. This amount was recorded in other intangible assets.

On July 24, 2000, the Company entered into a license to market dress shirts and sportswear under the Arrow brand and acquired the license to market dress shirts under the Kenneth Cole brand. These transactions were accounted for as an acquisition using the purchase method of accounting. In connection with these transactions, the Company acquired $61,765 of net assets (principally inventory), including $16,932 of goodwill.

RESTRUCTURING AND OTHER CHARGES

In the fourth quarter of 2001, the Company recorded restructuring and other charges of $21,000 related to streamlining certain corporate and divisional operations, exiting three dress shirt manufacturing facilities and liquidating related dress shirt inventories.

The cost components of the charges are as follows:

Termination benefits for approximately 1,200 employees.........................	$ 8,900
Inventory liquidations included in cost of goods sold..........................	5,400
Lease terminations and other exit obligations..................................	5,200
Asset write-offs...	1,500
	$21,000

Other than inventory liquidations which were charged to cost of goods sold, all of the charges were included in selling, general and administrative expenses.

During 2001, the Company charged approximately $9,900 to this reserve, of which $5,400 related to inventory liquidations, leaving $11,100 in this reserve at February 3, 2002.

During 2002, the Company charged approximately $7,900 to this reserve, leaving $3,200 in this reserve at February 2, 2003. The actions related to these charges have been substantially completed by the Company; however, due to the extended terms of certain lease and employee termination contractual obligations associated with these actions, costs continue to be charged to this reserve.

(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

SEGMENT DATA

The Company manages and analyzes its operating results by its two vertically integrated business segments: (i) Apparel and (ii) Footwear and Related Products. In identifying its reportable segments, the Company evaluated its operating divisions and product offerings. The Company aggregates the results of its apparel divisions into the Apparel segment. This segment derives revenues from marketing dress shirts and sportswear, principally under the brand names Van Heusen, Izod, Geoffrey Beene, DKNY, Arrow, Kenneth Cole New York, Reaction by Kenneth Cole and ck Calvin Klein. ck Calvin Klein products included in the Apparel segment consist of dress shirts marketed under a license agreement which existed prior to the Company's acquisition of Calvin Klein, Inc. and certain affiliated companies on February 12, 2003, as explained in the note entitled "Subsequent Event." The Company's footwear business has been identified as the Footwear and Related Products segment. This segment derives revenues from marketing casual footwear, apparel and accessories principally under the Bass/G.H. Bass & Co. brand name. Sales for both segments occur principally in the United States.

	2002	2001	2000
Revenues			
Apparel	$1,042,855	$1,061,412	$1,071,029
Footwear and Related Products	362,118	370,480	384,519
Total Revenues	$1,404,973	$1,431,892	$1,455,548
Operating Income			
Apparel(1)	$ 73,307	$ 44,990	$ 74,935
Footwear and Related Products(1)	21,207	19,525	17,753
Total Operating Income(1)	94,514	64,515	92,688
Corporate Expenses	25,479	23,376	22,151
Interest Expense, net	22,729	24,451	22,322
Income Before Taxes	$ 46,306	$ 16,688	$ 48,215
Identifiable Assets			
Apparel	$ 362,208	$ 376,747	$ 430,868
Footwear and Related Products	112,614	121,734	122,180
Corporate	296,878	210,452	171,316
	$ 771,700	$ 708,933	$ 724,364
Depreciation and Amortization			
Apparel	$ 16,046	$ 18,034	$ 13,258
Footwear and Related Products	6,707	6,049	5,370
Corporate	2,925	1,651	1,423
	$ 25,678	$ 25,734	$ 20,051
Identifiable Capital Expenditures			
Apparel	$ 17,126	$ 21,122	$ 20,041
Footwear and Related Products	9,393	9,416	10,147
Corporate	2,932	2,868	1,710
	$ 29,451	$ 33,406	$ 31,898

(1) Operating income in 2001 includes $21,000 of restructuring and other charges, of which $19,000 relates to the Apparel segment and $2,000 relates to the Footwear and Related Products segment.

OTHER COMMENTS

The Company has a minority interest in Gant Company AB. The Company uses the equity method to account for this investment. As of February 2, 2003, this investment has a carrying amount of approximately $13,400.

The Company has guaranteed the payment of certain raw material purchases by Productos Textiles, S.A. de C.V. from three suppliers of Productos Textiles, S.A. de C.V. Productos Textiles, S.A. de C.V. is a supplier of the Company. The maximum amount guaranteed under all three contracts is $4,500. The guarantees expire on January 31, 2005.

One of the Company's directors, Mr. Harry N.S. Lee, is a director of TAL Apparel Limited, an apparel manufacturer and exporter based in Hong Kong. During 2002, 2001 and 2000, the Company purchased approximately $14,390, $2,681 and $2,834, respectively, of products from TAL Apparel Limited and certain related companies.

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

During each of 2002, 2001 and 2000, the Company paid four $0.0375 per share cash dividends on its common stock.

SUBSEQUENT EVENT (UNAUDITED)

On February 12, 2003, the Company purchased all of the issued and outstanding stock of Calvin Klein, Inc. and certain affiliated companies for $400,000 in cash and 2,535,926 shares of the Company's common stock, valued at $30,000. The purchase price is subject to adjustment based upon the closing date value of the acquired entities. The purchase price also included, in consideration of Mr. Klein's sale to the Company of all of his rights under a design services letter agreement with Calvin Klein, Inc., a nine-year warrant in favor of Mr. Klein to purchase 320,000 shares of the Company's common stock at $28.00 per share, which the Company has valued at $637 based on the Black-Scholes model, and contingent purchase price payments for 15 years based on a percentage of total worldwide net sales of products bearing any of the Calvin Klein brands. Such contingent purchase price payments will be charged to goodwill and intangible assets. On February 20, 2003, pursuant to the stock purchase agreement, the Company paid an additional $8,000 in net cash (consisting of a $13,000 cash payment, net of $5,000 cash acquired) to the selling stockholders of the acquired entities based upon an estimate of the closing date net book value of the acquired entities.

In connection with the acquisition, the Company issued to affiliates of Apax Managers, Inc. and Apax Partners Europe Managers Limited (collectively, "Apax") $250,000 of Series B convertible preferred stock with a conversion price of $14.00 per share and a dividend rate of 8% per annum, payable quarterly, in cash. If the Company elects not to pay a cash dividend for any quarter, then the Series B convertible preferred stock will be treated for purposes of the payment of future dividends and upon conversion, redemption or liquidation as if an in-kind dividend had been paid. Conversion may occur any time at Apax's option. Conversion may occur at the Company's option on or after February 12, 2007, if the market value of the Company's common stock trades equals or exceeds 225% of the conversion price then in effect for 60 consecutive days. Apax can require the Company to redeem for cash all of the then outstanding shares of Series B convertible preferred stock on or after the later of (i) six months after the maturity of indebtedness incurred by the Company to refinance the loan described in the next paragraph and (ii) November 1, 2008.

(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

Also in connection with the acquisition, Apax entered into a $125,000 loan agreement with the Company. The term is two years but is extendable for an additional two years at Apax's option. The Company borrowed $100,000 in connection with the closing of the Calvin Klein acquisition and borrowed the remaining $25,000 on March 14, 2003. The loan is secured and bears interest at a rate of 10% per annum for the first year and at 15% per annum for the second year and any renewal period. The Company would be obligated to pay an extension fee if the loan is not repaid within the first year and an additional fee if it is extended beyond the second year. It is the Company's intention to refinance this loan in 2003.

