SECURITIES & EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended November 2, 1997

OR

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

For the transition period from to

Commission file number 1-724

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

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

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

Registrant's telephone number (212) 541-5200

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

The number of outstanding shares of common stock, par value $1.00 per share, of Phillips-Van Heusen Corporation as of November 28, 1997: 27,164,183 shares.

PHILLIPS-VAN HEUSEN CORPORATION

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Independent Accountants Review Report

Stockholders and Board of Directors
Phillips-Van Heusen Corporation

We have reviewed the accompanying condensed consolidated balance sheet of Phillips-Van Heusen Corporation as of November 2, 1997, and the related condensed consolidated statements of operations for the thirteen and thirty-nine week periods ended November 2, 1997 and October 27, 1996, and the related condensed consolidated statements of cash flows for the thirty-nine week periods ended November 2, 1997 and October 27, 1996. These financial statements are the responsibility of the Company's management.

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

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

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet of Phillips-Van Heusen Corporation as of February 2, 1997, and the related consolidated statements of income, stockholders' equity, and cash flows for the year then ended (not presented herein) and in our report dated March 11, 1997, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of February 2, 1997, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

ERNST & YOUNG LLP

New York, New York
November 17, 1997

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

	UNAUDITED November 2, 1997	AUDITED February 2, 1997
ASSETS		
Current Assets:		
Cash, including cash equivalents of $1,600 and $1,861	$ 20,482	$ 11,590
Trade receivables, less allowances of $3,521 and $3,401	144,311	91,806
Inventories	316,780	237,422
Other, including deferred taxes of $13,575 and $4,300	30,621	22,140
Total Current Assets	512,194	362,958
Property, Plant and Equipment	118,945	137,060
Goodwill	117,902	120,324
Other Assets, including deferred taxes of $27,330 and $16,617	48,247	37,094
	$797,288	$657,436
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Notes payable	$107,000	$ 20,000
Accounts payable	50,530	36,355
Accrued expenses	89,074	55,754
Current portion of long-term debt	10,182	10,157
Total Current Liabilities	256,786	122,266
Long-Term Debt, less current portion	209,078	189,398
Other Liabilities	67,924	55,614
Stockholders' Equity:		
Preferred Stock, par value $100 per share; 150,000 shares authorized, no shares outstanding		
Common Stock, par value $1 per share; 100,000,000 shares authorized; shares issued 27,162,962 and 27,045,705	27,163	27,046
Additional Capital	116,856	116,296
Retained Earnings	119,481	146,816
Total Stockholders' Equity	263,500	290,158
	$797,288	$657,436

See accompanying notes.

Phillips-Van Heusen Corporation
Condensed Consolidated Statements of Operations
Unaudited
(In thousands, except per share data)

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	November 2, 1997	October 27, 1996	November 2, 1997	October 27, 1996
Net sales	$413,643	$391,245	$1,013,026	$978,712
Cost of goods sold	273,877	261,536	678,994	650,581
Gross profit	139,766	129,709	334,032	328,131
Selling, general and administrative expenses	113,803	102,817	315,118	295,538
Facility and store closing and restructuring and other expenses	-	-	41,150	-
Income (loss) before interest and taxes	25,963	26,892	(22,236)	32,593
Interest expense, net	5,958	5,958	16,234	18,029
Income (loss) before taxes	20,005	20,934	(38,470)	14,564
Income tax expense (benefit)	5,453	5,899	(15,197)	3,957
Net income (loss)	$ 14,552	$ 15,035	$ (23,273)	$ 10,607
Net income (loss) per share	$ 0.54	$ 0.56	$ (0.86)	$ 0.39
Average shares outstanding	27,132	27,005	27,088	26,994
Cash dividends per share	$ 0.0375	$ 0.0375	$ 0.1125	$ 0.1125

In the second quarter of 1997, the Company recorded a non-recurring pre-tax charge of $57 million related principally to a series of actions the Company has taken to accelerate the execution of its ongoing strategy to build its brands. Such amount has been recorded in the statements of operations for the thirty-nine weeks ended November 2, 1997 as follows:

Cost of goods sold	$ 15,850
Facility and store closing and restructuring and other expenses	41,150
	57,000
Income tax benefit	(20,200)
	$ 36,800

See accompanying notes.

