AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON APRIL 8, 1997

REGISTRATION NO. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

POLO RALPH LAUREN CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	2337	APPLIED FOR
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

650 MADISON AVENUE
NEW YORK, NEW YORK 10022
(212) 318-7000
(ADDRESS AND TELEPHONE NUMBER OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

VICTOR COHEN, ESQ.
GENERAL COUNSEL
POLO RALPH LAUREN CORPORATION
650 MADISON AVENUE
NEW YORK, NEW YORK 10022
(212) 318-7000
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE OF PROCESS)

WITH COPIES TO:

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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: AS SOON AS PRACTICABLE AFTER THIS REGISTRATION STATEMENT BECOMES EFFECTIVE.

IF ANY OF THE SECURITIES BEING REGISTERED ON THIS FORM ARE TO BE OFFERED ON A DELAYED OR CONTINUOUS BASIS PURSUANT TO RULE 415 UNDER THE SECURITIES ACT OF 1933, CHECK THE FOLLOWING BOX. [ ]

IF THIS FORM IS FILED TO REGISTER ADDITIONAL SECURITIES FOR AN OFFERING PURSUANT TO RULE 462(b) UNDER THE SECURITIES ACT, PLEASE CHECK THE FOLLOWING BOX AND LIST THE SECURITIES ACT REGISTRATION STATEMENT NUMBER OF THE EARLIER EFFECTIVE REGISTRATION STATEMENT FOR THE SAME OFFERING. [ ]

IF THIS FORM IS A POST-EFFECTIVE AMENDMENT FILED PURSUANT TO RULE 462(c) UNDER THE SECURITIES ACT, CHECK THE FOLLOWING BOX AND LIST THE SECURITIES ACT REGISTRATION STATEMENT NUMBER OF THE EARLIER EFFECTIVE REGISTRATION STATEMENT FOR THE SAME OFFERING. [ ]

IF DELIVERY OF THE PROSPECTUS IS EXPECTED TO BE MADE PURSUANT TO RULE 434, PLEASE CHECK THE FOLLOWING BOX. [ ]

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)	AMOUNT OF REGISTRATION FEE
Class A Common Stock, par value $.01 per share..........	$ 600,000,000.00	$ 181,819.00

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457 of the Securities Act of 1933.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

SUBJECT TO COMPLETION, DATED APRIL 8, 1997

SHARES

[LOGO] POLO RALPH LAUREN CORPORATION

CLASS A COMMON STOCK
(PAR VALUE $.01 PER SHARE)

Of the shares of Class A Common Stock offered, shares are being offered hereby in the United States and shares are being offered in a concurrent international offering outside the United States. The initial public offering price and the aggregate underwriting discount per share will be identical for both Offerings. See "Underwriting".

Of the shares of Class A Common Stock offered, shares are being sold by the Company and
shares are being sold by the Selling Stockholders. See "Principal and Selling Stockholders". The Company will not receive any of the proceeds from the sale of the shares being sold by the Selling Stockholders.

Each share of Class A Common Stock and Class C Common Stock entitles its holder to one vote, whereas each share of Class B Common Stock entitles its holder to ten votes. All of the shares of Class B Common Stock are held by Lauren Family Members. After consummation of the Offerings, Lauren Family Members will beneficially own shares of Class B Common Stock having approximately % of the outstanding voting power of the Company's Common Stock.

Prior to the Offerings, there has been no public market for the Class A Common Stock. It is currently estimated that the initial public offering price per share will be between $ and $. For factors to be considered in determining the initial public offering price, see "Underwriting".

SEE "RISK FACTORS" BEGINNING ON PAGE 12 FOR CERTAIN CONSIDERATIONS RELEVANT TO AN INVESTMENT IN THE CLASS A COMMON STOCK.

Application will be made to list the Class A Common Stock on the New York Stock Exchange under the symbol "RL".

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	INITIAL PUBLIC OFFERING PRICE	UNDERWRITING DISCOUNT(1)	PROCEEDS TO COMPANY(2)	PROCEEDS TO SELLING STOCKHOLDERS
Per Share................	$	$	$	$
Total(3).................	$	$	$	$

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(1) The Company and the Selling Stockholders have agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933. See "Underwriting".

(2) Before deducting estimated expenses of $ payable by the Company.

(3) The Company and certain Selling Stockholders have granted the Underwriters an option for 30 days to purchase up to an additional shares of Class A Common Stock at the initial public offering price per share, less the underwriting discount, solely to cover over-allotments. If such option is exercised in full, the total initial public offering price, underwriting discount, proceeds to Company and proceeds to Selling Stockholders will be $, $, $ and $, respectively. See "Underwriting".

The shares offered hereby are offered severally by the U.S. Underwriters, as specified herein, subject to receipt and acceptance by them and subject to their right to reject any order in whole or in part. It is expected that certificates for the shares will be ready for delivery in New York, New York, on or about , 1997, against payment therefor in immediately available funds.

GOLDMAN, SACHS & CO.

MERRILL LYNCH & CO.

MORGAN STANLEY & CO.
INCORPORATED

The date of this Prospectus is , 1997.

[PHOTOS OF MODELS, PRODUCTS AND STORES.]

CERTAIN PERSONS PARTICIPATING IN THE OFFERINGS MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE CLASS A COMMON STOCK, INCLUDING OVER-ALLOTMENT, STABILIZING AND SHORT-COVERING TRANSACTIONS IN SUCH SECURITIES, AND THE IMPOSITION OF A PENALTY BID, IN CONNECTION WITH THE OFFERINGS. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE "UNDERWRITING".

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information and financial statements and the notes thereto contained elsewhere in this Prospectus. Unless otherwise indicated, (i) the information in this Prospectus gives effect to the Reorganization (as defined in "Reorganization and Related Transactions") and (ii) assumes the Underwriters' over-allotment options are not exercised. As used in this Prospectus, references to the "Company" or "Polo" mean Polo Ralph Lauren Corporation, after giving effect to the Reorganization, including the transfer of certain assets and interests in related entities to Polo Ralph Lauren Corporation, as if the Reorganization had occurred at the beginning of the periods discussed and presented herein. See "Reorganization and Related Transactions". The Company utilizes a 52-53 week fiscal year ending on the Saturday nearest March 31. Accordingly, fiscal years 1992, 1993, 1994, 1995 and 1996 ended on March 28, 1992, April 3, 1993, April 2, 1994, April 1, 1995 and March 30, 1996, respectively. References to licensing partners' wholesale net sales have been derived from information obtained from the Company's licensing partners.

THE COMPANY

Polo Ralph Lauren Corporation ("Polo" or the "Company") is a leader in the design, marketing and distribution of premium lifestyle products. For 30 years, Polo's reputation and distinctive image have been consistently developed across an expanding number of products, brands and international markets. The Company's brand names, which include "Polo", "Polo by Ralph Lauren", "Polo Sport", "Ralph Lauren", "RALPH", "Lauren", "Polo Jeans Co." and "Chaps", among others, constitute one of the world's most widely recognized families of consumer brands. Directed by Ralph Lauren, the internationally renowned designer, the Company believes it has influenced the manner in which people dress and live in contemporary society, reflecting an American perspective and lifestyle uniquely associated with Polo and Ralph Lauren.

The Polo brand was established in 1967 when Mr. Lauren introduced a collection of men's ties. In 1968, Polo was established as an independent menswear company offering a line of premium quality men's clothing and sportswear with a distinctive blend of innovation and tradition. The Company's now famous polo player astride a horse logo and Ralph Lauren womenswear products were introduced in 1971. In that same year, the first shop-within-shop boutique dedicated to Polo Ralph Lauren products opened in Bloomingdale's flagship store in New York City and the first Polo store was opened by an independent third party. Commencing in 1973, womenswear products were produced and distributed by a third party under the Company's first licensing alliance. From these beginnings, the Polo and Ralph Lauren brands have been the foundation upon which the Company has based its historic growth. The Company's net revenues, which are comprised of wholesale and retail net sales and licensing revenue, have increased from $678.9 million in fiscal 1992 to $1.0 billion in fiscal 1996, and the Company's income from operations has grown at a 19.1% compound annual rate from $63.2 million in fiscal 1992 to $127.1 million in fiscal 1996.

Polo combines its consumer insight and design, marketing and imaging skills to offer, along with its licensing partners, broad lifestyle product collections in four categories: apparel, home, accessories and fragrance. Apparel products include extensive collections of menswear, womenswear and children's clothing. The Ralph Lauren Home Collection offers coordinated products for the home including bedding and bath products, interior decor and tabletop and gift items. Accessories encompass a broad range of products such as footwear, eyewear, jewelry and leather goods (including handbags and luggage). Fragrance and skin care products are sold under the Company's Polo, Lauren, Safari and Polo Sport brands, among others. Worldwide wholesale net sales of all products bearing the Company's brands, generated by both Polo and its licensing partners, aggregated approximately $2.5 billion in fiscal 1996 and are displayed in the chart below. Of these sales, approximately 36% occurred outside the United States.

FISCAL 1996 WORLDWIDE WHOLESALE NET SALES OF
POLO RALPH LAUREN PRODUCTS(1)(2)
(IN MILLIONS)

Pie chart depicting worldwide wholesale net sales of Polo Ralph Lauren products divided into six wedges labeled, Menswear $1,286,000,000 (51.8%), Womenswear $249,000,000 (10.0%), Home Collection $266,000,000 (10.7%), Fragrances $288,000,000 (11.6%), Accessories $258,000,000 (10.4%), and Children's Apparel $135,000,000 (5.5%), respectively.

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(1) Wholesale net sales for products sold by the Company's licensing partners have been derived from information obtained from such licensing partners.

(2) Includes transfers of products to the Company's wholly owned retail operations at wholesale prices or, in the case of outlet stores, at cost.

Polo's business consists of four integrated operations: wholesale, Home Collection, direct retail and licensing alliances. Wholesale operations primarily consist of the design, sourcing, marketing and distribution of menswear under the Polo by Ralph Lauren, Polo Sport, Polo Golf and Ralph Lauren/Purple Label brands and of womenswear under the Ralph Lauren Collection and Collection Classics, RALPH and Ralph Lauren Polo Sport brands. The Home Collection division designs, markets and sells home products under the Company's brands for its 13 home licensing partners from whom the Company receives royalties. Polo's retail sales are generated by the Company's 27 Polo stores (including stores being acquired pursuant to the PRC Acquisition (as defined)) located in regional malls and high-street shopping areas and its 64 outlet stores located primarily in outlet malls. See "Reorganization and Related Transactions". As part of its licensing alliances, Polo conceptualizes, designs and develops the marketing for a broad range of products under its various brands for which the Company receives royalties from 19 product licensing partners and 14 international licensing partners. Details of the Company's net revenues are shown in the table below.

	FISCAL YEAR 1995	FISCAL YEAR 1996	PRO FORMA FISCAL 1996(3) (UNAUDITED)
	(IN THOUSANDS)		
Wholesale net sales(1)	$496,876	$ 606,022	$ 567,143
Retail sales	249,719	303,698	430,917
Net sales	746,595	909,720	998,060
Licensing revenue(1)(2)	100,040	110,153	110,153
Net revenues	$846,635	$1,019,873	$1,108,213

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(1) The Company purchased certain of the assets of its former womenswear licensing partner in October 1995 and the fiscal 1996 net revenues reflect the inclusion of womenswear wholesale net sales of $36,692 and an elimination of licensing revenue associated with operations of the womenswear business after the acquisition.

(2) Licensing revenue includes royalties received from Home Collection licensing partners.

(3) Pro forma financial information presented above gives effect to the PRC Acquisition as if it had occurred on April 2, 1995, the first day of fiscal 1996. Prior to the PRC Acquisition, the Company owned a 50% interest in Polo Retail Corporation ("PRC") which it accounted for using the equity method, and as such, did not consolidate PRC's operations. Accordingly, prior to the PRC Acquisition, net revenues did not include PRC's retail sales, while wholesale net sales reflected the Company's sales to PRC. Simultaneous with the closing of the Offerings, the Company will complete the PRC Acquisition. See "Reorganization and Related Transactions" and "Unaudited Pro Forma Combined Financial Information".

STRATEGY

From its inception, Polo has maintained a consistent operating strategy which has driven growth in sales and earnings. Key elements of this core strategy are as follows:

OFFER PREMIUM QUALITY PRODUCTS AND DISTINCTIVE DESIGNS. The Company's products reflect a timeless and innovative American style associated with and defined by Polo and Ralph Lauren. The Company's designers work closely with its merchandising, sales and production teams and licensing partners to offer premium quality product collections which incorporate Polo's distinctive lifestyle themes. Mr. Lauren, supported by Polo's design staff of over 180 persons, has won numerous awards for Polo's designs including, most recently, the prestigious 1996 Menswear Designer of the Year and 1995 Womenswear Designer of the Year awards, both of which were awarded by the Council of Fashion Designers of America ("CFDA"). In addition, Mr. Lauren was honored with the CFDA Lifetime Achievement Award in 1992, and is the only person to have won all three of these awards.

PROMOTE GLOBAL BRANDS AND IMAGE. The Company strives to project a consistent global image for its brands from product design to marketing to point-of-sale. Portraying core lifestyle themes more often than a particular product, Polo's distinctive advertising builds the Company's brand names and image, season after season. In fiscal 1996, Polo and its licensing partners spent over $100 million to advertise and promote the Company's brands worldwide. Polo also presents seasonal fashion shows, directs in-store events and utilizes the services of prominent athletes and models to promote its image.

CONTROL AND CUSTOMIZE DISTRIBUTION. Polo's reputation for quality and style is also reflected in the distribution of its products. The Company's products are sold through leading upscale department and specialty stores and Polo stores throughout the world. Polo was a pioneer in utilizing shop-within-shop boutiques in major department stores to encourage the effective merchandising and display of Polo Ralph Lauren products. By presenting a broad selection of Polo products in an attractive customized environment, the shop-within-shop boutiques heighten awareness of the Company's brands and differentiate its offerings. The Company estimates that, as of December 28, 1996, more than three million square feet of retail space worldwide (including Polo stores and approximately 1,700 department store shop-within-shop boutiques in the United States) were exclusively dedicated to products sold under the Company's brands.

BUILD STRATEGIC LICENSING ALLIANCES. Polo's licensing alliances have been a key factor in the Company's ability to offer an extensive array of products domestically and internationally. Through these alliances, Polo combines its consumer insight and design, marketing, and imaging skills with the specific product or geographic competencies of its licensing partners to create and build new businesses. Important examples of these alliances include those with industry leaders such as L'Oreal, S.A. in fragrances, WestPoint Stevens, Inc. in bedding and bath products, and Seibu Department Stores, Ltd. in connection with the offering of Polo products in Japan.

DEVELOP POLO RALPH LAUREN STORES. The Company enhances the sale and merchandising of its products and builds the awareness and identity of its brands through its Polo stores and outlet stores. The Company's two flagship stores, located on Madison Avenue in New York City, offer unique shopping environments which communicate the complete Polo lifestyle. Over 100 Polo stores are operated by the Company and its licensing and joint venture partners in over 25 countries worldwide. The Company also operates 64 outlet stores which broaden its customer base and contribute to profitability while maintaining the integrity of its primary distribution channels.

The Company believes that the ongoing implementation of these operating strategies in combination with its growth strategies positions the Company for continued success. Polo's growth strategies are as follows:

EXPAND THE FAMILY OF POLO BRANDS. The Company continually creates new brands based upon the original Polo and Ralph Lauren concepts to address new markets and consumer groups and maintain Polo's premium image. For example, in fiscal 1994, the Polo Sport label was created to introduce a new line of fitness apparel targeted at the growing market for functional, performance-oriented sport and outdoor wear. In Fall 1995, Polo launched its exclusive, limited distribution Purple Label brand of men's tailored clothing. Representing the Company's most refined apparel perspective, Purple Label reinforces Polo's reputation for quality, innovation and style. In Fall 1996, Polo introduced a denim-based line of sportswear for men, women and children under the Polo Jeans Co. brand. With price points below those of Polo's core apparel lines and a more casual contemporary styling, Polo Jeans Co. is designed to appeal to younger consumers.

DEVELOP NEW PRODUCT CATEGORIES AND BUSINESSES WITHIN EXISTING BRANDS. Polo builds sales within its existing brands by devoting resources to less developed product areas and adding new product categories. For example, in Spring 1994, the Company added skin care products to its Polo Sport fragrance line and in fiscal 1996, introduced a line of paints and wall finishes as part of Home Collection. Similarly, while Polo has offered footwear since 1972, the Company plans to launch a full range of athletic footwear in 1998.

LEVERAGE POLO BRANDS IN INTERNATIONAL MARKETS. The Company believes that international markets offer additional opportunities for Polo's quintessential American designs and lifestyle image and is committed to the global development of its businesses. International expansion opportunities may include the roll out of new products and brands following their launch in the U.S., the introduction of additional product lines, the entrance into new international markets and the addition of Polo stores in these markets. For example, following the successful launch of Polo Jeans Co. in the United States in Fall 1996, the Company formalized its plans to introduce the line in Canada, Europe and Asia in Fall 1997.

CAPITALIZE ON WOMENSWEAR OPPORTUNITY. The Company believes the womenswear market offers significant opportunity for it to further capitalize on its position both domestically and internationally as a leading designer of womenswear. The Company acquired its womenswear business from a former licensing partner in October 1995. In addition to allowing the Company to improve the operations of its existing womenswear designer and bridge lines, the acquisition has enabled Polo to take important growth initiatives in additional segments of the womenswear market. In Fall 1996, for example, the Company and a new licensing partner launched the Lauren line of women's better sportswear and career apparel. Wholesale net sales of Lauren products by the Company's licensing partner are expected to exceed $ million in its first nine months of distribution.

CONTINUE RETAIL EXPANSION. The Company plans to expand its retail presence by adding five or more Polo stores, including flagship stores in London and Chicago, over the next two years. The Company also plans to add ten to 20 new outlet stores over the next three years. In addition, in fiscal 1998, the Company plans to test market a Polo Jeans Co. store.

REORGANIZATION AND RELATED TRANSACTIONS

In anticipation of the Offerings, the Company is effecting an internal reorganization and certain other transactions including the PRC Acquisition and the Trademark Acquisition (as defined), all of which will be completed prior to or simultaneously with the closing of the Offerings. See "Reorganization and Related Transactions" and "Certain Relationships and Related Transactions".

The principal executive offices of the Company are located at 650 Madison Avenue, New York, New York 10022. The Company's telephone number at such address is (212) 318-7000.

THE OFFERINGS

The offering hereby of shares of Class A Common Stock, par value $.01 per share, of the Company (the "Class A Common Stock" and, collectively with the Class B Common Stock, par value $.01 per share (the "Class B Common Stock") and Class C Common Stock, par value $.01 per share (the "Class C Common Stock"), the "Common Stock") initially being offered in the United States (the "U.S. Offering") and the offering of shares of Class A Common Stock initially being offered in a concurrent international offering outside the United States (the "International Offering") are collectively referred to as the "Offerings". The closing of each Offering is conditioned upon the closing of the other Offering.

Class A Common Stock Offered:

The Company........................	Shares
The Selling Stockholders...........	Shares

Total.........................	Shares
	========
Common Stock to be outstanding after the Offerings:	
Class A Common Stock.................	Shares(1)
Class B Common Stock.................	Shares(2)
Class C Common Stock.................	Shares(2)

Total.........................	Shares(1)
	========
Use of Proceeds(3)......................	The Company intends to use the estimated net proceeds of $ from the Offerings to repay indebtedness and to pay the Dividend (as defined) and the Reorganization Notes (as defined). The Company will not receive any proceeds from the sale of shares of Class A Common Stock by the Selling Stockholders. See "Use of Proceeds".

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(1) Does not include approximately shares of Class A Common Stock subject to stock options granted to certain employees and non-employee directors simultaneous with the closing of the Offerings. See "Management -- 1997 Stock Incentive Plan" and "-- 1997 Non-Employee Director Option Plan". Includes shares of Class A Common Stock to be issued in connection with the PRC Acquisition based on an initial public offering price of $.

(2) Shares of Class B Common Stock are convertible at any time into Class A Common Stock on a one-for-one basis and convert automatically into Class A Common Stock upon a transfer to anyone other than a Lauren Family Member (as defined). Shares of Class C Common Stock are convertible at any time into Class A Common Stock on a one-for-one basis and convert automatically into Class A Common Stock upon a transfer to anyone other than an affiliate of the GS Group (as defined). See "Certain Relationships and Related Transactions", "Principal and Selling Stockholders" and "Description of Capital Stock".

(3) After deducting the underwriting discount and estimated expenses of the Offerings and assuming no exercise of the Underwriters' over-allotment options.

Voting Rights	The holders of Class A Common Stock generally have rights identical to holders of Class B Common Stock and Class C Common Stock, except that holders of Class A Common Stock and Class C Common Stock are entitled to one vote per share and holders of Class B Common Stock are entitled to ten votes per share. Holders of all classes of Common Stock generally will vote together as a single class on all matters presented to the stockholders for their vote or approval except for the election of directors and as otherwise required by Delaware law. Immediately after the closing of the Offerings, holders of Class B Common Stock, voting as a class, will be entitled to elect four of the six members of the Board of Directors. See "Description of Capital Stock -- Common Stock -- Voting Rights".
Proposed New York Stock Exchange ("NYSE") symbol	RL

RISK FACTORS

See "Risk Factors" beginning on page 12 for a discussion of certain factors that should be considered in evaluating an investment in the Class A Common Stock.

SUMMARY HISTORICAL AND PRO FORMA COMBINED FINANCIAL DATA

The summary historical financial data presented below for each of the five fiscal years in the period ended March 30, 1996 have been derived from the Company's audited Combined Financial Statements. The summary historical financial data as of December 28, 1996 and for the nine months ended December 30, 1995 and December 28, 1996 were derived from the Company's unaudited Combined Financial Statements which contain all accruals and all adjustments (consisting only of normal recurring adjustments) which management considers necessary for a fair presentation of the financial information for such period. The results of operations for the nine months ended December 28, 1996 are not necessarily indicative of the operating results that may be expected for the full year. The financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations", the Combined Financial Statements and Notes thereto, the unaudited Combined Financial Statements and Notes thereto and other financial data included elsewhere in this Prospectus. The following table also includes certain unaudited pro forma combined statement of income data for fiscal 1996 and the nine months ended December 28, 1996 which give effect to the Reorganization, the PRC Acquisition and certain other adjustments as if they had occurred on April 2, 1995. In addition, the unaudited pro forma combined balance sheet data, as adjusted, give effect to the Reorganization, the PRC Acquisition, the Offerings and certain other adjustments as if they had occurred on December 28, 1996. See "Unaudited Pro Forma Combined Financial Information".

	FISCAL YEAR ENDED					NINE MONTHS ENDED	
	MARCH 28, 1992	APRIL 3, 1993(1)	APRIL 2, 1994	APRIL 1, 1995	MARCH 30, 1996	DECEMBER 30, 1995	DECEMBER 28, 1996
				(IN THOUSANDS)			
STATEMENT OF INCOME DATA:							
Net sales..................	$607,799	$ 684,923	$ 726,568	$746,595	$ 909,720	$667,835	$764,374
Licensing revenue..........	71,052	82,418	84,174	100,040	110,153	81,925	98,132
Net revenues.............	678,851	767,341	810,742	846,635	1,019,873	749,760	862,506
Cost of goods sold.........	369,495	425,322	466,525	474,999	583,546	425,784	473,629
Gross profit.............	309,356	342,019	344,217	371,636	436,327	323,976	388,877
Selling, general and administrative expenses.................	246,172	259,941	262,825	261,506	309,207	228,781	274,450
Income from operations...	63,184	82,078	81,392	110,130	127,120	95,195	114,427
Interest expense...........	20,255	19,209	15,880	16,450	16,287	12,265	10,725
Equity in net loss of affiliate................	--	--	2,837	262	1,101	590	1,654
Income before income taxes..................	42,929	62,869	62,675	93,418	109,732	82,340	102,048
Provision for income taxes.....................	2,726	4,960	8,778	13,244	10,925	11,042	20,688
Net income...............	$ 40,203	$ 57,909	$ 53,897	$ 80,174	$ 98,807	$ 71,298	$ 81,360

(Continued on following page)

	FISCAL YEAR ENDED MARCH 30, 1996	NINE MONTHS ENDED DECEMBER 28, 1996
	(IN THOUSANDS, EXCEPT PER SHARE DATA)	
PRO FORMA STATEMENT OF INCOME DATA (UNAUDITED)(2):		
Net sales	$ 998,060	$827,754
Licensing revenue	110,153	98,132
Net revenues	1,108,213	925,886
Cost of goods sold	622,342	497,283
Gross profit	485,871	428,603
Selling, general and administrative expenses	360,546	316,546
Income from operations	125,325	112,057
Interest expense	18,218	12,420
Equity in net loss of affiliate	158	--
Income before income taxes	106,949	99,637
Provision for income taxes(3)	45,988	42,844
Net income	$ 60,961	$ 56,793
Per share information(4)		
Number of common shares assumed outstanding(4)		

	DECEMBER 28, 1996 ACTUAL	PRO FORMA, AS ADJUSTED(5) (UNAUDITED)
	(IN THOUSANDS)	
BALANCE SHEET DATA:		
Working capital (excluding cash and short-term debt)	$256,982	
Inventories	236,754	
Total assets	544,404	
Total debt	138,156	
Partners' capital and stockholders' equity	252,099	

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(1) Fiscal 1993 was a 53 week year.

(2) The Company's combined statement of income has been adjusted to reflect the PRC Acquisition, including the amortization of goodwill over 25 years associated with such acquisition and the elimination of equity in loss of affiliate.

(3) Increase of $35,063 and $22,156 for the fiscal year ended March 30, 1996 and for the nine months ended December 28, 1996, respectively, for income taxes based upon pro forma pre-tax income as if the Company had been subject to additional Federal and state income taxes as of the beginning of each period, based upon a pro forma effective tax rate of 43%. The entities in the combined group include principally partnerships which are not subject to Federal and certain state income taxes. However, effective with the Reorganization, the Company will be subject to such taxes at the corporate level. See "Reorganization and Related Transactions".

(4) Pro forma net income per share is based upon (a)   shares of Common Stock outstanding as a result of the Reorganization; (b)   shares of Class A Common Stock being sold by the Company, assuming an initial public offering price of $ ($, net of expenses) per share, the proceeds of which would be necessary to pay the Dividend and the Reorganization Notes in the amount of $ to the persons or entities who were the stockholders of the Company immediately prior to the commencement of the Offerings; and (c)   shares of Class A Common Stock to be issued in connection with the PRC Acquisition. See "Reorganization and Related Transactions".

(5) The unaudited pro forma, as adjusted, balance sheet data reflects (a) the Reorganization; (b) the declaration by the Company of the Dividend of $ million and the issuance of the Reorganization Notes in the amount of $ million, on the sale of a sufficient number of shares of Class A Common Stock included in the Offerings (assuming an initial public offering price

of $ per share); (c) the termination of the Company's partnership status resulting in a deferred tax asset of $28.2 million; (d) the PRC Acquisition; and (e) the sale of shares of Class A Common Stock in the Offerings at an initial public offering price of $ per share and no exercise of the Underwriters' over-allotment options. See "Reorganization and Related Transactions".

RISK FACTORS

Prospective investors should consider carefully the following information in conjunction with the other information contained in this Prospectus before purchasing the Class A Common Stock offered hereby.

DEPENDENCE ON MR. RALPH LAUREN AND OTHER KEY PERSONNEL

Mr. Ralph Lauren's leadership in the design, marketing and operational areas has been a critical element of the Company's success. The loss of the services of Mr. Lauren and any negative market or industry perception arising from such loss could have a material adverse effect on the Company. The Company is not protected by key-man or similar life insurance policies for Mr. Lauren.

The Company believes that it has developed depth and experience within its design teams and management. However, no assurance can be given that the Company's business would not be adversely affected if certain key members of the Company's design teams or management ceased for any reason to be active in the business of the Company.

FASHION AND APPAREL INDUSTRY RISKS

The Company believes that its success depends in substantial part on its ability to originate and define product and fashion trends as well as to anticipate, gauge and react to changing consumer demands in a timely manner. There can be no assurance that the Company will continue to be successful in this regard. If the Company misjudges the market for its products, it may be faced with significant excess inventories for some products and missed opportunities with others. In addition, weak sales and resulting markdown requests from customers could have a material adverse effect on the Company's business, results of operations and financial condition.

The industries in which the Company operates are cyclical. Purchases of apparel and related merchandise and home products tend to decline during recessionary periods and also may decline at other times. While the Company has fared well in recent years, in a difficult retail environment, there can be no assurance that the Company will be able to maintain its historical rate of growth in revenues and earnings, or remain profitable in the future. Further, uncertainties regarding future economic prospects could affect consumer spending habits and have an adverse effect on the Company's results of operations.

CHANGES IN THE RETAIL INDUSTRY

In recent years, the retail industry has experienced consolidation and other ownership changes. In addition, some of the Company's customers have operated under the protection of the federal bankruptcy laws. In the future, retailers in the United States and in foreign markets may consolidate, undergo restructurings or reorganizations, or realign their affiliations, any of which could decrease the number of stores that carry the Company's products or increase the ownership concentration within the retail industry. While such changes in the retail industry to date have not had a material adverse effect on the Company's business or financial condition, there can be no assurance as to the future effect of any such changes.

DEPENDENCE ON CERTAIN CUSTOMERS

Certain of the Company's department store customers, including some under common ownership, account for significant portions of the Company's gross revenues. During fiscal 1996, Federated Department Stores, Inc., The May Department Stores Company and Dillard Department Stores, Inc. each accounted for between 11% and 18% of sales by the Company's sales force of its menswear, womenswear and Home Collection products. A substantial portion of sales of the Company's products by its domestic licensing partners are also made to the Company's largest department store customers. The Company's ten largest customers accounted for approximately

63% of the sales by the Company's sales force during fiscal 1996. A decision by the controlling owner of a group of stores or any other significant customer, whether motivated by competitive conditions, financial difficulties or otherwise, to decrease the amount of merchandise purchased from the Company or its licensing partners, or to change its manner of doing business could have a material adverse effect on the Company's financial condition and results of operations. While the Company believes that purchasing decisions in many cases are made independently by each department store chain under common ownership, the trend may be toward more centralized purchasing decisions. See "Business -- Operations -- Domestic Wholesale and Home Collection Customers and Service".

DEPENDENCE ON LICENSING PARTNERS

A substantial portion of the Company's net income is derived from licensing revenue received from its licensing partners. Approximately 43% of the Company's licensing revenue in fiscal 1996 was derived from three licensing partners. Two of these licensing partners, Seibu Department Stores, Ltd. and WestPoint Stevens, Inc., each accounted for more than 15% of the Company's licensing revenue in fiscal 1996. The risk factors associated with the Company's own products apply to its licensed products as well, in addition to any number of possible risks specific to a licensing partner's business. A substantial portion of sales of the Company's products by its domestic licensing partners are also made to the Company's largest customers. While the Company has significant control over its licensing partners' products and advertising, it relies on its licensing partners for, among other things, operational and financial control over their businesses. In addition, failure by the Company to maintain its existing licensing alliances could adversely affect the Company's financial condition and results of operations. Although the Company believes in most circumstances it could replace existing licensing partners if necessary, its inability to do so for any period of time could adversely affect the Company's revenues both directly from reduced licensing revenue received and indirectly from reduced sales of the Company's other products. See "Business -- Operations -- Home Collection" and "-- Operations -- Licensing Alliances".

COMPETITION

Competition is strong in the segments of the fashion and consumer product industries in which the Company operates. The Company competes with numerous domestic and foreign designers, brands and manufacturers of apparel, accessories, fragrances and home furnishing products, some of which may be significantly larger and more diversified and have greater resources than the Company. The Company's business depends on its ability to shape, stimulate and respond to changing consumer tastes and demands by producing innovative, attractive and exciting products, brands and marketing, as well as on its ability to remain competitive in the areas of quality and price. See "Business -- Competition".

ABILITY TO ACHIEVE GROWTH

As part of its growth strategy, the Company seeks to create new brands, develop new product categories and businesses within existing brands and introduce new brands and product categories to international markets. In addition, the Company seeks to capitalize on its position as a leading designer of womenswear. There can be no assurance that these strategies will be successful. The Company also intends to continue to expand its network of retail stores. The actual number and type of such stores to be opened and their success will depend on various factors, including the performance of the Company's wholesale and retail operations, the ability of the Company to manage such expansion and hire and train personnel, the availability of desirable locations and the negotiation of acceptable lease terms for new locations and upon lease renewals for existing locations. There can be no assurance that the Company will be able to open and operate new stores on a timely or profitable basis. See "Business -- Strategy" and "-- Operations".

DEPENDENCE ON UNAFFILIATED MANUFACTURERS

The Company does not own or operate any manufacturing facilities and is therefore dependent upon independent third parties for the manufacture of all of its products. The Company's products are manufactured to its specifications by both domestic and international manufacturers. The inability of a manufacturer to ship orders of the Company's products in a timely manner or to meet the Company's quality standards could cause the Company to miss the delivery date requirements of its customers for those items, which could result in cancellation of orders, refusal to accept deliveries or a reduction in purchase prices, any of which could have a material adverse effect on the Company's financial condition and results of operations. The Company does not have long-term contracts with any manufacturers. One manufacturer engaged by the Company accounted for approximately 23% of the Company's total production during fiscal 1996. No other manufacturer accounted for more than five percent of the Company's total production in fiscal 1996.

The Company's agreements require its licensing partners and independent manufacturers to operate in compliance with applicable laws and regulations. While the Company's internal operating guidelines promote ethical business practices and the Company's staff periodically visits and monitors the operations of its independent manufacturers, the Company does not control such manufacturers or their labor practices. The violation of labor or other laws by an independent manufacturer of the Company or by one of the Company's licensing partners, or the divergence of an independent manufacturer's or licensing partner's labor practices from those generally accepted as ethical in the United States, could have a material adverse effect on the Company's financial condition and results of operations. See "Business -- Sourcing, Production and Quality".

FOREIGN OPERATIONS AND SOURCING; IMPORT RESTRICTIONS

A significant portion of the Company's products are currently sourced outside the United States through arrangements with over 75 foreign manufacturers in 22 different countries. During fiscal 1996, approximately 70% of the Company's piece goods were purchased from sources outside the United States. In that same period, approximately 36% (by dollar volume) of men's and women's products were produced in the United States; 54% of men's and women's products were produced in the Far East; and the balance was produced elsewhere.

Risks inherent in foreign operations include changes in social, political and economic conditions which could result in the disruption of trade from the countries in which the Company's manufacturers or suppliers are located, the imposition of additional regulations relating to imports, the imposition of additional duties, taxes and other charges on imports, significant fluctuations of the value of the dollar against foreign currencies, or restrictions on the transfer of funds, any of which could have a material adverse effect on the Company's financial condition and results of operations. See "Business -- Sourcing, Production and Quality".

The Company's import operations are subject to constraints imposed by bilateral textile agreements between the United States and a number of foreign countries. These agreements, which have been negotiated bilaterally either under the framework established by the Arrangement Regarding International Trade in Textiles, known as the Multifiber Agreement, or other applicable statutes, impose quotas on the amounts and types of merchandise which may be imported into the United States from these countries. These agreements also allow the signatories to adjust the quantity of imports for categories of merchandise that, under the terms of the agreements, are not currently subject to specific limits. The Company's imported products are also subject to United States customs duties which comprise a material portion of the cost of the merchandise. The United States and the countries in which the Company's products are produced or sold may, from time to time, impose new quotas, duties, tariffs, or other restrictions, or may adversely adjust prevailing quota, duty or tariff levels, any of which could have a material adverse effect on the Company's financial condition and results of operations.

TRADEMARKS

The Company believes that its trademarks and other proprietary rights are important to its success and its competitive position. Accordingly, the Company devotes substantial resources to the establishment and protection of its trademarks on a worldwide basis. In the course of international expansion, the Company has, however, experienced conflict with various third parties which have acquired or claimed ownership rights in certain trademarks which include Polo and/or a representation of a polo player astride a horse, or otherwise contested the Company's rights to its trademarks. The Company has in the past successfully resolved such conflicts through both legal action and negotiated settlements. Nevertheless, there can be no assurance that the actions taken by the Company to establish and protect its trademarks and other proprietary rights will be adequate to prevent imitation of its products by others or to prevent others from seeking to block sales of the Company's products as violative of the trademarks and proprietary rights of others. Moreover, no assurance can be given that others will not assert rights in, or ownership of, trademarks and other proprietary rights of the Company or that the Company will be able to successfully resolve such conflicts. In addition, the laws of certain foreign countries may not protect proprietary rights to the same extent as do the laws of the United States. See "Business -- Trademarks".

FOREIGN CURRENCY FLUCTUATIONS

The Company generally purchases its products in U.S. dollars. However, the Company sources a significant amount of its products overseas and, as such, the cost of these products may be affected by changes in the value of the relevant currencies. The Company's international licensing revenue generally is derived from sales in foreign currencies and such revenue could be materially affected by currency fluctuations. In fiscal 1996, approximately 35% of the Company's licensing revenue was received from international licensing partners. Changes in currency exchange rates may also affect the relative prices at which the Company and foreign competitors sell their products in the same market. The Company, from time to time, hedges certain exposures to changes in foreign currency exchange rates arising in the ordinary course of business. There can be no assurance that foreign currency fluctuations will not have a material adverse impact on the Company's financial condition and results of operations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources".

MATERIAL BENEFITS TO PRINCIPAL STOCKHOLDERS

The Company intends to use the net proceeds of the Offerings received by it to, among other things, repay approximately $ million of subordinated debt held by Mr. Lauren and certain investment funds affiliated with The Goldman Sachs Group, L.P. (collectively, the "GS Group"), and pay the Dividend and the Reorganization Notes in the amount of approximately $ million, in aggregate. Mr. Lauren and/or one or more Lauren Family Trusts (as defined) are Selling Stockholders and will receive $ million of proceeds, based on an initial public offering price of $ per share, from the sale of shares sold in the Offerings. The GS Group, also a Selling Stockholder, will receive $ million of proceeds, based on an initial public offering price of $
per share, from the sale of shares sold in the Offerings. The GS Group is an affiliate of Goldman, Sachs & Co. which is one of the underwriters of the Offerings. See "Use of Proceeds", "Certain Relationships and Related Transactions" and "Principal and Selling Stockholders".

CONTROL BY LAUREN FAMILY MEMBERS AND ANTI-TAKEOVER EFFECT OF MULTIPLE CLASSES OF STOCK

Holders of the Company's Class A Common Stock and Class C Common Stock are entitled to one vote per share and holders of the Company's Class B Common Stock are entitled to ten votes per share. Immediately after the Offerings, Lauren Family Members will beneficially own all   shares of the Company's outstanding Class B Common Stock representing   % of the voting power of the Common Stock and the right to elect four of the initial six directors of the Company. Accordingly, Lauren Family Members will, until they in the aggregate sell substantially all of their

Class B Common Stock, be able to elect a majority of the Company's directors and, if they vote in the same manner, determine the disposition of practically all matters submitted to a vote of the Company's stockholders, including mergers, going private transactions and other extraordinary corporate transactions and the terms thereof. See "Management -- Board of Directors", "Principal and Selling Stockholders" and "Description of Capital Stock".

Lauren Family Members will, until they in the aggregate sell substantially all of their Class B Common Stock, have the ability, by virtue of their stock ownership, to prevent or cause a change in control of the Company. Certain provisions of the Company's Amended and Restated Certificate of Incorporation and material agreements may be deemed to have the effect of discouraging a third party from pursuing a non-negotiated takeover of the Company and preventing certain changes in control of the Company. In addition, the Company's 1997 Stock Incentive Plan provides for accelerated vesting of stock options upon a "change in control" of the Company. See "Management -- Executive Compensation Agreements", "-- Board of Directors", "-- 1997 Stock Incentive Plan", "Certain Relationships and Related Transactions" and "Description of Capital Stock".

ABSENCE OF PRIOR PUBLIC MARKET FOR CLASS A COMMON STOCK;
POSSIBLE VOLATILITY OF STOCK PRICE

Prior to the Offerings, there has been no public market for the Class A Common Stock. The initial public offering price of the Class A Common Stock has been determined by negotiations among the Company, the Selling Stockholders and the representatives of the Underwriters, and may not be indicative of the market price of the Class A Common Stock after the Offerings. An application will be made to list the Company's Class A Common Stock on the NYSE; however, there can be no assurance that an active trading market will develop or be sustained for the Class A Common Stock or that the Class A Common Stock will trade in the public market at or above the initial public offering price. See "Underwriting".

The stock market has from time to time experienced extreme price and volume volatility. In addition, the market price of the Company's Class A Common Stock may be influenced by a number of factors, including investor perceptions of the Company and comparable public companies, changes in conditions or trends in the industries in which the Company operates or in the industries of the Company's significant customers, and changes in general economic and other conditions. Factors such as quarter-to-quarter variations in the Company's revenues and earnings could also cause the market price of the Class A Common Stock to fluctuate significantly.

SHARES ELIGIBLE FOR FUTURE SALE; POTENTIAL ADVERSE EFFECT ON STOCK PRICE;
REGISTRATION RIGHTS

Sales of a substantial number of shares of Class A Common Stock in the public market, or the perception that such sales may occur could adversely affect prevailing market prices for the Class A Common Stock. Upon completion of the Offerings, the Company will have outstanding a total of   shares of Class A Common Stock,   shares of Class B Common Stock and   shares of Class C Common Stock. Of such shares, the   shares of Class A Common Stock being sold in the Offerings (together with any shares sold upon exercise of the Underwriters' over-allotment options) will be immediately eligible for sale in the public market without restriction, except for shares purchased by or issued to any affiliate (an "Affiliate") of the Company (within the meaning of the Securities Act of 1933, as amended (the "Securities Act")). All   shares of Class B Common Stock (which may be converted into Class A Common Stock at any time) will be owned by the Lauren Family Members and all   shares of Class C Common Stock (which may be converted into Class A Common Stock at any time) will be owned by the GS Group. For so long as any stockholder remains an Affiliate of the Company, any shares of Class A Common Stock (including any shares issued upon conversion of other classes of Common Stock) held by such person will only be available for public sale if such shares are registered under the Securities Act or sold in accordance with an applicable exemption from registration, such as Rule 144, and any sales by an affiliate under Rule 144 would be subject to the volume and other limitations under such rule. In addition, certain Lauren Family Members and the GS Group will be entitled to registration rights with respect to their shares of Class B Common Stock and Class C Common Stock, respectively. The Company, Lauren Family Members that own shares of Common Stock, the GS Group and officers and directors of the Company have agreed not to offer, sell or contract to sell any shares of Class A Common Stock for a period of 180 days after the date of this Prospectus without the prior written consent of Goldman, Sachs & Co., as representative of the Underwriters. See "Certain Relationships and Related Transactions -- Registration Rights Agreement", "Description of Capital Stock" and "Shares Eligible for Future Sale".

ABSENCE OF DIVIDENDS

The Company anticipates that all of its earnings in the foreseeable future will be retained to finance the continued growth and expansion of its business and has no current intention to pay cash dividends on its Common Stock. See "Dividend Policy" and "Reorganization and Related Transactions".