If the acquisition had occurred on the first day of fiscal 2002 instead of on February 12, 2003, the Company's proforma consolidated results of operations for the year ended February 2, 2003 would have been:

Total revenues	$1,576,965
Net income	37,959
Basic net income per common share	0.59
Diluted net income per common share	0.58

The Company is in the process of finalizing the estimate of the fair values of the assets acquired and liabilities assumed at the date of acquisition.

PHILLIPS-VAN HEUSEN CORPORATION

SELECTED QUARTERLY FINANCIAL DATA - UNAUDITED
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	1ST QUARTER		2ND QUARTER		3RD QUARTER		4TH QUARTER	
	2002	2001	2002	2001	2002	2001	2002	2001(1)
Total revenues	$349,421	$366,923	$331,192	$334,378	$409,103	$405,002	$315,257	$325,589
Gross profit	118,880	121,708	129,660	119,784	150,500	143,754	132,190	120,984
Net income (loss)	(831)	564	7,853	6,974	17,689	12,607	5,726	(9,465)
Basic net income (loss) per share	(0.03)	0.02	0.28	0.25	0.64	0.46	0.21	(0.34)
Diluted net income (loss) per share	(0.03)	0.02	0.28	0.25	0.63	0.45	0.20	(0.34)
Price range of common stock per share								
High	16.00	17.00	16.46	18.74	14.20	14.87	14.20	13.00
Low	10.35	12.70	11.00	11.70	10.80	8.32	11.22	8.45

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(1) The fourth quarter of 2001 includes restructuring and other charges of $21,000, or $13,440 net of tax.

REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

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

We have audited the accompanying consolidated balance sheets of Phillips-Van Heusen Corporation and subsidiaries as of February 2, 2003 and February 3, 2002, and the related consolidated income statements, changes in stockholders' equity, and cash flows for each of the three years in the period ended February 2, 2003. Our audits also included the financial statement schedule included in Item 15(a)(2). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Phillips-Van Heusen Corporation and subsidiaries at February 2, 2003 and February 3, 2002, and the consolidated results of their operations and their cash flows for each of the three years in the period ended February 2, 2003 in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects, the information set forth therein.

As described in the note entitled "Goodwill and Other Intangible Assets," the Company adopted FASB Statement No. 142, "Goodwill and Other Intangible Assets," effective February 4, 2002.

E&Y SIGNATURE STAMP

New York, New York
March 3, 2003

PHILLIPS-VAN HEUSEN CORPORATION
TEN YEAR FINANCIAL SUMMARY
(IN THOUSANDS, EXCEPT PER SHARE DATA, PERCENTS AND RATIOS)

	2002	2001(1)	2000(2)	1999	1998
SUMMARY OF OPERATIONS					
Revenues					
Apparel	$1,042,855	$1,061,412	$1,071,029	$ 885,792	$ 896,863
Footwear and Related Products	362,118	370,480	384,519	385,698	406,222
	1,404,973	1,431,892	1,455,548	1,271,490	1,303,085
Cost of goods sold and expenses	1,335,938	1,390,753	1,385,011	1,223,180	1,259,600
Income (loss) before interest and taxes	69,035	41,139	70,537	48,310	43,485
Interest expense, net	22,729	24,451	22,322	22,430	27,743
Income tax expense (benefit)	15,869	6,008	18,115	9,007	3,915
Net income (loss)	$ 30,437	$ 10,680	$ 30,100	$ 16,873	$ 11,827
PER SHARE STATISTICS					
Basic Earnings Per Share	$ 1.10	$ 0.39	$ 1.10	$ 0.62	$ 0.43
Diluted Earnings Per Share	$ 1.08	$ 0.38	$ 1.10	$ 0.62	$ 0.43
Dividends paid per share	$ 0.15	$ 0.15	$ 0.15	$ 0.15	$ 0.15
Stockholders' equity per share	9.80	9.62	9.80	8.86	8.39
FINANCIAL POSITION					
Current assets	$ 451,127	$ 405,300	$ 436,381	$ 425,970	$ 368,017
Current liabilities	127,439	114,358	138,095	124,580	132,686
Working capital	323,688	290,942	298,286	301,390	235,331
Total assets	771,700	708,933	724,364	673,748	674,313
Long-term debt	249,012	248,935	248,851	248,784	248,723
Stockholders' equity	272,227	265,727	268,561	241,685	228,888
OTHER STATISTICS					
Total debt to total capital (6)	47.8%	48.4%	48.1%	50.7%	54.0%
Net debt to net capital (7)	32.6%	43.6%	46.0%	38.9%	53.0%
Current ratio	3.5	3.5	3.2	3.4	2.8
Average shares outstanding	27,770	27,595	27,305	27,289	27,218

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(1) 2001 includes pre-tax charges of $21,000 for restructuring and other expenses.
(2) 2000 and 1996 include 53 weeks of operations.
(3) 1997 includes pre-tax charges of $132,700 for restructuring and other expenses.
(4) 1995 includes pre-tax charges of $27,000 for restructuring and other expenses.
(5) 1994 includes pre-tax charges of $7,000 for restructuring and other expenses.
(6) Total capital equals interest-bearing debt and stockholders' equity.
(7) Net debt and net capital are total debt and total capital reduced by cash.

PHILLIPS-VAN HEUSEN CORPORATION
TEN YEAR FINANCIAL SUMMARY (CONTINUED)

	1997(3)	1996(2)	1995(4)	1994(5)	1993
SUMMARY OF OPERATIONS					
Revenues					
Apparel	$ 911,047	$ 897,370	$1,006,701	$ 812,993	$ 757,452
Footwear and Related Products	438,960	462,223	457,427	442,473	394,942
	1,350,007	1,359,593	1,464,128	1,255,466	1,152,394
Cost of goods sold and expenses	1,437,160	1,311,855	1,443,555	1,205,764	1,072,083
Income (loss) before interest and taxes	(87,153)	47,738	20,573	49,702	80,311
Interest expense, net	20,672	23,164	23,199	12,793	35,098
Income tax expense (benefit)	(41,246)	6,044	(2,920)	6,894	13,355
Net income (loss)	$ (66,579)	$ 18,530	$ 294	$ 30,015	$ 31,858
PER SHARE STATISTICS					
Basic Earnings Per Share	$ (2.46)	$ 0.69	$ 0.01	$ 1.13	$ 1.22
Diluted Earnings Per Share	$ (2.46)	$ 0.68	$ 0.01	$ 1.11	$ 1.18
Dividends paid per share	$ 0.15	$ 0.15	$ 0.15	$ 0.15	$ 0.15
Stockholders' equity per share	8.11	10.73	10.20	10.35	9.33
FINANCIAL POSITION					
Current assets	$ 385,018	$ 362,958	$ 444,664	$ 429,670	$ 418,702
Current liabilities	133,335	122,266	183,126	114,033	109,156
Working capital	251,683	240,692	261,538	315,637	309,546
Total assets	660,459	657,436	749,055	596,284	554,771
Long-term debt	241,004	189,398	229,548	169,679	169,934
Stockholders' equity	220,305	290,158	275,292	275,460	246,799
OTHER STATISTICS					
Total debt to total capital (6)	53.0%	43.1%	52.3%	38.2%	40.8%
Net debt to net capital (7)	51.8%	41.7%	50.8%	24.5%	29.3%
Current ratio	2.9	3.0	2.4	3.8	3.8
Average shares outstanding	27,108	27,004	26,726	26,563	26,142

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(1) 2001 includes pre-tax charges of $21,000 for restructuring and other expenses.
(2) 2000 and 1996 include 53 weeks of operations.
(3) 1997 includes pre-tax charges of $132,700 for restructuring and other expenses.
(4) 1995 includes pre-tax charges of $27,000 for restructuring and other expenses.
(5) 1994 includes pre-tax charges of $7,000 for restructuring and other expenses.
(6) Total capital equals interest-bearing debt and stockholders' equity.
(7) Net debt and net capital are total debt and total capital reduced by cash.