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

	Thirty-Nine Weeks Ended	
	November 2, 1997	October 27, 1996
OPERATING ACTIVITIES:		
Net income (loss)	$ (23,273)	$ 10,607
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	19,297	22,395
Amortization of contributions from landlords	(3,547)	(4,711)
Write-off of assets	18,800	-
Deferred income taxes	(19,988)	-
Equity income in Pyramid Sportswear	(1,050)	(938)
Changes in operating assets and liabilities:		
Receivables	(52,505)	(18,908)
Income tax refund	-	16,987
Inventories	(79,358)	(22,348)
Accounts payable and accrued expenses	46,959	6,945
Other-net	12,926	1,802
Net Cash Provided (Used) By Operating Activities	(81,739)	11,831
INVESTING ACTIVITIES:		
Property, plant and equipment acquired	(12,882)	(16,302)
Contributions from landlords	193	1,780
Net Cash Used By Investing Activities	(12,689)	(14,522)
FINANCING ACTIVITIES:		
Proceeds from revolving line of credit and long-term borrowings	113,505	26,411
Payments on revolving line of credit and long-term borrowings	(6,800)	(14,280)
Exercise of stock options	677	282
Cash dividends	(4,062)	(4,051)
Net Cash Provided By Financing Activities	103,320	8,362
Increase In Cash	8,892	5,671
Cash at beginning of period	11,590	17,533
Cash at end of period	$ 20,482	$ 23,204

See accompanying notes.

PHILLIPS-VAN HEUSEN CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except per share data)

GENERAL

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the thirteen and thirty-nine weeks ended November 2, 1997 are not necessarily indicative of the results that may be expected for the year ended February 1, 1998 due, in part, to seasonal factors. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report to Stockholders for the year ended February 2, 1997.

As part of its ongoing strategic and expense reduction initiatives, the Company continues to evaluate its operations.

Certain reclassifications have been made to the condensed consolidated financial statements for the thirty-nine weeks ended October 27, 1996 to present that information on a basis consistent with the thirty-nine weeks ended November 2, 1997.

INVENTORIES

Inventories are summarized as follows:

	November 2, 1997	February 2, 1997
Raw materials	$ 17,332	$ 16,670
Work in process	19,531	13,208
Finished goods	279,917	207,544
Total	$316,780	$237,422

Inventories are stated at the lower of cost or market. Cost for the apparel business is determined principally using the last-in, first-out method (LIFO), except for certain sportswear inventories which are determined using the first-in, first-out method (FIFO). Cost for the footwear business is determined using FIFO. Inventories would have been $14,000 and $13,000 higher than reported at November 2, 1997 and February 2, 1997, respectively, if the FIFO method of inventory accounting had been used for the entire apparel business.

The final determination of cost of sales and inventories under the LIFO method can only be made at the end of each fiscal year based on inventory cost and quantities on hand. Interim LIFO determinations are based on management's estimates of expected year-end inventory levels and costs. Such estimates are subject to revision at the end of each quarter. Since estimates of future inventory levels and costs are subject to external factors, interim financial results are subject to year-end LIFO inventory adjustments.

EARNINGS PER SHARE

In February 1997, the Financial Accounting Standards Board issued Statement No. 128, "Earnings Per Share," which is required to be adopted by the Company on February 1, 1998. At that time, the Company will be required to change the method currently used to compute net income per share and restate all prior periods. Under the new requirements for calculating primary net income per share, the dilutive effect of stock options will be excluded. Implementation of the new requirements will not have a material effect on the calculation of earnings per share.

FACILITY AND STORE CLOSING AND RESTRUCTURING AND OTHER EXPENSES

The results of operations for the thirty-nine weeks ended November 2, 1997 include a non-recurring pre-tax charge of $57 million ($36.8 million after-tax or $1.36 per share) recorded in the second quarter related principally to a series of actions the Company has taken to accelerate the execution of its ongoing strategy to build its brands. Included in these actions were the closing of approximately 150 additional outlet stores, repositioning the Gant brand in the United States to be consistent with its highly successful positioning in Europe and Asia, exiting the sweater manufacturing business and restructuring warehousing and distribution facilities as well as other logistical and administrative areas in order to reduce costs and improve efficiencies. The components of the charge are summarized as follows:

Outlet stores	$17,000
Gant brand repositioning	13,500
Exiting the sweater manufacturing business	13,000
Restructuring warehousing and distribution facilities and other areas	13,500
Total charge, including $15,850 in cost of goods sold	57,000
Less income tax benefit	(20,200)
Net charge	$36,800

The retail outlet store closings have continued the elimination of the Company's weakest and worst-trending stores. At the same time, it has expedited the realignment of the Company's wholesale/retail sales mix and generated positive cash flow as working capital is reduced. The charge relates principally to asset write-offs, accruals of lease termination fees and inventory markdowns (included in cost of goods sold) associated with store closings.

