

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 May 6, 2001

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
(State or other jurisdiction of incorporation or organization)

13-1166910
(IRS Employer Identification No.)

200 Madison Avenue New York, New York 10016

(Address of principal executive offices)

Registrant's telephone number (212) 381-3500

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 May 21, 2001: 27,620,608 shares.

PHILLIPS-VAN HEUSEN CORPORATION

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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 are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy, and some of which might not be anticipated, including, without limitation, the following: (i) the Company's plans, strategies, objectives, expectations and intentions are subject to change at any time at the discretion of the Company; (ii) the levels of sales of the Company's apparel and footwear products, both to its wholesale customers and in its retail stores, and the extent of discounts and promotional pricing in which the Company is required to engage, all of which can be affected by weather conditions, changes in the economy, fashion trends and other factors; (iii) the Company's plans and results of operations will be affected by the Company's ability to manage its growth and inventory; (iv) the Company's operations and results could be affected by quota restrictions (which, among other things, could limit the Company's 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, and leather, the supply of which is threatened by the outbreak of foot and mouth disease impacting European and South American cattle), the Company's ability to adjust timely to changes in trade regulations and the migration and development of manufacturers (which can affect where the Company's products can best be produced), and political and labor instability in the countries where the Company's products are or are planned to be produced; and (v) other risks and uncertainties indicated from time to time in the Company's filings with the Securities and Exchange Commission.

The Company does 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.

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 May 6, 2001, and the related condensed consolidated statements of operations and cash flows for the thirteen week periods ended May 6, 2001 and April 30, 2000. 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 auditing standards generally accepted in the United States, 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 accounting principles generally accepted in the United States.

We have previously audited, in accordance with auditing standards generally accepted in the United States, the consolidated balance sheet of Phillips-Van Heusen Corporation as of February 4, 2001, and the related consolidated income statement, statement of changes in stockholders' equity, and statement of cash flows for the year then ended (not presented herein) and in our report dated March 5, 2001, 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 4, 2001, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

May 23, 2001

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Phillips-Van Heusen Corporation

Condensed Consolidated Balance Sheets

(In thousands, except share data)

	<u>UNAUDITED</u>	<u>AUDITED</u>
	May 6,	February 4,
	<u>2001</u>	<u>2001</u>
ASSETS		
Current Assets:		
Cash, including cash equivalents of \$1,140 and \$17,965	\$ 1,736	\$ 20,223
Trade receivables, less allowances of \$2,207 and \$2,051	138,025	99,439
Inventories	269,358	273,035
Other, including deferred taxes of \$24,789	<u>44,424</u>	<u>43,684</u>
Total Current Assets	453,543	436,381
Property, Plant and Equipment	124,751	123,595
Goodwill and other intangible assets	115,877	113,217
Other Assets, including deferred taxes of \$25,934 and \$24,199	<u>52,407</u>	<u>51,171</u>
	<u>\$746,578</u>	<u>\$724,364</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Notes payable	\$ 39,700	
Accounts payable	37,821	\$ 45,715

Accrued expenses	<u>80,756</u>	<u>92,380</u>
Total Current Liabilities	158,277	138,095
Long-Term Debt	248,869	248,851
Other Liabilities	70,917	68,857
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 27,543,431 and 27,428,108	27,543	27,428
Additional Capital	120,090	118,755
Retained Earnings	<u>121,208</u>	<u>122,704</u>
	268,841	268,887
Less: 24,627 shares of common stock held in treasury - at cost	<u>(326)</u>	<u>(326)</u>
Total Stockholders' Equity	<u>268,515</u>	<u>268,561</u>
	<u>\$746,578</u>	<u>\$724,364</u>

See accompanying notes.