SCHEDULE II

PHILLIPS-VAN HEUSEN CORPORATION

VALUATION AND QUALIFYING ACCOUNTS
(IN THOUSANDS)

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E
		ADDITIONS			
DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	CHARGED TO COSTS AND EXPENSE	CHARGED TO OTHER ACCOUNTS	DEDUCTIONS	BALANCE AT END OF PERIOD
YEAR ENDED FEBRUARY 2, 2003					
Deducted from asset accounts:					
Allowance for doubtful Accounts.........................	$2,496	$ 658(a)	$ 19(b)	$ 301(c)	$2,872
YEAR ENDED FEBRUARY 3, 2002					
Deducted from asset accounts:					
Allowance for doubtful Accounts.........................	$2,051	$ 829(a)	$ 76(b)	$ 460(c)	$2,496
YEAR ENDED FEBRUARY 4, 2001					
Deducted from asset accounts:					
Allowance for doubtful accounts.........................	$2,305	$ 415(a)	$ 178(b)	$ 847(c)	$2,051

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

EXHIBIT 3.9

CORRECTED CERTIFICATE OF DESIGNATIONS, PREFERENCES AND RIGHTS OF SERIES B CONVERTIBLE PREFERRED STOCK OF PHILLIPS-VAN HEUSEN CORPORATION

WHEREAS, pursuant to the provisions of ss.103(f) of the Delaware General Corporation Law (the "DGCL"), the Corporation (as hereinafter defined) hereby corrects the defects in the Certificate of Designations, Preferences and Rights of Series B Convertible Preferred Stock of the Corporation, which was filed on February 10, 2003, so as to cause the Corrected Certificate of Designations, Preferences and Rights of Series B Convertible Preferred Stock of the Corporation to accurately reflect the actions of the Board;

WHEREAS, the inaccuracies or defects to be corrected are as follows:

1. Section 6(h), subclause (iv):

> (iv) shares of Common Stock issuable upon the exercise of stock options or other awards made or denominated in shares of Common Stock under any of the Company's stock plans including any stock option, stock purchase, restricted stock or similar plan hereafter adopted by the Board of Directors and, if required by applicable Law or stock exchange requirement, approved by the stockholders of the Company, and

2. Section 7(a), subclause (A):

> (A) the sixth month anniversary of the maturity date of any notes, bonds or debentures issued to refinance (the "Refinancing") the notes issued pursuant to the CK Purchase Agreement, provided that such Refinancing occurs within two years of the Original Issue Date, or;

WHEREAS, the corrections are as follows:

1. Section 6(h), subclause (iv):

> (iv) shares of Common Stock issuable upon the exercise of stock options or other awards made or denominated in shares of Common Stock under any of the Corporation's stock plans including any stock option, stock purchase, restricted stock or similar plan hereafter adopted by the Board of Directors and, if required by applicable Law or stock exchange requirement, approved by the stockholders of the Corporation, and

2. Section 7(a), subclause (A):

(A) the sixth month anniversary of the maturity date of any notes, bonds or debentures issued to refinance (the "Refinancing") the notes issued pursuant to the Term Loan Agreement, dated as of December 16, 2002, by and between the Corporation, each of the lenders listed thereto, and Apax Managers, Inc., as the administrative agent, provided that such Refinancing occurs within two years of the Original Issue Date, or;

PHILLIPS-VAN HEUSEN CORPORATION, a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), DOES HEREBY CERTIFY THAT:

A. Pursuant to authority conferred upon the Board of Directors (the "Board") by Article FOURTH of the Certificate of Incorporation of the Corporation (the "Certificate of Incorporation") and pursuant to the provisions of ss.151 of the Delaware General Corporation Law, the Board adopted and approved the following resolution providing for the designations, preferences and relative, participating, optional and other rights, and the qualifications, limitations and restrictions of the Series B Convertible Preferred Stock.

WHEREAS, the Certificate of Incorporation provides for two classes of shares known as common stock, $1.00 par value per share (the "Common Stock"), and preferred stock, $100 par value per share (the "Preferred Stock"); and

WHEREAS, the Board is authorized by the Certificate of Incorporation to provide for the issuance of the shares of Preferred Stock in series, and by filing a certificate pursuant to the applicable law of the State of Delaware, to establish from time to time the number of shares to be included in such series and to fix the designations, preferences and rights of the shares of each such series and the qualifications, limitations and restrictions thereof.

NOW, THEREFORE, BE IT RESOLVED, that the Board deems it advisable to, and hereby does, designate a Series B Convertible Preferred Stock and fixes and determines the preferences, rights, qualifications, limitations and restrictions relating to the Series B Convertible Preferred Stock as follows:

1. DESIGNATION. The shares of such series of Preferred Stock shall be designated "Series B Convertible Preferred Stock" (referred to herein as the "Series B Stock").

2. AUTHORIZED NUMBER. The number of shares constituting the Series B Stock shall be 10,000.

3. RANKING. The Series B Stock shall rank, as to dividends and upon Liquidation (as defined in Section 5(a) hereof), senior and prior to the Common Stock, the Corporation's Series A Cumulative Participating Preferred Stock (the "Series A Stock") and to all other classes or series of stock issued by the Corporation. All equity securities of the

Corporation to which the Series B Stock ranks prior, with respect to dividends and upon Liquidation, including, without limitation, the Common Stock and the Series A Stock, are collectively referred to herein as "Junior Securities." The Corporation shall not have or create any class of stock ranking on parity with, or senior to, the Series B Stock, without the affirmative vote of the holders of a majority of the shares of Series B Stock, voting separately as a class.

4. DIVIDENDS.

(a) Dividend Accrual and Payment. The holders of the Series B Stock shall be entitled to receive, if, as and when declared by the Board out of funds legally available for the payment therefor, cash dividends at the rate of 8% per annum (the "Dividend Rate") of the Series B Issue Price. Dividends shall accrue daily but shall be payable quarterly in equal installments on the first day immediately following the end of the Corporation's fiscal quarter, or, if any such date is a Saturday, Sunday or legal holiday, then on the next day which is not a Saturday, Sunday or legal holiday (each a "Dividend Payment Date"). If any shares of Series B Stock are issued on a date which does not coincide with the Dividend Payment Date, then the initial dividend accrual period applicable to such shares shall be the period from the date of issuance thereof (the "Original Issue Date") through the last day of the Corporation's fiscal quarter in which such shares are issued. If the date fixed for redemption of or payment of a final liquidating distribution on any shares of Series B Stock, or the date on which any shares of Series B Stock are converted into Common Stock, does not coincide with the Dividend Payment Date, then subject to the provisions hereof relating to such redemption, payment or conversion, the final dividend accrual period applicable to such shares shall be the period from the first day of the Corporation's fiscal quarter during which such redemption, payment or conversion occurs through the redemption, payment or conversion date. Dividends shall be cumulative and shall compound at the Dividend Rate as of each Dividend Payment Date (hereinafter referred to as the "Dividends"). Dividends with respect to any quarter may be paid in cash at the discretion of the Board on the related Dividend Payment Date. Dividends not so paid in cash may not be paid in cash until (i) a Liquidation as part of the Liquidation Preference or (ii) a Redemption pursuant to Article 7 hereof.