Gant is successfully marketed as an upscale brand in 24 countries throughout Europe, Canada, the Middle East and Asia. Included in this global network are 50 independent Gant retail stores in 19 countries, with 13 additional stores scheduled to be opened in Europe this year. The repositioning of the Gant brand in the United States encompassed new and upgraded products and the consolidation of the worldwide design and sourcing functions -- all focused on promoting consistency of product and quality throughout the world. It is a major step forward in creating "one image" for this global brand. Enhancing this image is the Gant Flagship Store on Fifth Avenue in New York City which opened on November 20, 1997. The charge relates principally to asset write-offs (primarily merchandise display fixtures) and inventory markdowns (included in cost of goods sold) associated with the phase-out of old product lines.

The Company's sweater manufacturing business is capital intensive and losing money, and its operations are not a part of the Company's strategy of building its brands. The charge relates principally to exiting the manufacturing facility in Barranquitas, Puerto Rico, and includes asset write-offs (primarily manufacturing equipment), accruals for employee termination and severance costs and a write-down of inventory values (included in cost of goods sold) associated with exiting the facility.

The Company's warehousing and distribution facilities were reconfigured, including the closing of the Company's Atlanta, Georgia distribution facility, to reduce costs and maximize efficiencies. Certain other logistical and administrative areas were also restructured to streamline costs. The charge relates principally to the write-off of equipment and accrual of employee termination and severance costs.

In summary, the $57,000 pre-tax non-recurring charge consists of the following:

Asset write-offs	$18,800
Inventory markdowns and write-downs (included in cost of goods sold)	15,850
Employee termination and severance costs for approximately 700 employees	7,200
Lease and other obligations	10,350
Other	4,800
	$57,000

SEGMENT DATA

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

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

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	November 2, 1997	October 27, 1996	November 2, 1997	October 27, 1996
Net sales-apparel	$320,165	$291,222	$ 761,769	$714,647
Net sales-footwear	93,478	100,023	251,257	264,065
Total net sales	$413,643	$391,245	$1,013,026	$978,712
Operating income (loss)-apparel*	$ 28,340	$ 20,325	$ (15,725)	$ 21,518
Operating income-footwear*	2,893	10,780	6,156	21,110
Total operating income (loss)*	31,233	31,105	(9,569)	42,628
Corporate expenses	(5,270)	(4,213)	(12,667)	(10,035)
Interest expense, net	(5,958)	(5,958)	(16,234)	(18,029)
Income (loss) before taxes	$ 20,005	$ 20,934	$ (38,470)	$ 14,564

* Operating income (loss) for the thirty-nine weeks ended November 2, 1997, includes a $57,000 non-recurring pre-tax charge, of which $50,765 and $6,235 relate to the Company's apparel and footwear businesses, respectively.

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

RESULTS OF OPERATIONS

The results of operations for the thirty-nine weeks ended November 2, 1997 include a non-recurring pre-tax charge of $57 million recorded in the second quarter related principally to a series of actions the Company has taken to accelerate the execution of its ongoing strategy to build its brands. See Notes to Condensed Consolidated Financial Statements.

The following statements of operations, segment data and discussion segregate this non-recurring charge from the Company's ongoing operations.

Statements of Operations (In thousands)

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	11/2/97	10/27/96	11/2/97	10/27/96
Net sales	$413,643	$391,245	$1,013,026	$978,712
Cost of goods sold	273,877	261,536	678,994	650,581
Non-recurring charge	-	-	(15,850)	-
Gross profit before non-recurring charge	139,766	129,709	349,882	328,131
SG&A expenses and non-recurring charge	113,803	102,817	356,268	295,538
Non-recurring charge	-	-	(41,150)	-
Selling, general and administrative expenses	113,803	102,817	315,118	295,538
Income before interest, taxes and non-recurring charge	25,963	26,892	34,764	32,593
Interest expense, net	5,958	5,958	16,234	18,029
Income tax expense	5,453	5,899	5,003	3,957
Income from ongoing operations before non-recurring charge	14,552	15,035	13,527	10,607
Non-recurring charge, net of tax benefit	-	-	(36,800)	-
Net income (loss)	$ 14,552	$ 15,035	$ (23,273)	$ 10,607