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Phillips-Van Heusen Corporation

Condensed Consolidated Statements of Operations

Unaudited

(In thousands, except per share data)

	<u>Thirteen Weeks Ended</u>	
	May 6, <u>2001</u>	April 30, <u>2000</u>
Net sales	\$366,923	\$310,310
Cost of goods sold	<u>245,215</u>	<u>204,067</u>
Gross profit	121,708	106,243
Selling, general and administrative expenses	114,335	104,198

Income before interest and taxes	7,373	2,045
Interest expense, net	6,492	5,127
Income (loss) before taxes	881	(3,082)
Income tax expense (benefit)	317	(1,171)
Net income (loss)	\$ 564	\$ (1,911)
Basic and diluted net income (loss) per share	\$ 0.02	\$ (0.07)
Dividends declared per common share	\$ 0.075	\$ 0.075

See accompanying notes.

Phillips-Van Heusen Corporation

Condensed Consolidated Statements of Cash Flows

Unaudited

(In thousands)

	<u>Thirteen Weeks Ended</u>	
	May 6, <u>2001</u>	April 30, <u>2000</u>
OPERATING ACTIVITIES:		
Net income (loss)	\$ 564	\$ (1,911)
Adjustments to reconcile to net cash used by operating activities:		

Depreciation and amortization	5,902	4,797
Equity income	(198)	(252)
Deferred income taxes	(1,735)	(1,439)
Changes in operating assets and liabilities:		
Receivables	(38,586)	(29,174)
Inventories	3,677	(21,479)
Accounts payable and accrued expenses	(19,518)	8,506
Other-net	<u>1,923</u>	<u>2,703</u>
Net Cash Used By Operating Activities	(47,971)	(38,249)
INVESTING ACTIVITIES:		
Property, plant and equipment acquired	(6,006)	(4,230)
Other-net	<u>(3,600)</u>	
Net Cash Used By Investing Activities	(9,606)	(4,230)
FINANCING ACTIVITIES:		
Proceeds from revolving line of credit	58,300	
Payments on revolving line of credit	(18,600)	
Exercise of stock options	1,450	
Cash dividends	(2,060)	(2,046)
Net Cash Provided (Used) By Financing Activities	<u>39,090</u>	(2,046)
Decrease In Cash	(18,487)	(44,525)
Cash at beginning of period	<u>20,223</u>	<u>94,821</u>
Cash at end of period	<u>\$ 1,736</u>	<u>\$50,296</u>

See accompanying notes.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not contain all disclosures required by generally accepted accounting principles for complete financial statements. Reference should be made to the audited consolidated financial statements, including the notes thereto, included in the Company's Annual Report to Stockholders for the year ended February 4, 2001.

The preparation of interim 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.

The results of operations for the thirteen weeks ended May 6, 2001 and April 30, 2000 are not necessarily indicative of those for a full fiscal year due, in part, to seasonal factors. The data contained in these financial statements are unaudited and are subject to year-end adjustments; however, in the opinion of management, all known adjustments (which consist only of normal recurring accruals) have been made to present fairly the consolidated operating results for the unaudited periods.

INVENTORIES

Inventories are summarized as follows:

		May 6,	February 4,
		<u>2001</u>	<u>2001</u>
	Raw materials	\$ 12,537	\$ 12,514
	Work in process	11,041	9,622
	Finished goods	<u>245,780</u>	<u>250,899</u>
	Total	<u>\$269,358</u>	<u>\$273,035</u>

Inventories 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). Inventories would have been approximately \$5,100 higher than reported at May 6, 2001 and February 4, 2001, if the FIFO method of inventory accounting had been used for all apparel.

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.

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EARNINGS PER SHARE

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

	<u>Thirteen Weeks Ended</u>	
	<u>5/6/01</u>	<u>4/30/00</u>
Weighted Average Common Shares		
Outstanding for Basic Earnings Per Share	27,468,561	27,289,869
Impact of Dilutive Employee Stock Options	<u>711,207</u>	
Total Shares for Diluted Earnings Per Share	<u>28,179,768</u>	<u>27,289,869</u>

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 dresswear, sportswear and accessories, principally under the brand names Van Heusen, Izod, Geoffrey Beene, John Henry, DKNY, FUBU, Regis by The Van Heusen Company, Arrow, Kenneth Cole New York and Reaction by Kenneth Cole. 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 under the Bass brand name. Sales for both segments occur principally in the United States.