DILUTION

Purchasers of Class A Common Stock in the Offerings will experience immediate dilution in the net tangible book value per share of the Class A Common Stock from the initial public offering price. Based on an assumed initial public offering price of $ per share (the midpoint of the range of offering prices set forth on the cover of this Prospectus), such dilution would have been equal to $ per share as of December 28, 1996. See "Dilution".

FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements, including statements regarding, among other items, (i) the Company's anticipated growth strategies, (ii) the Company's intention to introduce new products and enter into new licensing alliances, (iii) the Company's plans to open new retail stores, (iv) future expenditures for capital projects, and (v) the Company's ability to continue to maintain its brand image and reputation. These forward-looking statements are based largely on the Company's expectations and are subject to a number of risks and uncertainties, certain of which are beyond the Company's control. Actual results could differ materially from these forward-looking statements as a result of the facts described in "Risk Factors" including, among others, (i) changes in the competitive marketplace, including the introduction of new products or pricing changes by the Company's competitors, and (ii) changes in the economy. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks and uncertainties, there can be no assurance that the forward-looking information contained in this Prospectus will in fact transpire.

REORGANIZATION AND RELATED TRANSACTIONS

REORGANIZATION

Since October 1994, the Company has conducted its operations through two primary operating partnerships, Polo Ralph Lauren Enterprises, L.P. ("Enterprises") and Polo Ralph Lauren, L.P. ("Polo LP"), and certain other entities. In October 1995, the Company purchased certain of the assets of its former womenswear licensing partner and formed The Ralph Lauren Womenswear Company, L.P. ("Womenswear LP" and, together with Enterprises and Polo LP, the "Operating Partnerships"). In April 1997, a corporation wholly owned by Mr. Lauren through which he held certain interests in Enterprises and Polo LP merged into Polo Ralph Lauren Corporation, a newly formed entity also wholly owned by Mr. Lauren, in exchange for shares of Class A Common Stock and Class B Common Stock. Prior to the commencement of the Offerings, the GS Group will contribute their interests, and Mr. Lauren and certain related entities will contribute their remaining interests, respectively, in the Operating Partnerships and certain other related entities to the Company in exchange for shares of Common Stock and promissory notes (the "Reorganization Notes") of the Company with the result that such entities will become wholly owned by the Company, and Enterprises and Polo LP will dissolve by operation of law (the "Reorganization").

As a result of its partnership structure, prior to the Reorganization, the earnings of the Company (other than earnings of certain retail operations) were included in the taxable income of the Company's partners for Federal and certain state income tax purposes, and the Company has generally not been subject to income tax on such earnings, other than certain state and local franchise and similar taxes. On and after the Reorganization, the Company will be fully subject to Federal and state income taxes.

Prior to the Reorganization, (i) the Operating Partnerships will make distributions to their partners of all or a portion of their undistributed earnings (and the Company will then distribute to its sole stockholder the amount received by it), (ii) the Company will distribute to its sole stockholder any assets that it holds (other than its interests in the Operating Partnerships and contracts relating to the PRC Acquisition) and (iii) then the Company will declare a dividend to its sole stockholder in an amount of $ million which is the Company's estimate of its share of the undistributed earnings of the Operating Partnerships through the closing of the Reorganization which have been or will be included in the taxable income of its sole stockholder (the "Dividend"). The amount of the Reorganization Notes will equal the amount of the Dividend that the holders would have received if they had been stockholders on the record date of the Dividend which amount is expected to be $ million. The Dividend and the Reorganization Notes will be paid out of a portion of the net proceeds of the Offerings. In the event the actual amount of undistributed earnings through the closing of the Reorganization is later determined to be in excess of the sum of the amount of the Dividend and the Reorganization Notes, the Company will then declare and pay a second dividend (the "Second Dividend") to the holders of the Class B Common Stock and Class C Common Stock in the amount of the difference. See "Certain Relationships and Related Transactions" and "Principal and Selling Stockholders".

PRC ACQUISITION

Effective April 3, 1997, the Company entered into purchase agreements with certain third parties to acquire the 50% interest in PRC and minority interests in related entities that the Company did not previously own for aggregate consideration of approximately $10.4 million, which acquisition (the "PRC Acquisition") will be completed simultaneous with the Offerings. The consideration to be paid by the Company includes a cash payment of $8.4 million, made on April 3, 1997, and a payment of $2.0 million to be paid concurrently with the closing of the Offerings with shares of Class A Common Stock, valued at the initial public offering price (subject to the right to receive cash in lieu of shares of Class A Common Stock on or prior to the closing of the Offerings in certain instances). See "Certain Relationships and Related Transactions".

TRADEMARK ACQUISITION

Simultaneous with the Reorganization, the Company will also acquire from a related entity the trademarks and rights under a licensing agreement related to its U.S. fragrance business and the interests it did not already own from an entity under common control that holds the trademarks related to its international licensing business (the "Trademark Acquisition") in exchange for shares of Class B Common Stock. See "Certain Relationships and Related Transactions".

USE OF PROCEEDS

The net proceeds to be received by the Company from the Offerings, assuming an initial public offering price of $ per share, the mid-point of the range set forth on the cover page of this Prospectus, are estimated to be approximately $ million (approximately $ million if the Underwriters' over-allotment options are exercised in full) after deducting underwriting discounts and commissions and estimated offering expenses payable by the Company. The Company intends to use such proceeds as follows: (i) to repay approximately $ million outstanding under the Subordinated Notes (as defined) held by Mr. Lauren and the GS Group; (ii) to repay approximately $ million of borrowings from commercial banks under the Womenswear LP credit facility; (iii) to repay approximately $ million of borrowings from commercial banks under the PRC credit facility; (iv) to pay the Dividend and the Reorganization Notes of approximately $ million to Mr. Lauren and related entities and the GS Group; and (v) to repay approximately $ million (or $ if the Underwriters' over-allotment options are exercised in full) of the borrowings outstanding under the Company's revolving line of credit and term loan.

At the time of the formation of Enterprises and Polo LP, each of the GS Group and Mr. Lauren made loans to Enterprises in the aggregate principal amount of $7.0 million and $17.0 million, respectively (the "Subordinated Notes"). The Subordinated Notes bear interest at the prime rate, payable quarterly, and mature on March 1, 2001. The Womenswear LP credit facility matures in October 2000 and consists of a revolving credit facility and a term loan which bear interest at the institution's reference rate and the institution's reference rate plus 0.5%, respectively. The PRC credit facility matures in October 1999 and bears interest at the prime rate plus 1.0%-1.5%. The Company's credit facility matures in October 2000 and bears interest primarily at LIBOR plus 1.75%. The Reorganization Notes are non-interest bearing and are due on the earlier of (i) the date of completion of the Offerings and (ii) the sixtieth day following the declaration date of the Dividend. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources".

The Company will not receive any of the proceeds from the sale of shares of the Class A Common Stock by the Selling Stockholders.

DIVIDEND POLICY

Prior to the commencement of the Offerings, the Company will declare the Dividend representing certain undistributed earnings of the Operating Partnerships through the closing date of the Reorganization. To the extent that undistributed earnings of the Operating Partnerships through the closing date of the Reorganization are later determined to have exceeded the sum of the amount of the Dividend and the Reorganization Notes, the Second Dividend representing the difference between the actual undistributed earnings and the amount of the Dividend and the Reorganization Notes will be paid after the closing date of the Offerings to the holders of the Class B Common Stock and Class C Common Stock. Purchasers of shares of Class A Common Stock in the Offerings will not receive any portion of the Dividend or the Second Dividend, if any.

The Company anticipates that, other than with respect to the foregoing Dividend and Second Dividend, if any, all earnings will be retained for the foreseeable future for use in the operation of the business. The Company's future dividend policy will depend upon the future results of operations, capital requirements and financial condition of the Company, and other factors considered relevant by the Board of Directors, including any contractual or statutory restrictions on the Company's ability to pay dividends. For certain information regarding distributions made by the Company prior to the date hereof, see "Reorganization and Related Transactions", "Capitalization", and "Management's Discussion and Analysis of Financial Condition and Results of Operations".

CAPITALIZATION

The following unaudited table sets forth (i) the actual capitalization of the Company at December 28, 1996, (ii) the pro forma capitalization of the Company as of such date, as adjusted to give effect to the Reorganization, the declaration by the Company of the Dividend of $ million and the issuance of the Reorganization Notes of $ million, the recording of a deferred tax asset concurrent with becoming subject to additional Federal, state and local income taxes resulting from the termination of the Company's partnership status and the PRC Acquisition and (iii) the pro forma capitalization of the Company as of such date as further adjusted to reflect the sale of shares of Class A Common Stock offered by the Company hereby at an assumed initial public offering price of $ per share and the application of the estimated net proceeds received by the Company therefrom as described under "Use of Proceeds". The table should be read in conjunction with the Combined Financial Statements of the Company and the related notes thereto included elsewhere in this Prospectus. See "Unaudited Pro Forma Combined Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations".

	DECEMBER 28, 1996		
	ACTUAL	PRO FORMA, AS ADJUSTED	PRO FORMA, AS FURTHER ADJUSTED
	(IN THOUSANDS, EXCEPT SHARE DATA)		
Short-term debt:			
Notes and acceptances payable -- banks	$ 24,139	$ 24,326	$
Current portion of long-term debt	22,017	23,338	
Current portion of subordinated notes	20,000	20,000	
Dividend and Reorganization Notes payable	--	82,500	
Total short-term debt	66,156	150,164	
Long-term debt:			
Bank	48,000	64,217	
Subordinated notes	24,000	24,000	
Total long-term debt	72,000	88,217	
Partners' capital and stockholders' equity			
Class A Common Stock, par value $.01 per share; shares authorized; shares issued and outstanding, pro forma as further adjusted(1)	--	--	
Class B Common Stock, par value $.01 per share; shares authorized; shares issued and outstanding, pro forma as further adjusted	--	--	
Class C Common Stock, par value $.01 per share; shares authorized; shares issued and outstanding, pro forma as further adjusted	--	--	
Additional paid-in capital			
Partners' capital and retained earnings	252,311	198,004	
Cumulative translation adjustment	(212)	(212)	
Total partners' capital and stockholders' equity	252,099	197,792	
Total capitalization	$390,255	$ 436,173	$

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(1) Excludes an aggregate of shares of Class A Common Stock which are reserved for issuance under the Company's 1997 Stock Incentive Plan and 1997 Non-Employee Director Option Plan. The Company expects to grant options for shares of Class A Common Stock to certain employees and non-employee directors of the Company at an exercise price equal to the initial public offering price on the closing date of the Offerings. Includes shares of Class A Common Stock to be issued in connection with the PRC Acquisition based on an initial public offering price of $. See "Management -- 1997 Stock Incentive Plan" and "-- 1997 Non-Employee Director Option Plan".

DILUTION

The net tangible book value of the Company at December 28, 1996 was approximately $ million. Assuming the Reorganization had occurred as of December 28, 1996, the net tangible book value of the Company as of such date would have been approximately $ per share. Net tangible book value per share represents the amount of total tangible assets less total liabilities, divided by the number of shares of Common Stock then outstanding. Without taking into account any changes in net tangible book value attributable to operations after December 28, 1996, after giving effect to the Reorganization, the sale of the Class A Common Stock offered hereby at an assumed initial public offering price of $ per share and the application of the estimated net proceeds as described under "Use of Proceeds", the pro forma net tangible book value as adjusted at December 28, 1996 would have been $ million, or $ per share of Common Stock. This represents an immediate increase in pro forma net tangible book value as adjusted of $ per share of Common Stock to existing stockholders and an immediate dilution of $ per share of Common Stock to purchasers of Class A Common Stock in the Offerings. The following table illustrates such per share dilution:

Assumed initial public offering price per share....................................		$
Net tangible book value per share at December 28, 1996...........................		
Pro forma net tangible book value deficit per share at December 28, 1996, after giving effect to the declaration of the Dividend and the issuance of the Reorganization Notes, the recording of a deferred tax asset and the PRC Acquisition...	$ ==========	
Increase in tangible book value per share attributable to completion of the Reorganization and the Offerings...		
Pro forma net tangible book value as adjusted per share after giving effect to the Reorganization and the Offerings(1)(2)(3)....................................		
Dilution per share to new stockholders(4).......................................		$

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(1) Pro forma net tangible book value as adjusted per share is determined by dividing net tangible book value of the Company assuming the Reorganization had taken place on December 28, 1996, after giving effect to the receipt of the estimated net proceeds of the Offerings and the application of such proceeds as described in "Use of Proceeds", by the number of shares of Common Stock outstanding after giving effect to the Offerings.

(2) Reflects an aggregate of shares of Common Stock that will be outstanding upon completion of the Offerings and the PRC Acquisition.

(3) Excludes an aggregate of shares of Class A Common Stock reserved for issuance under the Company's 1997 Stock Incentive Plan and 1997 Non-Employee Director Option Plan. The Company expects to grant options for shares of Class A Common Stock to certain employees and non-employee directors of the Company at an exercise price equal to the initial public offering price on the closing date of the Offerings. The exercise of such options would not result in further dilution in book value to purchasers in the Offerings. See "Management -- 1997 Stock Incentive Plan" and "-- 1997 Non-Employee Director Option Plan".

(4) Dilution is determined by subtracting pro forma net tangible book value per share assuming the Reorganization had taken place on December 28, 1996, and after giving effect to the receipt of the net proceeds of the Offerings and the application of such proceeds as described in "Use of Proceeds", from the assumed initial public offering price paid by purchasers in the Offerings for a share of Class A Common Stock.

The following table summarizes on a pro forma basis as of December 28, 1996 the differences between the number of shares of Common Stock purchased from the Company, the total consideration paid, and the average price per share paid by the existing stockholders and by the purchasers of Class A Common Stock in the Offerings at an assumed initial public offering price of $ per share.

	SHARES PURCHASED		TOTAL CONSIDERATION		AVERAGE PRICE PER SHARE
	NUMBER	PERCENT	AMOUNT	PERCENT	
Existing stockholders.......................		%	$	%	$
New stockholders(1).........................					
Total.............................		%	$	%	$

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(1) Includes shares of Class A Common Stock to be issued in connection

with the PRC Acquisition.

SELECTED COMBINED FINANCIAL DATA

The selected historical financial data presented below as of and for each of the fiscal years in the five-year period ended March 30, 1996 have been derived from the Company's audited Combined Financial Statements. The selected historical financial data as of December 28, 1996 and for the nine months ended December 30, 1995 and December 28, 1996 were derived from the Company's unaudited Combined Financial Statements which contain all accruals and all adjustments (consisting only of normal recurring adjustments) which management considers necessary for a fair presentation of the financial information for such period. The results of operations for the nine months ended December 28, 1996 are not necessarily indicative of the operating results that may be expected for the full year. The financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations", the Combined Financial Statements and Notes thereto, the unaudited Combined Financial Statements and Notes thereto and other financial data included elsewhere in this Prospectus.

	FISCAL YEAR ENDED					NINE MONTHS ENDED	
	MARCH 28, 1992	APRIL 3, 1993	APRIL 2, 1994	APRIL 1, 1995	MARCH 30, 1996	DECEMBER 30, 1995	DECEMBER 28, 1996
				(IN THOUSANDS)			
STATEMENT OF INCOME DATA:							
Net sales	$ 607,799	$684,923	$726,568	$746,595	$ 909,720	$667,835	$764,374
Licensing revenue	71,052	82,418	84,174	100,040	110,153	81,925	98,132
Net revenues	678,851	767,341	810,742	846,635	1,019,873	749,760	862,506
Cost of goods sold	369,495	425,322	466,525	474,999	583,546	425,784	473,629
Gross profit	309,356	342,019	344,217	371,636	436,327	323,976	388,877
Selling, general and administrative expenses	246,172	259,941	262,825	261,506	309,207	228,781	274,450
Income from operations	63,184	82,078	81,392	110,130	127,120	95,195	114,427
Interest expense	20,255	19,209	15,880	16,450	16,287	12,265	10,725
Equity in net loss of affiliate	--	--	2,837	262	1,101	590	1,654
Income before income taxes	42,929	62,869	62,675	93,418	109,732	82,340	102,048
Provision for income taxes	2,726	4,960	8,778	13,244	10,925	11,042	20,688
Net income	$ 40,203	$ 57,909	$ 53,897	$ 80,174	$ 98,807	$ 71,298	$ 81,360

	MARCH 28, 1992	APRIL 3, 1993	APRIL 2, 1994	APRIL 1, 1995	MARCH 30, 1996	DECEMBER 28, 1996
				(IN THOUSANDS)		
BALANCE SHEET DATA:						
Working capital (excluding cash and short-term debt)	$ 229,549	$241,652	$254,188	$286,355	$334,772	$256,982
Inventories	197,519	212,631	209,540	271,220	269,113	236,754
Total assets	431,603	429,760	456,076	487,547	563,673	544,404
Total debt	235,235	240,857	230,034	186,361	199,645	138,156
Partners' capital and stockholders' equity	98,685	107,832	118,037	188,579	237,653	252,099

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following Unaudited Pro Forma Combined Financial Information is derived from the Company's Combined Financial Statements. The Unaudited Pro Forma Combined Statement of Income gives effect to the Reorganization, the Dividend and the issuance of the Reorganization Notes, the PRC Acquisition and certain other adjustments as if they occurred on April 2, 1995. The Unaudited Pro Forma Combined Balance Sheet gives effect to the Reorganization, the PRC Acquisition and certain other adjustments as if they had occurred on December 28, 1996. The Unaudited Pro Forma Combined Balance Sheet, as adjusted, gives further effect to the Offerings at an assumed initial public offering price of $ per share and the application of the estimated net proceeds received by the Company therefrom as described under "Use of Proceeds" as if they had occurred on December 28, 1996. See "Reorganization and Related Transactions", "Use of Proceeds", "Capitalization", and "Management's Discussion and Analysis of Financial Condition and Results of Operations".

The pro forma adjustments are based upon available information and certain assumptions that the Company believes are reasonable under the circumstances. The Unaudited Pro Forma Combined Financial Information should be read in conjunction with the Combined Financial Statements of the Company and related notes, "Management's Discussion and Analysis of Financial Condition and Results of Operations", and other financial information included elsewhere in this Prospectus. This pro forma combined financial information is provided for informational purposes only and does not purport to be indicative of the results which would have been obtained had the Reorganization, the Offerings, and the other adjustments been completed on the dates indicated or which may be expected to occur in the future.

UNAUDITED PRO FORMA COMBINED STATEMENTS OF INCOME

	FISCAL YEAR ENDED MARCH 30, 1996		
	ACTUAL COMBINED	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
	(IN THOUSANDS, EXCEPT PER SHARE DATA)		
Net sales	$ 909,720	$88,340(1)	$ 998,060
Licensing revenue	110,153		110,153
Net revenues	1,019,873		1,108,213
Cost of goods sold	583,546	38,796(1)	622,342
Gross profit	436,327		485,871
Selling, general and administrative expenses	309,207	50,594(1)	
		745(1)	360,546
Income from operations	127,120		125,325
Interest expense	16,287	1,931(1)	18,218
Equity in net loss of affiliates	1,101	(943)(1)	158
Income before income taxes	109,732		106,949
Provision for income taxes	10,925	35,063(2)	45,988
Net income	$ 98,807		$ 60,961
Per share information(3)			$
Number of common shares assumed outstanding(3)			

	NINE MONTHS ENDED DECEMBER 28, 1996		
	ACTUAL COMBINED	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
	(IN THOUSANDS, EXCEPT PER SHARE DATA)		
Net sales	$ 764,374	$63,380(1)	$ 827,754
Licensing revenue	98,132		98,132
Net revenues	862,506		925,886
Cost of goods sold	473,629	23,654(1)	497,283
Gross profit	388,877		428,603
Selling, general and administrative expenses	274,450	41,537(1)	
		559(1)	316,546
Income from operations	114,427		112,057
Interest expense	10,725	1,695(1)	12,420
Equity in net loss of affiliate	1,654	(1,654)(1)	--
Income before income taxes	102,048		99,637
Provision for income taxes	20,688	22,156(2)	42,844
Net income	$ 81,360		$ 56,793
Per share information(3)			$
Number of common shares assumed outstanding(3)			

(Footnotes appear on following page)

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(1) Adjustments to reflect the PRC Acquisition accounted for under the purchase method. As a result of this transaction, the Company's combined statement of income has been adjusted to reflect the consolidation of PRC's operations from April 2, 1995, the amortization of goodwill over 25 years of $745 and $559 for the fiscal year ended March 30, 1996 and the nine months ended December 28, 1996, respectively, recorded as a result of the acquisition, and the elimination of the Company's equity in net loss of PRC.

(2) Adjustment to reflect income taxes based upon pro forma pre-tax income as if the Company had been subject to additional Federal, state and local income taxes as of April 2, 1995, based upon a pro forma effective tax rate of 43%.

(3) Pro forma net income per share is based upon (a)   shares of Common Stock outstanding as a result of the Reorganization; (b)   shares of Class A Common Stock being sold by the Company, assuming an initial public offering price of $ ($, net of expenses) per share, the proceeds of which would be necessary to pay the Dividend and the Reorganization Notes; and (c)   shares of Class A Common Stock to be issued in connection with the PRC Acquisition. The pro forma shares outstanding and pro forma net income per share amounts presented in the combined statement of income do not include an additional   shares if the Company had sold a sufficient number of additional shares to provide for undistributed earnings estimated at $ million from December 29, 1996 to the closing date of the Reorganization.

UNAUDITED PRO FORMA COMBINED BALANCE SHEET

	AS OF DECEMBER 28, 1996				
	ACTUAL COMBINED	ACQUISITION, DIVIDEND DECLARATION, ISSUANCE OF REORGANIZATION NOTES AND REORGANIZATION	PRO FORMA COMBINED	PRO FORMA ADJUSTMENTS OFFERING	PRO FORMA, AS ADJUSTED
		(IN THOUSANDS)			
Current assets					
Cash and cash equivalents	$18,943	$ 321(1)	$19,264	$	$
Accounts receivable, net	119,552	992(1)	120,544		
Inventories	236,754	27,525(1)	264,279		
Prepaid expenses and other	35,770	(16,985)(1)			
		20,720(2)	39,505		
Total current assets	411,019	32,573	443,592		
Property and equipment, net	77,593	26,665(1)	104,258		
Investment in and advances to affiliate	20,292	(20,292)(1)	--		
Other assets	35,500	22,201(1)			
		7,473(2)	65,174		
Total assets	$544,404	$ 68,620	$613,024	$	$
Current liabilities					
Notes and acceptances payable -- banks	$24,139	$ 187(1)	$24,326	$	$
Current portion of long-term debt	22,017	1,321(1)	23,338		
Current portion of subordinated notes	20,000	--	20,000		
Dividend and Reorganization Notes payable	--	82,500(3)	82,500		
Accounts payable	64,693	4,114(1)	68,807		
Accrued expenses and other	70,401	17,700(1)	88,101		
Total current liabilities	201,250	105,822	307,072		
Long-term debt	48,000	16,217(1)	64,217		
Other noncurrent liabilities	19,055	888(1)	19,943		
Subordinated notes	24,000	--	24,000		
Partners' capital and stockholders' equity					
Common stock	--	--	--		
Additional paid-in capital	--	--	--		
Partners' capital and retained earnings	252,311	28,193(2)			
		(82,500)(3)	198,004		
Cumulative translation adjustment	(212)	--	(212)		
Total partners' capital and stockholders' equity	252,099	(54,307)	197,792		
Total liabilities and partners' capital and stockholders' equity	$544,404	$ 68,620	$613,024	$	$

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(1) Adjustments to reflect the PRC Acquisition accounted for under the purchase method. As a result of this transaction, the Company's combined balance sheet has been adjusted to reflect the consolidation of PRC's balance sheet, the elimination of the Company's investment in PRC and the recording of the excess of purchase price over net assets acquired as goodwill.

(2) Adjustments to record a deferred tax asset of $28.2 million, in addition to approximately $2.2 million of certain Federal, state and local deferred tax assets previously recorded, which the Company will record concurrently with the termination of the Company's partnership status. The deferred income taxes will reflect the net tax effect of temporary differences, primarily uniform inventory capitalization, depreciation, allowance for doubtful accounts and other accruals, between the carrying amounts of assets and liabilities for financial reporting and the amounts used for income tax purposes.

(3) Reflects that portion of the Dividend and the Reorganization Notes representing undistributed net earnings through December 28, 1996.

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

The following discussion and analysis should be read in conjunction with the "Selected Combined Financial Data" and the Company's combined financial statements and the related notes thereto which are included elsewhere in this Prospectus. The Company utilizes a 52-53 week fiscal year ending on the Saturday nearest March 31. Accordingly, fiscal years 1992, 1993, 1994, 1995 and 1996 ended on March 28, 1992, April 3, 1993, April 2, 1994, April 1, 1995 and March 30, 1996, respectively. All information with respect to the nine month period ended December 30, 1995 and December 28, 1996 is unaudited.

OVERVIEW

The Company began operations in 1968 as a designer and marketer of premium quality men's clothing and sportswear. Since inception, Polo, through internal operations and in conjunction with its licensing partners, has grown through increased sales of existing product lines, the introduction of new brands and products, expansion into international markets and development of its retail operations. Over the last five years, revenues have increased from $678.9 million in fiscal 1992 to $1.0 billion in fiscal 1996, while income from operations has grown at a 19.1% compound annual rate from $63.2 million in fiscal 1992 to $127.1 million in fiscal 1996. Polo's net revenues are generated from its four integrated operations: wholesale, Home Collection, direct retail and licensing alliances. Licensing revenue includes royalties received from Home Collection licensing partners.

	FISCAL YEAR					PRO FORMA FISCAL 1996(4) (UNAUDITED)
	1992	1993(3)	1994	1995	1996	
	(IN THOUSANDS)					
Wholesale net sales(1)(2)	$378,744	$432,984	$508,402	$496,876	$ 606,022	$ 567,143
Retail sales(2)	229,055	251,939	218,166	249,719	303,698	430,917
Net sales	607,779	684,923	726,568	746,595	909,720	998,060
Licensing revenue(1)	71,052	82,418	84,174	100,040	110,153	110,153
Total net revenues	$678,851	$767,341	$810,742	$846,635	$1,019,873	$1,108,213

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(1) The Company purchased certain of the assets of its former womenswear licensing partner in October 1995 and the fiscal 1996 net revenues reflect the inclusion of womenswear wholesale net sales of $36,692 and an elimination of licensing revenue associated with operations of the womenswear business after the acquisition.

(2) In February 1993, the Company entered into a joint venture to combine certain of its retail operations with those of its joint venture partner to form PRC. Prior to such date, retail sales include sales by 19 retail stores, subsequently transferred to PRC. Subsequent to such date, the Company accounted for its investment in PRC using the equity method and as such, did not consolidate PRC's operations. Accordingly, PRC's net revenues are excluded from retail sales for fiscal 1994 through fiscal 1996, while wholesale net sales reflect the Company's sales to PRC during these periods. Simultaneous with the closing of the Offerings, the Company will consummate the PRC Acquisition. See "Reorganization and Related Transactions".

(3) Fiscal 1993 was a 53 week year.

(4) Pro forma financial information presented above gives effect to the PRC Acquisition as if it had occurred on April 2, 1995, the first day of fiscal 1996. See "Reorganization and Related Transactions" and "Unaudited Pro Forma Combined Financial Information".

Wholesale net sales result from the sale by the Company of men's and women's apparel to wholesale customers, principally to major department stores, specialty stores and non-Company operated Polo stores located throughout the United States. Net sales for the wholesale division have increased from $378.7 million in fiscal 1992 to $606.0 million in fiscal 1996. This increase is a result of growth in sales of the Company's menswear products driven by the introduction of new brands such as Polo Sport and growth in sales of products under existing brands. The fiscal 1996 wholesale net sales include womenswear wholesale net sales of $36.7 million since the date of the acquisition.

Polo's retail sales are generated from the Polo stores and outlet stores operated by the Company. Since the beginning of fiscal 1994, the Company has added three Polo stores and 24 outlet stores (net of eight outlet store closings). At December 28, 1996, the Company operated six Polo stores and 64 outlet stores. Retail sales have grown from $218.2 million in fiscal 1994 to $303.7 million in fiscal 1996.

Prior to February 1993, the Company operated 22 Polo stores. In February 1993, the Company entered into a joint venture to combine 19 of its Polo stores with those of its joint venture partner to form PRC. As of December 28, 1996, PRC operated 21 Polo stores located throughout the United States. On March 21, 1997, the Company entered into an agreement effective April 3, 1997 to acquire the remaining 50% interest from its joint venture partner. Prior to the PRC Acquisition, the Company accounted for its interest under the equity method. Effective for fiscal 1998, the Company will consolidate PRC and account for the transaction under the purchase method. Accordingly, on a pro forma basis, sales previously recorded as wholesale sales to PRC are reflected as retail sales. Assuming the PRC Acquisition had taken place at April 2, 1995, pro forma wholesale net sales and retail sales for fiscal 1996 would have been $567.1 million and $430.9 million, respectively. The Company believes the PRC Acquisition did not have a material impact on pro forma operating income for fiscal 1996.

Licensing revenue consists of royalties paid to the Company under its licensing alliances. Through these alliances, Polo combines its core skills with the product or geographic competencies of its partners to create and develop specific businesses. Polo develops the products and marketing for, and in conjunction with, its 19 product and 14 international licensing partners who manufacture, advertise, sell and distribute the particular products for which the Company is paid royalties. These royalties generally range from five to eight percent of licensing partners' sales of licensed products. In addition to performing these functions, Polo acts as sales and marketing agent for its 13 Home Collection licensing partners. As a result, Polo generally receives a higher royalty rate from Home Collection partners relative to other licensing alliances. Under these alliances, Polo is less exposed to financial risk than if the Company invested in the infrastructure and operation of these businesses directly. The growth of existing and development of new businesses under licensing alliances has resulted in an increase in licensing revenue from $71.1 million in fiscal 1992 to $110.2 million in fiscal 1996.

Prior to the Offerings, the Company will complete the Trademark Acquisition whereby the Company will acquire from an entity under common control the trademarks and rights under a licensing agreement related to its U.S. fragrance business and the interests it did not already own in another related entity that holds the trademarks relating to its international licensing business.

Prior to the Reorganization, certain of the Company's operations were not subject to Federal, state and local income taxes. In connection with the Reorganization, the Company will become subject to such taxes. In addition, as a result of the Reorganization, the Company will record a deferred tax asset and a corresponding tax benefit in its statement of income in accordance with the provisions of Statement of Accounting Standards No. 109, Accounting for Income Taxes. Assuming the Offerings had occurred at December 28, 1996, the deferred tax asset and corresponding tax benefit would have been approximately $28.2 million. The Company's pro forma effective tax rate, excluding the non-recurring tax benefit discussed above, for the nine months ended December 28, 1996 and fiscal 1996 was 43%. The effect of taxes in Results of Operations is not discussed below because the historic taxation of the operations of the Company is not meaningful with respect to periods following the Reorganization.

In connection with the Company's growth strategy, the Company plans to introduce new products and brands and expand its retail operations, including the opening of flagship stores. Implementation of these strategies may require significant investments for advertising, furniture and fixtures, infrastructure, design and additional inventory. There can be no assurance, notwithstanding the Company's investments, that its growth strategies will be successful.

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, the percentage relationship to net revenues of certain items in the Company's combined statements of income for the periods shown below:

	FISCAL YEAR ENDED			NINE MONTHS ENDED	
	1994	1995	1996	DECEMBER 30, 1995	DECEMBER 28, 1996
				(UNAUDITED)	
Net sales	89.6%	88.2%	89.2%	89.1%	88.6%
Licensing revenue	10.4	11.8	10.8	10.9	11.4
Net revenues	100.0	100.0	100.0	100.0	100.0
Gross profit	42.4	43.9	42.8	43.2	45.1
Selling, general and administrative expenses	32.4	30.9	30.3	30.5	31.8
Income from operations	10.0%	13.0%	12.5%	12.7%	13.3%

NINE MONTHS ENDED DECEMBER 28, 1996 COMPARED TO NINE MONTHS ENDED DECEMBER 30, 1995

NET SALES. Net sales increased 14.5% to $764.4 million in the first nine months of fiscal 1997 from $667.8 million in the corresponding period of fiscal 1996. Wholesale net sales increased 10.0% to $456.3 million in the first nine months of fiscal 1997 from $415.0 million in the corresponding period of fiscal 1996. This increase primarily reflects the benefit of nine months of womenswear sales in fiscal 1997 compared to two and one half months in the prior period. Retail sales increased by 21.8% to $308.1 million in the first nine months of fiscal 1997 from $252.8 million in the corresponding period in fiscal 1996. Of this increase, $48.3 million is attributable to the opening of three new Polo stores and six new outlet stores (net of four outlet store closing) in fiscal 1997 and the benefit of nine months of operations for six outlet stores opened in fiscal 1996. Comparable store sales for the nine months ended December 28, 1996 increased by 2.8% or $7.0 million. Comparable store sales represent net sales of stores open in both reporting periods for the full portion of such periods.

LICENSING REVENUE. Licensing revenue increased 19.8% to $98.1 million in the first nine months of fiscal 1997 from $81.9 million in the corresponding period of fiscal 1996. This increase reflects the launch of Polo Jeans Co. in fiscal 1997 and an overall increase in sales of licensed products, particularly Chaps, accessories and Home Collection.

GROSS PROFIT. Gross profit as a percentage of net revenues increased to 45.1% in the first nine months of fiscal 1997 from 43.2% in the corresponding period of fiscal 1996. The increase was primarily attributable to the increase, as a percentage of total net revenues, in net sales of the Company's higher margin retail sales (relative to wholesale sales) and to increased licensing revenue. In the first nine months of fiscal 1997 wholesale gross margins were relatively constant and retail gross margins improved significantly due to a reduction in markdowns as compared to the corresponding period in fiscal 1996. Licensing revenue has no associated cost of goods sold.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Selling, general and administrative ("SG&A") expenses increased to $274.5 million or 31.8% of net revenues in the first nine months of fiscal 1997 from $228.8 million or 30.5% of net revenues in the corresponding period of fiscal 1996. This increase as a percentage of net revenues was primarily attributable to investment in organizational infrastructure to support growth, increased advertising, marketing and public relations expenditures to support the Company's brands, and personnel and start-up costs associated with the opening of three Polo stores in the first nine months of fiscal 1997. Additionally, SG&A expenses in fiscal 1997 include nine months of womenswear SG&A expenses as compared to two and one half months in the prior period.

INTEREST EXPENSE. Interest expense decreased to $10.7 million in the first nine months of fiscal 1997 from $12.3 million in the comparable period in fiscal 1996 due to lower average borrowing levels as a result of a reduction in overall inventory levels. Cash flows from operations were used to reduce average debt levels throughout the first nine months of fiscal 1997.

EQUITY IN NET LOSS OF AFFILIATE. Equity in net loss of affiliate represents the Company's 50% equity interest in PRC. Such losses increased to $1.7 million in the first nine months of fiscal 1997 from $0.6 million in the comparable period in fiscal 1996, primarily as a result of lost revenues and expenses associated with temporary store closings for renovations in fiscal 1997.

FISCAL 1996 COMPARED TO FISCAL 1995

NET SALES. Net sales increased 21.8% to $909.7 million in fiscal 1996 from $746.6 million in fiscal 1995. Wholesale net sales increased 22.0% to $606.0 million in fiscal 1996 from $496.9 million in fiscal 1995. Wholesale growth reflects increased menswear sales of 14.6% to $569.3 million in fiscal 1996 from $496.9 million in fiscal 1995 resulting primarily from growth in existing brands, particularly Polo Sport, as well as increased sales under the Company's basic stock replenishment program. Additionally, the increase reflects the inclusion of womenswear sales of $36.7 million subsequent to the October 1995 acquisition. Retail sales increased 21.6% to $303.7 million in fiscal 1996 from $249.7 million in fiscal 1995. Of this increase, $46.5 million is attributable to four new outlet stores opened in fiscal 1996 (net of two outlet store closings) and the benefit of a full year of operations for nine outlet stores opened in fiscal 1995. Comparable store sales in fiscal 1996 increased 3.0% or $7.5 million.

LICENSING REVENUE. Licensing revenue increased 10.2% to $110.2 million in fiscal 1996 from $100.0 million in fiscal 1995. This increase is primarily a result of additional sales of Home Collection products and the expansion of the European and Asian businesses. This increase was partially offset by a reduction in womenswear licensing revenue as a result of Polo's acquisition of that business from a former licensing partner.

GROSS PROFIT. Gross profit as a percentage of net revenues decreased to 42.8% in fiscal 1996 from 43.9% in fiscal 1995. This decrease was primarily attributable to a decline in wholesale gross margins in fiscal 1996 resulting from a decrease in menswear gross margins associated with the sale of excess inventory. The decrease in gross profit as a percentage of net revenues also resulted from a decrease in licensing revenue as a percentage of total net revenues. Retail gross margins were constant in fiscal 1996 as compared to the prior year.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. SG&A expenses increased to $309.2 million in fiscal 1996 from $261.5 million in fiscal 1995. As a percentage of net revenues, SG&A expenses decreased to 30.3% in fiscal 1996 from 30.9% in fiscal 1995. This improvement reflects overall declines in SG&A expenses resulting from cost containment efforts in certain expense areas and expense leverage associated with the Company's growth. The dollar increase in SG&A expenses primarily reflects costs associated with the expansion of retail operations and the inclusion of womenswear SG&A expenses following the acquisition. Additionally, advertising, marketing and public relations expenditures increased to support the Company's brands and image.

INTEREST EXPENSE. Interest expense decreased to $16.3 million in fiscal 1996 from $16.5 million in fiscal 1995 primarily due to lower average outstanding borrowing levels.

EQUITY IN NET LOSS OF AFFILIATE. Equity in net loss of affiliate increased to $1.1 million in fiscal 1996 from $0.3 million in fiscal 1995 primarily as a result of costs associated with six store closings during fiscal 1996.

FISCAL 1995 COMPARED TO FISCAL 1994

NET SALES. Net sales increased 2.8% to $746.6 million in fiscal 1995 from $726.6 million in fiscal 1994. Wholesale net sales decreased 2.3% to $496.9 million in fiscal 1995 from $508.4 million in fiscal 1994, primarily as a result of the Company's strategy to license its men's tailored clothing business in fiscal 1995. Retail sales increased 14.4% to $249.7 million in fiscal 1995 from $218.2 million in fiscal 1994. Of this increase, $30.1 million is attributable to the opening of seven new outlet stores in fiscal 1995 (net of two outlet store closings) and the benefit of a full year of operations for seven outlet stores opened during fiscal 1994. Comparable store sales were approximately constant in fiscal 1995.

LICENSING REVENUE. Licensing revenue increased 18.8% to $100.0 million in fiscal 1995 from $84.2 million in fiscal 1994. This increase reflects growth in sales of the Home Collection, European, Asian and Chaps businesses.

GROSS PROFIT. Gross profit as a percentage of net revenues improved to 43.9% in fiscal 1995 from 42.4% in fiscal 1994. This increase was attributable to an increase in wholesale gross margins as a result of improved efficiencies in product sourcing and licensing of the lower margin men's tailored clothing business. The increase was also attributable to the increase in both retail sales and licensing revenue as a percentage of net revenues. Retail gross margins improved slightly in fiscal 1995 compared to the prior year.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. SG&A expenses decreased to $261.5 million in fiscal 1995 from $262.8 million in fiscal 1994. As a percentage of net revenues, SG&A expenses declined to 30.9% in fiscal 1995 from 32.4% in fiscal 1994. This improvement is primarily attributable to a reduction in product design and development and selling costs and expense leverage associated with the Company's revenue growth.

INTEREST EXPENSE. Interest expense increased to $16.5 million in fiscal 1995 from $15.9 million in fiscal 1994 due to an increase in working capital borrowing requirements and a higher cost of borrowing in fiscal 1995.

EQUITY IN NET LOSS OF AFFILIATE. Equity in net loss of affiliate improved to a loss of $0.3 million in fiscal 1995 from a loss of $2.8 million in fiscal 1994 mainly due to costs associated with five store closings in fiscal 1994.

LIQUIDITY AND CAPITAL RESOURCES

The Company's main sources of liquidity historically have been cash flows from operations, credit facilities and partners' financing. The Company's capital requirements primarily result from working capital needs, investing activities including construction and renovation of shop-within-shop boutiques, retail expansion and other corporate activities.

Net cash provided by operating activities increased to $157.6 million for the nine months ended December 28, 1996 from $77.4 million for the nine months ended December 30, 1995, primarily as a result of reduced inventories and improved operating results. The decrease in inventories is a direct result of increased fulfillment of customer orders and improved supply chain management. The net cash used for investing activities decreased to $26.4 million for the nine months ended December 28, 1996 from $44.9 million for the same period in fiscal 1996, principally reflecting the use of $39.7 million in cash to acquire the operations of the Company's former womenswear licensing partner during the nine months ended December 30, 1995. This decrease was offset by a substantial increase in capital expenditures in the nine months ended December 28, 1996. Net cash used in financing activities increased to $125.9 million in the nine months ended December 28, 1996 from $25.7 million in the nine months ended December 30, 1995. This increase was primarily due to a substantial reduction in short-term borrowings in the nine months ended December 28, 1996 associated with the Company's reduced level of inventories and an increase in partner distributions.

Prior to the Reorganization, the earnings of the Company (except for earnings of certain retail operations) were included in the taxable income of the Company's partners for Federal and certain state income tax purposes, and the Company has generally not been subject to income tax on such earnings, other than certain state and local franchise and similar taxes. As a result of the Offerings, the Company's immediate cash flow needs will reflect the elimination of distributions to the partners. Partially offsetting these changes will be the application of funds for the payment of additional Federal, state and local income taxes.

The Company's credit facilities (the "Credit Agreements") are with a syndicate of banks and provide for revolving lines of credit for direct borrowings, bankers acceptances and letters of credit of $155 million and term loans of $69.3 million at December 28, 1996. The Credit Agreements expire in fiscal 2001 and provide for various borrowing rate options, including borrowing rates based on a fixed spread over LIBOR. The Credit Agreements are collateralized by certain accounts receivable, certain inventory, future licensing revenue and certain other assets, and contain covenants which, among other things, require the maintenance of certain financial ratios and set various limitations on investments and distributions to partners. Availability under the revolving lines of credit are limited to a borrowing base calculated upon eligible accounts receivable, certain inventories and letters of credit. Direct borrowings under the revolving lines of credit were $24.1 million and outstanding letters of credit were $24.2 million at December 28, 1996. Term loans outstanding were $69.3 million at December 28, 1996. The weighted average interest rate on amounts outstanding under the Credit Agreements on December 28, 1996 was 8.0%. The Company expects to enter into a new credit facility which will replace its existing Credit Agreements. The Company will use a portion of the net proceeds it receives from the Offerings to prepay a portion of the amounts outstanding under the Credit Agreements. See "Use of Proceeds".

As of December 28, 1996, the Company had Subordinated Notes payable to its partners in the amount of $44.0 million which bear interest at the prime rate (8.25% at December 28, 1996) and are payable $20.0 million on April 30, 1997 and $24.0 million on March 1, 2001. The amounts due in April 1997 will be paid prior to the Offerings. The Company will use a portion of the net proceeds it receives from the Offerings to prepay the amounts due on March 1, 2001. See "Use of Proceeds".