Segment Data (In thousands)

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	11/2/97	10/27/96	11/2/97	10/27/96
Net sales-apparel	$320,165	$291,222	$ 761,769	$714,647
Net sales-footwear	93,478	100,023	251,257	264,065
Total net sales	$413,643	$391,245	$1,013,026	$978,712
Operating income-apparel	$ 28,340	$ 20,325	$ 35,040	$ 21,518
Operating income-footwear	2,893	10,780	12,391	21,110
Total operating income	31,233	31,105	47,431	42,628
Corporate expenses	(5,270)	(4,213)	(12,667)	(10,035)
Interest expense, net	(5,958)	(5,958)	(16,234)	(18,029)
Income before taxes and non-recurring charge	$ 20,005	$ 20,934	$ 18,530	$ 14,564

Thirteen Weeks Ended November 2, 1997 Compared With Thirteen Weeks Ended October 27, 1996

APPAREL

Net sales of the Company's apparel segment in the third quarter increased to $320.2 million in 1997 compared with $291.2 million last year, an increase of 10.0%. Net sales of the Company's wholesale branded apparel increased 42% in the current year's third quarter compared with last year's third quarter, offset, in part, by the decrease in retail sales resulting from the Company's strategic initiative to close outlet stores.

Gross margin on apparel sales was 32.9% in the third quarter of 1997 compared with 31.7% in last year's third quarter. The increase was driven principally by improved gross margins at Dress Shirts and Van Heusen. This was offset, in part, by sales of golf apparel to pro shops, where significantly increased competition continued to weaken gross margin percentages.

Selling, general and administrative expenses as a percentage of apparel sales was 24.1% in the third quarter of 1997 compared with 24.8% in the third quarter of 1996. These expenses increased in the third quarter of 1997 principally due to the launching of a significant advertising program. However, as a percentage of apparel sales, these expenses decreased because of the significantly higher sales volume in 1997 compared with 1996. Expense levels are expected to increase as a percentage of net sales for the balance of the year, as the Company continues to significantly increase its advertising expense.

FOOTWEAR

Net sales of the Company's footwear segment in the third quarter were $93.5 million in 1997 compared with $100.0 million last year, a decline of 6.5%. The decline was due principally to the decrease in retail sales resulting from the Company's strategic initiative to close outlet stores and a reduction in wholesale shipments due to a slowdown in footwear re-orders.

Gross margin on footwear sales was 36.8% in the third quarter of 1997 compared with 37.2% in last year's third quarter. The decrease is due to markdowns required because of lower than planned sell-throughs of selected Fall product. As part of the Company's ongoing brand building strategy, the repositioning of the Bass brand included upgrading its product line and increasing its offerings of higher priced product. While Bass was able to sell-in such product, the sell-throughs at retail of selected Fall product were disappointing. To address this, markdowns were required which significantly reduced gross margin. It is anticipated that this slowdown in sales of selected Fall product will continue into the fourth quarter.

Selling, general and administrative expenses as a percentage of footwear sales in the third quarter was 33.7% in 1997 compared with 26.4% in 1996. The increase was due primarily to the launching of a significant advertising program and additional brand investment in design. As in apparel, expense levels are expected to increase as a percentage of net sales for the balance of the year, as the Company continues to significantly increase its advertising expense.

INTEREST EXPENSE

Interest expense in the third quarter was $6.0 million in 1997 and 1996.

INCOME TAXES

Income tax was estimated at a rate of 27.3% in the third quarter of 1997 compared with 28.2% in last year's third quarter. The tax rates reflect the relationship of U.S. income taxed at normal rates versus tax exempted income from operations in Puerto Rico.

CORPORATE EXPENSES

Corporate expenses in the third quarter were $5.3 million in 1997 compared with $4.2 million in 1996. The increase is due solely to timing as expenses are expected to be substantially flat for the year.

Thirty-Nine Weeks Ended November 2, 1997 Compared With Thirty-Nine Weeks Ended October 27, 1996

APPAREL

Net sales of the Company's apparel segment in the first nine months were $761.8 million in 1997 compared with $714.6 million last year, an increase of 6.6%. In the first nine months, net sales of the Company's wholesale branded apparel increased 30% in 1997 compared with last year, offset, in part, by the decrease in retail sales resulting from the Company's strategic initiative to close outlet stores.