(b) Dividend Limitation on Junior Securities. Except for the Annual Cash Dividend (as defined in Section 10(g) hereof), for so long as any shares of Series B Stock are outstanding, the Corporation shall not declare, pay or set apart for payment, any dividend on any Junior Securities or make any payment on account of, or set apart for payment, money for a sinking or other similar fund for, the purchase, redemption or other retirement of, any Junior Securities or any warrants, rights, calls or options exercisable or exchangeable for or convertible into any Junior Securities, or make any distribution in respect thereof, either directly or indirectly, and whether in cash, obligations or shares of the Corporation or other property (other than distributions or dividends in Junior Securities to the holder of Junior Securities).

(c) Dividends on Fractional Shares. Each fractional share of Series B Stock outstanding shall be entitled to a ratably proportionate amount of all Dividends accruing with respect to each outstanding share of Series B Stock pursuant to Section 4(a) hereof, and all such Dividends with respect to such outstanding fractional shares shall be payable in the same manner and at such times as provided for in Section 4(a) hereof with respect to Dividends on each outstanding share of Series B Stock.

5. LIQUIDATION.

(a) Liquidation Procedure. Upon any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary (a "Liquidation"), the holders of the shares of Series B Stock shall be entitled, before any distribution or payment is made upon any Junior Securities, to be paid an amount equal to (i) $25,000 per share of Series B Stock, representing the liquidation preference per share of the Series B Stock (as adjusted for any combinations, divisions or similar recapitalizations affecting the shares of Series B Stock) (the "Series B Issue Price"), plus (ii) all accrued and unpaid Dividends on the Series B Stock to such date (together with the Series B Issue Price, the "Liquidation Preference"). If upon Liquidation, the assets to be distributed among the holders of Series B Stock shall be insufficient to permit payment in full to the holders of Series B Stock of the Liquidation Preference, then the entire assets of the Corporation shall be distributed ratably among such holders in proportion to the full respective Liquidation Preference to which they are entitled.

(b) Remaining Assets. Upon Liquidation, after the holders of Series B Stock shall have been paid in full the Liquidation Preference, the remaining assets of the Corporation legally available for distribution shall be distributed ratably among the holders of the Junior Securities then outstanding.

(c) Fractional Shares. The Liquidation Preference with respect to each outstanding fractional share of Series B Stock shall be equal to a ratably proportionate amount of the Liquidation Preference with respect to each outstanding share of Series B Stock.

(d) Mergers, Reorganizations, Etc. The holders of at least a majority of the then outstanding shares of Series B Stock, may elect to deem the merger, reorganization or consolidation of the Corporation into or with another corporation or other similar transaction or series of related transactions in which more than 50% of the voting power of the Corporation is disposed of in exchange for property, rights or securities distributed to holders thereof by the acquiring person, firm or other entity, or the sale of all or substantially all the assets of the Corporation (the foregoing being referred to collectively as an "Acquisition"), as a Liquidation for purposes of this Section 5.

6. CONVERSION. The rights of the holders of shares of the Series B Stock to convert such shares into shares of Common Stock of the Corporation (the "Conversion Rights"), and the terms and conditions of such conversion, shall be as follows:

(a) Right to Convert.

(i) By the Holders of the Series B Stock.

(A) Each share of Series B Stock shall be convertible, at the option of the holder thereof, at any time after the Original Issue Date, at the office of the Corporation or its transfer agent, into that number of the fully paid and nonassessable shares of Common Stock determined in accordance with the provisions of Section 6(c) below. In order to convert shares of the Series B Stock into shares of Common Stock, the holder thereof shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or its transfer agent, together with written notice to the Corporation stating that it elects to convert the same and setting forth the name or names it wishes the certificate or certificates for Common Stock to be issued, and the number of shares of Series B Stock being converted.

(B) The Corporation shall, as soon as practicable after the surrender of the certificate or certificates evidencing shares of Series B Stock for conversion at the office of the Corporation or its transfer agent, issue to each holder of such shares, or its nominee or nominees, a certificate or certificates evidencing the number of shares of Common Stock to which it shall be entitled and, in the event that only a part of the shares evidenced by such certificate or certificates are converted, a certificate evidencing the number of shares of Series B Stock which are not converted. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Series B Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock at such date and shall, with respect to such shares, have only those rights of a holder of Common Stock of the Corporation.

(b) By the Corporation.

(A) If at any time after the fourth anniversary of the Original Issue Date, the Market Price (as defined below) on the New York Stock Exchange of the Common Stock for any 60 consecutive trading days equals or exceeds 225% of the Conversion Price then in effect, all of the Series B Stock, at the election of the Corporation (the "Company Conversion"), will convert into that number of the fully paid and nonassessable shares of Common Stock determined in accordance with the provisions of Section 6(c) below, without any action on the part of the holders of the Series B Stock. The Corporation will give written notice of such election to the holders of Series B Stock, which notice shall be given at least 10 business days prior to such conversion (the "Conversion Notice"). The Company Conversion is deemed to occur on the date the Conversion Notice is given.

(c) Conversion of the Series B Stock.

(i) Each share of Series B Stock shall be convertible at any time after the Original Issue Date, at the option of the holder of record thereof, into the number of fully paid and nonassessable shares of Common Stock equal to the quotient of (x) the Liquidation Preference of such share of Series B Stock being converted divided by (y) the Conversion Price (as defined below).

(ii) No fractional shares of Common Stock shall be issued upon conversion of the Series B Stock. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series B Stock by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of any fractional share, the Corporation shall, in lieu of issuing any fractional share, pay cash equal to the product of such fraction multiplied by the Market Price on the date of conversion.

As used herein, "Market Price" for any day means, with respect to the shares of Common Stock, the volume weighted average price as reported by Bloomberg (or if such information is not available from Bloomberg, from another nationally recognized independent pricing source). If there is no publicly traded market for the shares of Common Stock, pricing information will be obtained directly from broker/dealers and active market makers such as banks and securities firms. In instances where there is no readily available pricing information, the Board shall determine in good faith the fair value of the Common Stock, which determination shall be set forth in a certificate by the Secretary of the Corporation.

(d) Conversion Price. The conversion price per share for the Series B Stock shall initially be $14.00 (the "Conversion Price") and shall be subject to adjustment from time to time as provided herein.