Capital expenditures were $24.2 million for the nine months ended December 28, 1996 and $5.6 million and $4.9 million in fiscal 1996 and fiscal 1995, respectively. The increase in capital expenditures in the first nine months of fiscal 1997 represents expenditures associated with the Company's shop-within-shop development program which includes new shops, renovations and expansions. The Company plans to invest approximately $150.0 million over the next two years for its retail stores including flagship stores, shop-within-shop development program and other capital projects. See "Business -- Operations -- Wholesale -- Shop-within-Shop Boutiques" and "-- Direct Retailing".

The Company extends credit to its customers, including those which have accounted for significant portions of its net revenues. Accordingly, the Company may have significant exposure in collecting accounts receivable from its customers. The Company has credit policies and procedures which it uses to manage its credit risk.

Management believes that cash from ongoing operations and funds available under its credit agreements will be sufficient to satisfy the Company's capital requirements for the next 12 months.

SEASONALITY AND QUARTERLY FLUCTUATIONS

The Company's business is affected by seasonal trends, with higher levels of wholesale sales in its second and fourth quarters and higher retail sales in its second and third quarters. These trends result primarily from the timing of seasonal wholesale shipments to retail customers and key vacation travel and holiday shopping periods in the retail industry. As a result of the PRC Acquisition and growth in the Company's retail operations and licensing revenue, historical quarterly operating trends and working capital requirements may not accurately reflect future performance. In addition, fluctuations in sales and operating income in any fiscal quarter may be affected by the timing of seasonal wholesale shipments and other events affecting retail.

The following table sets forth certain unaudited quarterly information for fiscal 1996 and the nine months ended December 28, 1996:

	FOR THE QUARTERS ENDED						
	JULY 1, 1995	SEPT. 30, 1995	DEC. 30, 1995	MAR. 30, 1996	JUNE 29, 1996	SEPT. 28, 1996	DEC. 28, 1996
	(IN MILLIONS)						
Net sales(1)	$ 179.8	$ 242.6	$ 245.4	$ 241.9	$ 199.3	$ 296.5	$ 268.6
Licensing revenue(1)	21.9	30.8	29.2	28.3	24.5	35.7	37.9
Net revenues	201.7	273.4	274.6	270.2	223.8	332.2	306.5
Gross profit	90.8	118.7	114.4	112.4	103.6	147.5	137.8
Income from operations	24.2	40.7	30.3	31.9	21.3	58.2	34.9

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(1) The Company purchased certain of the assets of its former womenswear licensing partner in October 1995 and, commencing with the fiscal quarter ended December 30, 1995, net revenues reflect the inclusion of womenswear wholesale sales and an elimination of licensing revenue associated with the operations of the womenswear business after the acquisition.

EXCHANGE RATES

Inventory purchases from contract manufacturers in the Far East are primarily denominated in United States dollars; however, purchase prices for the Company's products may be affected by fluctuations in the exchange rate between the United States dollar and the local currencies of the contract manufacturers, which may have the effect of increasing the Company's cost of goods sold in the future. During the last two fiscal years, exchange rate fluctuations have not had a material effect on the Company's inventory cost. Additionally, certain international licensing revenue could be materially affected by currency fluctuations. From time to time, the Company hedges certain exposures to foreign currency exchange rate changes arising in the ordinary course of business. See "Risk Factors -- Foreign Currency Fluctuations".

NEW ACCOUNTING STANDARDS

In October 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation ("SFAS No. 123"). This Statement will be effective in fiscal 1998 upon the establishment of the Stock Incentive Plan by the Company in connection with the Offerings. The Company will adopt only the disclosure provision of SFAS No. 123 and account for stock based compensation in accordance with Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees, which recognizes compensation cost based on the intrinsic value of the equity instrument awarded.

BUSINESS

Polo Ralph Lauren Corporation ("Polo" or the "Company") is a leader in the design, marketing and distribution of premium lifestyle products. For 30 years, Polo's reputation and distinctive image have been consistently developed across an expanding number of products, brands and international markets. The Company's brand names, which include "Polo", "Polo by Ralph Lauren", "Polo Sport", "Ralph Lauren", "RALPH", "Lauren", "Polo Jeans Co." and "Chaps", among others, constitute one of the world's most widely recognized families of consumer brands. Directed by Ralph Lauren, the internationally renowned designer, the Company believes it has influenced the manner in which people dress and live in contemporary society, reflecting an American perspective and lifestyle uniquely associated with Polo and Ralph Lauren.

The Polo brand was established in 1967 when Mr. Lauren introduced a collection of men's ties. In 1968, Polo was established as an independent menswear company offering a line of premium quality men's clothing and sportswear with a distinctive blend of innovation and tradition. The Company's now famous polo player astride a horse logo and Ralph Lauren womenswear products were introduced in 1971. In that same year, the first shop-within-shop boutique dedicated to Polo Ralph Lauren products opened in Bloomingdale's flagship store in New York City and the first Polo store was opened by an independent third party. Commencing in 1973, womenswear products were produced and distributed by a third party under the Company's first licensing alliance. From these beginnings, the Polo and Ralph Lauren brands have been the foundation upon which the Company has based its historic growth. The Company's net revenues, which are comprised of wholesale and retail net sales and licensing revenue, have increased from $678.9 million in fiscal 1992 to $1.0 billion in fiscal 1996, and the Company's income from operations has grown at a 19.1% compound annual rate from $63.2 million in fiscal 1992 to $127.1 million in fiscal 1996.

Polo combines its consumer insight and design, marketing and imaging skills to offer, along with its licensing partners, broad lifestyle product collections in four categories: apparel, home, accessories and fragrance. Apparel products include extensive collections of menswear, womenswear and children's clothing. The Ralph Lauren Home Collection offers coordinated products for the home including bedding and bath products, interior decor and tabletop and gift items. Accessories encompass a broad range of products such as footwear, eyewear, jewelry and leather goods (including handbags and luggage). Fragrance and skin care products are sold under the Company's Polo, Lauren, Safari and Polo Sport brands, among others. Worldwide wholesale net sales of all products bearing the Company's brands, generated by both Polo and its licensing partners, aggregated approximately $2.5 billion in fiscal 1996 and are displayed in the chart below. Of these sales, approximately 36% occurred outside the United States.

FISCAL 1996 WORLDWIDE WHOLESALE NET SALES OF POLO RALPH LAUREN PRODUCTS(1)(2)
(IN MILLIONS)

Pie chart depicting worldwide wholesale net sales of Polo Ralph Lauren products divided into six wedges labeled, Menswear $1,286,000,000 (51.8%), Womenswear $249,000,000 (10.0%), Home Collection $266,000,000 (10.7%), Fragrances $288,000,000 (11.6%), Accessories $258,000,000 (10.4%), and Children's Apparel $135,000,000 (5.5%), respectively.

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(1) Wholesale net sales for products sold by the Company's licensing partners have been derived from information obtained from such licensing partners.

(2) Includes transfers of products to the Company's wholly owned retail operations at wholesale prices or, in the case of outlet stores, at cost.

Polo's business consists of four integrated operations: wholesale, home collection, direct retail and licensing alliances. Wholesale operations primarily consist of the design, sourcing, marketing and distribution of menswear under the Polo by Ralph Lauren, Polo Sport, Polo Golf and Ralph Lauren/Purple Label brands and of womenswear under the Ralph Lauren Collection and Collection Classics, RALPH and Ralph Lauren Polo Sport brands. The Home Collection division designs, markets and sells home products under the Company's brands for its 13 home licensing partners from whom the Company receives royalties. Polo's retail sales are generated by the Company's 27 Polo stores (including stores being acquired pursuant to the PRC Acquisition (as defined)) located in regional malls and high-street shopping areas and its 64 outlet stores located primarily in outlet malls. See "Reorganization and Related Transactions". As part of its licensing alliances, Polo conceptualizes, designs and develops the marketing for a broad range of products under its various brands for which the Company receives royalties from 19 product licensing partners and 14 international licensing partners. Details of the Company's net revenues are shown in the table below.

	FISCAL YEAR 1995	FISCAL YEAR 1996	PRO FORMA FISCAL 1996(3) (UNAUDITED)
	(IN THOUSANDS)		
Wholesale net sales(1)	$496,876	$ 606,022	$ 567,143
Retail sales	249,719	303,698	430,917
Net sales	746,595	909,720	998,060
Licensing revenue(1)(2)	100,040	110,153	110,153
Net revenues	$846,635	$1,019,873	$1,108,213

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(1) The Company purchased certain of the assets of its former womenswear licensing partner in October 1995 and the fiscal 1996 net revenues reflect the inclusion of womenswear wholesale net sales of $36,692 and an elimination of licensing revenue associated with operations of the womenswear business after the acquisition.

(2) Licensing revenue includes royalties received from Home Collection licensing partners.

(3) Pro forma financial information presented above gives effect to the PRC Acquisition as if it had occurred on April 2, 1995, the first day of fiscal 1996. Prior to the PRC Acquisition, the Company owned a 50% interest in PRC which it accounted for using the equity method, and as such, did not consolidate PRC's operations. Accordingly, prior to the PRC Acquisition, net revenues did not include PRC's retail sales, while wholesale net sales reflected the Company's sales to PRC. Simultaneous with the closing of the Offerings, the Company will complete the PRC Acquisition. See "Reorganization and Related Transactions" and "Unaudited Pro Forma Combined Financial Information".

STRATEGY

From its inception, Polo has maintained a consistent operating strategy which has driven growth in sales and earnings. Key elements of this core strategy are as follows:

OFFER PREMIUM QUALITY PRODUCTS AND DISTINCTIVE DESIGNS. The Company's products reflect a timeless and innovative American style associated with and defined by Polo and Ralph Lauren. The Company's designers work closely with its merchandising, sales and production teams and licensing partners to offer premium quality product collections which incorporate Polo's distinctive lifestyle themes. Mr. Lauren, supported by Polo's design staff of over 180 persons, has won numerous awards for Polo's designs including, most recently, the prestigious 1996 Menswear Designer of the Year and 1995 Womenswear Designer of the Year awards, both of which were awarded by the CFDA. In addition, Mr. Lauren was honored with the CFDA Lifetime Achievement Award in 1992, and is the only person to have won all three of these awards.

PROMOTE GLOBAL BRANDS AND IMAGE. The Company strives to project a consistent global image for its brands from product design to marketing to point-of-sale. Portraying core lifestyle themes more often than a particular product, Polo's distinctive advertising builds the Company's brand names and image, season after season. In fiscal 1996, Polo and its licensing partners spent over $100 million to advertise and promote the Company's brands worldwide. Polo also presents seasonal fashion shows, directs in-store events and utilizes the services of prominent athletes and models to promote its image.

CONTROL AND CUSTOMIZE DISTRIBUTION. Polo's reputation for quality and style is also reflected in the distribution of its products. The Company's products are sold through leading upscale department and specialty stores and Polo stores throughout the world. Polo was a pioneer in utilizing shop-within-shop boutiques in major department stores to encourage the effective merchandising and display of Polo Ralph Lauren products. By presenting a broad selection of Polo products in an attractive customized environment, the shop-within-shop boutiques heighten awareness of the Company's brands and differentiate its offerings. The Company estimates that, as of December 28, 1996, more than three million square feet of retail space worldwide (including Polo stores and approximately 1,700 department store shop-within-shop boutiques in the United States) were exclusively dedicated to products sold under the Company's brands.

BUILD STRATEGIC LICENSING ALLIANCES. Polo's licensing alliances have been a key factor in the Company's ability to offer an extensive array of products domestically and internationally. Through these alliances, Polo combines its consumer insight and design, marketing, and imaging skills with the specific product or geographic competencies of its licensing partners to create and build new businesses. Important examples of these alliances include those with industry leaders such as L'Oreal, S.A. in fragrances, WestPoint Stevens, Inc. in bedding and bath products, and Seibu Department Stores, Ltd. in connection with the offering of Polo products in Japan.

DEVELOP POLO RALPH LAUREN STORES. The Company enhances the sale and merchandising of its products and builds the awareness and identity of its brands through its Polo stores and outlet stores. The Company's two flagship stores, located on Madison Avenue in New York City, offer unique shopping environments which communicate the complete Polo lifestyle. Over 100 Polo stores are operated by the Company and its licensing partners and joint ventures in over 25 countries worldwide. The Company also operates 64 outlet stores which broaden its customer base and contribute to profitability while maintaining the integrity of its primary distribution channels.

The Company believes that the ongoing implementation of these operating strategies in combination with its growth strategies positions the Company for continued success. Polo's growth strategies are as follows:

EXPAND THE FAMILY OF POLO BRANDS. The Company continually creates new brands based upon the original Polo and Ralph Lauren concepts to address new markets and consumer groups and maintain Polo's premium image. For example, in fiscal 1994, the Polo Sport label was created to introduce a new line of fitness apparel targeted at the growing market for functional, performance-oriented sport and outdoor wear. In Fall 1995, Polo launched its exclusive, limited distribution Purple Label brand of men's tailored clothing. Representing the Company's most refined apparel perspective, Purple Label reinforces Polo's reputation for quality, innovation and style. In Fall 1996, Polo introduced a denim-based line of sportswear for men, women and children under the Polo Jeans Co. brand. With price points below those of Polo's core apparel lines and a more casual contemporary styling, Polo Jeans Co. is designed to appeal to younger consumers.

DEVELOP NEW PRODUCT CATEGORIES AND BUSINESSES WITHIN EXISTING BRANDS. Polo builds sales within its existing brands by devoting resources to less developed product areas and adding new product categories. For example, in Spring 1994, the Company added skin care products to its Polo Sport fragrance line and in fiscal 1996, introduced a line of paints and wall finishes as part of Home Collection. Similarly, while Polo has offered footwear since 1972, the Company plans to launch a full range of athletic footwear in 1998.

LEVERAGE POLO BRANDS IN INTERNATIONAL MARKETS. The Company believes that international markets offer additional opportunities for Polo's quintessential American designs and lifestyle image and is committed to the global development of its businesses. International expansion opportunities may include the roll out of new products and brands following their launch in the U.S., the introduction of additional product lines, the entrance into new international markets and the addition of Polo stores in these markets. For example, following the successful launch of Polo Jeans Co. in the United States in Fall 1996, the Company formalized its plans to introduce the line in Canada, Europe and Asia in Fall 1997.

CAPITALIZE ON WOMENSWEAR OPPORTUNITY. The Company believes the womenswear market offers significant opportunity for it to further capitalize on its position both domestically and internationally as a leading designer of womenswear. The Company acquired its womenswear business from a former licensing partner in October 1995. In addition to allowing the Company to improve the operations of its existing womenswear designer and bridge lines, the acquisition has enabled Polo to take important growth initiatives in additional segments of the womenswear market. In Fall 1996, for example, the Company and a new licensing partner launched the Lauren line of women's better sportswear and career apparel. Wholesale net sales of Lauren products by the Company's licensing partner are expected to exceed $ million in its first nine months of distribution.

CONTINUE RETAIL EXPANSION. The Company plans to expand its retail presence by adding five or more Polo stores, including flagship stores in London and Chicago, over the next two years. The Company also plans to add ten to 20 new outlet stores over the next three years. In addition, in fiscal 1998, the Company plans to test market a Polo Jeans Co. store.

OPERATIONS

Polo's business consists of four integrated operations: wholesale, Home Collection, direct retail and licensing alliances. Each is driven by the Company's guiding philosophy of style, innovation and quality.

WHOLESALE

Polo's wholesale business is subdivided into two divisions: Polo Ralph Lauren Menswear and Ralph Lauren Womenswear. In both of its wholesale divisions, the Company offers discrete brand offerings to compete at various price levels. The Company's total wholesale net sales for fiscal 1996 were $606.0 million.

POLO RALPH LAUREN MENSWEAR

The Menswear division designs, sources, markets and distributes menswear under its Polo by Ralph Lauren, Polo Sport, Ralph Lauren/Purple Label Collection and Polo Golf brands. Each line is directed by a team consisting of design, merchandising, sales and production staff who work together to conceive, develop and merchandise product groupings organized to convey a variety of design concepts. Generally, there are four annual seasonal presentations for each line: Fall, Cruise/Holiday, Spring and Summer. Within each line, the Company offers core and recurring styles complemented by fashion forward items reflecting contemporary trends. Polo is recognized worldwide as one of the premier men's designer collections, and Mr. Lauren was named 1996 Menswear Designer of the Year by the CFDA. The wholesale net sales of menswear products increased from $378.7 million in fiscal 1992 to $569.3 million in fiscal 1996.

POLO BY RALPH LAUREN. The Polo by Ralph Lauren menswear collection is a complete men's wardrobe consisting of products related by theme, style, color and fabric. Products include pants, dress and casual shirts, the famous knit shirts with the polo player logo, ties, outerwear and sweaters, as well as tailored suits, sport coats, top coats, tailored trousers and formal wear, which are produced by licensing partners. The line is characterized by traditional and classic elements reflecting the distinctive American style of Polo Ralph Lauren. Polo by Ralph Lauren menswear is generally priced at a range of price points within the men's premium ready-to-wear apparel market. For example, suggested retail prices typically range from $49.50 to $59.50 for a basic knit shirt, $59.50 to $89.50 for a dress shirt and $58.50 for chino pants. This line is currently sold through approximately 1,600 department store, specialty store and Polo store doors in the United States, including approximately 1,050 department store shop-within-shop boutiques.

POLO SPORT. The Polo Sport line of activewear and sportswear is designed to meet the growing consumer demand for functional sport and outdoor apparel. Polo Sport products include apparel and accessories for skiing, golfing, running, tennis, cycling, rock-climbing, cross-training, snowboarding and nautical sports, and often feature highperformance fabrics and construction. While the line is designed to meet the performance requirements of these activities, Polo Sport products also appeal to consumers who seek designer styling combined with technical authenticity in sportswear. Polo Sport is offered at a range of price points generally consistent with prices for the Polo by Ralph Lauren line, and is distributed through approximately 1,300 department store, specialty store, Polo Sport store and Polo store doors in the United States, including approximately 148 department store shop-within-shop boutiques.

RALPH LAUREN/PURPLE LABEL COLLECTION. In Fall 1995, the Company introduced its Purple Label Collection of men's tailored clothing. Made from luxurious fabrics, Purple Label presents the Company's most refined perspective on men's clothing. Prominently featured in the Company's advertising, Purple Label reinforces the exclusive image of the Company's brands and communicates central themes of quality, innovation and style. The Company believes its exclusively distributed brands, including Purple Label Collection, not only build the Company's image, but also enhance sales of its other products. To complement the tailored clothing line, the Company recently launched and will distribute its Purple Label sportswear line for retail sale in Fall 1997. Purple Label Collection tailored clothing is manufactured and distributed by a licensee, and dress shirts and ties are sourced and distributed by the Company. Suggested retail prices typically range from $1,600 to $3,000 for a suit, $165 to $225 for a dress shirt, and $95 to $125 for a tie. The Purple Label lines are sold through a limited number of premier fashion retailers, currently numbering approximately 30 doors in the United States.

POLO GOLF. The Polo Golf line is targeted at the golf and resort markets. The line includes products similar to those in the Polo by Ralph Lauren line with features tailored to the needs of the golf and resort consumer. For example, club logos or names can be embroidered on certain Polo Golf apparel products. Price points are similar to those charged for products in the Polo Sport line. The Polo Golf line is presently sold in the United States through approximately 1,500 leading golf clubs, pro shops and resorts, in addition to department, specialty and Polo stores.

POLO RALPH LAUREN WOMENSWEAR

The Womenswear division designs, sources, markets and distributes womenswear under its Ralph Lauren Collection and Collection Classics, RALPH/Ralph Lauren, Ralph (Polo Player Design) Lauren and Ralph Lauren Polo Sport brands. Representatives from each of the design, merchandising, sales and production staffs work together to conceive, develop and sell product groupings organized to convey a variety of design concepts. Each of the women's apparel lines (except Ralph Lauren Collection) consists of core, recurring styles, complemented by more fashion-oriented items which reflect contemporary trends. Mr. Lauren introduced his first womenswear products in 1971 and subsequently licensed the line in 1973.

In October 1995, to capitalize further on its position, both domestically and internationally, as a leading designer of womenswear, Polo acquired the business of its former licensing partner and commenced its own womenswear wholesale operations. Since acquiring control of these operations, the Company has centralized control of its womenswear design, merchandising and sales activities and focused its efforts on improving the quality, production and delivery of its products. In addition, the Company has sought to build its womenswear business by capitalizing on the relationships developed with its menswear customers and by devoting resources to creating and renovating shop-within-shop boutiques and other exclusively fixtured areas within department stores. In fiscal 1996, the Company's wholesale net sales of womenswear products since the October 1995 acquisition were $36.7 million.

The womenswear industry's four basic selling seasons are Fall, Cruise/Holiday, Spring and Summer. The women's ready-to-wear apparel market in the United States is divided into five segments defined by price levels, ranging from lowest to highest, as follows: budget, moderate, better, bridge, and designer. The Company competes directly in the bridge and designer segments of the womenswear industry, and competes through its licensing partner for the Lauren line in the better segment.

RALPH LAUREN COLLECTION AND COLLECTION CLASSICS. The Ralph Lauren Collection, sold under the Purple Label and the Custom Collection Label (the "Collection"), expresses the Company's up-to-the-moment fashion vision for women. Made with luxury fabrics and high quality construction and detailing, the Collection plays an important strategic role for the Company by reinforcing the Polo Ralph Lauren image of style and high fashion. Each of the Spring and Fall collections is introduced at major fashion shows which generate extensive international media coverage. The Collection is recognized as one of the premier women's designer collections, and Mr. Lauren was named 1995 Womenswear Designer of the Year by the CFDA.

Collection Classics include timeless versions of the Company's most successful Collection styles, as well as newly-designed classic signature styles which tend to remain in a women's wardrobe for several seasons. The Collection Classics line uses similar quality fabrics and construction to those used to produce the Collection line. Beginning in Spring 1997, the Collection Classics line will be sold under Ralph Lauren's Black Label.

Collection and Collection Classics are offered for limited distribution to premier fashion retailers and through Polo full-price stores. Price points are at the upper end or luxury ranges. The suggested retail prices for a Collection jacket and pant typically range from $995 to $2,500, and from $450 to $1,395, respectively. The suggested retail prices for a Collection Classics jacket and pant typically range from $695 to $1,495 and from $395 to $650, respectively. The lines are currently sold through over 110 doors in the United States and 20 international doors.

RALPH/RALPH LAUREN. The RALPH/Ralph Lauren brand was established in 1994 and presents a distinct and more casual fashion identity for the bridge market, while retaining a strong association with the Ralph Lauren Collection designer image. Younger in attitude and lower in price than the Collection, the RALPH line consists of a mix of classic and fashion items ranging from career wear to casual weekend apparel. The line is sold through approximately 140 doors in the United States and Canada. The suggested retail prices for a RALPH/Ralph Lauren jacket and pant typically range from $350 to $595, and from $125 to $325, respectively.

RALPH LAUREN POLO SPORT. Similar to its men's counterpart, the Ralph Lauren Polo Sport line for women includes activewear for a variety of sports, as well as fashion athletic and sportswear basics. Introduced in Spring 1997, the Polo Sport line for women broadens the Company's potential customer base. Certain core sportswear items continue to be sold under the Ralph (Polo Player Design) Lauren label which until recent years was the label under which most Ralph Lauren women's sportswear was sold. The Ralph Lauren Polo Sport line is currently carried by approximately 400 doors in the United States, including approximately 130 shop-within-shops, and sells at a wide range of bridge prices. For example, the suggested retail price for a t-shirt is $28, while the suggested retail price for outerwear ranges from $115 to $425.

HOME COLLECTION

With the introduction of the Ralph Lauren Home Collection in 1983, Polo became one of the first major apparel designers to extend its design principles and brands to a complete line of home furnishings. Today, in conjunction with its licensing partners, Polo offers an extensive collection of home products which both draw upon, and add to, the design themes of the Company's other product lines, contributing to Polo's complete lifestyle concept. New seasonal lines are presented for the Fall and Spring selling seasons while classic items remain a continuing part of the Home Collection. Products are sold under the Ralph Lauren Home Collection brands in three primary categories: bedding and bath, interior decor, and tabletop and gift.

The table below details wholesale net sales of Home Collection products worldwide by the Company's licensing partners, for which the Company receives licensing revenue, for the stated fiscal years.

	FISCAL YEAR				
	1992	1993	1994	1995	1996
	(IN MILLIONS)				
Home Collection	$85.9	$109.3	$144.7	$206.9	$265.9

In addition to developing the Home Collection, Polo acts as sales and marketing agent for its domestic Home Collection licensing partners. Together with its nine domestic home product licensing partners, representatives of the Company's design, merchandising, production and sales staffs collaborate to conceive, develop and merchandise the various products as a complete home furnishing collection. Polo's personnel market and sell the products to domestic customers and certain international accounts. Polo's licensing partners, many of which are leaders in their particular product category, manufacture, own the inventory and ship the products. As compared to its other licensing alliances, Polo performs a broader range of services for its Home Collection licensing partners, which, in addition to sales and marketing, include operating showrooms and incurring advertising expenses, and, consequently, generally receives a higher royalty rate from its Home Collection licensing partners. Home Collection licensing alliances generally have three to five-year terms and often grant the licensee conditional renewal options.

Home Collection products are positioned at the upper tiers of their respective markets and are offered at a range of price levels. Consistent with its strategy of developing its brands and products in tiered price categories, in Fall 1996 the Company introduced its luxurious White Label Collection of high thread-count bed and bath products offered through approximately 40 doors.

The Company's home furnishings products generally are distributed through department stores, specialty furniture stores, interior design showrooms, customer catalogs and home centers. As with its other products, the use of shop-within-shop boutiques is central to the Company's distribution strategy. Certain licensing partners, including those selling furniture, wall coverings, blankets, bed pillows, tabletop, flatware, home fragrance and paint, also sell their products directly through their own staffs to reach additional customer markets.

The home furnishings products offered by the Company and its licensing partners are listed below.

CATEGORY	PRODUCT	LICENSING PARTNER
Bedding and Bath	Towels, sheets, pillowcases and matching bedding accessories	WestPoint Stevens, Inc.
	Blankets, bed pillows, comforters and other decorative bedding accessories excluding those matched to sheets	Pillowtex Corporation
	Bath rugs	Newmark & James
Interior Decor	Upholstered furniture and case goods	Henredon Furniture Industries, Inc.
	Interior and exterior paints, stains and special finishes	The Sherwin-Williams Company
	Fabric and wallpaper	P. Kaufmann, Inc.

CATEGORY	PRODUCT	LICENSING PARTNER
Table and Giftware	Sterling, silverplate and stainless steel flatware and picture frames	Reed and Barton Corporation
	Crystal and glass tableware and giftware, ceramic dinnerware and giftware, home fragrances (potpourri, scented candles, etc.) and Polo bears	RJS Scientific, Inc.
	Placemats, tablecloths, napkins	Designers Collection, Inc.

The Company's three most significant Home Collection licensing partners based on aggregate licensing revenue paid to the Company are WestPoint Stevens, Inc., Pillowtex Corporation and Henredon Furniture Industries, Inc. WestPoint Stevens, Inc. accounted for approximately 50% of Home Collection licensing revenue in fiscal 1996. See "Risk Factors -- Dependence on Licensing Partners".

DOMESTIC WHOLESALE AND HOME COLLECTION CUSTOMERS AND SERVICE

GENERAL. Consistent with the appeal and distinctive image of its products and brands, the Company sells its menswear, womenswear and Home Collection products primarily to leading upscale department stores, specialty stores, golf and pro shops and Polo stores located throughout the United States which have the reputation and merchandising expertise required for the effective presentation of Polo products. The Company believes that Polo is a core resource for its major accounts, often being one of their largest-selling brands. As such, Polo generally receives priority in location, display and management attention.

The Company's wholesale and home furnishings products are distributed through the primary distribution channels listed in the table below. In addition, the Company also sells excess and out-of-season products through secondary distribution channels.

	APPROXIMATE NUMBER OF DOORS AS OF DECEMBER 31, 1996		
	MENSWEAR	WOMENSWEAR	HOME COLLECTION
Department Stores	1,300	310	1,300
Specialty Stores	340	105	50
Polo Stores	40	40	35
Golf & Pro Shops	1,520	350	--

Department stores represent the largest customer group of each wholesale division and of the Home Collection. Major department store customers include Federated Department Stores, Inc., Dillard Department Stores, Inc., The May Department Stores Company and Dayton Hudson Corporation. During fiscal 1996, Federated Department Stores, The May Department Store Company and Dillard Department Stores each accounted for between 11% and 18% of aggregate sales by the Company's sales staff for menswear, womenswear and Home Collection products. See "Risk Factors--Dependence on Certain Customers".

The Company seeks to assist its retail customers in achieving a high sell-through of Polo products at full price. Polo supports these retail customers with account executives, sales coordinators and retail analysts who work closely with stores to assist in purchasing, merchandising, stocking and advertising. In addition, the Company employs approximately 80 merchandising coordinators devoted to menswear, womenswear and Home Collection to conduct training of customers' sales staffs, enforce the Company's merchandising and design standards, and monitor product stock flow. Instore seminars, trunk and fashion shows and other training events are also conducted by the Company's staff to further educate retail customers' sales staffs, develop customer loyalty and strengthen sales.

Menswear, womenswear and Home Collection wholesale products are primarily sold through their respective sales forces aggregating approximately 140 salespersons employed by Polo. The menswear division maintains its primary showroom at Polo's New York City executive headquarters. Regional showrooms for menswear are located in Atlanta, Chicago, Dallas and Los Angeles. An independent sales representative promotes sales to U.S. military exchanges. The womenswear and Home Collection divisions maintain their primary showrooms in New York City. Regional sales representatives for the Home Collection are located in the Company's showrooms in Atlanta, Chicago, Dallas and Los Angeles and in London. The Company also operates a separate tabletop showroom in New York City.

SHOP-WITHIN-SHOP BOUTIQUES. The Company constantly seeks to ensure that its products are offered to the consumer in a visually attractive setting that is consistent with Polo's marketing philosophy and image. As a critical element of its distribution to department stores, the Company and its licensing partners utilize shop-within-shop boutiques to enhance brand recognition, permit more complete merchandising of the Company's lines and differentiate the presentation of products. In these shops, a broad assortment of Polo products is presented in a combination of wallcase and free-standing fixtures, as well as "concept" tables, in order to create both powerful visual presentations and, by grouping similar patterns and models together, an efficient shopping environment. The shops include seasonal visual guides, such as props, display photos, niche liners and counter cards, which enhance the image and identity of particular themes. Polo was a pioneer in the establishment of these shops. Shop-within-shop boutiques stimulate longer term commitment by the retailer to the Company's products and encourage each store to carry a representative cross-section of the product line for each season. The Company believes that the Company's shop-within-shop boutiques significantly improve sales productivity and has focused its efforts on increasing the number and size of shop-within-shop boutiques where appropriate. The Company intends to add approximately 210 shop-within-shop boutiques and refurbish approximately 195 shop-within-shop boutiques in fiscal 1998. At December 28, 1996, department store customers in the United States had installed over 1,700 shop-within-shop boutiques dedicated to Polo products. The size of Polo shop-within-shop boutiques (excluding significantly larger shop-within-shop boutiques in key department store locations) typically ranges from approximately 2,000 to 3,000 square feet for menswear, from approximately 800 to 1,000 square feet for womenswear, and from approximately 800 to 1,200 square feet for home furnishings. The Company estimates that, in total, approximately 1.6 million square feet of department store space in the United States is dedicated to Polo shop-within-shop boutiques. In addition to shop-within-shop boutiques, the Company utilizes exclusively fixtured areas in department stores.

BASIC STOCK REPLENISHMENT PROGRAM. The menswear and womenswear programs allow products such as knit shirts, chino pants, oxford cloth shirts and navy blazers to be ordered at any time through basic stock replenishment programs. For customers who reorder basic products, Polo generally ships these products within one to five days of order receipt. These products accounted for approximately 15% of menswear wholesale sales and approximately 10% of womenswear wholesale sales in fiscal 1996. The Company has also implemented a seasonal quick response program to allow replenishment of products such as lambswool sweaters, corduroy trousers and down jackets which can be ordered for only a portion of each year. Certain Home Collection licensing partners also offer a basic stock replenishment program which includes towels, bedding and tabletop products. Basic stock products accounted for approximately 65% of net sales of Home Collection licensing partners in fiscal 1996.

DIRECT RETAILING

The Company operates two types of retail stores dedicated to the sale of Polo products. Located in prime retail areas, the Company's 27 Polo stores (which include the 21 stores acquired by the Company in the PRC Acquisition) operate under the Polo Ralph Lauren and Polo Sport names. The Company's 64 outlet stores are generally located in outlet malls and operate under the

Polo Ralph Lauren Factory Store name. The Company's retail sales for fiscal 1996, exclusive of PRC sales, were $303.7 million.

In addition to its own retail operations, the Company has granted licenses to independent parties to operate 17 stores in the United States and more than 65 stores internationally. The Company receives the proceeds from the sale of its menswear and womenswear products, which are included in wholesale net sales, to these stores and also receives royalties, which are included in licensing income, from its licensing partners who sell to these stores. The Company generally does not receive any other compensation from these licensed store operators. See "--Licensing Alliances".

POLO STORES

In addition to generating sales of Polo Ralph Lauren products, Polo stores set, reinforce and capitalize on the image of Polo's brands. Depending on their size and location, the stores present lifestyle collections of Polo Ralph Lauren apparel, accessories, home and fragrance products. The stores are designed and fixtured to create a distinctive Polo environment and store associates are trained to maintain high standards of visual presentation, merchandising and customer service. The result is a complete statement at retail of Polo's central themes of quality, style and innovation.

The Company's two flagship stores located on Madison Avenue in New York City showcase Polo products and demonstrate Polo's most refined merchandising techniques. Opened in 1986, the Company's Polo Ralph Lauren Store in the five-story Rhinelander Mansion embodies the Polo lifestyle in over 20,000 square feet. The store has been critically acclaimed for the quality of its design and presentation and the Company received the 1986 Retailer of the Year award from the CFDA in connection with its opening. Opened in 1993 in conjunction with development of the Polo Sport brand, the 10,000 square foot flagship Polo Sport store is designed to convey the active spirit and complete product line of this brand.

In 1993, Polo combined the operations of a majority of its then owned stores with those of an experienced licensing partner to form a joint venture, PRC, in order to improve the stores' performance. In addition to operating the stores, PRC has acquired and opened additional stores while closing unproductive stores. Simultaneously with the closing of the Offerings, Polo will complete the acquisition of the interest of its joint venture partner in PRC. See "Reorganization and Related Transactions".

Following the PRC Acquisition, in addition to its New York flagship stores, Polo will operate 25 other Polo stores. Ranging in size from approximately 2,000 to over 14,000 square feet, the non-flagship stores are situated in upscale regional malls and major high street locations generally in the largest urban markets in the United States. Polo has also operated a Polo store on New Bond Street in London since 1983. In aggregate, the Company operates 22 Polo Ralph Lauren stores, three Polo Sport stores and two Polo Country stores (offering primarily leisure and weekend apparel). Stores are generally leased for initial periods of ten years with renewal options.

The Company plans to continue to invest in Polo stores. In fiscal 1997, new Polo stores were opened in Waikiki, Hawaii, Troy, Michigan and Roosevelt Field Mall in Garden City, New York. Among other locations, new stores are planned for Oakbrook, Illinois and Las Vegas, Nevada, and new flagship stores are planned for Chicago and London. Following successful major renovations and expansions of its San Francisco and Atlanta stores in fiscal 1997, Polo plans to renovate or relocate its stores in Houston, Texas, Phoenix, Arizona, Manhasset, New York and Short Hills, New Jersey, in fiscal 1998. Also in fiscal 1998, the Company plans to test market a Polo Jeans Co. store as part of the development of its Polo Jeans Co. brand.

OUTLET STORES

Polo extends its reach to additional consumer groups through its 64 Polo Ralph Lauren Factory Stores. Offering Polo products at 15% to 50% below suggested retail prices in an outlet mall environment, the outlet stores target consumers who favor value-oriented retailers. Geographically positioned to minimize potential overlap with the Company's primary customers, the outlet stores add sales in regions where Polo products are not readily available. The outlet stores also serve to liquidate excess, irregular and out-of-season Polo Ralph Lauren products outside of the Company's primary distribution channels.

Outlet stores offer selections of the Company's menswear, womenswear, children's apparel, accessories, home furnishings and fragrances. Ranging in size from 5,000 to 13,000 square feet, with an average of over 7,900 square feet, the stores are generally located in major outlet centers in 31 states and Puerto Rico. The Company believes that the outlet stores maintain fixturing, visual presentation and service standards superior to those typically associated with outlet stores.

Outlet stores purchase products from Polo, its licensing partners and its suppliers and from Polo stores in the United States. Outlet stores purchase products from Polo generally at cost and from Polo's domestic product licensing partners and Polo stores at negotiated prices. Outlet stores also source basic products and styles directly from the Company's suppliers often utilizing Polo's excess fabric. In fiscal 1996, the outlet stores purchased approximately 47%, 31% and 22% of products from the Company, licensing partners and other suppliers, respectively.

Given the broad appeal of Polo's brands and the relatively high sales productivity of these stores, the Company believes it is a desired tenant among outlet store developers and, as such, Polo has received significant landlord concessions which have minimized its initial investment and provided other favorable lease terms. The stores are generally leased for an initial period of five or more years with subsequent renewal options. The Company plans to add ten to 20 new outlet stores (net of anticipated store closings) over the next three years. In addition, in fiscal 1998 the Company plans to test three or more factory outlet concept stores which will carry only certain Polo brands and products and will be smaller than typical outlet stores. There can be no assurance that the Company will continue to receive landlord concessions or other favorable lease terms.

LICENSING ALLIANCES

Due to the collaborative and ongoing nature of the Company's relationships with its licensees, such licensees are referred to in this Prospectus as "licensing partners" and the relationships between the Company and such licensees are referred to in this Prospectus as "licensing alliances". Notwithstanding these references, however, the legal relationship between the Company and its licensees is one of licensor and licensee, and not one of partnership.

Through licensing alliances, Polo combines its consumer insight and design, marketing and imaging skills with the specific product or geographic competencies of its licensing partners to create and build new businesses. The Company's licensing partners, who are often leaders in their respective markets, generally contribute the majority of product development costs, provide the operational infrastructure required to support the business and own the inventory. Since the Company is, in most cases, paid a royalty based upon wholesale sales by its licensing partners, Polo is less exposed to certain operating risks influencing profitability than if it owned and operated the business directly. Further, extension of the Company's brands into new product categories and regions, coupled with associated marketing campaigns, incrementally enhance and build awareness of the Company's brands generally.

Product and international licensing partners are granted the right to manufacture and sell at wholesale specified products under one or more of Polo's trademarks. Generally, product licenses encompass the production and sale of a complete product line for sale in the United States and may also include provisions for international sales, either directly or through the Company's international licensing partners. International licenses typically grant the licensing partner the right to distribute a broad range of Polo Ralph Lauren products within a defined international market. International licensing partners produce and source products independently and in conjunction with the Company and its product licensing partners. As compensation for the Company's contributions under these agreements, each licensing partner pays royalties to the Company based upon its sales of Polo Ralph Lauren products, subject generally, to payment of a minimum royalty. With the exception of Home Collection licenses, these payments generally range from five to eight percent of the licensing partner's sales of the licensed products. See "-- Home Collection" for a description of royalty arrangements for Home Collection products. In addition, licensing partners are required to allocate between two and four percent of their sales to advertise Polo products. Larger allocations are required in connection with launches of new products or in new territories. Licensing alliance agreements generally have three- to five-year terms and often grant the licensee renewal options if specified sales thresholds are met. In those few instances where the Company has granted long term licenses, the Company has generally obtained the right to buy the licensed business from its licensing partner under certain circumstances.

Polo works in close collaboration with its licensing partners to ensure that products are developed, marketed and distributed to address the intended market opportunity and present consistently to consumers worldwide the distinctive perspective and lifestyle associated with the Company's brands. While product licensing partners may employ their own designers, the Company oversees the design of all its products. Polo works closely with licensing partners to coordinate marketing and distribution strategies and the design and construction of shop-within-shops, and participates in the long-range planning and development of its licensing partners' Polo businesses. Virtually all aspects of the design, production quality, packaging, merchandising, distribution, advertising and promotion of Polo products are subject to the Company's prior approval and ongoing oversight. The result is a consistent identity for Polo products across product categories and international markets.

Polo has 19 product and 14 international licensing partners. Details of wholesale net sales of the Company's licensing partners (excluding sales of Home Collection products) are presented below.

	FISCAL YEAR				
	1992	1993	1994	1995	1996
	(IN MILLIONS)				
Product	$ 497.8	$ 570.8	$ 582.2	$ 640.8	$ 658.3
International	666.6	685.7	667.0	796.2	867.4
Total	$1,164.4	$1,256.5	$1,249.2	$1,437.0	$1,525.7

PRODUCT LICENSING ALLIANCES

Polo has agreements with 19 product licensing partners relating to sportswear, men's tailored clothing, children's apparel, personalwear, accessories and fragrances.

CASUAL APPAREL AND SPORTSWEAR

CHAPS BY RALPH LAUREN. Through a licensing partner, Polo offers a line of moderately priced men's sportswear under the Chaps by Ralph Lauren brand ("Chaps"). Originally introduced in 1974, Chaps has become a complete casual sportswear line featuring knit and woven shirts, sweaters, casual pants and outerwear. Chaps addresses a younger and more price-conscious fashion consumer than does the Polo by Ralph Lauren brand. Chaps is distributed primarily through a broad base of better department stores where the line is often sold through areas outfitted with customized Chaps fixturing. As Chaps has expanded its product line and distribution, U.S. wholesale net sales by Polo's licensing partner have grown from $47.6 million in fiscal 1992 to

$142.9 million in fiscal 1996. Warnaco, Inc. has been the Company's Chaps licensing partner since 1976.

POLO JEANS CO. Recognizing an opportunity in the younger contemporary sportswear market, the Company created the Polo Jeans Co. brand. Targeted at 16- to 28-year old men and women, the denim-based line is founded upon a more casual and contemporary design perspective than the Company's core menswear and womenswear brands. The Polo Jeans Co. collection features a large selection of both basic and fashion jeans with a broad complement of casual sportswear, including chambray shirts, T-shirts, sweatshirts, chino pants and outerwear. Suggested retail prices include $48 for basic jeans, $50 for a chambray shirt and $60 for a sweatshirt. The Polo Jeans Co. brand is intended to become a core offering for department stores' younger, more fashion-forward customers. Polo Jeans Co. products are also sold through retailers catering to the young men's and women's markets. Launched in the United States in Fall 1996, Polo Jeans Co. products are currently offered through over 2,000 men's and women's doors. Wholesale net sales of Polo Jeans Co. products in the United States by the Company's licensing partner were approximately $ million in the ten months ended March 31, 1997. The Company expects to test market a Polo Jeans Co. store in fiscal 1998. The Company's licensing partner for Polo Jeans Co. in the United States is Sun Apparel, Inc.