Gross margin on apparel sales before the non-recurring charge was 33.0% in the first nine months of 1997 compared with 32.1% in last year's first nine months. Virtually all of the Company's branded apparel businesses showed gross margin improvement in the first nine months of 1997 compared with last year as product upgrades and brand development began to take hold. These initiatives have enabled the Company to command higher prices and take fewer markdowns. The only exception was in sales of golf apparel to pro shops, where significantly increased competition continued to weaken gross margin percentages.

Selling, general and administrative expenses, before the non-recurring charge, as a percentage of apparel sales in the first nine months was 28.4% in 1997 compared with 29.1% in 1996. These expenses increased in the first nine months of 1997 principally due to the launching of a significant advertising program in the third quarter. However, as a percentage of apparel sales, these expenses decreased because of the significantly higher sales volume in 1997 compared with 1996. Expense levels are expected to increase as a percentage of net sales for the balance of the year, as the Company significantly increases its advertising expense.

FOOTWEAR

Net sales of the Company's footwear segment in the first nine months were $251.3 million in 1997 compared with $264.1 million last year, a decline of 4.9%. The decline was due principally to the decrease in retail sales resulting from the Company's strategic initiative to close outlet stores and a reduction in wholesale shipments due to a slowdown in footwear re-orders.

Gross margin on footwear sales before the non-recurring charge was 39.1% in the first nine months of 1997 compared with 37.2% last year. The improvement in gross margin began in the second half of 1996 as the impact of the Company's product upgrades and brand development began to take hold. In addition, the difficulties experienced by Bass during the first half of last year in restructuring its Puerto Rico manufacturing operations did not recur, thus adding to margin improvement. These were offset, in part, by markdowns required in the third quarter of this year because of lower than planned sell-throughs of selected Fall product. It is anticipated that this slowdown in sales of selected Fall product will continue into the fourth quarter.

Selling, general and administrative expenses, before the non-recurring charge, as a percentage of footwear sales in the first nine months was 34.1% in 1997 compared with 29.3% in 1996. The increase was due principally to the launching of a significant advertising program in the third quarter and additional brand investment in design. As in apparel, expense levels are expected to increase as a percentage of net sales for the balance of the year, as the Company continues to significantly increase its advertising expense.

INTEREST EXPENSE

Interest expense in the first nine months was $16.2 million in 1997 compared with $18.0 million last year. The decrease reflects lower average debt resulting from decreased working capitals levels, principally inventory.

INCOME TAXES

Income tax was estimated at a rate of 27.0% in 1997 compared with last year's rate of 27.2%. The tax rates reflect the relationship of U.S. income taxed at normal rates versus tax exempted income from operations in Puerto Rico.

CORPORATE EXPENSES

Corporate expenses in the first nine months were $12.7 million in 1997 compared with $10.0 million in 1996. The increase is due solely to timing as expenses are expected to be substantially flat for the year.

FACILITY AND STORE CLOSING AND RESTRUCTURING AND OTHER EXPENSES

The results of operations for the thirty-nine weeks ended November 2, 1997 include a non-recurring pre-tax charge of $57 million ($36.8 million after-tax or $1.36 per share) recorded in the second quarter related principally to a series of actions the Company has taken to accelerate the execution of its ongoing strategy to build its brands. Included in these actions were the closing of approximately 150 additional outlet stores, repositioning the Gant brand in the United States to be consistent with its highly successful positioning in Europe and Asia, exiting the sweater manufacturing business and restructuring warehousing and distribution facilities as well as other logistical and administrative areas in order to reduce costs and improve efficiencies.

YEAR 2000

Like most corporations, the Company is heavily reliant on technology to deliver services. As the millennium approaches, the Company is preparing all of its computer systems to be Year 2000 compliant and is reviewing all systems to ensure that they do not malfunction as a result of Year 2000. In this process, the Company expects to both upgrade some systems and replace others. The Company is currently evaluating the total cost of this effort and expects that most of these costs will be expensed as incurred in compliance with generally accepted accounting principles.

SEASONALITY

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

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

LIQUIDITY AND CAPITAL RESOURCES

The seasonal nature of the Company's business typically requires the use of cash to fund a build-up in the Company's inventory in the first half of each fiscal year. During the third and fourth quarters, the Company's higher level of sales tends to reduce its inventory and generate cash from operations.