(e) Adjustment for Stock Splits and Combinations. If outstanding shares of the Common Stock of the Corporation shall be subdivided into a greater number of shares, or a dividend in Common Stock or other securities of the Corporation convertible into or exchangeable for Common Stock (in which latter event the number of shares of Common Stock issuable upon the conversion or exchange of such securities shall be deemed to have been distributed) shall be paid in respect to the Common Stock of the Corporation, the Conversion Price in effect immediately prior to such subdivision or at the record date of such dividend shall, simultaneously with the effectiveness of such subdivision or immediately after the record date of such dividend, be proportionately reduced, and conversely, if outstanding shares of the Common Stock of the Corporation shall be combined into a smaller number of shares, the Conversion Price in effect immediately prior to such combination shall simultaneously with the effectiveness of such combination, be proportionately increased. Any adjustment to the Conversion Price under this Section 6(e) shall become effective at the close of business on the date the subdivision or combination referred to herein becomes effective.

(f) Reorganizations, Mergers, Consolidations or Reclassifications. In the event of any capital reorganization, any reclassification of the Common Stock (other than a change in par value), or the consolidation or merger of the Corporation with or into another Person (collectively referred to hereinafter as "Reorganizations"), the holders of the Series B Stock shall thereafter be entitled to receive, and provision shall be made therefor in any agreement relating to a Reorganization, upon conversion of the Series B Stock the kind and number of shares of Common Stock or other securities or property (including cash) of the Corporation, or other corporation resulting from such consolidation or surviving such merger to which a holder of the number of shares of the Common Stock of the Corporation which the

Series B Stock entitled the holder thereof to convert to immediately prior to such Reorganization would have been entitled to receive with respect to such reorganization; and in any such case appropriate adjustment shall be made in the application of the provisions herein set forth with respect to the rights and interests thereafter of the holders of the Series B Stock, to the end that the provisions set forth herein (including the specified changes and other adjustments to the Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any shares, other securities or property thereafter receivable upon conversion of the Series B Stock. The provisions of this Section 6(f) shall similarly apply to successive Reorganizations.

(g) Sale of Additional Shares.

(i) If at any time or from time to time the Corporation shall issue or sell Additional Shares of Common Stock (as hereinafter defined), or is deemed by the express provisions of this subsection (g) to issue or sell Additional Shares of Common Stock, other than as a subdivision or combination of shares of Common Stock as provided in Section 6(e) above, for a consideration per share less than the then existing Conversion Price, then the existing Conversion Price shall be reduced, as of the opening of business on the date of such issuance or sale, to a price determined by dividing (A) an amount equal to the sum of (1) the applicable Conversion Price immediately prior to such issuance or sale multiplied by the number of shares of Common Stock deemed outstanding at the close of business on the day before the date of such issuance or sale, plus (2) the aggregate consideration, if any, received or to be received by the Corporation upon such issuance or sale, by (B) an amount equal to the sum of (1) the number of shares of Common Stock deemed outstanding immediately prior to such issuance or sale, plus (2) the total number of Additional Shares of Common Stock so issued. For the purposes of the preceding sentence, the number of shares of Common Stock deemed to be outstanding as of a given date shall be the sum of (i) the number of shares of Common Stock actually outstanding, and (ii) the number of shares of Common Stock into which the then outstanding shares of Series B Stock could be converted if fully converted on the day immediately preceding the given date.

(ii) For the purpose of making any adjustment in the Conversion Price or number of shares of Common Stock issuable upon conversion of the Series B Stock, as provided above, the following provisions shall be applicable:

(A) In case of the issuance of Common Stock for consideration in whole or in part for cash, the consideration shall be deemed to be the amount of cash paid therefor, plus the value of any property other than cash received by the Corporation as determined in accordance with clause (B) below.

(B) In case of the issuance of Common Stock for consideration in whole or in part in property or consideration other than cash, the value of such property or consideration other than cash shall be deemed to be the fair value thereof as determined in good faith by the Board.

(C) In case of the issuance of (x) options, warrants, or other rights to acquire or to purchase or to subscribe for Common Stock (whether or not at the time exercisable), (y) securities convertible into or exchangeable for Common Stock or (z) options to purchase or rights to subscribe for such convertible or exchangeable securities (whether or not at the time so convertible or exchangeable): (1) the aggregate maximum number of shares of Common Stock deliverable upon exercise of such options, warrants, or other rights to acquire or to purchase, or to subscribe for Common Stock (whether or not at the time exercisable) shall be deemed to have been issued at the time such options or rights were issued and for a consideration equal to the consideration (determined in the manner provided in clauses (A) and (B) above), if any, received by the Corporation upon the issuance of such options, warrants or rights plus the purchase price provided in such options, warrants or rights for the shares of Common Stock covered thereby; (2) the aggregate maximum number of shares of Common Stock deliverable upon conversion of, or in exchange for, any such convertible or exchangeable securities or upon the exercise of options to purchase, or to subscribe for, such convertible or exchangeable securities and subsequent conversion or exchange thereof shall be deemed to have been issued at the time such securities were issued or such options, warrants or rights were issued and for a consideration equal to the consideration received by the Corporation for any such securities and related options or rights, plus the additional consideration, if any, to be received by the Corporation upon the conversion or exchange of such securities or the exercise of any related options, warrants or rights (determined in the manner provided in clauses (A) and (B) above); and (3) on the expiration of any warrant, right or option or on the termination of any right to convert or exchange any convertible or exchangeable securities, (whether or not at the time so convertible or exchangeable): the Conversion Price then in effect shall thereupon be readjusted to the Conversion Price as would have been in effect had the adjustment made upon the granting or issuance of such warrants, rights or options or convertible or exchangeable securities (whether or not at the time so convertible or exchangeable): been made upon the basis of the issuance or sale of only the number of shares of Common Stock actually issued upon the exercise of such options, warrants or rights or upon the conversion or exchange of such convertible or exchangeable securities. No readjustment pursuant to clause (3) above shall have the effect of increasing the Conversion Price to an amount which exceeds the lower of (x) the Conversion Price on the original adjustment date or (y) the Conversion Price that would have resulted from any issuance of Additional Shares of Common Stock between the original adjustment date and such readjustment date.

(h) Additional Shares of Common Stock. "Additional Shares of Common Stock" shall mean all shares of Common Stock issued or deemed to be issued or issuable by the Corporation, whether or not subsequently reacquired or retired by the Corporation, other than (i) shares of Common Stock issued upon the conversion of the Series B Stock, (ii) shares of Common Stock issued in connection with any stock split, stock dividend or recapitalization of the Corporation, (iii) shares of Common Stock issued upon exercise of the Warrants (as defined below), (iv) shares of Common Stock issuable upon the exercise of stock options or other awards made or denominated in shares of Common Stock under any of the

Corporation's stock plans including any stock option, stock purchase, restricted stock or similar plan hereafter adopted by the Board of Directors and, if required by applicable Law or stock exchange requirement, approved by the stockholders of the Corporation, and (v) shares of Common Stock issued pursuant to an acquisition of a business (including, without limitation, by way of an acquisition of capital stock) or the assets of a business (which assets do not consist primarily of cash or cash equivalents) approved by the Board of Directors. "Warrants" shall mean the warrants exercisable to purchase an aggregate of 320,000 shares of Common Stock, issued in connection with that certain Stock Purchase Agreement, dated as of December 17, 2002 (the "CK Purchase Agreement"), by and among the Corporation, Calvin Klein Inc., a New York corporation., Calvin Klein (Europe), Inc., a Delaware corporation, Calvin Klein (Europe II), Corp., a Delaware corporation, Calvin Klein Europe S.R.L., an Italian limited partnership, CK Service Corp., a Delaware corporation, Calvin Klein, Barry Schwartz, Trust for the Benefit of the Issue of Calvin Klein, Trust for the Benefit of the Issue of Barry Schwartz, Stephanie Schwartz-Ferdman and Jonathan Schwartz.