LAUREN BY RALPH LAUREN. Introduced in Fall 1996, the Lauren by Ralph Lauren brand ("Lauren") marked Polo's entry into the women's better sportswear market, a market significantly larger than that addressed by the Company's designer and bridge collections. Embodying the traditional classic styling associated with the Ralph Lauren brands, Lauren offers an extensive collection of women's better apparel suitable for both career and social environments. Representative items and suggested retail price points include tailored jackets at $250, career skirts at $120, cotton shirts at $55 and chino pants at $55. Launched in approximately 250 department store doors, Lauren is expected to be sold through approximately 650 doors by the Fall 1997 season. Lauren is currently offered exclusively in better department stores where it is merchandised through shop-within-shop boutiques. Wholesale net sales of Lauren products by the Company's licensing partner are expected to exceed $ million in its first nine months of distribution. Lauren will add petite sizes, suits and a broadened assortment of coats for Fall 1997. The Company's licensing partner for Lauren is Jones Apparel Group, Inc.

MEN'S TAILORED CLOTHING

Consistent with its strategy of segmenting its menswear business by style and price point, the Company offers men's tailored clothing under its Purple Label, Polo by Ralph Lauren and Chaps brands. The product offering consists of suits, sport coats, tailored trousers and top coats. In fiscal 1996, total U.S. wholesale net sales of men's tailored clothing by the Company's licensing partners exceeded $45 million.

Representative suggested retail prices for Polo's licensed men's tailored clothing brands and the licensing partners of such brands are listed below.

BRAND	LICENSING PARTNER	SUGGESTED RETAIL PRICES FOR A SUIT
Purple Label	Chester Barrie, Ltd.	$1,600 to $3,000
Polo by Ralph Lauren	Pietrafesa & Co.	$600 to $1,200
Chaps	Peerless Inc.	$300 to $500

CHILDREN'S APPAREL

In the children's apparel market, Polo offers products for boys, infants and toddlers, and girls. Polo's children's apparel lines are sold through better department stores, Polo stores and other specialty stores, often through shop-within-shop boutiques. The Company's licensing partners had U.S. wholesale net sales of children's apparel in fiscal 1996 of over $75 million.

POLO FOR BOYS. Introduced in 1978, the Polo for Boys product line consists of premium quality casual apparel, outerwear, tailored clothing and furnishings for boys in sizes 4 through 20. Products are offered under the Polo by Ralph Lauren and Polo Sport brands and include children-sized versions of core menswear styles and incorporate their distinctive design themes and features. Polo for Boys is licensed to Oxford Industries, Inc.

RALPH LAUREN INFANTS AND TODDLERS AND GIRLS. Introduced in 1995, the Ralph Lauren Infants and Toddlers collection brings Polo's signature style and products to boys and girls in sizes layette to 4T. Products are offered under the Ralph Lauren, Polo Sport and Polo Jeans Co. brands and are generally consistent in terms of style and quality with the Polo for Boys collection. The infants and toddlers collection is licensed to S. Schwab Company, Inc. with whom Polo plans to introduce a new line of apparel for girls in sizes 4 to 6X in Spring 1998.

PERSONALWEAR

In order to capitalize fully on its opportunity in the large personalwear market, Polo recently restructured its licensing arrangements. In 1988, Polo entered into its first licensing alliance in the men's underwear category which resulted in a limited line of men's underwear under the Ralph Lauren brand. Recognizing the potential to extend its brands into additional personalwear categories, in 1996 Polo entered into a new licensing arrangement with Sara Lee Corporation. As a result, Polo, in collaboration with Sara Lee Corporation, has developed extensive personalwear lines for both men and women. Scheduled for retail sale in Fall 1997, the men's personalwear line includes underwear, loungewear, sleepwear and robes offered under the Purple Label, Polo by Ralph Lauren and Polo Sport brands. Also expected to debut in Fall 1997, the women's personalwear line includes underwear, foundations, loungewear, sleepwear and robes under the Company's Collection, Ralph Lauren and Polo Sport brands.

ACCESSORIES -- FOOTWEAR AND OTHERS

Through its licensing partners, Polo offers a wide range of accessories designed to complement its men's and women's apparel lines, further enhance the distinctive images of its brands and build its business. In aggregate, U.S. wholesale net sales of accessories offered under the Company's brands exceeded $150 million in fiscal 1996.

DRESS AND CASUAL FOOTWEAR. In order to capitalize more fully on its opportunity in the footwear market, Polo restructured its licensing arrangements in 1996 for dress and casual footwear. In 1972, Polo introduced its first footwear products. The Ralph Lauren Footwear line currently consists of a broad collection of premium quality dress and casual shoes for men and women offered under the Company's brands. Recognizing the potential to expand this business, in 1996 Polo entered into a licensing agreement with Reebok International Ltd.'s subsidiary, The Rockport Company, Inc. ("Reebok/Rockport") upon Rockport's acquisition of control of the operations of Polo's then existing footwear licensing partner. Under their licensing alliance, Polo, in combination with the substantial expertise and other resources of Reebok/Rockport, is working to develop further its dress and casual shoe business and expects to expand the assortment in terms of style and price point and enhance in-store merchandising and presentation.

PERFORMANCE ATHLETIC FOOTWEAR. As part of its licensing agreement with Reebok/Rockport, in 1998, Polo will enter the athletic footwear market. Polo plans to offer an extensive collection of performance-oriented cross-training, running, tennis, cycling, hiking, boating and golf shoes for men and women under the Polo Sport brand.

OTHER ACCESSORIES. Additional accessories offered by Company and its licensing partners under Polo's brands are listed below.

ACCESSORY CATEGORY	LICENSING PARTNER
Handbags and luggage	Wathne, Inc.
Eyewear	Safilo USA, Inc.
Men's, women's and children's hosiery	Hot Sox, Inc.
Belts and other small leather goods	New Campaign, Inc.
Scarves for men and women	Echo Scarves, Inc.
Jewelry	Carolee, Inc.
Men's, women's and children's gloves	Swany, Inc.

FRAGRANCE AND SKIN CARE PRODUCTS

Polo entered the fragrance market in 1978. This global product market allows the Company to address a broad consumer base and facilitates wide communication of Polo's essential themes and imagery. The extensive advertising and promotion which accompany these products have continually reinforced awareness of the Company's brands and lifestyle image.

From introduction of the Polo fragrance for men and Lauren fragrance for women in 1978, the Company has continued to expand its offering in the fragrance and skin care category. In 1990, for example, Polo introduced its Safari fragrance for women, followed by the Safari fragrance for men in 1992. In addition to fragrances, these lines include personal care products such as bath gels, shaving cream and other grooming products. As a complement to Polo's active apparel, the Company launched Polo Sport for Men, the Fitness Fragrance in 1994. Polo has continued to build upon this product line with the addition of innovative Face Fitness and other skin care products. Polo Sport for Women was launched in fiscal 1996. The Company's strategy is to continue to add products to its fragrance and skin care line. Worldwide wholesale net sales of Polo fragrances and skin care products exceeded $280 million in fiscal 1996. L'Oreal S.A. and its subsidiary, Cosmair Inc., have been the Company's licensing partners since 1984, and have worldwide distribution rights in perpetuity in the fragrance and skin care category.

INTERNATIONAL LICENSING ALLIANCES

The Company believes that international markets offer additional opportunities for Polo's quintessential American designs and lifestyle image and is committed to the global development of its businesses. International expansion opportunities may include the roll out of new products and brands following their launch in the U.S., the introduction of additional product lines, the entrance into new international markets and the addition of Polo stores in these markets. For example, following the successful launch of Polo Jeans Co. in the U.S. in Fall 1996, the Company formalized its plans to introduce the line in Canada, Europe and Asia in Fall 1997. Polo works with its 14 international licensing partners to facilitate this international expansion. International licensing partners also operate more than 65 Polo stores.

Polo's first international manufacturing and distribution licensing alliance was granted to Seibu Department Stores, Ltd. of Japan in 1976 in the belief that a regional distributor could more effectively develop Polo's business in its locale given its familiarity and expertise within the market. The Company's first European license was granted in 1983. Polo's most recent efforts with regard to international operations include recent extensions of its licensing alliances for Japan and Europe. In January 1997, the Company concluded a licensing alliance for Israel and plans to launch its business there with the opening of three Polo stores in Fall 1997. The Company is also pursuing plans for expansion in other countries in the Middle East and Eastern Europe.

International licensing partners typically acquire the right to source, produce, market and sell some or all Polo products in a given geographical area. International licensing partners are generally subject to the same economic arrangements as those of domestic product licensing partners, including royalties and advertising expenditures. The Company requires each international licensing partner to distribute products and present an image consistent with that of the Company's products in the United States. As a result of the Company's requirements of uniformity, significant information sharing and cooperation is necessary between the Company and all of its licensing partners, both product and international. Licensed products are typically designed by the Company, either alone or in collaboration with its domestic licensing partners. Domestic licensees generally provide international licensing partners with patterns, piece goods, manufacturing locations and other information and assistance necessary to achieve product uniformity, for which they are, in many cases, compensated.

The most significant international licensing partners by royalties in fiscal 1996 were Seibu Department Stores, Ltd., which oversees distribution of virtually all of the Company's products in Japan, L'Oreal S.A., which distributes fragrances and toiletries outside of the United States and Poloco, S.A., which distributes men's and boys' apparel and certain accessories in Europe. The Company's ability to maintain and increase royalties under foreign licenses is dependent upon certain factors not within the Company's control, including fluctuating currency rates, currency controls, withholding requirements levied on royalty payments, governmental restrictions on royalty rates, political instability and local market conditions. See "Risk Factors -- Foreign Currency Fluctuations" and "-- Dependence on Licensing Partners".

DESIGN

The Company's products reflect a timeless and innovative American style associated with and defined by Polo and Ralph Lauren. The Company's consistent emphasis on innovative and distinctive design has been an important contributor to the prominence, strength and reputation of the Polo Ralph Lauren brands. For 30 years the Company's designers have influenced, anticipated and responded to evolving consumer tastes within the context of Polo's defining aesthetic principles. Mr. Lauren, supported by Polo's design staff, has won numerous awards for Polo's designs including, most recently, the prestigious 1996 Menswear Designer of the Year and 1995 Womenswear Designer of the Year awards, both of which were awarded by the CFDA. In addition, Mr. Lauren was honored with the CFDA Lifetime Achievement Award in 1992, and is the only person to have won all three of these awards.

Design teams are formed around the Company's brands and product categories to develop concepts, themes and products for each of Polo's businesses. These teams work in close collaboration with merchandising, sales and production staff and licensing partners in order to gain market and other input. Product merchandisers, for example, provide designers with market trend and other information and potential business opportunities at initial stages of the design process. Prior to deliveries each season, design teams work with merchandisers to edit lines and with advertising and publicity, visual display and sales staffs to complete a full marketing program for each product line.

All Polo Ralph Lauren products are designed by or under the direction of Mr. Ralph Lauren and the Company's design staff of approximately 180, which is divided into three departments. The menswear design department is headed by Mr. Jerome Lauren, Executive Vice President of Menswear Design, who has overseen menswear design since joining the Company in 1973, and by Mr. John Varvatos, Senior Vice President of Menswear Design since 1995. Ms. Rosanne Birrittella, Senior Vice President of Womenswear Design and Advertising, heads the womenswear design department. She has worked with the Company since 1971 in several senior creative capacities. Polo's Senior Vice President of Home Design is Ms. Nancy Vignola, who has worked with the Company since 1976 and has overseen Home Collection design since its inception in 1982.

The Company operates a research, development and testing facility in Greensboro, North Carolina, testing labs in New Jersey and Singapore and pattern rooms in New York and New Jersey.

MARKETING

Polo's marketing program communicates the themes and images of the Polo Ralph Lauren brands and is an integral feature of its product offering. Worldwide marketing is managed on a centralized basis through the Company's advertising and public relations departments in order to ensure consistency of presentation.

The Company creates the distinctive image advertising for all Polo Ralph Lauren products, conveying the particular message of each brand within the context of Polo's core themes. Advertisements generally portray a lifestyle rather than a specific item and often include a variety of Polo products offered by both the Company and its licensing partners. Polo's primary advertising medium is print, with multiple page advertisements appearing regularly in a range of fashion, lifestyle and general interest magazines including Elle, Esquire, GQ, The New York Times Magazine, Town and Country, Vanity Fair and Vogue. Major print advertising campaigns are conducted during the Fall and Spring retail seasons with additions throughout the year to coincide with product deliveries. In addition to print, certain product categories utilize television and outdoor media in their marketing programs.

The Company's licensing partners contribute a percentage (usually between two and four percent) of their sales of Polo products for advertising. The Company directly coordinates advertising placement for domestic product licensing partners. During fiscal 1996, Polo and its licensing partners collectively spent more than $100 million worldwide to advertise and promote Polo products.

Polo conducts a variety of public relations activities. Each of the Spring and Fall womenswear collections is introduced at major fashion shows in New York which generate extensive domestic and international media coverage. In recognition of the increasing role menswear plays in the fashion industry, each of the Spring and Fall menswear collections is introduced at fashion presentations organized for the fashion press. In addition, Polo sponsors professional golfers, organizes in-store appearances by its models and sponsors sports teams.

SOURCING, PRODUCTION AND QUALITY

The Company's apparel products are produced for the Company by approximately 165 different manufacturers worldwide. The Company contracts for the manufacture of its products and does not own or operate any production facilities. During fiscal 1996, approximately 36% (by dollar volume) of men's and women's products were produced in the United States; 54% of men's and women's products were produced in the Far East; and the balance was produced elsewhere. One manufacturer engaged by the Company accounted for approximately 23% of the Company's total production during fiscal 1996. No other manufacturer accounted for more than five percent of the Company's total production in fiscal 1996.

Production is divided broadly into purchase of finished products, where the supplier is responsible for the purchasing and carrying of raw materials, and cut, make and trim ("CMT") purchasing, where the Company is responsible for the purchasing and movement of raw materials to finished product assemblers located throughout the world. CMT arrangements typically allow the Company more latitude to incorporate unique detailing elements and to develop specialty items. The Company uses a variety of raw materials, principally consisting of woven and knitted fabrics and yarns.

The Company must commit to manufacture the majority of its garments before it receives customer orders. In addition, the Company must commit to purchase fabric from mills well in advance of its sales. If the Company overestimates the demand for a particular product which it cannot sell to its primary customers, it may use the excess for distribution in its outlet stores or sell the product through secondary distribution channels. If the Company overestimates the need for a particular fabric or yarn, that fabric or yarn can be used in garments made for subsequent seasons or made into past season's styles for distribution in its outlet stores.

The Company has been working closely with suppliers in recent years to reduce lead times to maximize fulfillment (i.e., shipment) of orders and to permit re-orders of successful programs. In particular, the Company has increased the number of deliveries within certain brands each season so that merchandise is kept fresh at the retail level. Currently there are, for example, eight and ten annual deliveries, respectively, of men's Polo Sport and Polo by Ralph Lauren sportswear, with fewer deliveries for other lines.

Suppliers operate under the close supervision of Polo's product management department in the United States, and in the Far East under that of a wholly owned subsidiary which performs buying agent functions for the Company and third parties. All garments are produced according to Polo's specifications. Production and quality control staff in the United States and in the Far East monitor manufacturing at supplier facilities in order to correct problems prior to shipment of the final product to Polo. While final quality control is performed at Polo's distribution centers, under Polo's vendor certification program, procedures have been implemented so that quality assurance is focused as early as possible in the production process, allowing merchandise to be received at the distribution facilities and shipped to customers with minimal interruption.

The Company retains independent buying agents in Europe and South America to assist the Company in selecting and overseeing independent third-party manufacturers, sourcing fabric and other products and materials, monitoring quota and other trade regulations, as well as performing some quality control functions.

COMPETITION

Competition is strong in the segments of the fashion and consumer product industries in which the Company operates. The Company competes with numerous designers and manufacturers of apparel and accessories, fragrances and home furnishing products, domestic and foreign, some of which may be significantly larger and have substantially greater resources than the Company. The Company competes primarily on the basis of fashion, quality, and service. The Company's business depends on its ability to shape, stimulate and respond to changing consumer tastes and demands by producing innovative, attractive, and exciting products, brands and marketing, as well as on its ability to remain competitive in the areas of quality and price. See "Risk Factors -- Competition".

DISTRIBUTION

To facilitate distribution, men's products from manufacturers are shipped to the Company's distribution center in Greensboro, North Carolina for inspection, sorting, packing and shipment to retail customers. The Company's distribution/customer service facility is designed to allow for high density cube storage and utilizes bar code technology to provide inventory management and carton controls. Product traffic management is coordinated from this facility in conjunction with the Company's product management and buying agent staffs. Womenswear distribution is provided by a "pick and pack" facility in Kearney, New Jersey under a warehousing distribution agreement with a third party. Outlet store distribution and warehousing is principally handled through the Greensboro distribution center as well as a satellite center also located in North Carolina. Polo store distribution is provided by a facility in Columbus, Ohio and a facility in New Jersey which services the Company's stores in New York City and East Hampton, New York. The Company's licensing partners are responsible for the distribution of licensed products, including Home Collection products. The Company is currently evaluating warehousing and distribution facilities for its retail stores.

MANAGEMENT INFORMATION SYSTEM

The Company's management information system is designed to provide, among other things, comprehensive order processing, production, accounting and management information for the marketing, manufacturing, importing and distribution functions of the Company's business. The Company has installed sophisticated point-of-sale registers in its Polo stores and outlet stores that enable it to track inventory from store receipt to final sale on a real-time basis. The Company believes its merchandising and financial system, coupled with its point-of-sale registers and software programs, allow for rapid stock replenishment, concise merchandise planning and real-time inventory accounting practices.

In addition, the Company has introduced an electronic data interchange ("EDI") system to facilitate the processing of replenishment and fashion orders from its wholesale customers, the movement of goods through distribution channels, and the collection of information for planning and forecasting. The Company has EDI relationships with customers who represent a significant majority of its wholesale business and is working to expand its EDI capabilities to include most of its suppliers.

CREDIT CONTROL

The Company manages its own credit and collection functions. The Company does not factor its accounts receivables or maintain credit insurance to manage the risks of bad debts. The Company's bad debt write-offs were less than 1% of net sales for fiscal 1996.

BACKLOG

The Company generally receives wholesale orders for apparel products approximately three to five months prior to the time the products are delivered to stores. All such orders are subject to cancellation for late delivery. At December 28, 1996, backlog was $245.4 million and $38.5 million, as compared to $232.8 million and $32.7 million at December 30, 1995 for men's and women's apparel, respectively. The Company's backlog depends upon a number of factors, including the timing of the market weeks for its particular lines, during which a significant percentage of the Company's orders are received, and the timing of shipments. As a consequence, a comparison of backlog from period to period is not necessarily meaningful and may not be indicative of eventual shipments.

TRADEMARKS

The Company is the owner of the "Polo", "Ralph Lauren" and the famous polo player astride a horse trademarks in the United States. As part of the Reorganization, the Company acquired certain trademarks and related rights pertaining to fragrances and cosmetics. See "Reorganization and Related Transactions". Additional trademarks owned by the Company include, among others, "Chaps", "Polo Sport", "Lauren/Ralph Lauren", "RALPH" and "RRL".

The Company's trademarks are the subject of registrations and pending applications throughout the world for use on a variety of items of apparel, apparel-related products, home furnishings and beauty products, as well as in connection with retail services, and the Company continues to expand its worldwide usage and registration of related trademarks. The Company regards the license to use the trademarks and its other proprietary rights in and to the trademarks as valuable assets in the marketing of its products and, on a worldwide basis, vigorously seeks to protect them against infringement. As a result of the appeal of its trademarks, Polo's products have been the object of counterfeiting. The Company has a broad enforcement program which has been generally effective in controlling the sale of counterfeit products in the United States and in major markets abroad.

In markets outside of the United States, the Company's rights to some or all of its trademarks may not be clearly established. In the course of its international expansion, the Company has experienced conflicts with various third parties which have acquired ownership rights in certain trademarks which include "Polo" and/or a representation of a polo player astride a horse which would have impeded the Company's use and registration of its principal trademarks. While such conflicts are common and may arise again from time to time while the Company continues its international expansion, the Company has in the past successfully resolved such conflicts through both legal action and negotiated settlements with third-party owners of such conflicting marks. See "Risk Factors -- Trademarks".

Two agreements by which the Company resolved conflicts with third-party owners of other trademarks impose current restrictions or monetary obligations on the Company. In one, the Company reached an agreement with a third party which owned competing registrations in numerous European and South American countries for the trademark "Polo" and a symbol of a polo player astride a horse. By virtue of the agreement, Polo has acquired that third party's portfolio of trademark registrations, in consideration of the payment (capped as set forth below) of 30% of the Company's European and Mexican royalties and 50% of its South American royalties (solely in respect of the Company's use of trademarks which include "Polo" and the polo player symbol, and not, for example, "Ralph Lauren" alone, "Lauren/Ralph Lauren", "RRL", etc.). Remittances to this third party are not reflected in licensing revenue in the Company's financial statements and will cease no later than 2008, or sooner, when the remittances with respect to Europe and Mexico to this third party aggregate $15.0 million. As of February 15, 1997, the Company has paid approximately $7.0 million to this third party. The Company's obligation to share royalties with respect to Central and South America and parts of the Caribbean expires in 2013, but the Company also has the right to terminate this obligation at any time by paying $3.0 million. The second agreement was reached with a third party which owned conflicting registrations of the trademarks "Polo" and a polo player astride a horse in the U.K., Hong Kong, and South Africa. Pursuant to the agreement, the third party retains the right to use its "Polo" and polo player symbol marks in South Africa and certain other African countries, and the Company agreed to restrict use of those Polo marks in those countries to fragrances and cosmetics (as to which the Company's use is unlimited) and to the use of the Ralph (polo player symbol) Lauren mark on women's and girls' apparel and accessories. By agreeing to those restrictions, the Company secured the unlimited right to use its trademarks (without payment of any kind) in the United Kingdom and Hong Kong, and the third party is prohibited from distributing products under those trademarks in those countries.

Although the Company has not in the past suffered any material inhibition from doing business in desirable markets, there can be no assurance that significant impediments will not arise in the future as it expands product offerings and additional trademarks to new markets.

EMPLOYEES

As of March 29, 1997, the Company had approximately 4,000 employees, including 3,760 in the United States and 240 in foreign countries. Of the total, approximately 45 employees hold executive and administrative positions, 180 are engaged in design, 100 are engaged in advertising, public relations and creative services, 160 are engaged in production, 220 are engaged in wholesale sales and merchandising, 2,000 are engaged in retail sales, 600 are engaged in distribution and the remaining employees are engaged in other aspects of the business. Approximately 30 of the Company's United States production and distribution employees in the womenswear business are members of the Union of Needletrades, Industrial & Textile Employees under an industry association collective bargaining agreement which the Company's womenswear subsidiary has adopted. This contract expires in May 1997 and is currently under renegotiation. The Company considers its relations with both its union and non-union employees to be good.

PROPERTIES

The Company does not own any real property except an undeveloped parcel of land adjacent to its leased Greensboro, North Carolina distribution facility. Certain information concerning the Company's principal facilities in excess of 100,000 rentable square feet and of its existing flagship stores of 20,000 rentable square feet or more, all of which are leased, is set forth below:

LOCATION	USE	APPROXIMATE SQ. FT.	CURRENT LEASE TERM EXPIRATION
Greensboro, N.C.	Distribution	330,000	January 31, 2006
650 Madison Avenue, NYC	Executive, corporate and design offices, men's showrooms	170,000	December 31, 2004
Lyndhurst, N.J.	Corporate and retail administrative offices	143,000	February 28, 2003
Winston-Salem, N.C.	Distribution	115,000	June 30, 1998
867 Madison Avenue, NYC	Direct Retail	27,000	December 31, 2004

During fiscal 1997, the Company signed leases for its two new flagship stores in Chicago and London. The Chicago lease is for approximately 37,000 square feet of rentable space and expires in 2017, and the London store lease is for approximately 45,000 square feet of rentable space for office, showroom and retail use and expires in 2021.

The leases for the Company's non-retail facilities (approximately 18 in all) provide for aggregate annual rentals of $13.5 million in fiscal 1996. The Company anticipates that it will be able to extend those leases which expire in the near future on terms satisfactory to the Company or, if necessary, locate substitute facilities on acceptable terms.

As of December 28, 1996, the Company operated six Polo stores and 64 outlet stores in leased premises not including the 21 stores operated by PRC. Aggregate annual rent paid for retail space by the Company in fiscal 1996 totaled $10.1 million, and aggregate annual rent paid for retail space by PRC in fiscal 1996 totaled $7.4 million. Except for approximately three outlet stores for which the Company will not seek renewal upon lease expiration, the Company anticipates that it will be able to extend those leases which expire in the near future on satisfactory terms or to relocate to more desirable locations. See " -- Operations -- Direct Retailing" for descriptions of the store properties.

The Company is currently re-evaluating its warehousing and distribution needs for its retail operations. The Company believes that its existing facilities are well maintained and in good operating condition, and are otherwise adequate for its present and foreseeable level of operations for the next few years.

GOVERNMENT REGULATION

The Company's import operations are subject to constraints imposed by bilateral textile agreements between the United States and a number of foreign countries. These agreements, which have been negotiated bilaterally either under the framework established by the Arrangement Regarding International Trade in Textiles, known as the Multifiber Agreement, or other applicable statutes, impose quotas on the amounts and types of merchandise which may be imported into the United States from these countries. These agreements also allow the signatories to adjust the quantity of imports for categories of merchandise that, under the terms of the agreements, are not currently subject to specific limits. The Company's imported products are also subject to United States customs duties which comprise a material portion of the cost of the merchandise. See "Risk Factors--Foreign Operations and Sourcing; Import Restrictions".

Apparel products are subject to regulation by the Federal Trade Commission in the United States. Regulations relate principally to the labeling of the Company's products. The Company believes that it is in substantial compliance with such regulations, as well as applicable federal, state, local, and foreign rules and regulations governing the discharge of materials hazardous to the environment. There are no significant capital expenditures for environmental control matters either estimated in the current year or expected in the near future. The Company's licensed products and licensing partners are, in addition, subject to additional regulation. The Company's agreements require its licensing partners to operate in compliance with all laws and regulations, and the Company is not aware of any violations which could reasonably be expected to have a material adverse effect on the Company's business.

LEGAL PROCEEDINGS

The Company is involved from time to time in routine legal claims, involving trademark and intellectual property, licensing, employee relations and other matters incidental to its business. See "-- Trademarks". Currently, the Company is a party to an arbitration proceeding which it initiated in San Francisco to resolve a dispute with an independent free-standing retail licensee which operates a Polo store in Beverly Hills, California. This licensee had previously claimed that the Company breached its license agreement when the Company refused last year to authorize the opening of a free-standing Polo concession at Los Angeles International Airport by the licensee. The Company believes it was acting within its contractual rights when it rejected the licensee's proposal. The Company initiated the arbitration proceeding in November 1996 under the rules of the American Arbitration Association in accordance with the terms of its license agreement for a declaration of rights under such agreement. The licensee in a counterclaim has sought unspecified compensatory and punitive damages in excess of $5 million. In the opinion of the Company's management, the resolution of any matter currently pending will not have a material adverse effect on the Company's financial position or results of operations.

MANAGEMENT

DIRECTORS AND EXECUTIVE OFFICERS

The names of the directors and executive officers of the Company upon completion of the Offerings and their respective ages and positions are as follows:

NAME	AGE	POSITION
Ralph Lauren..................	57	Chairman, Chief Executive Officer and Director
Michael J. Newman.............	51	Vice Chairman, Chief Operating Officer and Director
Donna A. Barbieri.............	50	Group President, Retail Outlet Stores and Creative Services
David J. Hare.................	52	Group President, Polo Ralph Lauren Stores
John D. Idol..................	38	Group President, Product Licensing including Home Collection
F. Lance Isham................	52	Group President, Menswear
Cheryl L. Sterling Udell......	47	Group President, Womenswear
Victor Cohen..................	43	Senior Vice President, General Counsel and Secretary
Nancy A. Platoni Poli.........	41	Vice President and Chief Financial Officer
Karen L. Rosenbach............	42	Senior Vice President, Human Resources and Administration

Shortly after the Offerings, the Company will add another four directors.

RALPH LAUREN, the Company's Chairman and Chief Executive Officer, and a Director of the Company, founded Polo in 1968 and has provided leadership in the design, marketing and operational areas since such time.

MICHAEL J. NEWMAN is a Director of the Company and has been Vice Chairman and Chief Operating Officer of the Company since 1995 and is responsible for its day-to-day operations. He was President and Chief Operating Officer of the Menswear operations from 1991 to 1994, and Executive Vice President from 1989 to 1991. Mr. Newman joined Polo as Vice President of Finance and Chief Financial Officer in 1987. Prior to joining the Company, Mr. Newman was Senior Vice President of Finance at Kaiser-Roth Apparel.

DONNA A. BARBIERI has been Group President, Retail Outlet Stores and Creative Services since September 1995. Ms. Barbieri joined Polo in 1992 as a Vice President, Director of Stores for Fashions Outlet of America, Polo's outlet store operation, and the Retail operations. Before joining the Company, she was a Vice President and General Merchandise Manager for women's apparel for Bloomingdale's and Federated Department Stores, Inc.

DAVID J. HARE has been Group President, Polo Ralph Lauren Stores since April 1997 and was, prior to such time, President and Chief Executive Officer of Polo Retail Corporation since 1993. Mr. Hare assumed responsibility for PRC's operations when Polo merged certain of its Polo store operations with Perkins Shearer, Inc. to form PRC in 1993. Prior to that, he had been President and Chief Executive Officer of Perkins Shearer, Inc. since 1969.

JOHN D. IDOL has been Group President, Product Licensing, including Home Collection operations since 1996. Mr. Idol oversees development, marketing and sales planning of all domestic licensed products. He joined the Company in 1984 as Vice President, Sales, of the Home Collection operations, and was appointed President of that division in 1991.

F. LANCE ISHAM has been Group President, Menswear since 1995. Mr. Isham is responsible for the day-to-day operations of sales, merchandising, retail development, production, manufacturing services and distribution for menswear. He joined Polo in 1982, and has held a variety of sales positions in the Company including Executive Vice President of Sales and Merchandising.

CHERYL L. STERLING UDELL has been Group President, Womenswear since 1995. Prior to that time, she was President and Chief Operating Officer of the Licensing and Retail divisions. Ms. Sterling joined Polo in 1978 and has held various management positions in the Company.

VICTOR COHEN has been Senior Vice President, General Counsel and Secretary for the Company since 1996. Mr. Cohen joined Polo in 1983 as its senior legal officer responsible for all legal and corporate affairs. Prior to joining the Company, he was associated with the law firm of Skadden, Arps, Slate, Meagher & Flom.

NANCY A. PLATONI POLI has been Chief Financial Officer of the Company since 1996. Ms. Poli was Vice President and Controller from 1993 to 1996, and assumed responsibility for treasury functions in addition to her controller functions in 1995. Prior to that, she was Vice President of Retail Finance. Ms. Poli joined the Company in 1984.

KAREN L. ROSENBACH has been Senior Vice President, Human Resources and Administration since 1996. Ms. Rosenbach joined the Company in 1988 as Vice President of Human Resources. Prior to joining the Company, she was Vice President of Human Resources, Real Estate Group at Chemical Bank.

BOARD OF DIRECTORS

The Company's Board of Directors will initially consist of six members, four of whom are elected by the holders of Class B Common Stock (the "Class B Directors"), one of whom is elected by the holders of Class C Common Stock (the "Class C Director") and one of whom is elected by the holders of Class A Common Stock (the "Class A Director"). While shares of Class A Common Stock, Class B Common Stock and Class C Common Stock are outstanding and while the number of outstanding shares of Class B Common Stock is at least 10% of the number of outstanding shares of all classes of Common Stock, if the size of the Board is increased, all additional members will be Class B Directors with the following exceptions: (i) an additional Class A Director will be added if the Board is increased to ten members and again if the Board is increased to 19 members; and (ii) an additional Class C Director will be added if the Board is increased to 13 members. Accordingly, while the number of outstanding shares of Class B Common Stock is at least 10%, the holders of Class B Common Stock will elect at least two-thirds of the members of the Board of Directors. If the number of outstanding shares of Class B Common Stock falls below 10%, directors that would have been elected by a separate vote of that class will instead be elected by the holders of Class A Common Stock and the holders of Class B Common Stock, voting together, with holders of Class A Common Stock having one vote per share and holders of Class B Common Stock having ten votes per share. If the number of outstanding shares of Class C Common Stock falls below 10%, the Class C Common Stock is automatically converted into Class A Common Stock and the director that would have been elected by the holders of the Class C Common Stock will instead be elected by the holders of Class A Common Stock, voting as a separate class, or, if the amount of Class B Common Stock has also fallen below 10%, by the holders of Class A Common Stock and Class B Common Stock, voting together, with the holders of Class A Common Stock having one vote per share and the holders of Class B Common Stock having ten votes per share. Because of the disproportionate voting rights of the Class B Common Stock, in certain instances holders of Class B Common Stock will still be able to elect a majority of the Board of Directors when the number of outstanding shares of Class B Common Stock falls below 10% of the number of outstanding shares of all classes of Common Stock. See "Risk Factors--Control by Lauren Family Members and Anti-Takeover Effect of Multiple Classes of Stock" and "Description of Capital Stock".

COMPENSATION OF DIRECTORS

Each non-employee director will receive an annual retainer of $ and will be eligible to receive stock option grants under the Company's 1997 Non-Employee Director Option Plan. See "1997 Non-Employee Director Option Plan". Non-employee directors also will be entitled to receive $ for each board or committee meeting attended. Directors who are also employees of the Company will receive no additional compensation for service as a director.

COMMITTEES OF THE BOARD OF DIRECTORS

Within 90 days of the closing of the Offerings, the Board of Directors will establish an Audit Committee and a Compensation Committee. The functions of the Audit Committee will be to recommend annually to the Board of Directors the appointment of the independent auditors of the Company, discuss and review in advance the scope and the fees of the annual audit and review the results thereof with the independent auditors, review and approve non-audit services of the independent auditors, review compliance with existing major accounting and financial reporting policies of the Company, review the adequacy of the financial organization of the Company, and review management's procedures and policies relating to the adequacy of the Company's internal accounting controls and compliance with applicable laws relating to accounting practices.

The functions of the Compensation Committee will be to review and approve annual salaries, bonuses, and grants of stock options pursuant to the Company's 1997 Stock Incentive Plan, and to review and approve the terms and conditions of all material employee benefit plans or changes thereto.

EXECUTIVE COMPENSATION

The following table sets forth, for the year ended March 30, 1996, the cash compensation paid to Mr. Lauren and the Company's four most highly-paid executive officers (collectively, the "Named Executive Officers") for services rendered in all capacities in which they served during such year:

SUMMARY COMPENSATION TABLE

	ANNUAL COMPENSATION(1)			
NAME AND PRINCIPAL POSITION	YEAR	SALARY ($)	BONUS ($)	ALL OTHER COMPENSATION ($)
Ralph Lauren Chairman of the Board and Chief Executive Officer	1996	$2,700,000	$ 0	$1,040,955(2)
Michael J. Newman Vice Chairman and Chief Operating Officer	1996	$ 800,000	$1,000,000	$ 286,419(3)
Cheryl L. Sterling Udell Group President, Womenswear	1996	$ 630,000	$ 163,000	$ 258,520(4)
John D. Idol Group President, Product Licensing including Home Collection	1996	$ 496,000	$ 281,000	$ 346,082(5)
F. Lance Isham Group President, Menswear	1996	$ 500,000	$ 50,000	$ 152,306(6)

(Footnotes appear on following page)

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(1) Other annual compensation did not exceed $50,000 or 10% of the total salary and bonus for any of the Named Executive Officers.

(2) The amount reported under "All Other Compensation" in 1996 for Mr. Lauren includes the estimated dollar value of the benefit to the executive officer of Company-paid premiums on split-dollar life insurance policies on the lives of the executive and his spouse in the amount of $1,037,085. The Company will recover all premiums paid by it at the time death benefits are paid thereon, and may recover such amounts earlier under certain circumstances. The maximum potential value is calculated as if the fiscal 1996 premiums were advanced to Mr. Lauren without interest until the time the Company expects to recover the premium (i.e., upon death of the executive officer). The amount reported also includes the value of insurance premiums paid by the Company in the amount of $3,870 with respect to supplementary medical benefits.

(3) Reflects (i) the estimated dollar value of the benefit to the executive officer of Company-paid premiums on split-dollar life insurance (calculated on the same basis as disclosed in note (2)) and supplementary medical benefits in the amounts of $5,882 and $1,183, respectively, (ii) $24,376 for contributions to the Company's Wealth Plan (as defined) and $250,478 for the Executive Deferred Compensation Trusts and (iii) matching benefits of $4,500 paid under the 401K Plan (as defined).

(4) Reflects (i) the estimated dollar value of the benefit to the executive officer of Company-paid premiums on split-dollar life insurance (calculated on the same basis as disclosed in note (2)) and supplementary medical benefits in the amounts of $4,393 and $9,123, respectively, (ii) $27,345 for contributions to the Company's Wealth Plan and $213,159 for the Executive Deferred Compensation Trusts and (iii) matching benefits of $4,500 paid under the 401K Plan.

(5) Reflects (i) the estimated dollar value of the benefit to the executive officer of Company-paid premiums on split-dollar life insurance (calculated on the same basis as disclosed in note (2)) and supplementary medical benefits in the amounts of $2,070 and $1,931, respectively, (ii) $87,436 for contributions to the Company's Wealth Plan and $252,001 for the Executive Deferred Compensation Trusts and (iii) matching benefits of $2,644 paid under the 401K Plan.

(6) Reflects (i) the estimated dollar value of the benefit to the executive officer of Company-paid premiums on split-dollar life insurance (calculated on the same basis as disclosed in note (2)) and supplementary medical benefits in the amounts of $7,077 and $3,251, respectively, (ii) $29,290 for contributions to the Company's Wealth Plan and $111,530 for the Executive Deferred Compensation Trusts and (iii) matching benefits of $1,158 paid under the 401K Plan.

EXECUTIVE COMPENSATION AGREEMENTS

DEFERRED COMPENSATION AGREEMENTS. The Company has entered into deferred compensation agreements with each of Messrs. Newman, Idol and Isham and Ms. Sterling Udell (effective as of April 1, 1993, April 3, 1994, April 1, 1995 and April 1, 1993, respectively, and expiring on March 31, 2003, March 31, 2014, March 31, 2005 and March 31, 2003, respectively) as well as with certain other executives of the Company (each a "Deferred Compensation Agreement").

The Deferred Compensation Agreements generally provide that the Company will, on a monthly basis, contribute to trusts established by the Company (the "Executive Deferred Compensation Trusts"), and credit a book reserve account in the executive's name (the "Deferred Compensation Account"), an amount equal to, in most cases, 20% of the executive's monthly base salary, and, in the case of Messrs. Idol and Isham, 20% of the executive's monthly base salary and any incentive or bonus payments received by him during such month, provided that the executive is employed with the Company on the last day of such month. Amounts contributed to the Executive Deferred Compensation Trusts and credited to the executive's Deferred Compensation Account will be invested and reinvested by the trustee of the Executive Deferred Compensation Trusts (the "Trustee") in one or more mutual funds managed by the Vanguard Group of Investment Companies, at the executive's election. This deferred compensation arrangement is unfunded for tax purposes and for purposes of Title I of the Employee Retirement Security Act of 1974, as amended, any funds invested under the Executive Deferred Compensation Trusts continue to be part of the general funds of the Company.

The executive's interest in his or her Deferred Compensation Account will vest at the rate of 20% per year on the anniversary date of the effective date of the Deferred Compensation Agreement (or, in the case of Mr. John Idol, 60% as of April 1, 1995 and thereafter, at the rate of 10% on each of the four anniversaries thereof), but only if the executive has remained continuously employed by the Company as of each anniversary date. However, in the event that the executive's employment is terminated by disability or by the Company other than for "cause" or if the executive terminates his or her employment for "good reason", the executive will be 100% vested. On the earlier date of the expiration of the term of the Deferred Compensation Agreement (or, in the case of Mr. Idol, April 1, 2004) or the earliest date practicable following the executive's termination of employment with the Company for any reason, the Company is obligated to make a lump sum payment to the executive equal to the vested amount credited to his Deferred Compensation Account. In addition, with respect to Mr. Idol only, if such executive officer is still employed by the Company as of April 1, 2004, contributions to the Executive Deferred Compensation Trust shall begin anew and the Company is obligated to make a lump sum payment to Mr. Idol equal to the vested amount credited to his Deferred Compensation Account on the earlier date of April 1, 2014 or the earliest date practicable following termination of Mr. Idol's employment with the Company.

SEVERANCE AGREEMENTS. The Company has entered into severance agreements with each of Messrs. Newman, Idol and Isham and Ms. Sterling Udell as well as certain other executives of the Company (the "Severance Agreements").

The Severance Agreements have an indefinite term and generally provide that if the executive resigns for "good reason" or if his or her employment is terminated by the Company, other than because of death, disability or "cause," the executive is entitled to the following severance payments so long as the executive complies with certain non-compete covenants: (i) continued salary payments (less applicable withholdings) for a period of 36 months, (ii) payments (less applicable withholdings) of any incentive or bonus program through the end of the fiscal year in which employment was terminated and, with respect to Messrs. Idol and Isham, thereafter, through the end of the 36 month post-termination period, a monthly payment equal to one-twelfth of the yearly average incentive or bonus compensation earned during such current fiscal year and the preceding fiscal year, (iii) continued participation in the Company's health benefit plans, provided that if the executive is provided with similar coverage by a subsequent employer, any such coverage by the Company will cease, (iv) continued use of the Company automobile leased for the executive's use until the then existing auto lease term expires, and (v) waiver of the collateral interest securing return to the Company of premiums paid by the Company for the executive's existing Split Dollar Policy.

Generally, the executive's entitlement to severance payments are conditioned upon their compliance with the following non-compete covenants: (i) the executive agrees not to accept other employment during his or her term of employment without the written approval of the Board, (ii) the executive agrees that for the duration of his or her employment and for a period of 36 months from the date of termination, the Named Executive Officer will not, on his or her own behalf or any other person or entity, hire, solicit or encourage any employee of the Company to leave the employ of the Company, and (iii) the executive agrees that for the duration of his or her employment and for a period of 36 months from the date of termination, the Named Executive Officer will take no action which is intended, or would be reasonably expected, to harm (e.g., making public derogatory statements or misusing confidential Company information) the Company or its reputation.

1997 STOCK INCENTIVE PLAN

On   , 1997, the Board of Directors of the Company (the "Board") adopted, and the Company's stockholders approved, the Company's 1997 Long-Term Stock Incentive Plan (the "1997 Stock Incentive Plan"). The purpose of the 1997 Stock Incentive Plan is to promote the interests of the Company and its stockholders by (i) attracting and retaining exceptional officers and other employees, directors and consultants of the Company and its subsidiaries; (ii) motivating such individuals by means of performance-related incentives to achieve longer-range performance goals; and (iii) enabling such individuals to participate in the long-term growth and financial success of the Company. The principal provisions of the 1997 Stock Incentive Plan are summarized below. This summary, however, does not purport to be complete and is qualified in its entirety by the terms of the 1997 Stock Incentive Plan which has been filed as an exhibit to the Registration Statement of which this Prospectus is a part.