Net cash used by operations in the first nine months was $81.7 million in 1997 compared with net cash provided by operations of $11.8 million in 1996. This increase in cash used by operations is related to later than usual shipments in the latter part of 1995 which, in turn, created a significant increase in collections in the early part of 1996. This pattern did not repeat itself in 1996 resulting in lower relative collections in the early part of 1997. Receivables were further impacted by wholesale apparels' strong sales growth in this year's third quarter. Additionally, the seasonal build-up of inventory in the prior year was extremely moderate compared with the more usual build-up which occurred in the current year.

Capital spending in the first nine months was $12.9 million in 1997 compared with $16.3 million last year. The Company anticipates overall capital spending levels for 1997 to be flat compared with 1996 levels.

The Company has a credit agreement which includes a revolving credit facility under which the Company may, at its option, borrow and repay amounts within certain limits. The credit agreement also includes a letter of credit facility. The total amount available to the Company under each of the revolving credit and the letter of credit facilities is $250 million provided, however, that the aggregate maximum amount outstanding at any time under both facilities is $400 million. The Company believes that its borrowing capacity under these facilities is adequate for its 1997 peak seasonal needs. The ratio of total debt to total capital rose this year versus last year principally because the impact of the restructuring charge (net outflow of funds) began to be felt. This outflow should be offset next year by the positive cash flow benefits derived from the restructuring initiatives.

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* SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF*
* 1995                                                                      *
*                                                                           *
* Forward-looking statements in this Form 10-Q report, including without    *
* limitation statements relating to the Company's plans, strategies,        *
* objectives, expectations and intentions, are made pursuant to the safe    *
* harbor provisions of the Private Securities Litigation Reform Act of 1995. *
* Investors are cautioned that such forward-looking statements involve risks *
* and uncertainties, including without limitation the following:  (i) the   *
* Company's plans, strategies, objectives, expectations and intentions are  *
* subject to change at any time at the discretion of the Company; (ii) the  *
* levels of sales of the Company's apparel and footwear products, both to   *
* its wholesale customers and in its retail stores, and the extent of       *
* discounts and promotional pricing in which the Company is required to     *
* engage; (iii) the Company's plans and results of operations will be       *
* affected by the Company's ability to manage its growth and inventory; and *
* (iv) other risks and uncertainties indicated from time to time in the     *
* Company's filings with the Securities and Exchange Commission.            *
*                                                                           *
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ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

(a) The following exhibits are included herein:

3.1 Certificate of Incorporation (incorporated by reference to Exhibit 5 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 1977).

3.2 Amendment to Certificate of Incorporation, filed June 27, 1984 (incorporated by reference to Exhibit 3B to the Company's Annual Report on Form 10-K for the fiscal year ended February 3, 1985).

3.3 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 the Company's 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 the Company's 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 the Company's 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 the Company's 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 the Company's Report on Form 10-Q for the period ended July 28, 1996).

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

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

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

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

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

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

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

4.8 Second Amendment, dated as of July 17, 1995, to the Credit Agreement dated as of December 16, 1993 (incorporated by reference to Exhibit 4.7 to the Company's report on Form 10-Q for the period ending October 29, 1995).

4.9 Third Amendment, dated as of September 27, 1995, to the Credit Agreement dated as of December 16, 1993 (incorporated by reference to Exhibit 4.8 to the Company's report on Form 10-Q for the period ending October 29, 1995).

4.10 Fourth Amendment, dated as of September 28, 1995, to the Credit Agreement dated as of December 16, 1993 (incorporated by reference to Exhibit 4.9 to the Company's report on Form 10-Q for the period ending October 29, 1995).

4.11 Fifth Amendment, dated as of April 1, 1996, to the Credit Agreement dated as of December 16, 1993 (incorporated by reference to Exhibit 4.10 to the Company's Annual Report on Form 10-K for the fiscal year ended January 28, 1996).

4.12 Sixth Amendment, dated as of July 3, 1997, to the Credit Agreement dated as of December 16, 1993 (incorporated by reference to Exhibit 4.12 to the Company's report on Form 10-Q for the period ending August 3, 1997).

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

4.14 First Amendment Agreement, dated as of June 24, 1996, to the Note Agreement, dated as of October 1, 1992 (incorporated by reference to Exhibit 4.14 to the Company's report on Form 10-Q for the period ended July 28, 1996).