(i) Certificate of Adjustment. In each case of an adjustment or readjustment of the Conversion Price or the number of shares of Common Stock or other securities issuable upon conversion of the Series B Stock, the Corporation, at its expense, shall cause the Chief Financial Officer of the Corporation to compute such adjustment or readjustment in accordance with this Certificate of Incorporation and prepare a certificate showing such adjustment or readjustment, and shall mail such certificate, by first-class mail, postage prepaid, to each registered holder of the Series B Stock at the holder's address as shown on the Corporation's stock transfer books. The certificate shall set forth such adjustment or readjustment, showing in detail the facts upon which such adjustment or readjustment is based, including a statement of (i) the consideration received or to be received by the Corporation for any Additional Shares of Common Stock issued or sold or deemed to have been issued or sold, (ii) the Conversion Price at the time in effect for the Series B Stock, and (iii) the number of Additional Shares of Common Stock and the type and amount, if any, of other property which at the time would be received upon conversion of the Series B Stock.

(j) Reservation of Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of Series B Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect a conversion of all outstanding shares of the Series B Stock, and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series B Stock, the Corporation shall promptly seek such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

(k) Payment of Taxes. The Corporation shall pay all taxes and other governmental charges (other than any income or other taxes imposed upon the profits realized by the recipient) that may be imposed in respect of the issue or delivery of shares of Common Stock or other securities or property upon conversion of shares of Series B Stock; provided that, the Corporation shall not pay any taxes or other governmental charge, imposed in connection with any transfer involved in the issue and delivery of shares of Common Stock or other securities in a name other than that of which the shares of Series B Stock so converted were registered.

(l) No Impairment. The Corporation shall not amend its Certificate of Incorporation or participate in any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, for the purpose of avoiding or seeking to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but shall at all times in good faith use its best efforts, and assist in carrying out all such action as may be reasonably necessary or appropriate in order to protect the conversion rights of the holders of the Series B Stock against dilution or other impairment.

(m) Minimum Adjustment. No adjustment of the Conversion Price shall be made if the amount of any such adjustment would be an amount less than one percent (1%) of the Conversion Price then in effect, but any such amount shall be carried forward and an adjustment in respect thereof shall be made at the time of and together with any subsequent adjustment which, together with such amount and any other amount or amounts so carried forward, shall aggregate an increase or decrease of one percent (1%) or more.

(n) Certain Adjustments. The Conversion Price shall not be adjusted upward except in the event of a combination of the outstanding shares of Common Stock into a smaller number of shares of Common Stock or in the event of a readjustment of the Conversion Price pursuant to Section 6(g)(ii)(C).

7. REDEMPTION.

(a) Redemption. On or after the later of (A) the sixth month anniversary of the maturity date of any notes, bonds or debentures issued to refinance (the "Refinancing") the notes issued pursuant to the Term Loan Agreement, dated as of December 16, 2002, by and between the Corporation, each of the lenders listed thereto, and Apax Managers, Inc., as the administrative agent, provided that such Refinancing occurs within two years of the Original Issue Date, or (B) November 1, 2008, the holders holding a majority of the shares of Series B Stock shall have the right, by written notice delivered to the Corporation (the "Holders' Redemption Demand"), to require the Corporation to redeem, no later than thirty (30) days after the Corporation's receipt of the Holders' Redemption Demand, all or any portion of the Series B Stock owned by such holder or holders at a price per share equal to one hundred percent (100%) of the Liquidation Preference on the Redemption Date. The date on which the Corporation redeems the Series B Stock at the option of any holder of Series B Stock pursuant to this Section 7(a) is referred to herein as the "Redemption Date."

(b) Redemption Procedure. On or prior to the Redemption Date, the Corporation shall deposit the aggregate Series B Stock Issue Price plus an aggregate amount equal to all accrued and unpaid Dividends on all outstanding shares of Series B Stock to be so redeemed to the Redemption Date (the "Redemption Price") with a bank or trust corporation having aggregate capital and surplus in excess of $500,000,000 as a trust fund for the benefit of the holders of the shares of Series B Stock, with irrevocable instructions and authority to the bank or trust corporation to pay the allocable portion of the Redemption Price for such shares to their respective holders on or after the Redemption Date upon receipt of the certificate or certificates of the shares of Series B Stock to be redeemed. From and after the Redemption Date, unless there shall have been a default in payment of the Redemption Price, all rights of the holders of shares of Series B Stock as holders of Series B Stock (except the right to receive the Redemption Price upon surrender of their certificate or certificates) shall cease as to those shares of Series B Stock redeemed, and such shares shall not thereafter be transferred on the books of the Corporation or be deemed to be outstanding for any purpose whatsoever. If on the Redemption Date the funds of the Corporation legally available for redemption of shares of Series B Stock are insufficient to redeem the total number of shares of Series B Stock to be redeemed on such date, then the Corporation will use those funds which are legally available therefor to redeem the maximum possible number of shares of Series B Stock ratably among the holders of such shares to be redeemed based upon their holdings of Series B Stock. Payments shall first be applied against accrued and unpaid Dividends and thereafter against the remainder of the Redemption Price. The shares of Series B Stock not redeemed shall remain outstanding and entitled to all the rights and preferences provided herein. At any time thereafter when additional funds of the Corporation are legally available for the redemption of shares of Series B Stock such funds will immediately be used to redeem the balance of the shares of Series B Stock to be redeemed. No dividends or other distributions shall be declared or paid on, nor shall the Corporation redeem, purchase or acquire any shares of, the Common Stock or any other class or series of stock of the Corporation unless the Redemption Price per share of all shares elected to be redeemed shall have been paid in full. Until the Redemption Price for each share of Series B Stock elected to be redeemed shall have been paid in full, such share of Series B Stock shall remain outstanding for all purposes and entitle the holder thereof to all the rights and privileges provided herein, including, without limitation, that Dividends and interest thereon shall continue to accrue and, if unpaid prior to the date such shares are redeemed, shall be included as part of the Redemption Price as provided in this Section 7(b).

(c) Prohibited Redemption. The Corporation shall not have the right to redeem any shares of the Series B Stock, including any fractional share of the Series B Stock.

8. THE RIGHTS.

(a) General. Each share of Series B Stock shall also represent the number of Rights equal to the number of shares of Common Stock into which such share of Series B Stock and Dividends thereon are convertible at any time.

(b) Terms. The terms and conditions of the Rights are set forth in that certain Rights Agreement, dated as of June 10, 1986, as amended, by and between the Corporation and The Bank of New York (successor to The Chase Manhattan Bank, N.A.) (as amended, the "Rights Agreement").

(c) Reservation of Stock Issuable Upon Exercise. The Corporation shall, at all times, reserve and keep available out of its authorized but unissued shares of Series A Stock, such number of its shares of Series A Stock as shall, from time to time, be sufficient upon exercise of the Rights and, if at any time the number of authorized but unissued shares of Series

A Stock shall not be sufficient to effect the exercise of all then outstanding Rights, the Corporation shall promptly seek such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Series A Stock to such number of shares as shall be sufficient for such purpose.