The 1997 Stock Incentive Plan will be administered by a committee (the "Stock Plan Committee") which will either be the full Board or a committee of two or more members of the Board designated by the Board to administer the 1997 Stock Incentive Plan, each of whom is intended to be a "Non-Employee Director" (within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) and an "outside director" (within the meaning of section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code")), to the extent Rule 16b-3 and section 162(m), respectively, are applicable to the Company and the 1997 Stock Incentive Plan; provided, that the Stock Plan Committee may delegate to one or more officers of the Company the authority to grant awards to participants who are not officers or directors of the Company subject to Section 16 of the Exchange Act or "covered employees" within the meaning of Code section 162(m). The mere fact that a Stock Plan Committee member fails to qualify as a Non-Employee Director or outside director will not invalidate any award made by the Stock Plan Committee which award is otherwise validly made under the 1997 Stock Incentive Plan.

Any officer or other employee, consultant to or director of the Company of any of its subsidiaries will be eligible to be designated a participant under the Stock Plan.

As of   , 1997, the Company and its subsidiaries had approximately employees, consultants and   directors, who will be eligible to be granted awards by the Stock Plan Committee under the 1997 Stock Incentive Plan. The Stock Plan Committee has the sole and complete authority to determine the participants to whom awards will be granted under the 1997 Stock Incentive Plan.

The 1997 Stock Incentive Plan authorizes the grant of awards to participants with respect to a maximum of   shares of the Company's Class A Common Stock (the "Shares"), subject to adjustment to avoid dilution or enlargement of intended benefits in the event of certain significant corporate events, which awards may be made in the form of (i) nonqualified stock options; (ii) stock options intended to qualify as incentive stock options under section 422 of the Code; (iii) stock appreciation rights; (iv) restricted stock and/or restricted stock units; (v) performance awards and (vi) other stock based awards; provided that the maximum number of Shares with respect to which stock options and stock appreciation rights may be granted to any participant in the 1997 Stock Incentive Plan in any calendar year may not exceed   and the maximum number of Shares which may be paid to a participant in the 1997 Stock Incentive Plan in connection with the settlement of any award(s) designated as a Performance Compensation Award (as defined) in respect of a single performance period will be   or, in the event such Performance Compensation Award is paid in cash, the equivalent cash value thereof. If, after the effective date of the 1997 Stock Incentive Plan, any Shares covered by an award granted under the 1997 Stock Incentive Plan, or to which such an award relates, are forfeited, or if an award has expired, terminated or been canceled for any reason whatsoever (other than by reason of exercise or vesting), then the Shares covered by such award will again be, or will become, Shares with respect to which awards may be granted under the 1997 Stock Incentive Plan.

Awards made under the 1997 Stock Incentive Plan will be subject to such terms, including vesting and exercise price, if applicable, as may be determined by the Stock Plan Committee and specified in the applicable award agreement or thereafter; provided that stock options that are intended to qualify as incentive stock options will be subject to terms and conditions that comply with such rules as may be prescribed by section 422 of the Code. Payment in respect of the exercise of an option granted under the 1997 Stock Incentive Plan may be made in cash, or its equivalent (or, if so determined by the Stock Plan Committee, with the proceeds of a loan advanced by the Company for purposes of paying the exercise price), or (i) by exchanging shares owned by the optionee (which are not the subject of any pledge or other security interest and which have been owned by such optionee for at least six months) or (ii) subject to such rules as may be established by the Stock Plan Committee, through delivery of irrevocable instructions to a broker to sell the shares being acquired upon exercise of the option and to deliver promptly to the Company an amount equal to the aggregate exercise price, or by a combination of the foregoing, provided that the combined value of all cash and cash equivalents and the fair market value of such shares so tendered to the Company as of the date of such tender is at least equal to the aggregate exercise price of the option.

In addition to the foregoing, the Stock Plan Committee will have the discretion to designate any award as a Performance Compensation Award. While awards in the form of stock options and stock appreciation rights are intended to qualify as "performance-based compensation" under section 162(m) of the Code provided that the exercise price or grant price, as the case may be, is established by the Stock Plan Committee to be equal to the Fair Market Value (as defined in the 1997 Stock Incentive Plan) per Share as of the date of grant, this form of award enables the Stock Plan Committee to treat certain other awards (including stock options and stock appreciation rights with an exercise price less than Fair Market Value) under the 1997 Stock Incentive Plan as "performance-based compensation" and thus preserve deductibility by the Company for Federal income tax purposes of such awards which are made to individuals who are "covered employees" as defined in section 162(m) of the Code.

Each Performance Compensation Award shall be payable only upon achievement over a specified performance period of a duration of at least one year of a pre-established objective performance goal established by the Stock Plan Committee for such period. The Stock Plan Committee may designate one or more performance criteria for purposes of establishing a performance goal with respect to Performance Compensation Awards made under the 1997 Stock Incentive Plan. The performance criteria that will be used to establish such performance goals will be based on the attainment of specific levels of performance of the Company (or subsidiary, affiliate, division or operational unit in the Company) and will be limited to the following: return on net assets, return on stockholders' equity, return on assets, return on capital, stockholder returns, profit margin, earnings per share, net earnings, operating earnings, price per share, earnings before interest and taxes and sales or market share.

With regard to a particular performance period, the Stock Plan Committee will have the discretion, subject to the 1997 Stock Incentive Plan's terms, to select the length of the performance period, the type(s) of Performance Compensation Award(s) to be issued, the performance goals that will be used to measure performance for the period and the performance formula that will be used to determine what portion, if any, of the Performance Compensation Award has been earned for the period. Such discretion will be exercised by the Stock Plan Committee in writing no later than 90 days after the commencement of the performance period and performance for the period shall be measured and certified by the Stock Plan Committee upon the period's close. In determining entitlement to payment in respect of a Performance Compensation Award, the Stock Plan Committee may through use of negative discretion reduce or eliminate such award, provided such discretion is permitted under section 162(m) of the Code.

Each award, and each right under any award, will be exercisable only by the participant during the participant's lifetime, or, if permissible under applicable law, by the participant's guardian or legal representative and no award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a participant otherwise than by will or by the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance will be void and unenforceable against the Company or any affiliate; provided that the designation of a beneficiary will not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance. Notwithstanding the foregoing, the Stock Plan Committee has the discretion under the 1997 Stock Incentive Plan to provide that options granted under the 1997 Stock Incentive Plan that are not intended to qualify as incentive stock options may be transferred without consideration to certain family members or trusts, partnerships or limited liability companies whose only beneficiaries or partners are the original grantee and/or such family members.

In the event of a "change of control" (as defined in the 1997 Stock Incentive Plan) any outstanding awards then held by participants which are unexercisable or otherwise unvested will automatically be deemed exercisable or otherwise vested, as the case may be, as of immediately prior to such change of control.

The Board may amend, alter, suspend, discontinue, or terminate the 1997 Stock Incentive Plan or any portion thereof at any time; provided that no such amendment, alteration, suspension, discontinuation or termination (i) will be made without stockholder approval if such approval is necessary to comply with any tax or regulatory requirement, including for these purposes any approval requirement which is a prerequisite for an exemption from Code section 162(m) (provided that the Company is subject to the requirements of Code section 162(m) as of the date of such action) and (ii) may adversely affect the rights of any participant with respect to awards previously granted under the 1997 Stock Incentive Plan without such participant's consent.

It is currently anticipated that simultaneously with the completion of the Offerings, awards under the 1997 Stock Incentive Plan in the form of nonqualified stock options (the "Options") representing the right to acquire an aggregate of   Shares at an exercise price equal to the initial public offering price per Share will be granted.

After giving effect to the grant of options described above, in the future the Stock Plan Committee would be authorized to grant an aggregate of   Shares in the form of awards permitted under the 1997 Stock Incentive Plan.

1997 NON-EMPLOYEE DIRECTOR OPTION PLAN

The Company's 1997 Stock Option Plan for Non-Employee Directors (the "1997 Non-Employee Director Option Plan") was adopted by action of the Company's Board of Directors on   , 1997. A maximum of   shares of Class A Common Stock, subject to adjustment to avoid dilution or enlargement of intended benefits in the event of certain significant corporate events, has been reserved by the Company for issuance pursuant to options under the 1997 Non-Employee Director Option Plan. The principal provisions of the 1997 Non-Employee Director Option Plan are summarized below. This summary, however, does not purport to be complete and is qualified in its entirety by the terms of the 1997 Non-Employee Director Option Plan which has been filed as an exhibit to the Registration Statement of which this Prospectus is a part.

Eligible persons under the plan are directors of the Company who are not employees of the Company or any affiliate of the Company ("Outside Directors"). As of the date of the Plan's adoption, there were   eligible directors. The 1997 Non-Employee Director Option Plan is intended to be a largely self-governing formula plan. To the extent, if any, that questions of administration arise, these shall be resolved by the Board of Directors of the Company.

As of the effective date of the Offerings, each Outside Director shall be granted an option to purchase   shares of Class A Common Stock. Thereafter, (i) each person who is an Outside Director as of April 1 of each calendar year during the term of the 1997 Non-Employee Director Option Plan and who first became a Director prior to October 1 of the preceding year will receive an option to purchase   shares of Class A Common Stock as of such date; and (ii) each Person who first becomes an elected director after the effective date of the Offerings will receive an option to purchase   shares of Class A Common Stock on the date of their initial election. All options granted under the 1997 Non-Employee Director Option Plan will be "nonqualified" stock options subject to the provisions of section 83 of the Code.

Options will vest and become exercisable with respect to 50% of the shares initially subject to the options on each of the first and second anniversaries of the date of grant subject to an outside Director's continued service as a Director of the Company, and will terminate on the earliest of the following: (a) the expiration of ten years from the date of grant; and (b) the expiration of two years from the date the optionee's service as an Outside Director terminates for any reason.

The exercise price for each option granted upon the effectiveness of the Offerings will be the initial public offering price per share of Class A Common Stock and the exercise price per share of Class A Common Stock purchasable under all other options granted under the 1997 Non-Employee Director Option Plan will be the Fair Market Value (as defined in the 1997 Non-Employee Director Option Plan) of a share of Class A Common Stock on the date the option is granted. Shares of Class A Common Stock purchased upon the exercise of an option are to be paid for in cash, check or money order or by shares of Class A Common Stock owned by the optionee for at least six months prior to exercise.

The Company's Board may amend, suspend or discontinue the 1997 Non-Employee Director Option Plan at any time except that (i) any such amendment will comply with all applicable laws and stock exchange listing requirements, (ii) any amendment for which stockholder approval is required by law or in order to maintain continued qualification of the 1997 Non-Employee Director Option Plan under any applicable tax or regulatory requirement will not be effective until such approval has been obtained and (iii) no amendment may adversely affect the rights of any optionee with respect to options previously awarded under the 1997 Non-Employee Director Option Plan without his or her consent.

Awards may be transferred by a grantee only by will or by the laws of descent and distribution, and options may be exercised during the optionee's lifetime only by the optionee.

PENSION PLANS

POLO RALPH LAUREN PROFIT SHARING RETIREMENT SAVINGS PLAN. The Company maintains and administers separate employee contribution/profit sharing plans with substantially identical terms for salaried and hourly employees of the Company, which are designed to be tax deferred in accordance with the provisions of Section 401(k) of the Code (the "401K Plan").

All of the Company's employees with at least one year of service are eligible to participate in the 401K Plan. The 401K Plan provides that each participant may defer up to 10% of his or her total compensation, subject to statutory limits. However, "highly compensated employees" may only defer up to 6% of their total compensation, subject to statutory limits. The Company is obligated to make a matching contribution to the 401K Plan for each participant equal to $.50 for each $1.00 deferred by the participant, except that no matching contribution will be made with respect to a participant's contribution in excess of 6% of his or her compensation. The Company may also make discretionary contributions to the 401K Plan, allocated among all eligible employees in proportion to their compensation.

Participants are always 100% vested in their own contributions, and any investment gains or losses thereon. Company contributions, and any investment gains or losses thereon, vest 20% following the participant's third year of service and an additional 20% annually thereafter; provided however, that the participant will become 100% vested if he or she dies, becomes disabled or reaches his or her retirement age. Subject to certain restrictions and tax consequences, a participant can receive the vested value of his or her 401K Plan account as a distribution upon leaving the employ of the company, retiring, becoming disabled or upon their death.

DEFERRED COMPENSATION WEALTH ACCUMULATION PLAN. Key employees of the Company are eligible to participate in the Company's Wealth Accumulation Plan (the "Wealth Plan"). With respect to each plan year during which the Company reports a profit on a consolidated basis, the Company will credit a contribution to each participant's Wealth Plan account equal to 5% of his or her cash compensation for such plan year, provided that such participant is either employed by the Company on the last day of such plan year, or has terminated employment by reason of death, retirement or disability during such plan year. Generally, the Wealth Plan provides that interest will be credited to each participant's account at 120% of the average of Moody's Long Term Composite Corporate Bond Index. However, if a participant suffers a disability or in the event that the Wealth

Plan is terminated by the Company, such participant's account will be credited with 100% of Moody's Long Term Composite Corporate Bond Index rate.

All amounts credited to a participant's Wealth Plan account will vest at the rate of 10% after the first year of participation, an additional 15% after two years of participation, an additional 20% after three years of participation, an additional 25% after four years of participation, and an additional 30% after the completion of five years of participation. In addition, each participant will be 100% vested upon attainment of age 60, at his or her death if prior to termination of employment or upon the occurrence of a disability. If the Wealth Plan is terminated within five years following a change of control of the Company, each participant's account will become 100% vested. Moreover, in the event that a participant is involuntarily terminated within five years of a change of control of the Company, except for "cause," such participant will be 100% vested and may receive distributions as if the Wealth Plan had been terminated. Participants are eligible to receive distributions of the vested amounts in their Wealth Plan accounts upon retirement or in certain predesignated years. In addition, participants may receive distributions in case of termination of employment, death, disability or termination by the Company of the Wealth Plan.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Board of Directors does not currently have a compensation committee but anticipates establishing one within 90 days of the closing of the Offerings. Prior to the Offerings, the Company's senior management was directly involved in setting compensation for the Company's executives.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

FORMATION OF PARTNERSHIPS

In October 1994, in connection with the formation of Enterprises and Polo LP, the GS Group purchased an aggregate 28.5% limited partnership interest in Enterprises and an aggregate 0.3986% limited partnership interest in Polo LP for a purchase price of $128 million. In October 1995, the GS Group purchased a 0.3986% limited partnership interest in Womenswear LP for a purchase price of $2.85 million. Mr. Lauren and certain related entities received an aggregate 70.5% limited partnership interest and a 1.0% general partnership interest in Enterprises and a 1.0% general partnership interest in Polo LP in October 1994, and purchased a 1.0% general partnership interest in Womenswear LP in October 1995. The GS Group received aggregate partner distributions of $1.7 million, $18.8 million and $19.3 million from the Operating Partnerships in fiscal 1995, fiscal 1996 and fiscal 1997, respectively. Mr. Lauren and certain related entities received aggregate partner distributions of $134.1 million, $41.1 million and $47.3 million from the Operating Partnerships (or their predecessor entities) in fiscal 1995, fiscal 1996 and fiscal 1997, respectively. In April 1997, a corporation wholly owned by Mr. Lauren through which he held certain interests in Enterprises and Polo LP merged into Polo Ralph Lauren Corporation, a newly formed entity also wholly owned by Mr. Lauren, in exchange for shares of Class A Common Stock and Class B Common Stock. Prior to the commencement of the Offerings, the GS Group will contribute their interests, and Mr. Lauren and certain related entities will contribute their remaining interests, respectively, in each of the Operating Partnerships and certain other related entities to the Company in exchange for shares of Class C Common Stock and shares of Class B Common Stock (not including shares of Class B Common Stock owned prior to the Reorganization), respectively, and the Reorganization Notes. See "The Reorganization and Related Transactions".

At the time of the formation of Enterprises and Polo LP, each of the GS Group, Mr. Lauren and certain entities controlled by him entered into a formation agreement and partnership agreements governing the terms of the Operating Partnerships. Similarly, in October 1995, the parties entered into a partnership agreement governing Womenswear LP. Upon completion of the Reorganization, those agreements will no longer be effective. In addition, at the time of the formation of Enterprises and Polo LP, each of the GS Group and Mr. Lauren made loans to Enterprises in the aggregate principal amount of $7 million and $17 million, respectively. The Subordinated Notes bear interest at the prime rate, and interest is payable quarterly. The Subordinated Notes mature on March 1, 2001. The Company will use a portion of the net proceeds of the Offerings to prepay the Subordinated Notes. See "Use of Proceeds".

POLO RETAIL CORPORATION

On March 21, 1997, the Company and its subsidiary, Polo Ralph Lauren Retail Corp ("PRL Retail") entered into purchase agreements with Mr. David Hare, who became an executive officer of the Company following the PRC Acquisition, Mr. William G. Merriken and Franklin Retail Corporation for the acquisition of the 50% interest in PRC not already owned by PRL Retail. The aggregate consideration to be paid is $10.0 million, of which $8.3 million was paid in cash on April 3, 1997. The remaining $1.7 million will be paid concurrent with the closing of the Offerings in shares of Class A Common Stock, valued at the initial public offering price (subject to the right to receive cash in lieu of shares of Class A Common Stock on or prior to the closing of the Offerings).

Also on March 21, 1997, the Company and PRL Retail entered into a purchase agreement and three assignment and assumption agreements to acquire a minority interest and three limited partnership interests in Perkins Shearer Polo Inc. and San Francisco Polo Ltd., respectively, both of which are subsidiaries of PRC that will now be wholly owned. The aggregate consideration for such acquisitions is $391,353, of which $94,420 was paid in cash on April 3, 1997. The remaining $296,933 will be paid concurrent with the closing of the Offerings in shares of Class A Common

Stock, valued at the initial public offering price (subject to the right to receive cash in lieu of shares of Class A Common Stock on or prior to the closing of the Offerings).

REGISTRATION RIGHTS AGREEMENTS

The Lauren Family Members, the GS Group and the Company will enter into a Registration Rights Agreement (the "Registration Rights Agreement") prior to the consummation of the Offerings, pursuant to which each of the Lauren Family Members and GS Group will be granted certain demand registration rights in respect of shares of Class A Common Stock (including Class A Common Stock issued upon conversion of Class B Common Stock and Class C Common Stock, as the case may be, held by them). With respect to the demand rights of the Lauren Family Members, the Lauren Family Members (a) may make a demand once every nine months and (b) must sell at least $20 million of Class A Common Stock upon exercise of a demand. With respect to the demand rights of the GS Group, the GS Group (x) may make a demand once every nine months so long as the GS Group owns at least 10% of the Common Stock outstanding and (y) must sell at least $20 million of Class A Common Stock upon exercise of a demand. Once its ownership of the Common Stock is less than 10% of the outstanding shares of Common Stock, the GS Group (x) may make one additional demand and (y) must sell at least $20 million of Class A Common Stock; provided, however, that if the sale of Class A Common Stock pursuant to such demand registration does not result in the GS Group owning less than 5% of the Common Stock due to a cutback in the number of shares that it may include in such registration, such demand will not count as its one demand. The Lauren Family Members and the GS Group also will have an unlimited number of piggyback registration rights in respect of their shares. The piggyback registration rights will allow the holders to include all or a portion of their shares of Class A Common Stock under any registration statement filed by the Company, subject to certain limitations.

The Company will pay all expenses (other than underwriting discounts and commissions of the selling stockholders and taxes payable by the selling stockholders) in connection with any demand registration, as well as any registration pursuant to the exercise of piggyback rights. The Company also will agree to indemnify such persons and any underwriters against certain liabilities, including liabilities arising under the Securities Act. The Lauren Family Members and the GS Group have agreed not to exercise their registration rights without the prior written consent of Goldman, Sachs & Co. on behalf of the Underwriters for a period of 180 days following the date of this Prospectus.

REORGANIZATION TRANSACTIONS

Simultaneous with the closing of the Reorganization, the Company will acquire certain assets from a related entity pursuant to the Trademark Acquisition. See "Reorganization and Related Transactions -- Trademark Acquisition". Mr. Lauren controlled the entity from which the assets were acquired. The terms of the Trademark Acquisition were negotiated on an arms-length basis between the parties, including the partners of the Operating Partnerships.

In connection with the Reorganization, the stockholders of the Company and the Company will enter into a stockholders' agreement (the "Stockholders' Agreement") which will set forth certain voting and other agreements for the period prior to completion of the Offerings. All of the provisions of the Stockholders' Agreement will terminate upon completion of the Offerings except for provisions relating to certain tax matters with respect to the Operating Partnerships, certain restrictions on transfers of shares of Common Stock and indemnification obligations.

OTHER AGREEMENTS, TRANSACTIONS AND RELATIONSHIPS

The Company from time to time makes its airplane available to Mr. Lauren for personal use and Mr. Lauren reimburses the Company for such use at swap rates charged to owners of airplanes. Amounts reimbursed to the Company by Mr. Lauren for personal use of the Company's airplane in fiscal 1994, fiscal 1995 and fiscal 1996 were approximately $298,000, $296,000 and $356,000, respectively. In addition, certain employees of the Company perform services for Mr. Lauren which are non-Company related. Mr. Lauren reimburses the Company for the full amount of the salary, benefits and other expenses relating to such employees. Amounts reimbursed to the Company by Mr. Lauren for his use of Company employees for non-Company related services in fiscal 1994 fiscal 1995 and fiscal 1996 were approximately $356,000, $377,000 and $326,000, respectively. In connection with the adoption of the "RRL" trademarks by the Company, Mr. Lauren retained the royalty-free right to use as trademarks "Ralph Lauren", "Double RL" and "RRL" in perpetuity in connection with beef and other agricultural and food products.

Mr. John Idol's brother-in-law owns 25% of RJS Scientific, Inc., which is one of the Company's Home Collection licensing partners. The Company believes the terms of its license agreement with RJS Scientific, Inc. are no less favorable to the Company than could be obtained from unaffiliated parties. See "Business -- Operations -- Home Collection".

In March 1994, the Company loaned Ms. Cheryl Sterling Udell the sum of $250,000 at an annual interest rate of prime plus 0.5% for a use unrelated to the Company. The loan was repaid in full in February 1997.

Mr. Jerome Lauren, the Executive Vice President of Menswear Design of the Company, is Mr. Ralph Lauren's brother.

The GS Group owns (on a fully diluted basis) 34.7% of Koret, Inc., the parent of New Campaign, Inc., the Company's licensing partner for small leather goods and accessories. The Company believes that the terms of its arrangements with New Campaign, Inc. are no less favorable to the Company than could be obtained from unaffiliated parties.

The Company has entered into two forward foreign exchange contracts with Goldman, Sachs & Co. for which Goldman, Sachs & Co. has received customary fees.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth, giving effect to the Reorganization, the total number of shares of Common Stock of the Company beneficially owned, and the percent so owned, by (i) each stockholder who is known by the Company to beneficially own in excess of five percent of the outstanding shares of Common Stock, (ii) each director, (iii) each of the Named Executive Officers and (iv) all directors and executive officers as a group. Except as otherwise indicated, each stockholder listed below has sole voting and investment power with respect to shares beneficially owned by such person.

	CLASS A COMMON STOCK(1)					CLASS B COMMON STOCK		CLASS C COMMON STOCK		TOTAL COMMON STOCK
	OWNED PRIOR TO THE OFFERINGS		TO BE SOLD IN THE OFFERINGS	TO BE OWNED AFTER THE OFFERINGS		OWNED PRIOR TO AND AFTER THE OFFERINGS		OWNED PRIOR TO AND AFTER THE OFFERINGS		VOTING POWER AFTER THE OFFERINGS
DIRECTORS, EXECUTIVE OFFICERS AND 5% STOCKHOLDERS	NUMBER	%	NUMBER	NUMBER	%	NUMBER	%	NUMBER	%	%
Mr. Ralph Lauren(2)........										
The Goldman Sachs Group, L.P.(3)..................										
Michael J. Newman..........										
John D. Idol...............										
F. Lance Isham.............										
Cheryl L. Sterling Udell...										
All directors and executive officers as a group (persons).................										

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(1) Each share of Class B Common Stock and Class C Common Stock is convertible at the option of the holder into one share of Class A Common Stock. Each share of Class B Common Stock is automatically converted into one share of Class A Common Stock upon transfer to a person who is not a Lauren Family Member. Each share of Class C Common Stock is automatically converted into one share of Class A Common Stock upon transfer to a person who is not an affiliate of the GS Group. The number of shares of Class A Common Stock and percentages contained under this heading do not account for such conversion rights. See "Description of Capital Stock".

(2) These shares will be sold directly by Mr. Lauren and/or by one or more of the Lauren Family Trusts.

(3) Represents shares owned by certain investment funds affiliated with The Goldman Sachs Group, L.P. ("Goldman Sachs"). Includes shares beneficially owned by GS Capital Partners, L.P.; shares beneficially owned by Bridge Street Fund 1994, L.P.; and shares beneficially owned by Stone Street Fund 1994, L.P. Goldman Sachs disclaims beneficial ownership of the shares owned by such investment funds to the extent attributable to equity interests therein held by persons other than Goldman Sachs and its affiliates. Each of such funds shares voting and investment power with certain of its respective affiliates. The address of Goldman Sachs is 85 Broad Street, New York, New York 10004.

DESCRIPTION OF CAPITAL STOCK

As of the date of this Prospectus, the authorized capital stock of the Company consists of shares of Class A Common Stock, shares of Class B Common Stock, shares of Class C Common Stock and shares of Preferred Stock, par value $.01 per share (the "Preferred Stock"). As of the date of this Prospectus, there are shares of Class B Common Stock outstanding, all of which are held of record by the Lauren Family Members and shares of Class C Common Stock outstanding, all of which are held by the GS Group. See "Reorganization and Related Transactions" and "Principal and Selling Stockholders". The following description is a summary and is subject to and qualified in its entirety by reference to the provisions of the Amended and Restated Certificate of Incorporation of the Company, the form of which has been filed as an exhibit to the Registration Statement of which this Prospectus forms a part.

COMMON STOCK

The shares of Class A Common Stock, Class B Common Stock and Class C Common Stock are identical in all respects, except for voting rights and certain conversion rights, transfer restrictions in respect of the shares of the Class B Common Stock and Class C Common Stock and the right of the holders of Class B Common Stock and Class C Common Stock to receive the Second Dividend, if any, as described below.

VOTING RIGHTS. The holders of Class A Common Stock and Class C Common Stock are entitled to one vote per share. Holders of Class B Common Stock are entitled to ten votes per share. Holders of all classes of Common Stock entitled to vote will vote together as a single class on all matters presented to the stockholders for their vote or approval except for the election of directors as described below and as otherwise required by the General Corporation Law of the State of Delaware ("Delaware Law"). With respect to the election of directors, the Company's Amended and Restated Certificate of Incorporation provides that the Company's Board of Directors will have between six and twenty members. Initially, the Company's Board of Directors will have six members, four of whom are Class B Directors, one of whom is the Class C Director and one of whom is the Class A Director. While shares of Class A Common Stock, Class B Common stock and Class C Common Stock are outstanding and while the number of outstanding shares of Class B Common Stock is at least 10% of the number of outstanding shares of all classes of Common Stock, if the size of the Board is increased, all additional members will be Class B Directors with the following exceptions: (i) an additional Class A Director will be added if the Board is increased to ten members and again if the Board is increased to 19 members; and (ii) an additional Class C Director will be added if the Board is increased to 13 members. Accordingly, while the number of outstanding shares of Class B Common Stock is at least 10%, the holders of Class B Common Stock will elect at least two-thirds of the members of the Board of Directors. If the number of outstanding shares of Class B Common Stock falls below 10%, directors that would have been elected by a separate vote of that class will instead be elected by the holders of Class A Common Stock and the holders of Class B Common Stock, voting together, with holders of Class A Common Stock having one vote per share and holders of Class B Common Stock having ten votes per share. If the number of outstanding shares of Class C Common Stock falls below 10%, the Class C Common Stock is automatically converted into Class A Common Stock and the director that would have been elected by the holders of the Class C Common Stock will instead be elected by the holders of Class A Common Stock, voting as a separate class, or, if the amount of Class B Common Stock has also fallen below 10%, by the holders of Class A Common Stock and Class B Common Stock, voting together, with the holders of Class A Common Stock having one vote per share and the holders of Class B Common Stock having ten votes per share. Because of the disproportionate voting rights of the Class B Common Stock, in certain instances holders of Class B Common Stock will still be able to elect a majority of the board of directors when the number of outstanding shares of Class B Common Stock falls below 10% of the number of outstanding shares of all classes of Common

Stock. See "Risk Factors--Control by Lauren Family Members and Anti-Takeover Effect of Multiple Classes of Stock".

Only the holders of the Class A Common Stock voting as a class may remove any Class A Director, and any Class A Director so removed may be replaced only by the remaining Class A Directors or, if there are no remaining Class A Directors, by the holders of the Class A Common Stock voting separately as a class. Similarly, only the holders of the Class B Common Stock voting as a class may remove any Class B Director, and any Class B Director so removed may be replaced only by the remaining Class B Directors or, if there are no remaining Class B Directors, by the holders of the Class B Common Stock voting separately as a class. Finally, only the holders of the Class C Common Stock voting as a class may remove any Class C Director, and any Class C Director so removed may be replaced only by the remaining Class C Directors or, if there are no remaining Class C Directors, by the holders of the Class C Common Stock voting separately as a class.

As used in this Prospectus, the term "Lauren Family Members" includes only the following persons: (i) Ralph Lauren and his estate, guardian, conservator or committee; (ii) the spouse of Ralph Lauren and her estate, guardian, conservator or committee; (iii) each descendant of Ralph Lauren (a "Lauren Descendant") and their respective estates, guardians, conservators or committees; (iv) each Family Controlled Entity (as defined below); and (v) the trustees, in their respective capacities as such, of each Lauren Family Trust (as defined below). The term "Family Controlled Entity" means (i) any not-for-profit corporation if at least a majority of its board of directors is composed of Ralph Lauren, Mr. Lauren's spouse and/or Lauren Descendants; (ii) any other corporation if at least a majority of the value of its outstanding equity is owned by Lauren Family Members; (iii) any partnership if at least a majority of the economic interest of its partnership interests are owned by Lauren Family Members; and (iv) any limited liability or similar company if at least a majority of the economic interest of the Company is owned by Lauren Family Members. The term "Lauren Family Trust" includes trusts the primary beneficiaries of which are Mr. Lauren, Mr. Lauren's spouse, Lauren Descendants, Mr. Lauren's siblings, spouses of Lauren Descendants and/or charitable organizations, provided that if the trust is a wholly charitable trust, at least a majority of the trustees of such trust consist of Mr. Lauren, the spouse of Mr. Lauren and/or Lauren Family Members.

DIVIDENDS. Holders of Class A Common Stock, Class B Common Stock and Class C Common Stock are entitled to receive dividends at the same rate if, as and when such dividends are declared by the Board out of assets legally available therefor after payment of dividends required to be paid on shares of Preferred Stock, if any. If a dividend or distribution payable in any class of Common Stock is made on such class of Common Stock, the Company must also make a pro rata and simultaneous dividend or distribution on the other classes of Common Stock payable in shares of such other classes. Notwithstanding the foregoing, holders of Class B Common Stock and Class C Common Stock will be entitled to receive the Second Dividend, if necessary, in the amount of the difference between the actual amount of undistributed earnings of the Operating Partnerships through the closing of the Reorganization and the amount of the Dividend and the Reorganization Notes. See "Reorganization and Related Transactions".

RESTRICTIONS ON TRANSFER. If a holder of Class B Common Stock transfers such shares, whether by sale, assignment, gift, bequest, appointment or otherwise, to a person other than a Lauren Family Member, such shares will be automatically converted into shares of Class A Common Stock. If a holder of Class C Common Stock transfers such shares to a person other than an affiliate of the GS Group, such shares will be automatically converted into shares of Class A Common Stock. In the case of a pledge of shares of Class B Common Stock to a financial institution, such shares will not be deemed to be transferred unless and until a foreclosure occurs.

CONVERSION. Class A Common Stock has no conversion rights. Shares of Class B Common Stock and Class C Common Stock are convertible into Class A Common Stock, in whole or in part, at any time and from time to time at the option of the holder, on the basis of one share of Class A Common Stock for each share of Class B Common Stock or Class C Common Stock converted. In the event of a transfer of shares of Class B Common Stock to any person other than a Lauren Family Member, each share of Class B Common Stock so transferred will be automatically converted into one share of Class A Common Stock. In the event of a transfer of shares of Class C Common Stock to any person other than an affiliate of the GS Group, each share of Class C Common Stock so transferred will be automatically converted into one share of Class A Common Stock. Each share of Class C Common Stock will also automatically convert into one share of Class A Common Stock if, on the record date for any meeting of the stockholders of the Company, the number of shares of Class C Common Stock then outstanding is less than 10% of the aggregate number of shares of Common Stock then outstanding.

LIQUIDATION. In the event of liquidation of the Company, after payment of the debts and other liabilities of the Company and after making provision for the holders of Preferred Stock, if any, the remaining assets of the Company will be distributable ratably among the holders of the Class A Common Stock, Class B Common Stock and Class C Common Stock treated as a single class.

OTHER PROVISIONS. The holders of the Class A Common Stock, Class B Common Stock and Class C Common Stock are not entitled to preemptive rights. None of the Class A Common Stock, Class B Common Stock or Class C Common Stock may be subdivided or combined in any manner unless the other classes are subdivided or combined in the same proportion.

TRANSFER AGENT AND REGISTRAR. The Transfer Agent and Registrar for the Class A Common Stock will be   .

LISTING. Application will be made to list the Class A Common Stock on the NYSE under the trading symbol "RL".

PREFERRED STOCK

The Board of Directors is authorized, subject to any limitations prescribed by Delaware Law or the rules of the NYSE or other organizations on whose systems capital stock of the Company may be quoted or listed, to issue shares of Preferred Stock in one or more series, to establish from time to time the number of shares to be included in each such series, to fix the rights, powers, preferences and privileges of the shares of each wholly unissued series and any qualifications, limitations or restrictions thereon, and to increase or decrease the number of shares of such series, without any further vote or action by the stockholders of the Company. The approval of the holders of at least 75% of the outstanding shares of Class B Common Stock, however, is required for the issuance of shares of Preferred Stock that have the right to vote for the election of directors under ordinary circumstances or to elect 50% or more of the directors under any circumstances. Depending upon the terms of any series of Preferred Stock established by the Board of Directors, any or all series of Preferred Stock could have preference over the Common Stock with respect to dividends and other distributions and upon liquidation of the Company or could have voting or conversion rights that could adversely affect the holders of the outstanding Common Stock. In addition, the Preferred Stock could delay, defer or prevent a change of control of the Company.

OTHER CHARTER AND BY-LAW PROVISIONS

Special meetings of stockholders of the Company may be called by the Board, the Chairman of the Board of Directors or the Chief Executive Officer. Except as otherwise required by law, stockholders, in their capacity as such, are not entitled to request or call a special meeting of stockholders of the Company. Certain provisions of the Company's Amended and Restated Certificate of Incorporation and By-laws may be amended only with the approval of 75% of the outstanding voting power of the Common Stock voting as a single class in addition to any voting requirements under Delaware law.

ADVANCE NOTICE PROVISIONS FOR STOCKHOLDER NOMINATIONS AND STOCKHOLDER PROPOSALS

The Company's By-laws establish an advance notice procedure for stockholders to make nominations of candidates for election as director, or to bring other business before an annual meeting of stockholders of the Company (the "Stockholder Notice Procedure").

The Stockholder Notice Procedure provides that, subject to the rights of any holders of Preferred Stock, only persons who are nominated by, or at the direction of, the Board, or by a stockholder who has given timely written notice to the Secretary of the Company prior to the meeting at which directors are to be elected, will be eligible for election as directors of the Company. The Stockholder Notice Procedure provides that at an annual meeting only such business may be conducted as has been brought before the meeting by, or at the direction of, the Board or by a stockholder who has given timely written notice to the Secretary of the Company of such stockholder's intention to bring such business before such meeting. Under the Stockholder Notice Procedure, to be timely, notice of stockholder nominations or proposals to be made at an annual or special meeting must be received by the Company not less than 60 days nor more than 90 days prior to the scheduled date of the meeting (or, if less than 70 days' notice or prior public disclosure of the date of the meeting is given, the 10th day following the earlier of (i) the day such notice was mailed or (ii) the day such public disclosure was made).

Under the Stockholder Notice Procedure, a stockholder's notice to the Company proposing to nominate a person for election as a director must contain certain information about the nominating stockholder and the proposed nominee. Under the Stockholder Notice Procedure, a stockholder's notice relating to the conduct of business other than the nomination of directors must contain certain information about such business and about the proposing stockholder. If the Chairman of the Board or other officer presiding at a meeting determines that a person was not nominated, or other business was not brought before the meeting, in accordance with the Stockholder Notice Procedure, such person will not be eligible for election as a director, or such business will not be conducted at such meeting, as the case may be.

By requiring advance notice of nominations by stockholders, the Stockholder Notice Procedure affords the Board an opportunity to consider the qualifications of the proposed nominees and, to the extent deemed necessary or desirable by the Board, to inform stockholders about such qualifications. By requiring advance notice of other proposed business, the Stockholder Notice Procedure also provides a more orderly procedure for conducting annual meetings of stockholders and, to the extent deemed necessary or desirable by the Board, provides the Board with an opportunity to inform stockholders, prior to such meetings, of any business proposed to be conducted at such meetings, together with any recommendations as to the Board's position regarding action to be taken with respect to such business, so that stockholders can better decide whether to attend such a meeting or to grant a proxy regarding the disposition of any such business.

Although the By-laws of the Company do not give the Board any power to approve or disapprove stockholder nominations for the election of directors or proposals for action, the foregoing provisions may have the effect of precluding a contest for the election of directors or the consideration of stockholder proposals if the proper procedures are not followed, and of discouraging or deterring a third party from conducting a solicitation of proxies to elect its own slate of directors or to approve its own proposal, without regard to whether consideration of such nominees or proposals might be harmful or beneficial to the Company and its stockholders.

SECTION 203 OF THE DELAWARE GENERAL CORPORATION LAW

The Company is subject to the provisions of Section 203 of Delaware Law ("Section 203"). Under Section 203, certain "business combinations" between a Delaware corporation whose stock generally is publicly traded or held of record by more than 2,000 stockholders and an "interested stockholder" are prohibited for a three-year period following the date that such a stockholder became an interested stockholder, unless (i) the corporation has elected in its original certificate of incorporation not to be governed by Section 203 (the Company did not make such an election), (ii) the business combination was approved by the Board of Directors of the corporation before the other party to the business combination became an interested stockholder, (iii) upon consummation of the transaction that made it an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the commencement of the transaction (excluding voting stock owned by directors who are also officers or held in employee benefit plans in which the employees do not have a confidential right to tender or vote stock held by the plan) or (iv) the business combination was approved by the Board of Directors of the corporation and ratified by two-thirds of the voting stock which the interested stockholder did not own. The three-year prohibition also does not apply to certain business combinations proposed by an interested stockholder following the announcement or notification of certain extraordinary transactions involving the corporation and a person who had not been an interested stockholder during the previous three years or who became an interested stockholder with the approval of the majority of the corporation's directors. The term "business combination" is defined generally to include mergers or consolidations between a Delaware corporation and an "interested stockholder", transactions with an "interested stockholder" involving the assets or stock of the corporation or its majority-owned subsidiaries and transactions which increase an interested stockholders percentage ownership of stock. The term "interested stockholder" is defined generally as a stockholder who, together with affiliates and associates, owns (or, within three years prior, did own) 15% or more of a Delaware corporation's voting stock. Section 203 could prohibit or delay a merger, takeover or other change in control of the Company and therefore could discourage attempts to acquire the Company.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to the Offerings there has been no market for the shares of the Class A Common Stock. The Company can make no predictions as to the effect, if any, that sales of shares or the availability of shares for sale will have on the market price prevailing from time to time. Nevertheless, sales of significant amounts of the Class A Common Stock in the public market, or the perception that such sales may occur, may adversely affect prevailing market prices. See "Risk Factors--Shares Eligible for Future Sale; Potential Adverse Effect on Stock Price; Registration Rights".

In general, under Rule 144, if a period of at least one year has elapsed since the later of the date the "restricted securities" were acquired from the Company and the date they were acquired from an Affiliate, then the holder of such restricted securities (including an Affiliate) is entitled to sell a number of shares within any three-month period that does not exceed the greater of 1% of the then outstanding shares of the Class A Common Stock (approximately shares immediately after the Offerings) or the average weekly reported volume of trading of the Class A Common Stock on the NYSE during the four calendar weeks preceding such sale. The holder may only sell such shares through unsolicited brokers' transactions. Sales under Rule 144 are also subject to certain requirements pertaining to the manner of such sales, notices of such sales and the availability of current public information concerning the Company. Affiliates may sell shares not constituting restricted shares in accordance with the foregoing volume limitations and other requirements but without regard to the one year holding period. Under Rule 144(k), if a period of at least two years has elapsed between the later of the date restricted securities were acquired from the Company and the date they were acquired from an Affiliate, as applicable, a holder of such restricted securities who is not an Affiliate at the time of the sale and has not been an Affiliate for at least three months prior to the sale would be entitled to sell the shares immediately without regard to the volume limitations and other conditions described above.

Upon completion of the Offerings, the Company will have outstanding a total of shares of Class A Common Stock, shares of Class B Common Stock and shares of Class C Common Stock. Of such shares, the shares of Class A Common Stock being sold in the Offerings (together with any shares sold upon exercise of the Underwriters' over-allotment options) will be immediately eligible for sale in the public market without restriction, except for shares purchased by or issued to any Affiliate of the Company. All shares of Class B Common Stock (which may be converted into Class A Common Stock at any time) will be owned by the Lauren Family Members and all shares of Class C Common Stock (which may be converted into Class A Common Stock at any time) will be owned by the GS Group. So long as any stockholder remains an Affiliate of the Company, any shares of Class A Common Stock (including any shares issued upon conversion of other classes of Common Stock) held by such person will only be available for public sale if such shares are registered under the Securities Act or sold in accordance with an applicable exemption from registration, such as Rule 144, subject to the restrictions discussed above. The Company, Lauren Family Members that own shares of Common Stock, the GS Group and the officers and directors of the Company have agreed not to offer, sell or contract to sell any shares of Class A Common Stock for a period of 180 days after the date of this Prospectus without the prior written consent of Goldman, Sachs & Co., as representative of the Underwriters. In addition, certain restrictions on transfers of shares of Common Stock by the stockholders of the Company are contained in the Stockholders' Agreement. See "Certain Relationships and Related Transactions -- Reorganization Transactions".