4.15 Second Amendment Agreement, dated as of July 15, 1997, to the Note Agreement, dated as of October 1, 1992 (incorporated by reference to Exhibit 4.15 to the Company's report on Form 10-Q for the period ending August 3, 1997).

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

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

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

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

10.4 Amendment to 1973 Employees' Stock Option Plan, effective as of April 29, 1997 (incorporated by reference to Exhibit 10.12 to the Company's report on Form 10-Q for the period ended May 4, 1997).

10.5 Phillips-Van Heusen Corporation Special Severance Benefit Plan, as amended as of April 16, 1996 (incorporated by reference to Exhibit 10.4 to the Company's Annual Report on Form 10-K for the fiscal year ended January 28, 1996).

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

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

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

10.9 Form of Agreement amending Phillips-Van Heusen Corporation Capital Accumulation Plan with respect to individual participants (incorporated by reference to Exhibit 10.8 to the Company's report on Form 10-Q for the period ending October 29, 1995).

10.10 Agreement amending Phillips-Van Heusen Corporation Capital Accumulation Plan with respect to Bruce J. Klatsky (incorporated by reference to Exhibit 10.13 to the Company's report on Form 10-Q for the period ended May 4, 1997).

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

10.12 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 the Company's report on Form 10-Q for the period ended May 4, 1997).

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

10.14 Phillips-Van Heusen Corporation 1997 Stock Option Plan, effective as of April 29, 1997 (incorporated by reference to Exhibit 10.14 to the Company's report on Form 10-Q for the period ending August 3, 1997).

10.15 Phillips-Van Heusen Corporation Senior Management Bonus Program for fiscal year 1997.

15. Acknowledgement of Independent Accountants.

27. Financial Data Schedule

(b) Reports on Form 8-K filed during the quarter ended November 2, 1997.

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

SIGNATURES

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

PHILLIPS-VAN HEUSEN CORPORATION
Registrant

December 16, 1997

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

Exhibit 15

November 17, 1997

Stockholders and Board of Directors
Phillips-Van Heusen Corporation

We are aware of the incorporation by reference in

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

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

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

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

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

of our reports dated November 17, 1997, August 18, 1997 and May 22, 1997 relating to the unaudited condensed consolidated interim financial statements of Phillips-Van Heusen Corporation that are included in its Forms 10-Q for the thirteen week periods ended November 2, 1997, August 3, 1997 and May 4, 1997.

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

ERNST & YOUNG LLP

New York, New York

Exhibit 10.15

PHILLIPS-VAN HEUSEN CORPORATION
SENIOR MANAGEMENT BONUS PROGRAM

For fiscal year 1997, Phillips-Van Heusen Corporation (the "Company") implemented a senior management bonus program under which 17 eligible senior management executives may receive a bonus based on (a) for members of the Company's Operating Committee and Corporate/Logistics Group, earnings targets for the Company as a whole and (b) for division presidents, earnings targets for their respective divisions.

Participants for the fiscal year were selected by the Company during the first quarter of its fiscal year. In order to remain eligible to receive a bonus, a participant must be employed by the Company on the last day of the vesting period described below. In the event of the death of a participant during the fiscal year, his or her estate will receive the bonus, if any, payable to the participant for the fiscal year, pro rated to reflect the portion of the year worked by the participant.

Threshold, budget, and maximum earnings targets were set by the Company during the first quarter of its fiscal year, and bonus payments will be calculated in relation to the extent to which earnings fall within the target range. The amount of the bonus payment will be a varying percentage of a participant's base salary.

The amount of a participant's bonus payment, if any, for the fiscal year will be determined by the end of the first quarter of the succeeding fiscal year. Payment of such bonus will be subject to a one year vesting period, ending the last day of the succeeding fiscal year. Interest will accrue on any unpaid bonus amounts beginning with the first day of the second quarter of the succeeding fiscal year.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE PHILLIPS-VAN HEUSEN CORPORATION FINANCIAL STATEMENTS INCLUDED IN ITS 10-Q REPORT FOR THE QUARTER ENDED NOVEMBER 2, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

9-MOS
FEB-01-1998
NOV-02-1997
20,482
0
147,832
3,521
316,780
512,194
118,945
0
797,288
256,786
209,078
0
0
27,163
236,337
797,288
1,013,026
1,013,026
678,994
678,994
356,268
0
16,234
(38,470)
(15,197)
(23,273)
0
0
0
(23,273)
(.86)
(.86)

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