The terms "Right" and "Distribution Date" shall have the respective meanings given to such terms in the Rights Agreement.

9. VOTING RIGHTS.

(a) General. Subject to the other provisions contained herein, each holder of Series B Stock shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, and shall be entitled to notice of any stockholders' meeting in accordance with the bylaws of the Corporation (as in effect at the time in question) and applicable law, and shall be entitled to vote, together with the holders of Common Stock, with respect to any question upon which the holders of Common Stock have the right to vote, except as may be otherwise provided by applicable law. Except as otherwise expressly provided herein or as required by law, the holders of Series B Stock and the holders of Common Stock shall vote together and not as separate classes.

(b) Series B Stock. On all matters put to a vote to the holders of Common Stock, each holder of shares of Series B Stock shall be entitled to the number of votes equal to the number of shares of Common Stock into which such shares of Series B Stock could be converted pursuant to the provisions of Section 6 above at the record date for the determination of the stockholders entitled to vote or, if no such record date is established, the date such vote is taken or any written consent of stockholders is solicited.

(c) Board Size. The authorized number of directors of the Board shall be fourteen (14). The Corporation shall not alter the authorized number of directors in its Certificate of Incorporation, bylaws or otherwise, without first obtaining the written consent, or affirmative vote at a meeting, of the holders of a majority of the then outstanding shares of the Series B Stock, consenting or voting (as the case may be) separately as a class.

(d) Board of Directors Election and Removal.

(i) Election of Directors. (A) For so long as at least sixty-five percent (65%) of the shares of Series B Stock issued on the Original Issue Date remain outstanding, the holders of the Series B Stock, voting as a separate series, shall be entitled to elect three (3) directors of the Corporation ("Series B Directors"); (B) if more than thirty-five percent (35%) but less than sixty-five percent (65%) of the shares of Series B Stock issued on the Original Issue Date remain outstanding, the holders of the Series B Stock, voting as a separate series, shall be entitled to elect two (2) Series B Directors; and (C) if more than ten percent (10%) but less than thirty-five percent (35%) of the shares of Series B Stock issued on the Original Issue Date remain outstanding, the holders of the Series B Stock, voting as a separate series, shall be entitled to elect one (1) Series B Director.

(ii) Quorum; Required Vote.

(A) Quorum. At any meeting held for the purpose of electing directors, the presence in person or by proxy of the holders of a majority of the shares of the Series B Stock shall constitute a quorum for the election of directors to be elected solely by the holders of the Series B Stock.

(B) Required Vote. With respect to the election of any Series B Director or Directors by the holders of the outstanding shares of Series B Stock, that candidate or those candidates (as applicable) shall be elected who either: (i) in the case of any such vote conducted at a meeting of the holders of the Series B Stock, receive the highest number of affirmative votes of the outstanding shares of the Series B Stock, up to the number of directors to be elected by the Series B Stock; or (ii) in the case of any such vote taken by written consent without a meeting, are elected by the written consent of the holders of a majority of outstanding shares of the Series B Stock.

(C) Removal. Subject to Section 141(k) of the DGCL, any director who shall have been elected to the Board by the holders of the Series B Stock may be removed during his or her term of office, without cause, by, and only by, the affirmative vote of shares representing a majority of the voting power of all the outstanding shares of the Series B Stock entitled to vote, given either at a meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders without a meeting.

(D) Procedures. Any meeting of the holders of the Series B Stock, and any action taken by the holders of the Series B Stock by written consent without a meeting, in order to elect or remove a director under this Section 11(d), shall be held in accordance with the procedures and provisions of the Corporation's bylaws, the DGCL and applicable law regarding stockholder meetings and stockholder actions by written consent, as such are then in effect (including but not limited to procedures and provisions for determining the record date for shares entitled to vote).

(E) Termination. Notwithstanding anything to contrary contained in this Section 9(d), the provisions of this Section 9(d) shall cease to be of any further force or effect upon the date on which less than ten percent (10%) of the shares of Series B Stock issued on the Original Issue Date remain outstanding.

10. PROTECTIVE PROVISIONS. For so long as any shares of Series B Stock are outstanding, the Corporation will not, without first obtaining the written consent or affirmative vote of holders of at least a majority of the shares of Series B Stock then outstanding, voting separately as a class, take any action with respect to any of the matters set forth in Sections 10(a) through 10(h).

(a) Change the Series B Stock. Materially amend, alter, repeal, impair or change, in any respect, the rights, preferences, powers, privileges, restrictions, qualifications or limitations of the Series B Stock.

(b) Create New Stock. Authorize, establish, create or issue any additional series of Preferred Stock or any other new class or series of equity securities or any securities convertible into equity securities of the Corporation, in each case which would have a preference over, or be on a parity with, the Series B Stock with respect to dividends or upon Liquidation.

(c) Increase the Series B Stock. Authorize or agree to authorize any increase in the number of shares of Series B Stock or issue any additional shares of Series B Stock.

(d) Amend Charter or Bylaws. Amend, alter or repeal any provision of the Certificate of Incorporation of the Corporation or bylaws of the Corporation which would adversely affect any right, preference, privilege or voting power of the Series B Stock or the holders thereof.

(e) Increase Directors. Increase the number of directors of the Corporation above fourteen (14).

(f) Increase Debt.

(i) Generally. Incur or assume Indebtedness, on a consolidated basis, to an amount that exceeds 4.5 times the Consolidated EBITDA of the Corporation. In the case of Indebtedness incurred or assumed in connection with the acquisition of a business, Consolidated EBITDA will be determined on a pro forma basis in accordance with Article 11 of Regulation S-X promulgated by the SEC and shall take into account EBITDA of the acquired entity as well as debt incurred, assumed or refinanced in connection with such acquisition.

"Consolidated EBITDA" shall mean, for any twelve-month period, the sum, determined on a consolidated basis, of (A) net income (or net loss), (B) interest expense, (C) income tax expense, (D) depreciation expense and (E) amortization, determined in accordance with GAAP.

"Indebtedness" means all obligations, contingent and otherwise, for money borrowed or for the purchase of capital assets which in accordance with GAAP should be classified on the obligor's balance sheet as liabilities, or to which reference should be made by footnotes thereto, including without limitation, in any event and whether or not so classified: (A) all debt and similar monetary obligations, whether direct or indirect; (B) all liabilities secured by any mortgage, pledge, security interest, lien, charge or other encumbrance existing on property owned or acquired subject thereto, whether or not the liability secured thereby shall have been assumed; (C) all guaranties, endorsements and other contingent obligations whether direct or indirect in respect of Indebtedness or performance of others, including any obligation to supply funds to or in any manner to invest in, directly or indirectly, the debtor, to purchase Indebtedness, or to assure the owner of Indebtedness against loss, through an agreement to purchase goods, supplies or services for the purpose of enabling the debtor to make payment of the Indebtedness held by such owner or otherwise; and (D) obligations to reimburse issuers of any letters of credit.