The Company intends to file as soon as practicable after the closing of the Offerings a registration statement on Form S-8 under the Securities Act to register approximately and shares of Class A Common Stock reserved for issuance under the 1997 Stock Incentive Plan and the 1977 Non-Employee Director Option Plan, respectively, including, in some cases, shares for which an exemption under Rule 144 would also be available, thus permitting the resale of shares issued under such plans by non-Affiliates in the public market without restriction under the Securities Act. Such registration statement is expected to become effective immediately upon filing, whereupon shares registered thereunder will become eligible for sale in the public market, subject to vesting and, in certain cases, subject to the lock-up agreement described above. At the date of this Prospectus, options to purchase an aggregate of shares of Class A Common Stock are outstanding under the 1997 Stock Incentive Plan and the 1997 Non-Employee Director Option Plan.

The Lauren Family Members and the GS Group are entitled to certain registration rights with respect to their shares of Common Stock. See "Certain Relationships and Related Transactions--Registration Rights Agreement".

CERTAIN UNITED STATES FEDERAL TAX CONSEQUENCES TO NON-UNITED STATES HOLDERS OF CLASS A COMMON STOCK

GENERAL

The following is a general discussion of certain U.S. Federal income and estate tax consequences of the ownership and disposition of Class A Common Stock by a "Non-United States Holder". A "Non-United States Holder" is a person or entity that, for U.S. Federal income tax purposes, is (i) a non-resident alien individual, (ii) a foreign corporation or partnership, (iii) an estate, other than an estate the income of which is includible in gross income for United States Federal income tax purposes regardless of its source, or (iv) a trust that is not subject either to the primary supervision of a court within the United States or the control of a United States fiduciary.

This discussion is based on the Code and administrative interpretations as of the date hereof, all of which may be changed either retroactively or prospectively. This discussion does not address all aspects of U.S. Federal income and estate taxation that may be relevant to Non-United States Holders in light of their particular circumstances and does not address any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

Prospective holders should consult their tax advisors with respect to the United States Federal, state, local and non-United States income and other tax consequences to them of holding and disposing of Class A Common Stock.

DIVIDENDS

Subject to the discussion below, dividends paid to a Non-United States Holder of Class A Common Stock generally will be subject to withholding tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty unless the dividend is effectively connected with the conduct of a trade or business within the United States, or, if an income tax treaty applies, is attributable to a United States permanent establishment of the Non-United States Holder and, in either case, the Non-United States Holder provides the payor with proper documentation (Form 4224), in which event the dividend will be taxable under the rules discussed below. In order to claim the benefit of an applicable tax treaty rate, a Non-United States Holder may have to file with the Company or its dividend paying agent an exemption or reduced treaty rate certificate or letter in accordance with the terms of such treaty.

Under current United States Treasury regulations, for purposes of determining whether tax is to be withheld at a 30% rate or at a reduced rate as specified by an income tax treaty, the Company ordinarily will presume that dividends paid to a stockholder at an address in a foreign country are paid to a resident of such country absent knowledge that such presumption is not warranted. However, under proposed United States Treasury regulations which have not yet been put into effect, additional certification requirements would apply after December 1, 1997. See "-- Information Reporting Requirements and Backup Withholding Tax".

In the case of dividends that are effectively connected with the Non-United States Holder's conduct of a trade or business within the United States or, if an income tax treaty applies, is attributable to a United States permanent establishment of the Non-United States Holder, the Non-United States Holder will generally be subject to regular U.S. income tax in the same manner as if the Non-United States Holder were a United States resident. A Non-United States corporation receiving effectively connected dividends also may be subject to an additional "branch profits tax" which is imposed, under certain circumstances, at a rate of 30% (or such lower rate as may be specified by an applicable treaty) of the Non-United States corporation's "effectively connected earnings and profits", subject to certain adjustments.

GAIN ON DISPOSITION OF CLASS A COMMON STOCK

A Non-United States Holder generally will not be subject to U.S. Federal income tax with respect to gain realized on a sale or other disposition of Class A Common Stock unless (i) the gain is effectively connected with a trade or business of such Non-United States Holder in the U.S., (ii) in the case of certain Non-United States Holders who are non-resident alien individuals and hold the Class A Common Stock as a capital asset, such individuals are present in the U.S. for 183 or more days in the taxable year of the disposition and either (a) such individuals have a "tax home" (as defined for United States Federal income tax purposes) in the U.S., or (b) the gain is attributable to an office or other fixed place of business maintained by such individuals in the U.S., (iii) the Non-United States Holder is subject to tax, pursuant to the provisions of U.S. tax law applicable to certain U.S. expatriates, or (iv) under certain circumstances if the Company is or has been during certain time periods a "United States real property holding corporation" within the meaning of Section 897(c)(2) of the Code and, assuming that the Class A Common Stock is regularly traded on an established securities market for tax purposes, the Non-United States Holder held, directly or indirectly, at any time within the five-year period preceding such disposition more than 5% of the outstanding Class A Common Stock. The Company is not, and does not anticipate becoming, a United States real property holding corporation for United States Federal income tax purposes.

INFORMATION REPORTING REQUIREMENTS AND BACKUP WITHHOLDING TAX

Under United States Treasury regulations, the Company must report annually to the Internal Revenue Service and to each Non-United States Holder the amount of dividends paid to such holder and any tax withheld with respect to such dividends. These information reporting requirements apply regardless of whether withholding is required. Copies of the information returns reporting such dividends and withholding may also be made available to the tax authorities in the country in which the Non-United States Holder is a resident under the provisions of an applicable income tax treaty or agreement.

United States backup withholding (which generally is a withholding tax imposed at the rate of 31% on certain payments to persons that fail to furnish certain information under the United States information reporting requirements) generally will not apply to (i) dividends paid to Non-United States Holders that are subject to the 30% withholding discussed above (or that are not so subject because a tax treaty applies that reduces or eliminates such 30% withholding) or (ii) under current law, dividends paid to a Non-United States Holder at an address outside of the United States. However, under proposed United States Treasury regulations, in the case of dividends paid after December 31, 1997 (December 31, 1999 in the case of dividends paid to accounts in existence on or before the date that is 60 days after the proposed United States Treasury regulations are published as final regulations), a Non-United States Holder generally would be subject to backup withholding at a rate of 31%, unless certain certification procedures or documentary evidence procedures, as applicable, are complied with, directly or through an intermediary.

Backup withholding and information reporting generally will apply to dividends paid to addresses inside the United States on shares of Class A Common Stock to beneficial owners that are not "exempt recipients" and that fail to provide in the manner required certain identifying information.

The payment of the proceeds of the disposition of Class A Common Stock to or through the U.S. office of a broker is subject to information reporting unless the disposing holder, under penalty of perjury, certifies its Non-United States status or otherwise establishes an exemption. Generally, U.S. information reporting and backup withholding will not apply to a payment of disposition proceeds if the payment is made outside the U.S. through a Non-United States office of a Non-United States broker. However, information reporting requirements (but not backup withholding) will apply to a payment of disposition proceeds outside the U.S. if (a) the payment is made through an office outside the U.S. of a broker that is either (i) a U.S. person, (ii) a foreign person which derives 50% or more of its gross income for certain periods from the conduct of a trade or business in the U.S., or (iii) a "controlled foreign corporation" for U.S. Federal income tax purposes and (b) the broker fails to maintain documentary evidence that the holder is a Non-United States Holder and that certain conditions are met, or that the holder otherwise is entitled to an exemption.

Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained, provided that the required information is furnished to the Internal Revenue Service.

FEDERAL ESTATE TAXES

An individual Non-United States Holder who is treated as the owner of or has made certain lifetime transfers of an interest in the Common Stock will be required to include the value thereof in his gross estate for U.S. Federal estate tax purposes, and may be subject to U.S. Federal estate tax unless an applicable estate tax treaty provides otherwise.

THE FOREGOING DISCUSSION IS INCLUDED FOR GENERAL INFORMATION ONLY. ACCORDINGLY, EACH PROSPECTIVE PURCHASER IS URGED TO CONSULT HIS TAX ADVISOR WITH RESPECT TO THE UNITED STATES FEDERAL INCOME TAX AND FEDERAL ESTATE TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF CLASS A COMMON STOCK, INCLUDING THE APPLICATION AND EFFECT OF THE LAWS OF ANY STATE, LOCAL, FOREIGN, OR OTHER TAXING JURISDICTION.

LEGAL MATTERS

The legality of the Class A Common Stock offered hereby and certain tax and other legal matters will be passed upon for the Company and the Selling Stockholders by Paul, Weiss, Rifkind, Wharton & Garrison. Certain legal matters will be passed upon for the Underwriters by Fried, Frank, Harris, Shriver & Jacobson (a partnership including professional corporations), New York, New York.

EXPERTS

The combined financial statements and schedules of Polo Ralph Lauren Corporation as of April 1, 1995 and March 30, 1996 and for each of the three years in the period ended March 30, 1996 included in this Prospectus have been audited by Mahoney, Cohen, Rashba & Pokart, CPA, PC, independent auditors, as set forth in their reports thereon included elsewhere herein and are included in reliance upon such reports given upon the authority of such firm as experts in accounting and auditing.

ADDITIONAL INFORMATION

The Company has filed with the Securities and Exchange Commission (the "Commission") a Registration Statement on Form S-1 (the "Registration Statement") under the Securities Act with respect to the Class A Common Stock offered hereby. This Prospectus, which is part of the Registration Statement, does not contain all of the information set forth in the Registration Statement and the exhibits and schedules thereto, certain items of which are omitted as permitted by the rules and regulations of the Commission. For further information with respect to the Company and the Class A Common Stock offered hereby, reference is made to the Registration Statement and to the financial statements, schedules, and exhibits filed as a part thereof. The Registration Statement, including all schedules and exhibits thereto, may be inspected without charge at the public reference facilities maintained by the Commission at its principal office at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. and at the Commission's regional offices at 7 World Trade

Center, 13th floor, New York, New York and 500 West Madison Street, Suite 1400, Chicago, Illinois. Copies of such material may be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. Such material may also be accessed electronically by means of the Commission's home page on the Internet at http://www.sec.gov.

Statements contained in this Prospectus concerning the contents of any contract or other document are not necessarily complete and, in each instance, reference is made to the copy of such contract or other document filed as an exhibit to the Registration Statement or otherwise with the Commission, each such statement being qualified in all respects by such reference.

The Company intends to furnish its stockholders with annual reports containing financial statements audited by independent certified accountants.

POLO RALPH LAUREN CORPORATION

INDEX TO COMBINED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

The Partners
Polo Ralph Lauren Enterprises, L.P.

We have audited the accompanying combined balance sheets of Polo Ralph Lauren Corporation (the "Company" as defined in note 1(a)) as of April 1, 1995 and March 30, 1996, and the related combined statements of income, partners' capital, and cash flows for each of the three years in the period ended March 30, 1996. These combined financial statements are the responsibility of management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

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

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Polo Ralph Lauren Corporation as of April 1, 1995 and March 30, 1996, and the results of its operations and its cash flows for each of the three years in the period ended March 30, 1996 in conformity with generally accepted accounting principles.

/s/ Mahoney Cohen Rashba & Pokart, CPA, PC

MAHONEY COHEN RASHBA & POKART, CPA, PC
New York, New York
June 21, 1996,
except as to Note 1(a)
dated March 14, 1997

POLO RALPH LAUREN CORPORATION

COMBINED BALANCE SHEETS
(IN THOUSANDS)

	APRIL 1, 1995	MARCH 30, 1996	DECEMBER 28, 1996	PRO FORMA DECEMBER 28, 1996
			(UNAUDITED)	
ASSETS				
Current assets				
Cash and cash equivalents	$ 5,149	$ 13,568	$ 18,943	
Accounts receivable, net of allowances of $8,217, $11,054 and $10,139, respectively	95,974	144,999	119,552	
Inventories	271,220	269,113	236,754	
Prepaid expenses and other	17,528	31,886	35,770	
Total current assets	389,871	459,566	411,019	
Property and equipment, net	50,931	48,980	77,593	
Investment in and advances to affiliate	22,453	21,710	20,292	
Other assets	24,292	33,417	35,500	
	$487,547	$563,673	$544,404	
LIABILITIES AND PARTNERS' CAPITAL				
Current liabilities				
Notes and acceptances payable -- banks	$ 58,900	$ 73,731	$ 24,139	
Current portion of long-term debt	11,554	11,765	22,017	
Current portion of subordinated notes	--	--	20,000	
Dividend and Reorganization Notes payable	--	--	--	$ 82,500
Accounts payable	64,732	74,244	64,693	
Accrued expenses and other	33,635	36,982	70,401	
Total current liabilities	168,821	196,722	201,250	
Long-term debt	71,907	70,149	48,000	
Other noncurrent liabilities	14,240	15,149	19,055	
Subordinated notes	44,000	44,000	24,000	
Commitments and contingent liabilities	--	--	--	
Partners' capital/stockholders' equity				
Partners' capital/stockholders' equity	188,635	237,541	252,311	198,004
Cumulative translation adjustment	(56)	112	(212)	(212)
Total partners' capital/stockholders' equity	188,579	237,653	252,099	$197,792
	$487,547	$563,673	$544,404	

See accompanying notes to combined financial statements.

POLO RALPH LAUREN CORPORATION

COMBINED STATEMENTS OF INCOME
(IN THOUSANDS)

	FISCAL YEAR ENDED			NINE MONTHS ENDED	
	APRIL 2, 1994	APRIL 1, 1995	MARCH 30, 1996	DECEMBER 30, 1995	DECEMBER 28, 1996
				(UNAUDITED)	
Net sales..........................	$726,568	$746,595	$ 909,720	$667,835	$764,374
Licensing revenue.................	84,174	100,040	110,153	81,925	98,132
Net revenues....................	810,742	846,635	1,019,873	749,760	862,506
Cost of goods sold................	466,525	474,999	583,546	425,784	473,629
Gross profit....................	344,217	371,636	436,327	323,976	388,877
Selling, general and administrative expenses.........	262,825	261,506	309,207	228,781	274,450
Income from operations..........	81,392	110,130	127,120	95,195	114,427
Interest expense..................	15,880	16,450	16,287	12,265	10,725
Equity in net loss of affiliate...	2,837	262	1,101	590	1,654
Income before income taxes......	62,675	93,418	109,732	82,340	102,048
Provision for income taxes........	8,778	13,244	10,925	11,042	20,688
Net income......................	$ 53,897	$ 80,174	$ 98,807	$ 71,298	$ 81,360
PRO FORMA (NOTE 1)--(UNAUDITED)					
Historical income before income taxes...........................			$ 109,732		$102,048
Pro forma provision for income taxes...........................			47,185		43,881
Pro forma net income..............			$ 62,547		$ 58,167

See accompanying notes to combined financial statements.

POLO RALPH LAUREN CORPORATION

COMBINED STATEMENTS OF STOCKHOLDERS' EQUITY AND PARTNERS' CAPITAL
(IN THOUSANDS)

	COMMON STOCK	ADDITIONAL PAID IN CAPITAL	RETAINED EARNINGS AND PARTNERS' CAPITAL	CUMULATIVE TRANSLATION ADJUSTMENT	TOTAL
Balance at April 3, 1993	$ 58	$ 88	$ 107,401	$ 285	$ 107,832
Net income			53,897		53,897
Translation adjustment				26	26
Distributions to stockholders			(43,718)		(43,718)
Balance at April 2, 1994	58	88	117,580	311	118,037
Net income			80,174		80,174
Capital contributions			128,000		128,000
Formation of partnership	(58)	(88)	(1,274)	(80)	(1,500)
Translation adjustment				(287)	(287)
Distributions to stockholders and partners			(135,845)		(135,845)
Balance at April 1, 1995	--	--	188,635	(56)	188,579
Net income			98,807		98,807
Translation adjustment				168	168
Capital contributions			10,000		10,000
Distributions to partners			(59,901)		(59,901)
Balance at March 30, 1996	--	--	237,541	112	237,653
Net income (unaudited)			81,360		81,360
Translation adjustment (unaudited)				(324)	(324)
Distributions to partners (unaudited)			(66,590)		(66,590)
Balance at December 28, 1996 (unaudited)	--	--	$ 252,311	$ (212)	$ 252,099

See accompanying notes to combined financial statements.

POLO RALPH LAUREN CORPORATION

COMBINED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	FISCAL YEAR ENDED			NINE MONTHS ENDED	
	APRIL 2, 1994	APRIL 1, 1995	MARCH 30, 1996	DECEMBER 30, 1995	DECEMBER 28, 1996
				(UNAUDITED)	
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income	$ 53,897	$ 80,174	$ 98,807	$ 71,298	$ 81,360
Adjustments to reconcile net income to net cash provided by operating activities:					
Equity in net loss of affiliate	2,837	262	1,101	590	1,654
Depreciation and amortization	10,870	9,938	9,743	7,144	9,039
Provision for losses on accounts receivable	1,850	2,700	1,122	563	3,563
Other	21	1,244	(2,596)	(2,212)	1,559
Changes in assets and liabilities, net of acquisition					
Accounts receivable	(35,319)	15,276	(34,155)	(186)	21,884
Inventories	3,090	(61,680)	21,811	10,443	32,035
Prepaid expenses and other	(8,690)	10,075	(10,428)	(13,002)	(3,884)
Other assets	86	(1,740)	(6,733)	(3,283)	(1,183)
Accounts payable	17,511	(1,172)	9,798	(13,759)	(9,551)
Accrued expenses and other	9,018	1,134	2,855	19,785	21,100
Net cash provided by operating activities	55,171	56,211	91,325	77,381	157,576
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition	--	--	(39,726)	(39,726)	--
Purchases of property and equipment	(1,354)	(4,939)	(5,575)	(3,493)	(24,179)
Cash surrender value -- officers' life insurance	(2,741)	(3,473)	(3,685)	(1,707)	(2,186)
Investment in affiliate	(5,000)	--	--	--	--
Net cash used in investing activities	(9,095)	(8,412)	(48,986)	(44,926)	(26,365)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from (repayments of) short-term borrowings, net	609	(98,408)	14,109	8,244	(49,592)
Repayments of long-term debt	(11,427)	(51,555)	(11,719)	(11,071)	(12,470)
Proceeds from long-term debt	--	106,290	10,000	10,000	--
Borrowings against officers' life insurance policies	5,191	--	--	--	--
Distributions paid to shareholders and partners	(43,143)	(134,308)	(56,284)	(42,659)	(63,857)
Capital contributions	--	128,000	10,000	9,860	--
Net cash used in financing activities	(48,770)	(49,981)	(33,894)	(25,626)	(125,919)
Net (decrease) increase in cash and cash equivalents	(2,694)	(2,182)	8,445	6,829	5,292
Effect of exchange rate changes on cash and cash equivalents	25	--	(26)	(23)	83
Cash and cash equivalents at beginning of period	10,000	7,331	5,149	5,149	13,568
Cash and cash equivalents at end of period	$ 7,331	$ 5,149	$ 13,568	$ 11,955	$ 18,943
SUPPLEMENTAL CASH FLOW INFORMATION					
Cash paid for interest	$ 16,065	$ 15,457	$ 17,189	$ 12,701	$ 12,770
Cash paid for income taxes	$ 8,684	$ 10,592	$ 11,602	$ 8,169	$ 15,380
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES					
Foreign tax credits distributed to shareholders/partners	$ 575	$ 1,537	$ 3,617	$ 2,639	$ 2,733
Capital obligations for completed shop-within-shop boutiques					$ 12,319
Fair value of assets acquired, excluding cash			$ 40,260	$ 40,260	
Cash paid			(39,726)	(39,726)	
Payable to seller			$ 534	$ 534	

See accompanying notes to combined financial statements.

POLO RALPH LAUREN CORPORATION

NOTES TO COMBINED FINANCIAL STATEMENTS
(IN THOUSANDS, EXCEPT WHERE OTHERWISE INDICATED)
(INFORMATION FOR DECEMBER 30, 1995 AND DECEMBER 28, 1996 IS UNAUDITED)

1. BASIS OF PRESENTATION AND ORGANIZATION

(a) Basis of Presentation

The accompanying combined financial statements include the accounts of Polo Ralph Lauren Enterprises, L.P. ("Enterprises"), Polo Ralph Lauren, L.P. and subsidiaries ("Polo Partnership"), The Ralph Lauren Womenswear Company, L.P. and subsidiary ("Womenswear") and an investment in Polo Retail Corporation and subsidiaries ("PRC"), a 50% joint venture with a nonaffiliated partner, accounted for under the equity method (collectively the "Company"). The controlling interests of the Company are held by Mr. Ralph Lauren, with a 28.5% interest held by certain investment funds affiliated with The Goldman Sachs Group, L.P. (collectively, the "GS Group").

On October 31, 1994, Enterprises and the Polo Partnership were formed pursuant to limited partnership agreements to own and operate the businesses previously conducted by Mr. Lauren. Mr. Lauren contributed his ownership interests in these businesses for an effective 71.5% ownership interest and the GS Group made a capital cash contribution of $128 million for an effective ownership interest of 28.5%.

The combined financial statements for the years ended April 2, 1994 and April 1, 1995 include the businesses previously conducted by Mr. Lauren and have been prepared as if the entities had operated as a single consolidated group since their respective dates of organization. The financial statements are being presented on a combined basis because of their common ownership. All significant intercompany balances and transactions have been eliminated.

(b) Unaudited Interim Financial Statements

The accompanying combined financial statements for the nine months ended December 30, 1995 and December 28, 1996 have been prepared in accordance with generally accepted accounting principles for interim financial information and, in the opinion of the Company, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation thereof. Operating results for the nine months ended December 28, 1996 are not necessarily indicative of the results that may be expected for the fiscal year ending March 29, 1997.

(c) Acquisition

On October 16, 1995, Womenswear acquired the assets of Ralph Lauren Womenswear Company, Inc. ("RLW"), a nonaffiliated licensee, at book value which approximated fair value, consisting principally of inventories ($19.7 million) and accounts receivable ($18.2 million) for $40.3 million in cash. This acquisition was accounted for as a purchase.

(d) Business

The Company, which operates in one business segment, designs, licenses, contracts for the manufacture of, markets and distributes men's and women's apparel, accessories, fragrances, skin care products and home furnishings. The Company's sales are principally to major department and specialty stores located throughout the United States. Additionally, the Company also sells directly to consumers through Company-owned Polo stores, including a flagship store in New York, and outlet stores located throughout the United States. A substantial portion of the Company's net revenues and income from operations are derived from, and identifiable assets are located in, the United States.

POLO RALPH LAUREN CORPORATION

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)
(IN THOUSANDS, EXCEPT WHERE OTHERWISE INDICATED)
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The Company is party to licensing agreements which grant the licensees exclusive rights to use the various trademarks owned by the Company in connection with the manufacture and sale of designated products in specified geographical areas. Additionally, the Company has granted royalty-free licenses to independent parties to own and operate Polo Ralph Lauren retail stores to promote the sale of merchandise of the Company and its licensees both domestically and internationally. The license agreements typically provide for designated terms with renewal options based on achievement of specified sales targets. The agreements also require that certain minimum amounts be spent on advertising for licensed products. Additionally, as part of the licensing arrangements, each licensee is typically required to enter into a design services agreement pursuant to which design and other creative services are provided. The license and design services agreements provide for payments based on specified percentages of net sales.

A significant amount of the Company's products are produced in the Far East through arrangements with independent contractors. As a result, the Company's operations could be adversely affected by political instability resulting in the disruption of trade from the countries in which these contractors are located, or by the imposition of additional duties or regulations relating to imports or by the contractors' inability to meet the Company's production requirements.

(e) Reorganization and Pro Forma Adjustments (Unaudited)

In connection with the Company's contemplated initial public offerings of stock (the "Offerings"), the partners and certain of their affiliates are contributing to a newly formed entity, Polo Ralph Lauren Corporation ("Polo"), all of the outstanding stock of and partnership interests in the entities which comprise the Company, in exchange for various combinations of common stock (the "Reorganization"). In connection with the Reorganization, the Company will declare a dividend and issue reorganization notes to the stockholders representing estimated undistributed earnings of the Company through the closing of the Reorganization ("Dividend and Reorganization Notes").

Concurrently with the Reorganization, the Company will acquire from an entity under common control the trademarks and rights under a licensing agreement associated with its U.S. fragrance business and the interests it does not already own in another related entity that holds the trademarks related to its international licensing business in exchange for shares of Common Stock of Polo.

Concurrently with the Reorganization, the Company will become subject to additional Federal, state and local taxes. The pro forma combined statement of income data for the year ended March 30, 1996 and for the nine months ended December 28, 1996 reflects adjustments for income taxes based upon pro forma pre-tax income as if the Company had been subject to additional Federal, state and local income taxes as of April 2, 1995, based upon a pro forma effective tax rate of 43%. No other pro forma adjustments have been reflected herein as their effects are not material to the results of operations.

The pro forma combined balance sheet of the Company at December 28, 1996 is adjusted for: (i) the declaration of Dividend and the issuance of the Reorganization Notes to the stockholders of Polo, which through December 28, 1996 approximated $82.5 million; and (ii) the recording of a net deferred tax asset of $28.2 million, in addition to approximately $2.2 million of certain Federal, state and local deferred tax assets previously recorded, which Polo will record concurrently with the termination of the Company's partnership status. The pro forma deferred income taxes reflect the net tax effect of temporary differences, primarily uniform inventory capitalization, depreciation,

POLO RALPH LAUREN CORPORATION

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)
(IN THOUSANDS, EXCEPT WHERE OTHERWISE INDICATED)
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allowance for doubtful accounts and other accruals, between the carrying amounts of assets and liabilities for financial reporting and the amounts used for income tax purposes.

2. SIGNIFICANT ACCOUNTING POLICIES

Fiscal Year

The Company's fiscal year ends on the Saturday nearest to March 31. All references herein to "1994," "1995" and "1996" represent the 52 week fiscal years ended April 2, 1994, April 1, 1995 and March 30, 1996, respectively.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include all highly liquid investments with an original maturity of three months or less.

Inventories

Wholesale inventories are valued at the lower of cost (first-in, first-out method) or market. Retail inventories are valued using the retail method.

Property, Equipment, Depreciation and Amortization

Property and equipment are stated at cost. Depreciation of furniture and fixtures and machinery and equipment is calculated using the straight-line method over estimated average useful lives of approximately five 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. Major additions and betterments are capitalized, and repairs and maintenance are charged to operations in the period incurred. Additionally, the Company capitalizes its share of the cost of constructing shop-within-shop boutiques under agreements with retailers and amortizes such costs using the straight-line method over the lesser of their estimated useful lives or the life of the underlying agreement.

Officers' Life Insurance

The Company maintains key man life insurance policies on several of its senior executives and other related parties, certain of which contain split dollar arrangements. The Company is not the beneficiary under most of these policies. The key man policies are recorded at their cash surrender value while the policies with split dollar arrangements are recorded at the lesser of their cash surrender value or premiums paid. Such policies amounted to $18,050 and $21,734, net of loans of $5,191 and $5,608 at April 1, 1995 and March 30, 1996, respectively, and are included in other assets in the accompanying combined balance sheets.

Store Preopening Costs

Costs associated with the opening of a new store are deferred (included in prepaid expenses and other) and amortized within one year commencing from the date of the store opening.

Impairment of Long-Lived and Intangible Assets

In March 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of, which requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. In evaluating the fair value and future benefits of long-lived assets, the Company performs an analysis of the anticipated undiscounted future net cash flows of the related long-lived assets and reduces their carrying value by the excess, if any, of the result of such calculation. The Company adopted SFAS No. 121 effective March 31, 1996. There were no adjustments to the carrying amount of long-lived assets resulting from the Company's evaluation.

Revenues

Sales are recognized upon shipment of products to customers and, in the case of sales by Company-owned outlet and retail stores, when goods are sold to customers. Allowances for estimated uncollectible accounts and discounts are provided when sales are recorded. Licensing revenue is recognized as earned.

Concentration of Credit Risk

The Company sells its merchandise primarily to major upscale department stores across the United States and extends credit based on an evaluation of the customer's financial condition without requiring collateral. Credit risk is driven by conditions or occurrences within the economy and the retail industry and is principally dependent on each customer's financial condition. A decision by the controlling owner of a group of stores or any substantial customer to decrease the amount of merchandise purchased from the Company or to cease carrying its products could materially adversely affect the Company. The Company had three customers who in aggregate constituted 38% and 36% of trade accounts receivable at April 1, 1995 and March 30, 1996, respectively. Additionally, the Company had three licensees who in aggregate constituted approximately 46%, 45% and 43% of licensing revenue in fiscal 1994, 1995 and 1996, respectively.

The Company had one significant customer that accounted for approximately 12%, 11% and 11% of net sales during fiscal 1994, 1995 and 1996, respectively. Additionally, the Company had another significant customer that accounted for approximately 10% of fiscal 1994 net sales.

The Company monitors credit levels and the financial condition of its customers on a continuing basis to minimize credit risk. The Company believes that adequate provision for credit loss has been made in the accompanying combined financial statements.

The Company is also subject to concentrations of credit risk with respect to its cash and cash equivalents which it minimizes by placing these funds with high-quality institutions.

POLO RALPH LAUREN CORPORATION

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)
(IN THOUSANDS, EXCEPT WHERE OTHERWISE INDICATED)
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Advertising

The Company expenses the production costs of advertising, marketing and public relations expenses upon the first showing of the related advertisement. These expenses amounted to $32,384, $34,028 and $44,488 during fiscal 1994, 1995 and 1996, respectively.

Income Taxes

The entities in the combined group include principally a Subchapter S Corporation in fiscal 1994 and partnerships in fiscal 1995 and 1996 which are not subject to Federal or certain state income taxes. Therefore, no provision has been made in the accompanying combined financial statements as taxes are the liability of the shareholders/partners. However, Federal, state and local taxes have been provided on the income of all domestic C corporations in the combined group. Foreign income taxes have also been provided on the income of the foreign companies in the combined group.

The Company has recorded its provision for income taxes in accordance with SFAS No. 109, Accounting for Income Taxes. Under SFAS No. 109, the deferred tax provision is determined under the liability method which requires the recognition of deferred tax assets and liabilities based on differences between financial statement and tax bases of assets and liabilities using presently enacted tax rates.

Financial Instruments

The Company uses derivative financial instruments to reduce its exposures to changes in interest rates and foreign exchange rates. The Company does not hold or issue financial instruments for trading or speculative purposes. While these instruments are subject to risk of loss from changes in exchange and interest rates, those losses would generally be offset by gains on the related exposures.

Foreign Currency Translation

The financial position and results of operations of a foreign subsidiary of the Company is measured using the local currency as the functional currency. Assets and liabilities are translated at the exchange rate in effect at each year end. Results of operations are translated at the average rate of exchange prevailing throughout the period. Translation adjustments arising from differences in exchange rates from period to period are included in the cumulative translation adjustment account under partners' capital. Gains and losses from foreign currency transactions are included in operating results and were not material.

3. INVENTORIES

	APRIL 1, 1995	MARCH 30, 1996	DECEMBER 28, 1996
Raw materials	$ 51,934	$ 52,993	$ 37,552
Work-in-process	13,671	13,302	6,320
Finished goods	205,615	202,818	192,882
	$271,220	$ 269,113	$236,754

Inventories of $87,680, $83,243 and $86,137 at April 1, 1995, March 30, 1996 and December 28, 1996, respectively, were valued utilizing the retail method and are included in finished goods.

POLO RALPH LAUREN CORPORATION

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)
(IN THOUSANDS, EXCEPT WHERE OTHERWISE INDICATED)
(INFORMATION FOR DECEMBER 30, 1995 AND DECEMBER 28, 1996 IS UNAUDITED)

4. PROPERTY AND EQUIPMENT

	APRIL 1, 1995	MARCH 30, 1996
Land	$ 656	$ 656
Furniture and fixtures	24,044	25,050
Machinery and equipment	17,831	18,451
Leasehold improvements	60,119	63,233
	102,650	107,390
Less: accumulated depreciation and amortization	51,719	58,410
	$ 50,931	$ 48,980

5. INVESTMENT IN AND ADVANCES TO AFFILIATE

Investment in and advances to affiliate reflects the Company's 50% interest in PRC which was formed in February 1993 to operate Polo stores located throughout the United States. The Company has guaranteed up to $2 million of PRC's working capital facility. (See Note 13).

Sales by the Company to PRC were $35,667, $27,313 and $38,879 during fiscal 1994, 1995 and 1996, respectively. Purchases by the Company from PRC amounted to $5,206, $6,633 and $5,715 during fiscal 1994, 1995 and 1996, respectively. At April 1, 1995 and March 30, 1996, the Company had $8,083 and $12,716 due from PRC which is included in prepaid expenses and other in the accompanying combined balance sheets.

6. ACCRUED EXPENSES AND OTHER

	APRIL 1, 1995	MARCH 30, 1996	DECEMBER 28, 1996
Accrued operating expenses	$ 20,403	$19,798	$ 27,760
Accrued payroll and benefits	7,283	11,279	20,611
Accrued shop-within-shop costs	2,327	3,016	14,234
Accrued income taxes	2,108	1,469	6,768
Accrued interest	1,514	1,420	1,028
	$ 33,635	$36,982	$ 70,401

7. FINANCING AGREEMENTS

Long-term debt consists of the following:

	APRIL 1, 1995	MARCH 30, 1996
Polo Partnership term loans	$ 80,000	$70,000
Womenswear term loan	--	10,000
Other	3,461	1,914
	83,461	81,914
Less: current portion	11,554	11,765
	$ 71,907	$70,149

POLO RALPH LAUREN CORPORATION

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)
(IN THOUSANDS, EXCEPT WHERE OTHERWISE INDICATED)
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On October 31, 1994, the Polo Partnership entered into a six year financing arrangement with commercial banks providing for a $125 million revolving credit facility and $80 million in term loans. The revolving credit facility is available for the issuance of letters of credit, acceptances or direct borrowings and is limited to a borrowing base calculated on eligible accounts receivable, certain inventory and letters of credit. Any unused portion of the available credit line ($50,463 and $48,224 at April 1, 1995 and March 30, 1996, respectively) is subject to a 3/8% commitment fee. Notes and acceptances payable under this facility amounted to $58,900 and $58,086 at April 1, 1995 and March 30, 1996, respectively, and bore interest based on either the prime rate or LIBOR plus 1.75%, as permitted by the agreement (ranging from 7.25% to 9.0% and 5.75% to 8.25% at April 1, 1995 and March 30, 1996, respectively). The credit facility and term loans are collateralized by trade wholesale accounts receivable, retail inventories and assignments of licensing income and certain trademarks.

In fiscal 1996, Womenswear entered into a five year financing arrangement with a financial institution providing for a $30 million revolving credit facility and a $10 million term loan. The revolving credit facility is available for the issuance of letters of credit, acceptances or direct borrowings and is limited to a borrowing base calculated on eligible accounts receivable, inventory and accrued royalties. Any unused portion of the available credit line ($8,218 at March 30, 1996) is subject to a 3/8% commitment fee. Notes and acceptances payable under this facility amounted to $15,645 at March 30, 1996 and bore interest at the institution's reference rate (8.25% at March 30, 1996). The credit facility is collateralized by substantially all of the assets of Womenswear. In February 1997, Womenswear amended its credit facility to increase its revolving credit facility to $40 million.

The financing agreements contain certain restrictive covenants which, among other things, require the maintenance of certain financial ratios and set various limitations on capital expenditures and distributions to partners. The weighted average interest rate on borrowings under revolving credit facilities was 6.5%, 8.3% and 8.4% in fiscal 1994, 1995 and 1996, respectively.

The Polo Partnership term loans are repayable semiannually in April and October in equal installments of $5 million through fiscal 1997 and $10 million thereafter through October 1999 and bear interest primarily at LIBOR plus 1.75% (ranging from 7.8% to 8.1% and 7.0% to 7.25% at April 1, 1995 and March 30, 1996, respectively).

The Womenswear term loan is repayable quarterly in installments ranging from $250 to $750 through July 1, 2000, with a final payment due of $1,250 on September 30, 2000 and bears interest at the institution's reference rate plus 0.5% (8.75% at March 30, 1996).

In connection with the Womenswear credit facility, an entity wholly owned by Mr. Lauren is required to contribute up to $3 million to Womenswear if Womenswear does not maintain a specified cash flow ratio. Additionally, this related entity guarantees Womenswear's debt up to $3 million under certain circumstances, inclusive of any payments required under the above cash flow provision.

POLO RALPH LAUREN CORPORATION

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)
(IN THOUSANDS, EXCEPT WHERE OTHERWISE INDICATED)
(INFORMATION FOR DECEMBER 30, 1995 AND DECEMBER 28, 1996 IS UNAUDITED)

At March 30, 1996, maturities of long-term debt were as follows:

FISCAL YEAR ENDING	
1997	$11,765
1998	22,265
1999	22,884
2000	23,000
2001	2,000
	$81,914

8. SUBORDINATED NOTES

The subordinated notes are payable to Mr. Lauren on April 30, 1997 in the amount of $20 million and to Mr. Lauren and the GS Group on March 1, 2001 in the aggregate amount of $24 million. These notes bear interest at the prime rate (9.0% and 8.25% at April 1, 1995 and March 30, 1996, respectively) and are subordinated to the Polo Partnership's credit facility and term notes. Interest expense on the subordinated notes amounted to $1,311, $2,514 and $3,791 during fiscal 1994, 1995 and 1996, respectively.

9. INCOME TAXES

The components of the provision for income taxes were as follows:

	FISCAL YEAR ENDED		
	APRIL 2, 1994	APRIL 1, 1995	MARCH 30, 1996
Current:			
Federal	$4,784	$ 6,761	$ 7,644
State and local	4,181	5,235	3,123
Foreign	135	252	392
Deferred	(322)	996	(234)
	$8,778	$13,244	$10,925

The foreign and domestic components of income before income taxes were as follows:

	FISCAL YEAR ENDED		
	APRIL 2, 1994	APRIL 1, 1995	MARCH 30, 1996
Domestic	$44,936	$66,432	$ 78,445
Foreign	17,739	26,986	31,287
	$62,675	$93,418	$109,732

The provision for income taxes differs from the amounts computed by applying the statutory Federal income tax rate to income before income taxes mainly due to the inclusion of entities not subject to Federal income tax in the combined group. The effective tax rate was 14.0%, 14.2% and 10.0% during fiscal 1994, 1995 and 1996, respectively. The decline in the effective tax rate during fiscal 1996 is mainly due to the full year benefit of the fiscal 1995 reorganization and formation of limited partnerships.

POLO RALPH LAUREN CORPORATION

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)
(IN THOUSANDS, EXCEPT WHERE OTHERWISE INDICATED)
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The provision for income taxes differs from the amounts computed by applying the statutory Federal income tax rate to income before income taxes due to the following:

	FISCAL YEAR ENDED		
	APRIL 2, 1994	APRIL 1, 1995	MARCH 30, 1996
Provision for income taxes at statutory Federal rate	$ 21,936	$ 32,696	$ 38,406
Increase (decrease) due to:			
Subchapter S and unincorporated entities	(19,373)	(24,232)	(28,575)
Foreign income	79	(1,122)	(1,009)
State and local income taxes, net of Federal benefit	3,685	5,637	2,072
Unutilized operating losses	1,536	--	--
Other	915	265	31
	$ 8,778	$ 13,244	$ 10,925

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting and income tax purposes. The net deferred tax asset at April 1, 1995 and March 30, 1996 amounted to $2,112 and $2,075, respectively, and consisted primarily of uniform inventory capitalization. Net deferred tax assets are included in prepaid expenses and other in the accompanying combined balance sheets.

10. FINANCIAL INSTRUMENTS

During fiscal 1995, the Company entered into an interest rate swap agreement with a commercial bank which expires on October 14, 1999 to hedge against interest rate fluctuations. The swap agreement effectively converts the outstanding balance of the Polo Partnership's term loans from variable rate borrowings to fixed rate obligations. Under the terms of this agreement, the Company makes payments at a fixed rate of 6.955% and receives payments from the counterparty based on the notional amount ($70 million at March 30, 1996), adjusted for scheduled loan repayments, based on LIBOR. The net interest paid or received on this arrangement is included in interest expense. The fair value of this agreement, based on the estimated amount that the Company would pay to terminate the agreement at March 30, 1996 was $1,559. The fair value information has been obtained from a financial institution.

The Company from time to time enters into forward foreign exchange contracts as hedges relating to identifiable currency positions to reduce the risk from exchange rate fluctuations. Gains and losses on these contracts are deferred and recognized as adjustments to the bases of those assets. Such gains and losses were not material.

At March 30, 1996, the Company had a forward foreign exchange contract outstanding with Goldman, Sachs & Co. as a hedge relating to foreign royalty revenue to deliver 593 million yen on April 17, 1996 in exchange for $6,719. The fair value of this contract approximated carrying value.

The Company is exposed to credit losses in the event of nonperformance by the counterparties to the interest rate swap agreement and forward foreign exchange contract, but it does not expect any counterparties to fail to meet their obligation given their high-credit rating.

POLO RALPH LAUREN CORPORATION

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)
(IN THOUSANDS, EXCEPT WHERE OTHERWISE INDICATED)
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The carrying amounts of all other financial instruments reported on the combined balance sheet at April 1, 1995 and March 30, 1996 approximated their estimated fair values primarily due to either the short-term maturity of the instruments or their adjustable market rate of interest. Considerable judgment is required in interpreting certain market data to develop estimated fair values for certain financial instruments. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

11. EMPLOYEE BENEFITS

Profit Sharing Retirement Savings Plans

The Company sponsors two defined contribution benefit plans covering substantially all eligible non-union U.S. employees which include a savings plan feature under Section 401(k) of the Internal Revenue Code. The Company makes discretionary contributions to the plans and contributes an amount equal to 50% of the first 6% of an employee's contribution. Under the terms of the plans, a participant is 100% vested in the Company's matching and discretionary contributions after seven years of credited service. Contributions under these plans approximated $3,546, $4,041 and $4,557 during fiscal 1994, 1995 and 1996, respectively.

Union Pension

Womenswear participates in a multi-employer pension plan and is required to make contributions to the International Ladies Garment Workers' Union (the "Union") for dues based on wages paid to union employees. A portion of such dues are allocated by the Union to a Retirement Fund which provides defined benefits to substantially all unionized workers. Womenswear does not participate in the management of the plan and has not been furnished with any information with respect to the type of benefits provided, vested and nonvested benefits or plan assets. Union expense amounted to $186 during fiscal 1996.

Under the Employee Retirement Income Security Act of 1974, as amended, an employer, upon withdrawal from or termination of a multi-employer plan, is required to continue funding its proportionate share of the plan's unfunded vested benefits. Such withdrawal liability was assumed in conjunction with the acquisition of certain assets from RLW (see Note 1). Womenswear has no current intention of withdrawing from the plan.

Deferred Compensation

The Company has deferred compensation arrangements for certain key executives which generally provide for payments upon retirement or death. The amounts accrued under these plans were $4,979 and $7,469 at April 1, 1995 and March 30, 1996, respectively. Total compensation expense recorded was $1,232, $1,402 and $2,094 during fiscal 1994, 1995 and 1996, respectively. The Company funds these obligations through the issuance of officers' life insurance policies and the establishment of trust accounts on behalf of the executives participating in the plans. The trust accounts are reflected in other assets in the accompanying combined balance sheets.