	<u>Thirteen Weeks Ended</u>	
	<u>5/6/01</u>	<u>4/30/00</u>
Net sales-apparel	\$278,798	\$222,558
Net sales-footwear and related products	<u>88,125</u>	<u>87,752</u>
Total net sales	<u>\$366,923</u>	<u>\$310,310</u>
Operating income-apparel	\$ 10,444	\$ 4,726
Operating income-footwear and related products	<u>2,169</u>	<u>1,301</u>
Total operating income	12,613	6,027
Corporate expenses	<u>5,240</u>	<u>3,982</u>
Income before interest and taxes	<u>\$ 7,373</u>	<u>\$ 2,045</u>

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

RESULTS OF OPERATIONS

Thirteen Weeks Ended May 6, 2001 Compared With Thirteen Weeks Ended April 30, 2000

APPAREL SEGMENT

Net sales of the Company's apparel segment in the first quarter of 2001 were \$278.8 million compared with \$222.6 million last year, a 25.3% increase. This increase was due principally to growth of the Company's Spring sportswear businesses, in particular Izod, combined with the additional volume resulting from the acquisition of the Arrow and Kenneth Cole licenses in July 2000.

Gross profit on apparel sales was 30.7% in the first quarter of 2001 compared with 32.6% last year. This anticipated decrease was due principally to the Company's wholesale business growing more rapidly than its retail business (historically, the Company's wholesale business has lower gross margins than its retail business), combined with the impact of lower gross margins on Arrow dress shirts and sportswear which the Company began marketing in July 2000.

Selling, general and administrative expenses as a percentage of apparel sales were 26.9% in the first quarter of 2001 compared with 30.4% last year. The improvement resulted principally from the Company's wholesale business, which has a lower expense percentage, growing more rapidly than the Company's retail business.

FOOTWEAR AND RELATED PRODUCTS SEGMENT

Net sales of \$88.1 million in the Company's footwear and related products segment in the first quarter of 2001 were relatively flat compared with last year's \$87.8 million.

Gross profit on footwear and related products sales was 41.0% in the first quarter of 2001 compared with 38.3% last year. This improvement was due principally to significantly less promotional selling than occurred in last year's first quarter.

Selling, general and administrative expenses as a percentage of footwear and related products sales in the first quarter of 2001 were 38.6% compared with 36.9% last year. This increase resulted principally from operating expense increases against relatively flat sales.

INTEREST EXPENSE

Interest expense in the first quarter of 2001 was \$6.5 million compared with \$5.1 million last year. This increase was due principally to the cash used in 2000 to fund the acquisition of the Arrow and Kenneth Cole licenses, as well as the acquisition of the Van Heusen trademark in parts of the world where the Company did not previously own the trademark.

INCOME TAXES

Income taxes were estimated at a rate of 36.0% for the current year compared with the 2000 full year rate of 37.6%. The decreased rate in the current year is due principally to various tax saving strategies implemented by the Company at the end of 2000.

CORPORATE EXPENSES

Corporate expenses in the first quarter of 2001 were \$5.2 million compared with \$4.0 million last year. This increase was due principally to the timing of certain logistical expenses to support the change in the seasonality of the business as explained below.

SEASONALITY

The Company's business is seasonal, with higher sales and income in the second half of the year, which coincides with the Company's two peak retail selling seasons: the first running from the start of the back to school selling season in August and into the Fall selling season through September, and the second being the Christmas selling season beginning with the weekend following Thanksgiving and continuing through the week after Christmas.

Also contributing to the strength of the second half is the high volume of Fall shipments to wholesale customers which are generally more profitable than Spring shipments. The less profitable Spring selling season at wholesale combines with retail seasonality to make the first quarter weaker than the other quarters.

This seasonality became somewhat less pronounced in 2001 due to the acquisition of the Arrow and Kenneth Cole licenses in July 2000, as well as the growth of the Company's pre-existing Spring wholesale sportswear businesses, particularly Izod.

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 second half, 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 quarter of 2001 was \$48.0 million compared with \$38.2 million in the prior year. This increase was due principally to an increase in working capital associated with the growth of the Company's wholesale business.