(g) Pay Dividends. Except for the Dividends, declare or pay any dividends (other than dividends payable solely in shares of its Common Stock) on or declare or make any other distribution, purchase, redemption or acquisition, directly or indirectly, on account of any shares of Preferred Stock or Common Stock now or hereafter outstanding; provided, however, that the Corporation shall be permitted to: (i) purchase shares of Common Stock held by former employees of the Corporation, provided, that such purchase occurs within 120 days of the date on which such employee's employment with the Corporation ceased, and the aggregate amount of such purchases do not exceed $5,000,000 in any 12 month period, (ii) pay or declare cash dividends on the shares of Common Stock in the same aggregate amount as was paid in fiscal 2002 (the "2002 Aggregate Amount"), (iii) declare or pay cash dividends on the shares of Common Stock in excess of the 2002 aggregate amount, provided, that such cash dividends do not exceed the average percentage of net income which dividends paid on the Common Stock for the preceding three fiscal years (the "Annual Cash Dividend") represented, and (iv) redeem all of the issued and outstanding Rights.

(h) Material Actions. Agree to take any of the foregoing actions.

11. NOTICES OF RECORD DATE. Upon (i) any taking by the Corporation of a record of the holders of any class of securities (including the Series B Stock) for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution (other than the Annual Cash Dividend), or (ii) any Acquisition (as defined in Section 2(d)), or other capital reorganization of the Corporation, any reclassification or recapitalization of the capital stock of the Corporation, any merger or consolidation of the Corporation with or into, any other corporation, or any Liquidation, or any other action of the type or types requiring an adjustment to the Conversion Price or the number or character of the Series B Stock as set forth herein, the Corporation shall mail to each holder of Series B Stock at least twenty (20) days prior to the record date specified therein a notice specifying (A) the date on which any such record is to be taken for the purpose of such dividend (other than the Annual Cash Dividend) or distribution and a description of such dividend (other than the Annual Cash Dividend) or distribution, (B) the date on which any such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Liquidation, or other action is expected to become effective, and (C) the date, if any, that is to be fixed as to when the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such Acquisition, reorganization, reclassification, transfer, Liquidation, or other action. Such notice shall also set forth such facts with respect thereto as shall be reasonably necessary to indicate the effect of such action (to the extent such effect may be known at the date of such notice) on the Conversion Price and the number, kind, or class of shares or other securities or property which shall be deliverable upon the occurrence of such action or deliverable upon the conversion of Series B Stock.

12. TAX TREATMENT. The Corporation shall not treat accrued and unpaid Dividends as "dividends" under Sections 301 or 305 of the Internal Revenue Code until such time as the Dividends are actually paid in cash or converted into shares of Common Stock.

13. HEADINGS OF SUBDIVISIONS. The headings of the various subdivisions hereof are for convenience of reference only and shall not affect the interpretation of any of the provisions hereof.

14. NO REISSUANCE OF SERIES B STOCK. No share or shares of Series B Stock acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be reissued, and all such shares of Series B Stock shall be canceled, retired and eliminated from the shares of Series B Stock which the Corporation shall be authorized to issue. Any such shares of Series B Stock acquired by the Corporation shall have the status of authorized and unissued shares of Preferred Stock issuable in undesignated Series and may be redesignated and reissued in any series other than as Series B Stock.

IN WITNESS WHEREOF, the undersigned has executed this Corrected Certificate of Designation this 17th day of April, 2003.

PHILLIPS-VAN HEUSEN CORPORATION

By: /s/ Mark D. Fischer

Name: Mark D. Fischer
Title: Vice President, General Counsel, Secretary

EXHIBIT 21

PHILLIPS-VAN HEUSEN SUBSIDIARIES

The following table lists all of the subsidiaries of Phillips-Van Heusen Corporation and the jurisdiction of incorporation of each subsidiary. Each subsidiary does business under its corporate name indicated in the table.

NAME	STATE OR OTHER JURISDICTION OF INCORPORATION
BassNet, Inc.	Delaware
Calvin Klein, Inc.	New York
Calvin Klein (Europe), Inc.	Delaware
Calvin Klein (Europe II) Corp.	Delaware
Calvin Klein Europe S.r.l	Incorporated in Milan, Italy, domesticated in Delaware
Camisas Modernas, S.A.	Guatemala
Caribe M&I Ltd.	Cayman Islands
C.A.T. Industrial, S.A. de C.V.	Honduras
CD Group Inc.	Delaware
CK Service Corp.	Delaware
Confecciones Imperio S.A.	Costa Rica
G.H. Bass Caribbean LLC	Delaware
G. H. Bass Franchises Inc.	Delaware
GHB (Far East) Limited	Hong Kong
Izod.com inc.	Delaware
Phillips-Van Heusen (Far East) Limited	Hong Kong
Phillips-Van Heusen Puerto Rico LLC	Delaware
PVHCareerApparel.com Inc.	Delaware
PVH Foreign Holdings Corp.	Delaware
PVH Retail Corp.	Delaware
PVH Wholesale Corp.	Delaware
Ropa PVH Mexicana, Camisas y Disenos, S.A. de C.V.	Mexico
The IZOD Corporation	Pennsylvania

EXHIBIT 23

Consent of Independent Auditors

We consent to the incorporation by reference in

(i) Post-Effective Amendment No. 2 to the Registration Statement (Form S-8, No. 2-73803), which relates to the Phillips-Van Heusen Corporation Employee Savings and Retirement Plan,

(ii) Registration Statement (Form S-8, No. 33-50841) and Registration Statement (Form S-8, No. 33-59602), each of which relate to the Phillips-Van Heusen Corporation Associates Investment Plan for Residents of the Commonwealth of Puerto Rico,

(iii) Registration Statement (Form S-8, No. 33-59101), which relates to the Voluntary Investment Plan of Phillips-Van Heusen Corporation (Crystal Brands Division),

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

(v) Registration Statement (Form S-8, No. 33-38698), Post-Effective Amendment No. 1 to Registration Statement (Form S-8, No. 33-24057) and Registration Statement (Form S-8, No. 33-60793), each of which relate to the Phillips-Van Heusen Corporation 1987 Stock Option Plan,

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

(vii) Registration Statement (Form S-4, No. 333-57203), which relates to the 9.5% Senior Subordinated Notes due 2008, and

(viii) Registration Statement (Form S-8, No. 333-41068) which relates to the Phillips-Van Heusen Corporation 2000 Stock Option Plan.

of Phillips-Van Heusen Corporation and in the related Prospectuses of our report dated March 3, 2003 and the financial statement schedule of Phillips-Van Heusen Corporation included in this Annual Report (Form 10-K) for the year ended February 2, 2003.

ERNST & YOUNG LLP

New York, New York
April 18, 2003

EXHIBIT 99.1

CERTIFICATE PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Phillips-Van Heusen Corporation (the "Company") for the fiscal year ended February 2, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bruce J. Klatsky, Chief Executive Officer of the Company, certify, pursuant to section 906 of the Sarbanes-Oxley Act of 2002,

(i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 21, 2003

By: /s/ Bruce J. Klatsky

Name: Bruce J. Klatsky
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 99.2

CERTIFICATE PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Phillips-Van Heusen Corporation (the "Company") for the fiscal year ended February 2, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Emanuel Chirico, Chief Financial Officer of the Company, certify, pursuant to section 906 of the Sarbanes-Oxley Act of 2002,

(i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 21, 2003

By: /s/ Emanuel Chirico

Name: Emanuel Chirico
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.