POLO RALPH LAUREN CORPORATION

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)
(IN THOUSANDS, EXCEPT WHERE OTHERWISE INDICATED)
(INFORMATION FOR DECEMBER 30, 1995 AND DECEMBER 28, 1996 IS UNAUDITED)

12. COMMITMENTS AND CONTINGENCIES

Leases

The Company leases office, warehouse and retail space and office equipment under operating leases which expire through 2009. As of March 30, 1996, aggregate minimum annual rental payments under noncancelable operating leases were as follows:

FISCAL YEAR ENDING	
1997	$ 35,916
1998	34,096
1999	30,052
2000	25,182
2001	23,541
Thereafter	67,612
	$216,399

Rent expense charged to operations was $29,626, $28,393 and $34,483, net of sublease income of $2,051, $2,129 and $2,091, respectively, during fiscal 1994, 1995 and 1996, respectively. Substantially all outlet and retail store leases provide for contingent rentals based upon sales and require the Company to pay taxes, insurance and occupancy costs. Certain rentals are based solely on a percentage of sales and one significant lease requires a fair market value adjustment at January 1, 2004. Contingent rental charges included in rent expense were $2,878, $2,828 and $3,160 during fiscal 1994, 1995 and 1996, respectively.

During fiscal 1997, the Company entered into operating leases for additional office and retail space. The aggregate minimum annual rental payments under these leases are: $5.4 million for the fiscal year ending 1998, $6.8 million for the fiscal years ending 1999 through fiscal 2002 and $132.9 million thereafter.

Letters of Credit

At March 30, 1996, the Company is contingently liable for unexpired bank letters of credit of $18,457 related to commitments for the purchase of inventories and in connection with its leases.

Employment Agreements

The Company is party to employment agreements with certain executives which provide for compensation and certain other benefits. The agreements also provide for severance payments under certain circumstances.

Legal Matters

The Company is from time to time involved in routine legal claims, involving trademark and intellectual property, licensing, employee relations and other matters incidental to its business. Currently, the Company is a party to an arbitration proceeding which it initiated in San Francisco to resolve a dispute with an independent freestanding retail licensee which operates a Polo store in Beverly Hills, California. This licensee had previously claimed that the Company breached its license agreement when the Company refused last year to authorize the opening of a free-standing Polo concession at Los Angeles International Airport by the licensee. The Company believes it was acting within its contractual rights when it rejected the licensee's proposal. The Company initiated the arbitration proceeding in December 1996 under the rules of the American Arbitration Association in accordance with the terms of its licensing agreement for a declaration of rights under such agreement. The licensee in a counterclaim has sought unspecified compensatory and punitive damages in excess of $5 million. In the opinion of the Company's management, the resolution of any matter currently pending will not have a material effect on its financial condition or results of operations.

13. SUBSEQUENT EVENT

On March 21, 1997, the Company entered into purchase agreements with certain third parties to acquire the remaining 50% interest in PRC, effective April 3, 1997, for consideration aggregating approximately $10.4 million ("PRC Acquisition"), which will be completed simultaneously with the Offerings. The PRC Acquisition will be accounted for as a purchase and the Company will consolidate the operations of PRC from the effective date of the acquisition.

UNDERWRITING

Subject to the terms and conditions of the Underwriting Agreement, the Company and the Selling Stockholders have agreed to sell to each of the U.S. Underwriters named below, and each of such U.S. Underwriters, for whom Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. Incorporated are acting as representatives, has severally agreed to purchase from the Company and the Selling Stockholders the respective number of shares of Class A Common Stock set forth opposite its name below:

UNDERWRITER	NUMBER OF SHARES OF CLASS A COMMON STOCK
Goldman, Sachs & Co.	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Morgan Stanley & Co. Incorporated	
Total	

Under the terms and conditions of the Underwriting Agreement, the U.S. Underwriters are committed to take and pay for all of the shares offered hereby, if any are taken. Pursuant to the Underwriting Agreement, the representatives of the U.S. Underwriters will purchase, on an equal basis, the shares offered on behalf of the GS Group in the U.S. Offering immediately following the execution of the Underwriting Agreement, in exchange for notes of the representatives of the U.S. Underwriters. The notes to be issued to the GS Group will be payable on the earlier of the closing of the Offerings and six months from the date of this Prospectus. The number of shares each respective U.S. Underwriter is severally obligated to purchase, as set forth above, will not be affected by the foregoing arrangements. The representatives of the U.S. Underwriters will also purchase the shares offered on behalf of the GS Group in the International Offering under similar arrangements. Each member of the GS Group has granted to the representatives of the U.S. Underwriters the right to require such member to purchase, in the event that the Offerings are not consummated, the shares being purchased by the representatives of the U.S. Underwriters from such member in the Offerings, for a purchase price consisting of the assumption of all of the obligations of the U.S. Underwriters under the note issued to such member.

The U.S. Underwriters propose to offer the shares of Class A Common Stock in part directly to the public at the initial public offering price set forth on the cover page of this Prospectus and in part to certain securities dealers at such price less a concession of $ per share. The U.S.

Underwriters may allow, and such dealers may reallow, a concession not in excess of $ per share to certain brokers and dealers. After the shares of the Class A Common Stock are released for sale to the public, the offering price and the other selling terms may from time to time be varied by the representatives.

The Company and the Selling Stockholders have entered into an underwriting agreement (the "International Underwriting Agreement") with the underwriters of the international offering (the "International Underwriters") providing for the concurrent offer and sale of shares of Class A Common Stock in an international offering outside the United States. The offering price and aggregate underwriting discounts and commissions per share for the two offerings are identical. The closing of the offering made hereby is a condition to the closing of the International Offering, and vice versa. The representatives of the International Underwriters are Goldman Sachs International, Merrill Lynch International and Morgan Stanley & Co. International Limited.

Pursuant to an agreement between the U.S. and International Underwriting Syndicates (the "Agreement Between") relating to the two offerings, each of the U.S. Underwriters named herein has agreed that, as a part of the distribution of the shares offered hereby and subject to certain exceptions, it will offer, sell or deliver the shares of Class A Common Stock, directly or indirectly, only in the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction (the "United States") and to U.S. persons, which term shall mean, for purposes of this paragraph: (a) any individual who is a resident of the United States or (b) any corporation, partnership or other entity organized in or under the laws of the United States or any political subdivision thereof and whose office most directly involved with the purchase is located in the United States. Each of the International Underwriters has agreed pursuant to the Agreement Between that, as a part of the distribution of the shares offered as a part of the International Offering, and subject to certain exceptions, it will (i) not, directly or indirectly, offer, sell or deliver shares of Class A Common Stock (a) in the United States or to any U.S. persons or (b) to any person who it believes intends to reoffer, resell or deliver the shares in the United States or to any U.S. persons, and (ii) cause any dealer to whom it may sell such shares at any concession to agree to observe a similar restriction.

Pursuant to the Agreement Between, sales may be made between the U.S. Underwriters and the International Underwriters of such number of shares of Class A Common Stock as may be mutually agreed. The price of any shares so sold shall be the initial public offering price, less an amount not greater than the selling concession.

The Company and certain Selling Stockholders have granted the U.S. Underwriters an option exercisable for 30 days after the date of this Prospectus to purchase up to an aggregate of additional shares of Class A Common Stock solely to cover overallotments, if any. If the U.S. Underwriters exercise their over-allotment option, the U.S. Underwriters have severally agreed, subject to certain conditions, to purchase approximately the same percentage thereof that the number of shares to be purchased by each of them, as shown in the foregoing table, bears to the shares of Class A Common Stock offered. The Company has granted the International Underwriters a similar option to purchase up to an aggregate of additional shares of Class A Common Stock.

The Company, its officers and directors and all other holders of Common Stock, including the Selling Stockholders, have agreed that, during the period beginning from the date of the Prospectus and continuing to and including the date 180 days after the date of this Prospectus, they will not offer, sell, contract to sell or otherwise dispose of, any securities of the Company (other than pursuant to employee stock incentive plans existing, or on the conversion or exchange of convertible or exchangeable securities outstanding, on the date of this Prospectus) which are substantially similar to the shares of the Class A Common Stock or which are convertible or exchangeable into securities which are substantially similar to the shares of the Class A Common Stock without the prior written consent of the representatives, except for the shares of Class A Common Stock offered in connection with the concurrent U.S. Offering and International Offerings.

Prior to the Offerings, there has been no public market for the shares. The initial public offering price will be negotiated among the Company, the Selling Stockholders and the representatives of the U.S. Underwriters and the International Underwriters. Among the factors to be considered in determining the initial public offering price of the Class A Common Stock, in addition to prevailing market conditions, are the Company's historical performance, estimates of the business potential and earnings prospects of the Company, an assessment of the Company's management and the consideration of the above factors in relation to market valuation of companies in related businesses.

During and after the Offerings, the Underwriters may purchase and sell the Class A Common Stock in the open market. These transactions may include over-allotment and stabilizing transactions and purchases to cover syndicate short positions created in connection with the Offerings. Stabilizing transactions consist of certain bids or purchases for the purpose of preventing or retarding a decline in the market price of the Class A Common Stock; and syndicate short positions involve the sale by the Underwriters of a greater number of shares of Class A Common Stock than they are required to purchase from the Company and the Selling Stockholders in the Offerings. The Underwriters also may impose a penalty bid, whereby selling concessions allowed to syndicate members or other broker-dealers in respect of the Class A Common Stock sold in the offering for their account may be reclaimed by the syndicate if such Class A Common Stock is repurchased by the syndicate in stabilizing or covering transactions. These activities may stabilize, maintain or otherwise affect the market price of the Class A Common Stock, which may be higher than the price that might otherwise prevail in the open market; and these activities, if commenced, may be discontinued at any time. These transactions may be effected on the NYSE, in the over-the-counter market or otherwise.

Application will be made to list the Company's Class A Common Stock on the NYSE under the symbol "RL". In order to meet one of the requirements for listing the Class A Common Stock on the NYSE, the Underwriters have undertaken to sell lots of 100 or more shares to a minimum of 2,000 beneficial holders.

The Company and the Selling Stockholders have agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act. The Company, in turn, has agreed to indemnify the Selling Stockholders against certain liabilities arising in connection with indemnification of the Underwriters.

This Prospectus may be used by Underwriters and dealers in connection with offers and sales of Class A Common Stock, including shares initially sold in the International Offering to persons located in the United States.

Under Rule 2720 of the National Association of Securities Dealers, Inc. (the "NASD") the Company may be deemed an affiliate of Goldman, Sachs & Co. The Offerings are being conducted in accordance with Rule 2720, which provides that, among other things, when an NASD member participates in the underwriting of an affiliate's equity securities, the initial public offering price can be no higher than that recommended by a "qualified independent underwriter" meeting certain standards. In accordance with this requirement,   , has served in such role and has recommended a price in compliance with the requirements of Rule 2720. In connection with the Offerings,   in its role as qualified independent underwriter has performed due diligence investigations and reviewed and participated in the preparation of the Prospectus and the Registration Statement of which this Prospectus forms a part. In addition, the Underwriters may not confirm sales to any discretionary account without the prior written approval of the customer.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE SECURITIES TO WHICH IT RELATES OR AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SUCH SECURITIES IN ANY CIRCUMSTANCES IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

TABLE OF CONTENTS

THROUGH AND INCLUDING , 1997 (THE 25TH DAY AFTER THE DATE OF THIS PROSPECTUS), ALL DEALERS EFFECTING TRANSACTIONS IN THE CLASS A COMMON STOCK, WHETHER OR NOT PARTICIPATING IN THIS DISTRIBUTION, MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS IS IN ADDITION TO THE OBLIGATION OF DEALERS TO DELIVER A PROSPECTUS WHEN ACTING AS UNDERWRITERS AND WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.

SHARES

POLO RALPH LAUREN CORPORATION

CLASS A COMMON STOCK

(PAR VALUE $.01 PER SHARE)

[LOGO OF POLO RALPH LAUREN CORPORATION]

GOLDMAN, SACHS & CO.

MERRILL LYNCH & CO.

MORGAN STANLEY & CO. INCORPORATED

REPRESENTATIVES OF THE UNDERWRITERS

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table shows the expenses, other than underwriting discounts, which the Company expects to incur in connection with the issuance and distribution of the securities being registered under this registration statement. All expenses are estimated except for the Securities and Exchange Commission registration fee, the New York Stock Exchange Listing Fee and the NASD filing fee.

Securities and Exchange Commission registration fee	$181,819.00
New York Stock Exchange listing fee	$
NASD filing fee	$ 30,500.00
Blue Sky fees and expenses*	$
Legal fees and expenses*	$
Accounting fees and expenses*	$
Printing and engraving expenses*	$
Registrar and transfer agent's fees*	$
Miscellaneous*	$
Total*	$

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* Estimated

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the General Corporation Law of the State of Delaware ("Section 145") permits a Delaware corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the corporation) by reason of the fact that such person is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit, or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful.

In the case of an action by or in the right of the corporation, Section 145 permits the corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation. No indemnification may be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

To the extent that a director, officer, employee, or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in the preceding two paragraphs, Section 145 requires that such person be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Section 145 provides that expenses (including attorneys' fees) incurred by an officer or director in defending any civil, criminal, administrative, or investigative action, suit, or proceeding may be paid by the corporation in advance of the final disposition of such action, suit, or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the corporation as authorized in Section 145.

Article   of the Company's Amended and Restated Certificate of Incorporation eliminates the personal liability of the directors of the Company to the Company or its stockholders for monetary damages for breach of fiduciary duty as directors, with certain exceptions. Article   requires indemnification of directors and officers of the Company, and for advancement of litigation expenses to the fullest extent permitted by Section 145.

The Underwriting Agreement filed herewith as Exhibit 1.1 provides for indemnification of the directors, certain officers, and controlling persons of the Company by the Underwriters against certain civil liabilities, including liabilities under the Securities Act. The Company has also entered into an agreement with a director and executive officer providing for his indemnification in his capacity as a director and executive officer, including liabilities under the Federal securities laws.

See Item 17 below.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

See "Reorganization and Related Transactions".

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(i) Exhibits

The following is a complete list of Exhibits filed as part of this Registration Statement, which are incorporated herein.

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS
1.1	Form of Underwriting Agreement*
2.1	Subscription Agreement, dated as of April 6, 1997, by and among Mr. Ralph Lauren, RL Holding, L.P., RL Family, L.P., GS Capital Partners, L.P., GS Capital Partners PRL Holding I, L.P., GS Capital Partners PRL Holding II, L.P., Stone Street Fund 1994, L.P., Stone Street 1994 Subsidiary Corp., and Bridge Street Fund 1994, L.P., and Polo Ralph Lauren Corporation*
2.2	Assignment and Assumption Agreement, dated as of April 6, 1997, by and among Mr. Ralph Lauren, RL Holding, L.P., RL Family, L.P., GS Capital Partners, L.P., GS Capital Partners PRL Holding I, L.P., GS Capital Partners PRL Holding II, L.P., Stone Street Fund 1994, L.P., Stone Street 1994 Subsidiary Corp., and Bridge Street Fund 1994, L.P. and Polo Ralph Lauren Corporation*
3.1	Form of Amended and Restated Certificate of Incorporation of the Company*
3.2	Form of Bylaws of the Company*

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS
5.1	Opinion of Paul, Weiss, Rifkind, Wharton & Garrison with respect to the legality of the Class A Common Stock*
10.1	Form of Polo Ralph Lauren Corporation 1997 Long-Term Stock Incentive Plan*
10.2	Form of Polo Ralph Lauren Corporation 1997 Stock Option Plan for Non-Employee Directors*
10.3	Form of Registration Rights Agreement by and among Ralph Lauren, GS Capital Partners, L.P., GS Capital Partners PRL Holding I, L.P., GS Capital Partners PRL Holding II, L.P., Stone Street Fund 1994, L.P., Stone Street 1994 Subsidiary Corp., Bridge Street Fund 1994, L.P., and Polo Ralph Lauren Corporation*
10.4	U.S.A. Design and Consulting Agreement, dated January 1, 1985, between Ralph Lauren, individually and d/b/a Ralph Lauren Design Studio, and Cosmair, Inc., and letter agreement related thereto dated January 1, 1985**
10.5	Restated U.S.A. License Agreement, dated January 1, 1985, between Ricky Lauren and Mark N. Kaplan, as Licensor, and Cosmair, Inc., as Licensee, and letter agreement related thereto dated January 1, 1985**
10.6	Foreign Design and Consulting Agreement, dated January 1, 1985, between Ralph Lauren, individually and d/b/a Ralph Lauren Design Studio, as Licensor, and L'Oreal S.A., as Licensee, and letter agreements related thereto dated January 1, 1985, September 16, 1994 and October 25, 1994**
10.7	Restated Foreign License Agreement, dated January 1, 1985, between The Polo/Lauren Company, as Licensor, and L'Oreal S.A., as Licensee, letter agreement related thereto dated January 1, 1985, and Supplementary Agreement thereto, dated October 1, 1991**
10.8	Amendment, dated November 27, 1992, to Foreign Design And Consulting Agreement and Restated Foreign License Agreement**
10.9	Sublicense Agreement, dated February 1, 1992, between The Ralph Lauren Home Collection and WestPoint Stevens Inc., as successor in interest to J.P. Stevens & Co., Inc., and letter agreements related thereto dated July 6, 1992, January 4, 1994 and July 5, 1994**
10.10	License Agreement, dated March 1, 1998, between The Polo/Lauren Company, L.P. and Polo Ralph Lauren Japan Co., Ltd., and undated letter agreement related thereto**
10.11	Design Services Agreement, dated March 1, 1998, between Polo Ralph Lauren Enterprises, L.P. and Polo Ralph Lauren Japan Co., Ltd.**
10.12	Deferred Compensation Agreement dated April 1, 1993, between Michael J. Newman and Polo Ralph Lauren Corporation, assigned October 31, 1994 to Polo Ralph Lauren, L.P.*
10.13	Deferred Compensation Agreement dated April 3, 1994 between John D. Idol and Polo Ralph Lauren Corporation, assigned October 31, 1994 to Polo Ralph Lauren, L.P.*
10.14	Deferred Compensation Agreement dated April 1, 1995 between F. Lance Isham and Polo Ralph Lauren, L.P.*
10.15	Deferred Compensation Agreement dated April 1, 1993 between Cheryl L. Sterling Udell and Polo Ralph Lauren Corporation, assigned October 31, 1994 to Polo Ralph Lauren, L.P.*
10.16	Deferred Compensation Agreement dated April 1, 1996 between Donna A. Barbieri and Polo Ralph Lauren, L.P.*
10.17	Severance Agreement dated October 26, 1993 between Michael J. Newman and Polo Ralph Lauren Corporation, assigned October 31, 1994 to Polo Ralph Lauren, L.P.*
10.18	Severance Agreement dated March 3, 1994 between John D. Idol and Polo Ralph Lauren Corporation, assigned October 31, 1994 to Polo Ralph Lauren, L.P.*

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS
10.19	Severance Agreement dated April 2, 1995 between F. Lance Isham and Polo Ralph Lauren, L.P.*
10.20	Severance Agreement dated October 26, 1993 between Cheryl L. Sterling Udell and Polo Ralph Lauren Corporation, assigned October 31, 1994 to Polo Ralph Lauren, L.P.*
10.21	Employment Agreement dated as of April 1, 1997 between David J. Hare and Polo Ralph Lauren, L.P.*
10.22	Form of Stockholders Agreement among Polo Ralph Lauren Corporation, GS Capital Partners, L.P., GS Capital Partners PRL Holding I, L.P., GS Capital Partners PRL Holding II, L.P., Stone Street Fund 1994, L.P., Stone Street 1994 Subsidiary Corp., Bridge Street Fund 1994, L.P., Mr. Ralph Lauren, RL Holding, L.P. and RL Family, L.P.*
21.1	List of Subsidiaries*
23.1	Consent of Mahoney, Cohen, Rashba & Pokart, CPA, PC
23.2	Consent of Paul, Weiss, Rifkind, Wharton & Garrison (included in its opinion filed as Exhibit 5.1 to the Registration Statement)

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* To be filed by amendment.

** Portions of Exhibits 10.4 - 10.11 have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

(ii) Financial Statement Schedule

Report of Independent Auditors on Schedule

ITEM 17. UNDERTAKINGS.

The Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The Registrant hereby undertakes to provide to the Underwriters at the closing specified in the Underwriting Agreement (filed herewith as Exhibit 1.1) certificates in such denominations and registered in such names as required by the Underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, and controlling persons of the Registrant pursuant to the provisions described above in Item 14 or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer, or controlling person of the Registrant in the successful defense of any action, suit, or proceeding) is asserted against the Registrant by such director, officer, or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THE REGISTRANT HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE CITY OF NEW YORK, STATE OF NEW YORK, ON APRIL 8, 1997.

Polo Ralph Lauren Corporation

By: /s/ Ralph Lauren

RALPH LAUREN
CHAIRMAN OF THE BOARD
AND CHIEF EXECUTIVE OFFICER

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Ralph Lauren, Michael J. Newman and Victor Cohen and each of them, as his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities (until revoked in writing), to sign any and all amendments, including post-effective amendments, to this Registration Statement, and any registration statement relating to the same offering as this Registration Statement that is to be effective upon filing pursuant to Rule 462(b) and the Securities Act of 1933, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or his or their substitute or substitutes may lawfully do or cause to be done by virtue hereof.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES AND ON THE DATES INDICATED.

SIGNATURE	TITLE	DATE
/s/ Ralph Lauren RALPH LAUREN	Chairman, Chief Executive Officer (principal executive officer) and Director	April 8, 1997
/s/ Michael J. Newman MICHAEL J. NEWMAN	Vice-Chairman, Chief Operating Officer and Director	April 8, 1997
/s/ Nancy A. Platoni Poli NANCY A. PLATONI POLI	Vice-President and Chief Financial Officer (principal accounting and financial officer)	April 8, 1997

INDEPENDENT AUDITOR'S REPORT

The Partners
Polo Ralph Lauren Enterprises, L.P.

In connection with our audits of the combined financial statements of Polo Ralph Lauren Corporation as of April 1, 1995 and March 30, 1996 and for each of the three years in the period ended March 30, 1996, which financial statements are included in the Prospectus, we have also audited the financial statement schedule of Valuation and Qualifying Accounts.

In our opinion, this financial statement schedule, when considered in relation to the basic financial statements taken as a whole, present fairly, in all material respects, the information required to be included therein.

/s/ Mahoney Cohen Rashba & Pokart, CPA, PC

MAHONEY COHEN RASHBA & POKART, CPA, PC
New York, New York
June 21, 1996

SCHEDULE II

POLO RALPH LAUREN CORPORATION
VALUATION AND QUALIFYING ACCOUNTS

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	CHARGED TO COSTS AND EXPENSES	CHARGED TO OTHER ACCOUNTS	DEDUCTIONS	BALANCE AT END OF YEAR
YEAR ENDED APRIL 2, 1994					
Allowance for doubtful accounts....	$4,589	$ 1,850	--	$ 1,934(a)	$ 4,505
Allowance for sales discounts......	3,195	15,198	--	14,129	4,264
	$7,784	$ 17,048	--	$16,063	$ 8,769
YEAR ENDED APRIL 1, 1995					
Allowance for doubtful accounts....	$4,505	$ 2,700	--	$ 2,688(a)	$ 4,517
Allowance for sales discounts......	4,264	17,577	--	18,141	3,700
	$8,769	$ 20,277	--	$20,829	$ 8,217
YEAR ENDED MARCH 30, 1996					
Allowance for doubtful accounts....	$4,517	$ 1,122	--	$ 85(a)	$ 5,554
Allowance for sales discounts......	3,700	22,280	--	$20,480	5,500
	$8,217	$ 23,402	--	$20,565	$ 11,054

(a) Accounts written-off as uncollectible.

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS	SEQUENTIALLY NUMBERED PAGE
1.1	Form of Underwriting Agreement*..	
2.1	Subscription Agreement, dated as of April 6, 1997, by and among Mr. Ralph Lauren, RL Holding, L.P., RL Family, L.P., GS Capital Partners, L.P., GS Capital Partners PRL Holding I, L.P., GS Capital Partners PRL Holding II, L.P., Stone Street Fund 1994, L.P., Stone Street 1994 Subsidiary Corp., and Bridge Street Fund 1994, L.P., and Polo Ralph Lauren Corporation*..	
2.2	Assignment and Assumption Agreement, dated as of April 6, 1997, by and among Mr. Ralph Lauren, RL Holding, L.P., RL Family, L.P., GS Capital Partners, L.P., GS Capital Partners PRL Holding I, L.P., GS Capital Partners PRL Holding II, L.P., Stone Street Fund 1994, L.P., Stone Street 1994 Subsidiary Corp., and Bridge Street Fund 1994, L.P. and Polo Ralph Lauren Corporation*..	
3.1	Form of Amended and Restated Certificate of Incorporation of the Company*...	
3.2	Form of Bylaws of the Company*..	
5.1	Opinion of Paul, Weiss, Rifkind, Wharton & Garrison with respect to the legality of the Class A Common Stock*.................................	
10.1	Form of Polo Ralph Lauren Corporation 1997 Long-Term Stock Incentive Plan*..	
10.2	Form of Polo Ralph Lauren Corporation 1997 Stock Option Plan for Non-Employee Directors*..	
10.3	Form of Registration Rights Agreement by and among Ralph Lauren, GS Capital Partners, L.P., GS Capital Partners PRL Holding I, L.P., GS Capital Partners PRL Holding II, L.P., Stone Street Fund 1994, L.P., Stone Street 1994 Subsidiary Corp., Bridge Street Fund 1994, L.P., and Polo Ralph Lauren Corporation*..	
10.4	U.S.A. Design and Consulting Agreement, dated January 1, 1985, between Ralph Lauren, individually and d/b/a Ralph Lauren Design Studio, and Cosmair, Inc., and letter agreement related thereto dated January 1, 1985**..	
10.5	Restated U.S.A. License Agreement, dated January 1, 1985, between Ricky Lauren and Mark N. Kaplan, as Licensor, and Cosmair, Inc., as Licensee, and letter agreement related thereto dated January 1, 1985**...........	
10.6	Foreign Design and Consulting Agreement, dated January 1, 1985, between Ralph Lauren, individually and d/b/a Ralph Lauren Design Studio, as Licensor, and L'Oreal S.A., as Licensee, and letter agreements related thereto dated January 1, 1985, September 16, 1994 and October 25, 1994**..	
10.7	Restated Foreign License Agreement, dated January 1, 1985, between The Polo/Lauren Company, as Licensor, and L'Oreal S.A., as Licensee, letter agreement related thereto dated January 1, 1985, and Supplementary Agreement thereto, dated October 1, 1991**.............................	
10.8	Amendment, dated November 27, 1992, to Foreign Design And Consulting Agreement and Restated Foreign License Agreement**......................	
10.9	Sublicense Agreement, dated February 1, 1992, between The Ralph Lauren Home Collection and WestPoint Stevens Inc., as successor in interest to J.P. Stevens & Co., Inc., and letter agreements related thereto dated July 6, 1992, January 4, 1994 and July 5, 1994**.......................	

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS	SEQUENTIALLY NUMBERED PAGE
10.10	License Agreement, dated March 1, 1998, between The Polo/Lauren Company, L.P. and Polo Ralph Lauren Japan Co., Ltd., and undated letter agreement related thereto**...	
10.11	Design Services Agreement, dated March 1, 1998, between Polo Ralph Lauren Enterprises, L.P. and Polo Ralph Lauren Japan Co., Ltd.**........	
10.12	Deferred Compensation Agreement dated April 1, 1993, between Michael J. Newman and Polo Ralph Lauren Corporation, assigned October 31, 1994 to Polo Ralph Lauren, L.P.*	
10.13	Deferred Compensation Agreement dated April 3, 1994 between John D. Idol and Polo Ralph Lauren Corporation, assigned October 31, 1994 to Polo Ralph Lauren, L.P.*	
10.14	Deferred Compensation Agreement dated April 1, 1995 between F. Lance Isham and Polo Ralph Lauren, L.P.*	
10.15	Deferred Compensation Agreement dated April 1, 1993 between Cheryl L. Sterling Udell and Polo Ralph Lauren Corporation, assigned October 31, 1994 to Polo Ralph Lauren, L.P.*	
10.16	Deferred Compensation Agreement dated April 1, 1996 between Donna A. Barbieri and Polo Ralph Lauren, L.P.*	
10.17	Severance Agreement dated October 26, 1993 between Michael J. Newman and Polo Ralph Lauren Corporation, assigned October 31, 1994 to Polo Ralph Lauren, L.P.*	
10.18	Severance Agreement dated March 3, 1994 between John D. Idol and Polo Ralph Lauren Corporation, assigned October 31, 1994 to Polo Ralph Lauren, L.P.*	
10.19	Severance Agreement dated April 2, 1995 between F. Lance Isham and Polo Ralph Lauren, L.P.*	
10.20	Severance Agreement dated October 26, 1993 between Cheryl L. Sterling Udell and Polo Ralph Lauren Corporation, assigned October 31, 1994 to Polo Ralph Lauren, L.P.*	
10.21	Employment Agreement dated as of April 1, 1997 between David J. Hare and Polo Ralph Lauren, L.P.*	
10.22	Form of Stockholders Agreement among Polo Ralph Lauren Corporation, GS Capital Partners, L.P., GS Capital Partners PRL Holding I, L.P., GS Capital Partners PRL Holding II, L.P., Stone Street Fund 1994, L.P., Stone Street 1994 Subsidiary Corp., Bridge Street Fund 1994, L.P., Mr. Ralph Lauren, RL Holding, L.P. and RL Family, L.P.*	
21.1	List of Subsidiaries*	
23.1	Consent of Mahoney, Cohen, Rashba & Pokart, CPA, PC.....................	
23.2	Consent of Paul, Weiss, Rifkind, Wharton & Garrison (included in its opinion filed as Exhibit 5.1 to the Registration Statement)............	

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* To be filed by amendment.

** Portions of Exhibits 10.4 - 10.11 have been omitted pursuant to a request for confidential treatment and have been filed separately with the Securities and Exchange Commission.

EXHIBIT 10.4

PORTIONS OF THIS EXHIBIT HAVE BEEN
OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL
TREATMENT AND HAVE BEEN FILED SEPARATELY WITH THE SECURITIES AND
EXCHANGE COMMISSION. SUCH PORTIONS ARE DESIGNATED "[***]".

Conformed Copy

U.S.A. DESIGN AND CONSULTING AGREEMENT

Dated as of January 1, 1985

-between-

RALPH LAUREN,

individually and d/b/a

RALPH LAUREN DESIGN STUDIO,

-and-

COSMAIR, INC.

TABLE OF CONTENTS

U.S.A. DESIGN AND CONSULTING AGREEMENT dated as of January 1, 1985 by and between Ralph Lauren ("Lauren") individually and doing business under the name Ralph Lauren Design Studio, with a place of business at 40 West 55th Street, New York, New York 10019, and Cosmair, Inc., a corporation organized under the laws of Delaware ("Company"), with a place of business at 530 Fifth Avenue, New York, New York 10036.

A. Lauren is an internationally famous designer who has received numerous awards for his design of men's and women's wear, has twice been inducted into the Coty Hall of Fame for his design of men's and women's fashions and is a creator of original designs for fragrances, jewelry and other products.

B. Lauren has previously sold and transferred to certain Trusts created under an agreement dated September 21, 1976 (the "Trusts") all his rights and interest in and to certain present and future trademarks and trade names ("Names") in connection with the manufacture, sale, marketing, use and other commercial exploitation of fragrances and scents, cosmetic preparations, personal hygiene products and toiletries around the world. The Trusts have previously transferred to The Polo/Lauren Company ("PLC"), a New York limited partnership, all of their rights and interests in and to the Names in connection with the manufacture, sale, marketing, use and other commercial exploitation of fragrances and scents, cosmetic preparations, personal hygiene products and toiletries outside of the U.S.A. (as hereinafter defined), and the Trusts continue to own such rights in and for the U.S.A.

C. Pursuant to various agreements dated as of November 22, 1976 (executed on June 30, 1978) among Warner/Lauren Ltd. ("WLL") the trustees of the Trusts, PLC and Lauren, WLL obtained (i) exclusive licenses to use the Names worldwide in connection with the manufacture, marketing, use, sale and other commercial exploitation of certain specified men's and women's fragrances, scents, cosmetic preparations, personal hygiene products and toiletries, referred to as "Royalty Products" and (ii) the services of Lauren in the creation of packaging designs for the Royalty Products and the exclusive worldwide right to use said Lauren-created designs in conjunction with the Royalty Products.

D. Pursuant to a stock purchase agreement dated January 13, 1984 and a subsequent series of corporate mergers and restructurings, the Company assumed all the rights, duties and obligations of WLL under the aforementioned agreements. On this date, the Company has assigned to L'Oreal S.A. ("L'Oreal") all of its rights, duties and obligations under the aforementioned agreements as they relate to the manufacture, marketing, use, sale and other commercial exploitation of Royalty Products and said Lauren created Packaging designs outside of the U.S.A. but has otherwise retained all of such rights as they relate to the U.S.A.

E. Contemporaneously herewith, pursuant to a restated license agreement (the "Restated U.S.A. License Agreement") between the Company and the Trusts, said parties have set forth their restated agreement concerning the Company's exclusive license to use the Names in connection with the manufacture, marketing, use, sale and other commercial exploitation in the U.S.A. of certain men's and women's fragrances, scents, cosmetic preparations, personal hygiene products, and toiletries, including, without limitation, those described in Schedule A annexed to the Restated U.S.A. License Agreement (the "Licensed Products"), and which when sold or marketed under the Restated U.S.A. License Agreement by the Company or its Affiliates (as such terms are hereinafter defined) are therein and herein also referred to as the "Royalty Products." The Restated U.S.A. License Agreement is herein, at times, referred to as the "License Agreement" and capitalized defined terms used herein shall have the same meaning as in the License Agreement, unless otherwise herein indicated.

F. The value of the Name is largely attributable to the skill and personal efforts of Lauren in designing. The Company and Lauren now wish to amend and restate and to set forth in one document their understanding concerning the services of Lauren in connection with the design of the Royalty Products and the packaging thereof which will be sold under the Names, and with respect to any patents of the designs and any copyrights thereon resulting from Lauren's services. As used herein and in the License Agreement, "Packaging" refers to all caps, bottles, containers, boxes, wrappings, labels, tags and any and all other receptacles and adornments used in connection with the marketing of the Royalty Products.

IN CONSIDERATION of the foregoing premises and of the mutual covenants herein contained, the parties hereto, intending legally to be bound, do hereby agree as follows:

1. Definitions.

Certain words and terms as used in this Agreement shall have the meanings given to them by the definitions and descriptions in this paragraph, and such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms herein defined.

"Affiliates" shall mean all persons or business entities, whether corporations, partnerships, joint ventures or otherwise, which now or hereafter own, or are owned or controlled, directly or indirectly by the Company.

"the Company" shall have the meaning assigned to that term in the preamble to this Agreement.

"Chaps Compensation" shall have the meaning assigned to that term in paragraph 4(a)(iii) of this Agreement.

"Chaps Royalty Products" shall mean those Royalty Products which are not Cosmetic Royalty Products and which are marketed as part of the line which bears the Chaps name.

"Cosmetic Royalty Products" shall mean those Royalty Products which are cosmetic preparations, including specifically the ones described under the caption Cosmetic Preparations in Schedule A annexed to the License Agreement.

"Cosmetics Compensation" shall have the meaning assigned to that term in paragraph 4(a)(ii) of this Agreement.

"Design Concepts" shall have the meaning assigned to that term in paragraph 2(b) of this Agreement.

"Design Studio" shall have the meaning assigned to that term in paragraph 2(d) of this Agreement.

"Final Prototype" shall have the meaning assigned to that term in paragraph 3(d) of this Agreement.

"Full Priced Royalty Products" shall have the meaning assigned to that term in paragraph 4(e) of this Agreement.

"Lauren" shall have the meaning assigned to that term in the preamble to this Agreement.

"License" shall have the meaning assigned to that term in paragraph 3(c) of this Agreement.

"License Agreement" shall mean the Restated U.S.A. License Agreement dated the date hereof between the trustees of the Trusts and the Company.

"Licensed Products" shall have the meaning assigned to that term in recital E to this Agreement.

"Names" shall have the meaning assigned to that term in recital B to this Agreement.

"Net Sales" shall have the meaning assigned to that term in paragraph 4(d) of this Agreement.

"New Licensed Products" shall mean Licensed Products not marketed as of the date hereof or, if then existing, for which Lauren develops new Packaging thereafter.

"Packaging" shall have the meaning assigned to that term in recital F to this Agreement.

"PFI" shall mean Polo Fashions, Inc., a New York corporation controlled by Lauren.

"PLC" shall have the meaning assigned to that term in recital B to this Agreement.

"Promotion Products" shall have the meaning assigned to that term in paragraph 4(f) of this Agreement.

"Prototype" shall have the meaning assigned to that term in paragraph 3(d) of this Agreement.

"Regular Compensation" shall have the meaning assigned to that term in paragraph 4(a)(i) of this Agreement.

"Royalty Products" shall have the meaning assigned to that term in recital E to this Agreement.

"Semi-Annual Accounting Period" shall have the meaning assigned to that term in the License Agreement in paragraph 4(b) of this Agreement.

"Territory" shall mean the U.S.A.

"Trusts" shall have the meaning assigned to that term in recital B to this Agreement.

"U.S.A." shall mean the United States of America, its territories and possessions (including, without limitation, Puerto Rico) and any military bases and duty free shops situated therein.

"WLL" shall have the meaning assigned to that term in recital C to this Agreement.

2. Design.

(a) At any time or from time to time the Company shall provide Lauren with a list or lists setting forth those New Licensed Products for which the Company shall require Packaging. The Company acknowledges that it is receiving valuable rights from Lauren by virtue of its right to use previously designed packaging concepts for Licensed Products heretofore primarily marketed in the U.S.A. It is the intention of each of the parties hereto that the marketing programs established for Licensed Products will be applied throughout the world, so as to project a consistent world-wide image. The Company shall provide Lauren with all pertinent information concerning the desired New Licensed Products, including proposed launch dates.

(b) At any time or from time to time within a reasonable period (consistent with Lauren's and the Company's reasonable schedules), following receipt by Lauren of the aforesaid list or lists, Lauren shall provide the Company with a program of suggested, broad design themes and concepts with respect to the Packaging for such New Licensed Products ("Design Concepts") which shall be embodied in verbal and/or written descriptions of design themes and concepts and such other detailed designs and sketches therefor, as Lauren deems appropriate. Lauren shall have full discretion with respect to the manner in which the Design Concepts shall be formulated and presented by Lauren to the Company. The

Company and Lauren shall confer on Design Concepts and shall make such modifications as are required to meet Lauren's approval.

(c) The Design Concepts, as finally agreed upon, shall be the basis of the Packaging for any New Licensed Products subject to such changes as the Company with the approval of Lauren may deem necessary to increase the sales of said Products.

(d) Lauren may engage such employees, agents and consultants operating under Lauren's supervision and control (such employees, agents and consultants collectively, the "Design Studio") as he may deem necessary and appropriate.

(e) From time to time while this Agreement is in effect, Lauren and/or the Design Studio may (i) develop or modify and implement designs from the Design Concepts or other designs furnished by Lauren or (ii) develop and implement new designs, which the Company may incorporate into the Packaging for Royalty Products.

(f) If the Company wishes to prepare a design or designs for New Licensed Products, it shall submit to Lauren for his approval the Company's proposed Packaging designs therefor. Lauren may, with respect to all designs intended to be incorporated into the Packaging of the New Licensed Products, review and approve, with such modifications as he may deem necessary or appropriate, or disapprove, in either event by notice to the Company, designs prepared by the Company.

(g) The Company shall submit to Lauren for his review and approval, which approval will not be unreasonably withheld or delayed by Lauren, the Company's proposed media advertising (other than cooperative advertising) relating to each Licensed Product or Licensed Product line, and the Company's proposed selection of Promotion Products other than Promotion Products which are also Licensed Products. All layouts proposed by the Company for cooperative advertising shall similarly be subject to Lauren's review and approval; provided, however, that in the event the Company is not as a matter of practice given an opportunity to review the cooperative advertising due to time constraints, then the Company shall notify Lauren of those customers with whom it does cooperative advertising and/or promotions, and the Company shall notify the same customers of the terms of this Agreement which pertain to said advertising or promotional material used by any such customer. Lauren may, with respect to such advertising and Promotion Products, make such suggestions as he may deem necessary or appropriate, or disapprove, in either event by notice to the Company. Notwithstanding the foregoing, if the Company makes minor, non-material alterations in any advertising with respect to a Royalty Product or Royalty Product line, which advertising has previously been approved by Lauren, the Company need not resubmit such advertising to Lauren for his review or approval.

(h) Lauren's right of approval under sub-paragraphs (b), (c), (f) and (g) of this paragraph 2, sub-paragraphs (d) and (e) of paragraph 3 and sub-paragraph (f) of paragraph 4 may be exercised personally by Lauren or by the Design

Studio. If Lauren or the Design Studio fails or is unable to exercise such right within thirty (30) days (fifteen (15) days with respect to sub-paragraph (g) of this paragraph 2), Lauren shall be deemed to have given his approval to the Company with respect to the matter as to which his approval was sought or otherwise required.

(i) All patents and copyrights on designs of the Royalty Products shall be applied for (where application is desired by the Company) by Lauren, at the expense of the Company, and shall designate Lauren as the patent or copyright owner, as the case may be, thereof. All patents, trade secrets or formulas created by or for the Company for Licensed Products and technical know-how and licenses (including technical assistance agreements) shall remain the property of the Company. The Company shall issue such patent and other licenses as may be necessary to enable the entity to which Lauren renders design services for Licensed Products outside the Territory to market the same Licensed Products as are marketed by the Company in the Territory.

3. Design Legends, Copyright Notice and Licensed Products.

(a) All designs of Royalty Products and Packaging created by Lauren or the Design Studio, or created by or for the Company and reviewed and approved by Lauren or reviewed by the Design Studio, or developed by or for the Company from Design Concepts or subsequent design concepts furnished or approved by Lauren or furnished or reviewed by the Design Studio, shall be subject to the provisions of this paragraph 3.

(b) The Company shall cause to be placed on all Packaging appropriate notice designating Lauren as the copyright or design patent owner thereof, as the case may be, except that the Company may, with respect to bottles of 3 oz. or less, omit such notice if the placement thereof shall not be esthetic in the Company's reasonable judgment (provided, however, that if such notice is omitted from a bottle, a notice will be placed on the box or other packaging thereof indicating: "Packaging and bottle (C) Ralph Lauren" together with a date and/or such other similar notice as may be required by law in order to protect Lauren's proprietary rights). The manner of presentation of said notices shall be within the discretion of the Company, consistent with good taste and esthetics, it being understood that placement of said notice on the bottom of a bottle or lip of a carton shall be acceptable.