The Company has a \$325 million credit agreement which includes a revolving credit facility under which the Company may, at its option, borrow and repay amounts within certain limits. The agreement also includes a letter of credit facility with a sub-limit of \$250 million. The aggregate maximum amount outstanding under both the revolving credit facility and the letter of credit facility is \$325 million. The Company believes that its borrowing capacity under these facilities is adequate for its peak seasonal needs for the foreseeable future and provides sufficient liquidity for potential investment opportunities that may arise. The foregoing is a forward-looking statement and may be affected by factors such as the size of any acquisition the Company may undertake. The Company does not currently have any understanding regarding any acquisition.

OUTLOOK

The Company is comfortable with estimating second quarter revenue growth of 5% to 7% and net income per diluted share in the range of \$0.24 to \$0.26. In addition, the Company is comfortable with estimating full year revenue growth of 4% to 5% and net income per diluted share in the range of \$1.24 to \$1.28. The foregoing statements are forward-looking and there can be no assurance that the Company's actual results will not differ. Factors that could affect the accuracy of these forward-looking statements include, without limitation, the following: (i) changes in the Company's plans, strategies, objectives, expectations and intentions, such as the acquisition of new businesses or the sale or discontinuance of existing businesses; (ii) changes in 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, all of which can be affected by weather conditions, changes in the economy, fashion trends and other factors; (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) the Company's operations and results could be affected by quota restrictions (which, among other things, could limit the Company's 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, and leather, the supply of which is threatened by the outbreak of foot and mouth disease impacting European and South American cattle), the Company's ability to adjust timely to changes in trade regulations and the migration and development of manufacturers (which can affect where the Company's products can best be produced), and political and labor instability in the countries where the Company's products are or are planned to be produced.

Part II - OTHER INFORMATION

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 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 the Company's report on Form 10-Q for the period ended April 30, 2000).

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- 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 the Company's 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 the Company's report on Form 10-Q for the period ended April 30, 2000).
- 4.8 Credit Agreement, dated as of April 22, 1998, among PVH, the lenders party thereto, The Chase Manhattan Bank, as Administrative Agent and Collateral Agent, and Citicorp USA, Inc., as Documentation Agent (incorporated by reference to Exhibit 4.6 to the Company's report on Form 10-Q for the period ended May 3, 1998).
- 4.9 Amendment No. 1, dated as of November 17, 1998, to the Credit Agreement, dated as of April 22, 1998, among PVH, the group of lenders party thereto, The Chase Manhattan Bank, as Administrative Agent and Collateral Agent, and Citicorp USA, Inc., as Documentation Agent (incorporated by reference to Exhibit 4.7 to the Company's report on Form 10-K for the year ended January 31, 1999).
- 4.10 Consent, Waiver and Amendment No. 2, dated as of February 23, 1999, to the Credit Agreement, dated as of April 22, 1998, among PVH, the group of lenders party thereto, The Chase Manhattan Bank, as Administrative Agent and Collateral Agent, and Citicorp USA, Inc., as Documentation Agent (incorporated by reference to Exhibit 4.8 to the Company's report on Form 10-K for the year ended January 31, 1999).
- 4.11 Amendment No. 3, dated as of August 23, 2000, to the Credit Agreement, dated as of April 22, 1998, among PVH, the group of lenders party thereto, The Chase Manhattan Bank, as Administrative Agent and Collateral Agent, and Citicorp USA, Inc., as Documentation Agent (incorporated by reference to Exhibit 4.13 to the Company's report on Form 10-Q for the period ended July 30, 2000).
- 4.12 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 the Company's report on Form 10-Q for the period ended May 3, 1998).
- 4.13 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).
- 15. Acknowledgement of Independent Accountants

(b) Reports on Form 8-K filed during the quarter ended May 6, 2001:

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

June 4, 2001

/s/ Vincent A. Russo

Vincent A. Russo

Vice President and Controller

June 4, 2001

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,
- (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 our report dated May 23, 2001, relating to the unaudited condensed consolidated interim financial statements of Phillips-Van Heusen Corporation that are included in its Form 10-Q for the thirteen week period ended May 6, 2001.

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