(c) Lauren hereby grants to the Company the exclusive right, license and privilege (the "License") to use in the Territory the designs furnished hereunder and all copyrights, if any, therein, and shall execute and deliver to the Company all documents and instruments necessary to perfect or evidence such license; provided, however, that all such right, title and interest therein shall revert to Lauren upon termination of this Agreement and the Company shall thereupon execute and deliver to Lauren all documents and instruments necessary to perfect or evidence such reversion. The License shall be exclusive even as to Lauren, and shall continue for a term of ninety-nine (99) years, unless terminated in accordance with paragraph 8 hereof.

(d) The Company shall obtain the written approval of Lauren, acting through Mr. Ralph Lauren individually or a designee of Lauren, of all new Licensed Products, by submitting a Prototype, of each different design or model of a Licensed Product, including, but not limited to, the type and quality of materials, colors and workmanship to be used in connection therewith, prior to any commercial production thereof. In the event that Lauren rejects a particular Prototype or Prototypes, Lauren shall notify the Company of his reasons for rejection and may provide the Company with suggestions for modifying the particular Prototype or Prototypes which Lauren is rejecting. The Company shall promptly correct said Prototype or Prototypes, resubmit said Prototype or Prototypes to Lauren and seek Lauren's approval under the same terms and conditions as set forth herein with respect to the first submission of Prototypes. As used herein, the term "Prototype" shall mean any and all models, or actual samples, of Licensed Products; and the term "Final Prototype" shall mean the actual final sample of a Licensed Product upon which the first commercial production will be based and which has been approved by Lauren prior to the first commercial production thereof pursuant to this paragraph.

(e) Approval of any and all Prototypes as Final Prototypes shall be in the sole discretion of Mr. Ralph Lauren, individually, or a designee of Lauren. The Licensed Products thereafter manufactured and sold by the Company shall strictly adhere, in all respects, including, without limitation, with respect to materials, color, workmanship, designs, decisions, styling, detail and quality, to the Final Prototypes approved by Lauren.

(f) The Company shall comply with all laws, rules, regulations and requirements of any governmental body which may be applicable to the manufacture, distribution, sale or promotion of Licensed Products, notwithstanding the fact that Lauren may have previously approved a conflicting item or conduct. The Company shall advise Lauren to the extent any Final Prototype does not comply with any such law, rule, regulation or requirement.

(g) It is the intention of the parties that Lauren and/or senior executive personnel of the Design Studio and senior executives of the Company shall meet regularly at mutually convenient places and dates to review all areas of product creation and promotional themes and to discuss and pursue in good faith the resolution of problems encountered by either party in connection with this Agreement.

4. Lauren's Compensation.

(a) As full compensation for the services and License, the Company shall pay to Lauren sums equal to the following: the "Regular Compensation," the "Cosmetic Compensation" and the "Chaps Compensation," all of which shall collectively be referred to as the "Compensation."

(i) The "Regular Compensation" shall be equal to [***] percent [***] of the "Company's Net Sales" excluding that portion of Net Sales attributable to (i) Cosmetic Royalty Products and (ii) sales of Chaps Royalty Products.

(ii) The Cosmetics Compensation shall be equal to the following percentages of the Company's Net Sales of Cosmetic Royalty Products for the calendar years indicated:

Calendar Year	Cosmetics Royalty Percentage
1985	[***]
1986 and 1987	[***]
1988	[***]
1989 and thereafter	[***]

(iii) The Chaps Compensation shall be equal to [***] percent [***] of the Company's Net Sales of Chaps Royalty Products for calendar year 1985 and to [***] percent [***] of the Company's Net Sales of Chaps Royalty Products for calendar year 1986 and each year thereafter.

(b) The Regular Compensation, the Cosmetic Compensation and the Chaps Compensation shall be payable as follows: With respect to each "Semi-Annual Accounting Period" (being the 6-month period ending June 30 and December 31 of each year during the term of this Agreement, except that the first Semi-Annual Accounting Period shall be the period from the date hereof through June 30, 1985) the entire Regular Compensation, Cosmetics Compensation and Chaps Compensation for such Semi-annual Accounting Period shall be paid on or before the last day of the month next following the end of such Semi-Annual Accounting Period.

(c) [Intentionally Omitted]

(d) The term "Net Sales" as used herein shall mean the gross sales made by or through the Company and its Affiliates to retailers or to ultimate consumers (as in the case of accommodation sales to their respective employees and to others) of Full-Priced Royalty Products, excluding amounts received for shipping charges and sales, excise or other taxes which are collected by them, and less all allowances, discounts, returns and bad debts. The term "bad debts" as used in this sub-paragraph shall mean accounts receivable of the Company and its Affiliates arising from the aforesaid sales of Full-Priced Royalty Products which have not been paid within 120 days after the due date; provided, however, that if any bad debt is subsequently collected, then, and in such event, the amount thereafter collected on account of such bad debt shall, upon collection, be included in the Company's Net Sales for the period collected. Sales of Licensed Products between the Company and its Affiliates (or persons, firms, corporations or businesses with rights to use the Names on Licensed Products outside the Territory), or between said Affiliates, shall not be included in the calculation of the Company's Net Sales, provided such sales are made solely for the purpose of further re-sale.

(e) The term "Full Priced Royalty Products" as used herein shall mean all Royalty Products except (i) display materials, sales and dummies and (ii) Promotion Products.

(f) The term "Promotion Products" shall mean Royalty Products which are sold to retailers (x) at a price yielding less than the mark-up or profit margin generally realized by the Company or its Affiliates upon the sale by them to retailers of Royalty Products (y) to enable such retailers to re-sell such products to ultimate consumers in conjunction with the sale by such retailers to ultimate consumers of other Royalty Products (which are not Promotion Products), and (z) for the purpose of promoting the sale of such other Royalty Products; provided, however, that notwithstanding the foregoing if the Cost of Goods (as hereinafter defined) to the Company or its Affiliates (as the case may be) of a Royalty Product is not greater than [***] percent ([***]) of the price at which such product is sold by them to retailers, then, and in such event, such Royalty Product shall not be deemed a Promotion Product. The "Cost of Goods" of a Royalty Product shall include and consist of (i) the variable costs of materials (including packaging, components, chemicals) and all other manufacturing costs directly traceable to the production of units of the Royalty Product, (ii) all direct labor costs, and (iii) an appropriate allocation of all fixed costs consisting of all manufacturing costs and overhead not traceable to specific units of production (such as rent, heat, plant manager, etc.), all in conformity with normal industry practice. The Company shall sell or give away products which are not Royalty Products in conjunction with Royalty Products only with Lauren's prior approval (or with the approval of the Trusts under the License Agreement given pursuant to paragraph 4.6(d) thereof), to be exercised in his sole discretion. Sales of such products shall nevertheless be subject to compensation payments pursuant to this paragraph 4 unless otherwise agreed by Lauren and the Company or unless such promotional products are purchased from licensees of Lauren and PFI or their Affiliates in transactions from which Lauren and PFI or their Affiliates will derive their full compensation and royalty (as the case may be) fees or unless the Cost of Goods of such products to the Company or its Affiliates (as the case may be) is greater than [***] percent [***] of the price at which such products are sold by them to retailers. Upon Lauren's request, Lauren and the Company shall review periodically the Company's promotional practices hereunder, and should said review reveal that the Company is deriving excess profits on sales of non-Royalty Products, Lauren and the Company shall negotiate in good faith an appropriate compensation to be paid in connection with said sales.

5. Reports.

5.1 The Company shall prepare, maintain and furnish to Lauren such records and reports as are required pursuant to Article 5 of the License Agreement. Submission of the required records and reports to the Trusts pursuant to the License Agreement shall be deemed to have been furnished to Lauren unless Lauren requests separate submissions.

6. Operating Expenses.

The Company shall, provided its written consent shall have been obtained in advance, reimburse, advance or pay directly any and all costs and expenses for travel outside of New York City, reasonably incurred by Lauren, the Design Studio or any authorized designee of Lauren, in connection with performance of the services and supplying of the designs rendered and created pursuant to paragraph 2.

7. Death or Incapacity of Lauren.

In the event Lauren dies or becomes incapacitated, the Design Studio, or if the Design Studio is not then in existence, Lauren's authorized designee, or such entity or person as is responsible for the overall creation of marketing and design philosophy of Ralph Lauren products, shall perform the obligations of Lauren hereunder and the Company will accept the services of the Design Studio or such designee, entity or person, and, accordingly, assume the expenses of the Design Studio, designee, entity or person as provided in paragraph 6. The Company shall pay all amounts required under paragraph 4 to Lauren or his heirs, successors or assigns.

8. Termination.

This Agreement shall continue in full force and effect until terminated in one of the following ways, but in any event shall terminate upon termination of the License Agreement being executed simultaneously herewith:

(a) By Lauren, in the event that (i) any Compensation is not paid by the Company when due, and such failure to pay is not cured within ten (10) days following notice to the Company of such failure (unless such payment is disputed by the Company in good faith, in which event the time to cure a failure to make payment shall begin after the rendition of an unappealable final judgment by an arbitration panel or a court of competent jurisdiction), (ii) the License Agreement is terminated pursuant to the provisions of paragraph 9.1(a) thereof, (iii) there shall be a substantial breach by the Company of any other material provision of this Agreement, including specifically its obligations under paragraph 2(g), which breach shall not have been cured within ninety (90) days after Lauren shall have given the Company notice of the same, then, and in any of such events, at the option of Lauren or the Design Studio or Lauren's heirs, successors or assigns, this Agreement shall immediately terminate, and, subject to paragraph 8(c), all rights of the Company in and to the designs furnished hereunder and all copyrights and design patents therein shall terminate.

(b) By the Company, in the event that (i) Lauren makes an assignment for the benefit of creditors or is adjudged in any legal proceeding to be voluntarily or involuntarily bankrupt, (ii) the License Agreement being executed simultaneously herewith is terminated pursuant to the provisions of paragraph 9.1(b) thereof, or (iii) there shall be a substantial breach by Lauren of any other material provision of this Agreement, which breach shall not have been cured within ninety (90) days after the Company shall have given Lauren notice of the same.

(c) Subject to the provisions of paragraph 9.5 of the License Agreement, for the Post-Termination Period referred to in paragraph 9.4 of the License Agreement, the Company may continue to sell Royalty Products which were in inventory, in process, or for which written orders had been received from customers, as of the date of termination of this Agreement. Upon the conclusion of the Post-Termination Period all rights and interests in and to the designs furnished hereunder and design patents therein and all copyrights licensed hereby shall belong to and be the property of Lauren, and the Company shall have no further or continuing right or interest therein.

(d) The Company acknowledges and admits that there would be no adequate remedy at law for its failure to cease the manufacture or sale of Royalty Products at the termination of the Post-Termination Period and the Company agrees that in the event of such failure, Lauren shall be entitled to relief by way of temporary or permanent injunction and such other and further relief as any court with jurisdiction may deem proper.

(e) For the purposes of subparagraphs (a) and (b) of this paragraph 8, a breach of this Agreement shall be deemed to be cured if the course of conduct or omission comprising or causing such breach is timely brought to an end whether or not the effects of such prior conduct or omission continue thereafter.

(f) The exercise by either party hereto of any of the foregoing rights of termination shall not constitute a waiver of other rights and remedies available to such terminating party, including, unless otherwise specifically provided herein, any right to damages; provided, however, that neither Lauren nor the Company shall be entitled to damages in the event this Agreement terminates as a result of the termination of the License Agreement due to a default by the Company under paragraph 7.2(e) of the License Agreement or by the Trusts under paragraph 7.1(f) of the License Agreement. The failure by either party to insist upon the strict performance of any provision hereof shall not constitute a waiver by such party of its right to strict performance of such provision in the future nor shall a waiver of any right hereunder on any occasion constitute a waiver of such right on any other occasion.

9. Notices.

All notices or other communications required or contemplated hereunder shall be in writing and shall be deemed given when transmitted by telex (with confirmed answerback) or delivered in person or fifteen (15) days after sent, postage prepaid, by registered mail, as follows:

(a) if to the Company, addressed as follows:

Cosmair, Inc.
530 Fifth Avenue
New York, New York 10036
Attention: President
Telex: 421973 COS UI

with a copy to:

John F. Flaherty, Esq.
Gibney Anthony & Flaherty
420 Lexington Avenue
New York, New York 10170
Telex: 649388

(b) if to Lauren or the Design Studio, addressed as follows:

Ralph Lauren Design Studio
1107 Fifth Avenue
New York, New York 10028
Telex: 420747 POLOFAS

with a copy to:

Mark N. Kaplan, Esq.
Skadden, Arps, Slate, Meagher & Flom
919 Third Avenue
New York, New York 10012
Telex: 645899

Anyone entitled to notice hereunder may change the address to which notices or other communications are to be sent to it by notice given in the manner contemplated hereby.

10. Binding Effect.

This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties hereto.

11. Assignment.

(a) Lauren may assign his right to receive compensation under this Agreement.

(b) The Company may assign its rights and obligations under this Agreement only (i) to a transferee of substantially all of its business or assets and upon the express assumption of all of the Company's obligations hereunder by such transferee or to a successor to the Company's business by way of merger, consolidation or other business combination or (ii) to an Affiliate, in which case the Company shall remain liable hereunder.

12. Arbitration and Equitable Remedies.

12.1 Any controversy, claim or dispute arising out of or relating to this Agreement or breach thereof, except with respect to an application pursuant to paragraph 12.2 hereof, shall be settled by binding arbitration in accordance with the rules of the International Chamber of Commerce, by three arbitrators selected in accordance with such rules, and judgment upon any award so rendered may be entered in any court having jurisdiction thereof. The arbitration shall be held in New York, New York. Notice of arbitration shall be sufficient if made or given in accordance with the provisions of article 9 hereof.

12.2 In the event of a breach or threatened breach of this Agreement, any party hereto shall have the right, without the necessity of proving any actual damages, to obtain temporary or permanent injunctive or mandatory relief, it being the intention of the parties that this Agreement be specifically enforced to the maximum extent permitted by law.

13. Relationship of Parties.

This Agreement shall not create nor be considered to create the relationship of master and servant, principal and agent, partnership or joint venture between the parties hereto, and neither party shall be liable for any obligation, liability, representation, negligent act or omission to act on the part of the other except as expressly set forth herein.

14. Governing Law.

This Agreement shall be construed and governed in accordance with the internal laws of the State of New York without regard to choice of law provisions.

15. Entire Agreement.

This Agreement contains the entire agreement between the parties hereto with respect to the transactions contemplated hereby and may not be changed or terminated orally. No modification or waiver of any of the provisions hereof shall be valid unless signed by a party to be charged therewith.

16. Severability.

Provisions of this Agreement are severable, and if any provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such provision, or part thereof, in such jurisdiction and shall not in any manner affect such provision in any other jurisdiction, or any other provision in this Agreement in any jurisdiction.

17. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

18. Termination of Prior Agreement.

This Agreement supersedes a prior design and consulting agreement made and dated as of November 22, 1976 (executed on June 30, 1978) between the Company (as successor to the rights of WLL) and Lauren, and the rights, duties and obligations of the parties from this date forth shall be governed by this Agreement; provided that the Company's obligations prior to this date shall continue to be governed by the prior design and consulting agreement and the Company shall remit compensation with respect to sales of Licensed Products made prior to such date as required thereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused the same to be executed by a duly authorized officer as of the 1st day of January, 1985.

COSMAIR, INC.

By: /s/ Jacques H. Correze

Date: October 8, 1985

/s/ Ralph Lauren

Ralph Lauren, individually and doing business as Ralph Lauren Design Studio

Date: October 8, 1985

Conformed Copy

COSMAIR, INC.
530 Fifth Avenue
New York, New York 10036

As of January 1, 1985

Mr. Ralph Lauren
1107 Fifth Avenue
New York, New York 10028

and

Polo Fashions, Inc.
40 West 55th Street
New York, New York 10019

Gentlemen:

Reference is made (i) to a restated U.S.A. license agreement (the "License Agreement") dated as of January 1, 1985 between Cosmair, Inc., a Delaware corporation (the "Licensee"), and Ricky Lauren and Mark N. Kaplan as trustees under an Agreement dated September 21, 1976 (the "Licensor"), which License Agreement is being executed simultaneously herewith, and (ii) to a U.S.A. design and consulting agreement (the "Design Agreement") dated as of January 1, 1985 between Ralph Lauren ("Lauren") individually and doing business under the name Ralph Lauren Design Studio, and Licensee, which Design Agreement is being executed simultaneously herewith. The License Agreement and the Design Agreement are hereinafter, at times, referred to collectively as the Agreements.

In order to induce the Licensee to enter into the Agreements and to perform the obligations imposed on the Licensee thereunder, the Licensor has requested Lauren and Polo Fashions, Inc., a New York corporation ("PFI"), to confirm to the Licensee certain representations, warranties, covenants and acknowledgments, which representations, warranties, covenants and acknowledgments have previously been made to the Licensor by Lauren and PFI.

NOW, THEREFORE, the parties hereto agree as follows:

1. Lauren and PFI, jointly and severally, hereby make the following representations and warranties to the Licensee, which are confirmatory of the rights received by the Licensor under various agreements (the "Transfer

Agreements") among the Licensor, The Polo/Lauren Company ("PLC"), Lauren and PFI each of which shall be deemed to be independently material and relied upon by the Licensee, regardless of any investigation made or information obtained by the Licensee:

(a) By operation of the assignments and conveyances in the Transfer Agreements, as of November 22, 1976 the Licensor became the sole owner of the trademark "Polo by Ralph Lauren," United States Patent Office Registration No. 1,021,368 covering certain products in U.S. Class 51 (as more fully set forth on Schedule A-1 to the License Agreements).

As of November 22, 1976, PFI was the registered owner of, and Lauren had consented to the use of his name in connection with the registration of, the trademarks (i) "Polo (with design) by Ralph Lauren," United States Patent Office Registration No. 978,166 covering certain products in U.S. Class 39, (ii) "Ralph Lauren" (and Polo Player Design), United States Patent Office Registration No. 984,005 covering certain products in U.S. Class 39, (iii) "Chaps by Ralph Lauren," United States Patent Office Registration No. 1,016,955 covering certain products in U.S. Class 39 and (iv) "Polo by Ralph Lauren" covering certain products in U.S. Class 26. PFI and Lauren, by written statement duly executed by them in favor of Licensors, have given their consent and agreement to interpose no objection to the registration, use and licensing of the foregoing trademarks, the Names and all other names and marks, which either or both (or any business entity which is now or hereafter owned or controlled, directly or indirectly, by either or both of them), may hereafter develop or own (except such other names and marks as are not used in connection with any fashion related product) in connection with the manufacture and/or distribution and sale of Licensed Products, as contemplated by the License Agreement;

(b) Licensor has the full right, power and authority to execute and deliver, and perform the terms of, the License Agreement and the consummation of the transactions contemplated by the License Agreement will not violate any agreement to which Licensor, Lauren or PFI is a party or by which they, it or he may be bound;

(c) Without limiting the generality of the last preceding subparagraph, Licensor has the full right to grant the License and neither Licensor, Lauren nor PFI is a party to or bound by any agreement in conflict with the License Agreement or with any provision thereof. Except as may be provided in the Agreements, neither Licensor, Lauren nor PFI has granted to any other person, firm, corporation or business any right, license or privilege to use the Names or associated crests, symbols, logos or identifying marks, or any crest, symbol, logo or identifying marks which would be confusingly similar thereto in connection with any Licensed

Product, or which would have the effect of infringing upon the exclusivity of the License granted to Licensee under the License Agreement;

(d) Schedules A-1 and A-2 to the License Agreement contain a full and complete list of all registrations existing as of November 22, 1976 covering the Current Names and associated crests, symbols, logos and identifying marks in the class of use owned by or registered in the name of Licensor, Lauren and/or PFI in any part of the world; and

(e) To the best of Lauren's and PFI's knowledge as of November 22, 1976 (without any representation of an investigation having been made) no person other than Licensor, Lauren of PFI had as of November 22, 1976 any trade name, trademark or similar right or interest in or to the "Ralph Lauren," "Polo" and "Chaps" Names as applied to Licensed Products in the Territory.

2. In further confirmation of their prior transfer of rights to Licensor, Lauren and PFI, jointly and severally, covenant and agree with Licensee as follows:

(a) Lauren and PFI will not, and will not permit any business entity owned or controlled by them to, grant any person, firm, corporation or business (other than Licensee) any right, license or privilege to use in the Territory the Names or associated crests, symbols, logos or identifying marks or any name, crest, symbol, logo or identifying mark which would be confusingly similar thereto in connection with any Licensed Product, or which would have the effect of infringing upon the exclusivity of the License granted to Licensee under the License Agreement;

(b) Lauren and PFI hereby confirm Licensor's authority to appoint Licensee as its attorney-in-fact to apply for and register, in accordance with the provisions of the Agreements, in the name of Licensor, in the Territory all trade names and trademarks which make use of the Names or are associated therewith as applied to Licensed Products. Lauren and PFI will cooperate with Licensee in all manners and respects, but at Licensee's expense, to enable Licensee to obtain the aforesaid registrations, and Lauren and PFI will execute any further agreements, documents and instruments as may be necessary to effect the same;

(c) Lauren and PFI will not at any time disclose to any person, firm, corporation or business (other than to a person, firm, corporation or business with rights to use the Names on Licensed Products outside the Territory, if required in connection with a program for the Licensed Products outside the Territory) any confidential information (including, without limitation, customer lists) concerning the conduct of the business and affairs of Licensee or of any subsidiary or affiliate of Licensee which they may acquire except as may be required pursuant to law and then only upon advance notice to Licensee;

(d) Lauren and PFI shall protect, indemnify and save harmless Licensee and each of Licensee's officers, directors, employees and agents against any and all liabilities, claims, damages, penalties, causes of action, costs and expenses, including reasonable attorneys' fees, arising out of the breach or material inaccuracy of any of the representations, warranties, covenants and agreements of (x) Licensor contained in the License Agreement or (y) Lauren or PFI, contained in this letter. Licensee shall have the right in its discretion, and with counsel of its own choosing, to take any action, legal or otherwise, in its own name and/or in the name of Lauren or PFI, at Licensee's discretion to protect any trade name or trademark covered by the License from infringement, counterfeiting or passing off. Prior to taking any such action, Licensee shall advise Licensor of its intention to commence the proposed action and thereafter, at Lauren or PFI's request, shall promptly furnish Lauren and/or PFI with copies of relevant documents and Lauren and PFI advised of developments relating to the action. Lauren and PFI shall cooperate with Licensee, and if requested shall join in as a plaintiff in any such action with counsel designated by Licensee. Any legal expenses incurred in the prosecution of such action shall be borne by, and any money recoveries received in such action, shall belong to, Licensee (subject only to the rights, if any, of Licensor to a royalty on any such recovery as expressly provided in the License Agreement);

(e) Lauren and PFI acknowledge that the Current Names have established prestige and good will in the field of fashion apparel and that it is of major importance to Licensee that the high standards and reputation of the Current Names be maintained. Neither Lauren nor PFI will take action which will be likely to injure or damage the reputation for high quality which has come to be associated with the Current Names. Licensee shall not be entitled to damages by reason of Lauren's or PFI's breach or default of their obligations under this subparagraph (e) and Licensee's sole remedy under the Agreements shall be to terminate the Agreements pursuant to the provisions thereof.

(f) Lauren and PFI believe and intend that they have transferred and assigned to Licensor all rights required by Licensor to enable Licensor to fully perform its obligations under the License Agreement. Nevertheless, in confirmation thereof, if Lauren or PFI or any entity owned or controlled by them now has or may hereafter acquire any right or interest in or to any of the Names and if such right or interest is required to or should properly be owned by Licensor under the License Agreement or to otherwise fully perform Licensor's obligations thereunder, then, and in such event, the following provisions shall apply:

(i) Lauren and PFI shall promptly transfer and assign such right and interest to Licensor, without cost or expense to Licensee, and (ii) for the purpose of the License Agreement and Licensee's rights thereunder, such rights and interests shall be deemed to be the property of Licensor (whether or not they are actually assigned or transferred to Licensor a provided in clause (i) above);

(g) If Lauren or PFI hereafter registers any new Name in any part of the world, they will promptly thereafter advise Licensee of the same;

(h) Lauren will not permit his name to be used by any Unaffiliated Third Person as the designer or creator of a line of clothing or any other line of fashion related products owned, manufactured or distributed by such Unaffiliated Third Person, unless such Unaffiliated Third Person agrees, for the benefit of Licensee, that neither Ralph Lauren's name nor the name of Ralph Lauren as part of a trade name or trademark used for or in connection with such line of clothing or other line of fashion related products will be used in the Territory by such Unaffiliated Third Person (or by any person licensed or authorized by him) for a line of Licensed Products or in connection with the sale, distribution or promotion thereof. The term "Unaffiliated Third Person" shall mean every person and business entity except Licensor, Lauren, PFI, PLC and each business entity owned or controlled, directly or indirectly, by them; and

(i) In further confirmation of their prior transfer of rights to Licensor, (i) Lauren and PFI do hereby join in each of the covenants and agreements of Licensor contained in the License Agreements (including, without limitation, the covenants and agreements of the Licensor set forth in paragraphs 2.2, 7, 9.4 and 13 of the License Agreement and (ii) Lauren and PFI expressly consent to all of the other terms and conditions of the License Agreement and will deliver such documents and take such action as may be reasonably requested in order to enable Licensor to fully carry out the intent and accomplish the purposes of the License Agreement.

3. Lauren and PFI hereby agree to indemnify and hold harmless Licensee from and against any and all losses it may suffer and any and all damages, liabilities, claims, costs or expenses (including, without limitation, reasonable attorneys' fees and disbursements) paid or incurred, as the case may be, which it would not have suffered or incurred if PFI (rather than Licensor) had owned the Names and had applied for registration of the First Trademarks, provided, however that any such loss, damage, liability, claim, cost or expense is paid or incurred by Domestic Licensee before PFI has filed applications in its own name for registration of the First Trademarks. The parties acknowledge that the aforesaid indemnification provided by Lauren and PFI under this paragraph 3 shall be the same as that provided to Licensee by the License pursuant to the provisions of paragraph 7.1(b) of the License Agreement. In the event any claim is made or accrued (to Licensees' knowledge) against Licensee which comes within the indemnity set forth in this paragraph, Licensee will promptly notify Lauren and PFI of such claim. Thereafter, Licensor shall have the right, at its own expense and with counsel of its own choice, subject to the approval of Licensee, which approval will not be unreasonably

withheld, to assume the defense of any such claim. Licensee agrees to cooperate fully in the defense of any such claim and may, at its own expense and with counsel of its own choice, participate in the defense of any such claim.

4. Licensee acknowledges that, except as set forth in paragraph 1 hereof, Lauren and PFI have not represented to Licensee that Licensor, Lauren or PFI have any trademarks, trade names or other rights or interests in or to the Names or that persons other than Licensor, Lauren or PFI have no such trademarks, trade names or other rights or interests. If Licensee uses any Name as a trademark, trade name or product name for a Royalty Product without registration of the same (except as may be necessary to establish its use in commerce) Licensee will protect, defend and save harmless Lauren and PFI from and against any claims of third persons for infringement, counterfeiting or passing off against Lauren or PFI arising out of the use of such unregistered Name provided that (x) neither Lauren, PFI nor Licensor shall have misrepresented to Licensee their rights or interests in or to such Name whether in this letter, in the License Agreement or any other instrument, and (y) such claim shall not arise by reason of any action taken by Lauren, PFI or Licensor in breach of any obligation they may have to Licensee whether arising under this letter, the License Agreement or any other instrument.

5. In the event of a breach or threatened breach of any of the covenants of Lauren or PFI contained in this letter, Licensee shall have the right, without the necessity of proving any actual damages, to obtain temporary or permanent injunctive or mandatory relief in a court of competent jurisdiction, it being the intention of the parties to this Agreement that the covenants and agreements of Lauren and PFI hereunder be specifically enforced to the maximum extent permitted by law.

If the representations of Lauren herein contained are not true and correct in any material respect or if there shall be a substantial breach by Lauren of any of its covenants hereunder, which breach shall not have been cured within ninety (90) days after Licensee shall have given Lauren notice of same, such misrepresentation or breach shall be deemed and shall constitute a breach of the Design Agreement, and Licensee shall have the right, in addition to any and all rights and remedies that Licensee has against Lauren by reason of the same, to (i) terminate the Design Agreement and/or (ii) set off any and all damages, costs, expenses, losses, and other injuries sustained by Licensee by reason of such misrepresentation or breach against any sums payable by Licensee under the Design Agreement, except as otherwise provided in this letter or under the Design Agreement.

6. In all instances where Lauren has a right of approval herein, such right may be exercised personally by Lauren or by the Ralph Lauren Design Studio. If Lauren or the Ralph Lauren Design Studio fails or is unable to exercise such right within thirty (30) days (by informing Licensee whether Lauren grants or

withholds his said approval) Lauren shall be deemed to have given his approval to Licensee with respect to the matter as to which his approval was sought.

7. Licensee covenants and agrees with Lauren and PFI, as follows:

(a) Licensee will not disclose to any person, firm, corporation, or business any confidential information concerning the conduct of the business and affairs of Lauren or PFI which Licensee may acquire; and

(b) It is understood that Licensor, Lauren and PFI assume no liability to Licensee or third parties with respect to the performance characteristics of the Royalty Products, and Licensee will protect, defend, indemnify and save harmless, Licensor, Lauren and PFI, their officers, employees and agents, against any and all liabilities, claims, damages, penalties, causes of action, costs and expenses, including reasonable attorneys' fees and disbursements, for product liability or breach of warranty claims of third persons arising out of the use of such Products by such third persons.

8. All notices, approvals or other communications required under or contemplated by this Letter shall be in writing and (x) if given to Licensee, Licensor or Lauren shall be delivered in the manner provided in the Agreements, and (y) if given to PFI shall be transmitted by telex (with confirmed answerback) or delivered in person or sent, postage paid, by registered or certified mail, return receipt requested, as follows:

Polo Fashions, Inc.
40 West 55th Street
New York, New York 10019
Attention: President
Telex: 420747 POLOFAS

with a copy to:

Mark N. Kaplan, Esq.
Skadden, Arps, Slate, Meagher & Flom
919 Third Avenue
New York, New York 10022
Telex: 645899

9. All terms used in this Letter Agreement shall be defined or the purposes hereof as provided in the Agreements unless otherwise expressly defined herein.

10. This Letter Agreement supersedes a prior letter agreement made and dated November 22, 1976 (executed on June 30, 1978) among Licensee (as successor to the rights of Warner/Lauren Ltd.) and Lauren and PFI and the rights, duties and obligations of the parties from this date forth shall be governed by this Letter Agreement.

Very truly yours,

COSMAIR, INC.

By: /s/ Jacques H. Correze

READ AND AGREED TO:

/s/Ralph Lauren

Ralph Lauren

POLO FASHIONS, INC.

By: /s/Peter Strom

EXHIBIT 10.5

PORTIONS OF THIS EXHIBIT HAVE BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND HAVE BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. SUCH PORTIONS ARE DESIGNATED "[***]".

RESTATED U.S.A. LICENSE AGREEMENT

Dated as of January 1, 1985

-between-

RICKY LAUREN AND MARK N. KAPLAN,

as Licensor

-and-

COSMAIR, INC.,

as Licensee

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RESTATED

U.S.A. LICENSE AGREEMENT

AGREEMENT dated as of January 1, 1985 by and between RICKY LAUREN and MARK N. KAPLAN as trustees under an agreement dated September 21, 1976 (hereinafter referred to as the "Licensor"), with a principal place of business at 1107 Fifth Avenue, New York, New York 10028 and COSMAIR, INC. (the "Licensee"), with a place of business at 530 Fifth Avenue, New York, New York 10036.

A. Ralph Lauren ("Lauren") is a leading designer of men's, women's and children's apparel and related accessories:

B. Licensor owns, among others, the registered trademark in the class of use and using the names "Polo" and "Ralph Lauren" shown an Schedule A-1 hereto, and Polo Fashions, Inc. ("PFI"), a New York corporation owned and controlled by Lauren, owns, among others, the registered trademarks in the class of use and using the names "Ralph Lauren", "Polo" and "Chaps" shown on Schedule A-2 hereto.

C. Licensor and Warner/Lauren Ltd. entered into an agreement (the "U.S.A. License Agreement") dated as of November 22, 1976 (executed on June 30, 1978) relating to the manufacture, distribution and sale in the United States of America of fragrances, cosmetics and related products under certain trade names, trademarks and/or product names owned and used by Licensor and its affiliates. Pursuant to a stock purchase agreement dated January 13, 1984 and a subsequent series of corporate targets and restructurings, Licensee has assured all the rights, duties and obligations of Warner/Lauren Ltd. under the U.S.A. License Agreement and other related agreements, as evidenced by a certain Assumption Agreement dated September 13, 1984.

D. It is the desire and intention of the parties to this Agreement to amend and restate the provisions of the U.S.A. License Agreement, which previously has been formally amended on three occasions, and to set forth in one document the respective rights, duties and obligations of Licensor and Licensee from this date forth, in connection with the grant to Licensee of the sole and exclusive rights to use certain Names (as hereinafter defined) as trade names, trademarks and/or product names in the manufacture, use and sale of men's and women's fragrances, scents, cosmetic preparations, personal hygiene products and toiletries, including, without limitation, those described in Schedule B annexed hereto and made a part hereof (the "Licensed Products") in the Territory (as hereinafter defined).

IN CONSIDERATION of the foregoing premises and of the mutual covenants herein contained, the parties agree as follows:

1. Definitions.

Certain words and terms as used in this Agreement shall have the meanings given to them by the definitions and descriptions in this paragraph, and such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms herein defined.

"Affiliates" shall mean all persons or business entities, whether corporations, partnerships, joint ventures or otherwise, which now or hereafter own, or are owned or controlled, directly or indirectly by Licensee.

"Chaps Royalty" shall have the meaning assigned to that term in paragraph 4.4 of this Agreement.

"Chaps Royalty Products" shall mean those Royalty Products which are not Cosmetic Royalty Products and which are marketed as part of the line which bears the Chaps name.

"Cosmetic Royalty Products" shall mean those Royalty Products which are cosmetic preparations, including specifically the ones described under the caption Cosmetic Preparations in Schedule B annexed hereto.

"Cosmetics Royalty" shall have the meaning assigned to that term in paragraph 4.3 of this Agreement.

"Current Names" shall mean "Ralph Lauren", "Lauren", "Monogram", "Tuxedo", "Chaps" and "Polo" and all combinations and forms of such names.

"Design Agreement" shall mean the U.S.A. Design and Consulting Agreement dated the date hereof between Ralph Lauren, individually and d/b/a Ralph Lauren Design Studio and Licensee.

"Full Priced Royalty Products" shall have the meaning assigned to that term in paragraph 4.6(c) of this Agreement.

"Launch Line" shall mean the first collection of products to bear a newly developed Special Name.

"Lauren" shall have the meaning assigned to that term in recital A to this Agreement.

"License" shall have the meaning assigned to that term in paragraph 2.2 of this Agreement.

"Licensed Products" shall have the meaning assigned to that term in recital D to this Agreement.

"Licensee" shall have the meaning assigned to that term in the preamble to this Agreement.

"Licensor" shall have the meaning assigned to that term in the preamble to this Agreement.

"Names" shall mean the Current Names and all trade names and trademarks currently or hereafter used by Licensor or Lauren, or by any business entity owned or controlled, directly or indirectly, by any of them, including, without limitation, PFI, for or in connection with any line of clothing designed by or for Lauren or under his supervision or control.

"Net Sales" shall have the meaning assigned to that term in paragraph 4.6(b) of this Agreement.

"PFI" shall mean Polo Fashions, Inc., a New York corporation controlled by Lauren.

"Promotion Products" shall have the meaning assigned to that term in paragraph 4.6(d) of this Agreement.

"Regular Royalty" shall have the meaning assigned to that term in paragraph 4.2 of this Agreement.

"Royalty" shall have the meaning assigned to that term in paragraph 4.1 of this Agreement.

"Royalty Products" shall mean Licensed Products sold or marketed by Licensee or its Affiliates under trade names, trademarks or product names licensed under this Agreement.

"Royalty Statement" shall have the meaning assigned to that term in paragraph 5.1 of this Agreement.

"Semi-Annual Accounting Period" shall have the meaning assigned to that term in paragraph 4.6(a) of this Agreement.

"Special Name" shall have the meaning assigned to that term in paragraph 2.5(a)(ii) of this Agreement.

"Territory" shall mean the United States of America, its territories and possessions (including, without limitation Puerto Rico) and any military bases and duty free shops situated therein.

2. License.

2.1 The U.S.A. License Agreement is hereby superseded, and the rights, duties and obligations of the parties from this date forth shall be governed by this Agreement; provided that Licensee's obligations prior to this date shall continue to be governed by the U.S.A. License Agreement and Licensee shall remit royalties with respect to sales of Licensed Products made prior to this date (including accrued royalties) as required under the U.S.A. License Agreement.

2.2 The Licensor grants to the Licensee the exclusive right, license and privilege (the "License") to use the Names in any form or forms and any and all crests, symbols, logos and identifying marks (including, without limitation, the likeness of Ralph Lauren) associated with the Names, and all other names and marks which the Licensor, Lauren, PFI or any business entity which is now or hereafter owned or controlled, directly or indirectly, by them may hereafter develop or own (except such other names and marks as are not used in connection with any fashion related product), as trade names and/or trademarks and/or product names, whether or not registered or registrable with any government authority, in connection with the manufacture, sale, marketing, use, and other commercial exploitation of the Licensed Products in the Territory. The License shall be exclusive even as to the Licensor. Except as otherwise specifically provided herein, it is understood and agreed that the License applies solely to the use of the Names in connection with Licensed Products and that no use of the Names on any other products or outside of the Territory is authorized or permitted.

2.3 Notwithstanding anything to the contrary set forth in paragraph 2.2 hereof or elsewhere in this Agreement:

(a) Licensee shall not, without the prior written consent of Licensor, use a Name as a trade name, trademark or product name for any of the following products or any similar product: false fingernails, mouthwash/breath freshener/throat lozenges, therapeutic preparations (excluding over-the-counter cosmetics), feminine hygiene deodorant, douches, eye drops, appliances and devices; and

(b) If any of the Names or any combinations or forms of words using any of the Names are used by any of Licensee's Affiliates as a corporate name, such Affiliate (using such name) shall first execute a letter agreement in the form set forth on Schedule C annexed hereto.

2.4 The Licensee shall have the right to assign or transfer the License only as provided in paragraph 10.2 hereof.

2.5 Notwithstanding anything to the contrary set forth in paragraph 2.2 or elsewhere in this Agreement:

(a) If after the date hereof Licensor or Lauren or any business entity owned or controlled, directly or indirectly, by either of them, proposes to use a Special Name (as hereinafter defined) as a trade name or trademark for or in connection with any line of clothing or line of other fashion related product, the following provisions will apply:

(i) Licensor will (x) notify Licensee promptly after a decision has been made to use such a Special Name as aforesaid, which notice shall set forth the Special Name proposed to be used and shall describe, to the extent then practicable, the line of clothing or other fashion related product with respect to which such Special Name is proposed to be used and the proposed retail and wholesale price range, quality and method of marketing such line of clothing or other fashion related product and (y) notify Licensee promptly after the Launch Line of such clothing or Launch Line of such other fashion related product has been initially shipped to retailers and other major customers, which notice will provide such other and additional information as is then available with respect to the proposed retail and wholesale price range of such product and the quality and method of distribution of the same and will include a full and complete description of all orders received and merchandise shipped with respect to each item in the Launch Line;

(ii) Licensee shall have a period of ninety (90) days from the date of its receipt of the notice referred to in clause (y) of subparagraph 2.5(a)(i) (and no fewer than one hundred eighty (180) days from the date of its receipt of the notice referred to in clause (x) of said subparagraph 2.5(a)(i) to give notice (the "Licensee's Notice") to Licensor that Licensee intends to use the Special Name as a trade name or trademark for a line of Licensed Products to be marketed by Licensee and/or its Affiliates. If Licensee timely gives Licensor the Licensee's Notice, Licensee shall have a period of two (2) years from the date on which Licensee's Notice is so given to commence shipment to retailers or other customers in the Territory of a Launch Line of Licensed Products marketed under the Special Name (as a trademark or trade name). Licensor will cooperate in all reasonable manners and respects to enable Licensee to so commence to distribute such a line of

Licensed Products within the aforesaid two (2) year period. Such line of Licensed Products shall, when so marketed, constitute Royalty Products and all of the provisions contained in this Agreement with respect to Royalty Products, including the provisions of paragraph 7.2(a) hereof, shall apply with respect thereto;

(iii) If Licensee has duly received each of the notices referred to in subparagraph 2.5(a)(i) and if Licensee has failed to timely give Licensor Licensee's Notice or, having timely given Licensee's Notice, Licensee has failed within the two (2) year period provided for in subparagraph 2.5(a)(ii) to commence shipment to retailers or other customers of the Launch Line of Licensed Products, as aforesaid (provided that Licensor and Lauren shall have cooperated in all reasonable manners and respects to enable Licensee to so commence to distribute such Launch Line of Licensed Products within the said two (2) year period) then, and in such event, (x) Licensee shall not thereafter have the right, license and privilege to use such Special Name as a trade name, trademark or product name for or in connection with the manufacture, sale, marketing or other exploitation of Licensed Products, and (y) the Special Name shall not after such failure to give notice or the expiration of such two (2) year period be covered by the provisions of this Agreement, but this Agreement shall not otherwise be affected thereby and shall for all other purposes remain in full force and effect and binding upon the parties hereto.

The term "Special Name" shall mean a Name and all crests, symbols, logos and identifying marks associated with the Name except (x) any Current Name and any crest, symbol, logo and identifying mark (including, without limitation, the likeness of Ralph Lauren) associated with a Current Name and any name, crest, symbol, logo and identifying mark which would be confusingly similar thereto, (y) any Name and any crest, symbol, logo and identifying mark associated therewith hereafter, at any time, used by Licensee, its Affiliates or sub-licensees as a trade name, trademark or product name for a Royalty Product and any name, crest, symbol, logo and identifying mark which would be confusingly similar thereto, and (z) any Name if Lauren is or is to be referred to or described in any packaging, advertisement or other promotion of any Licensed Product marketed under such Name (as a trade name, trademark or product name) as the creator, designer or developer of such Licensed Product, or if Lauren or PFI are or are to be referred to in any such packaging, advertisement or other promotion as the owner, manufacturer or distributor of the same;

(b) Licensee may propose to Licensor new trademarks, tradenames or product names for use in connection with products Licensee wishes to commercialize in conjunction with the name or likeness of Ralph Lauren. Licensee shall not commence use of any such trademarks, tradenames or product names unless Licensor shall have prior thereto expressly approved the same in writing, in its sole discretion, in which event Licensee shall file to register or have registered, in the name of Licensor and at Licensee's expense, such trademarks, trade name or product names in accordance with paragraph 7.1 of this Agreement.

3. Term of License.

The term of the License and this Agreement shall continue in perpetuity, unless and until terminated in accordance with article 9 hereof.

4. Royalty.

4.1 In consideration of the License, the Licensee shall pay to the Licensor sums equal to the following: the "Regular Royalty", the "Cosmetics Royalty" and the "Chaps Royalty", all of which shall collectively be referred to as the "Royalty".

4.2 The Regular Royalty shall be equal to [***] percent [***] of the Licensee's Net Sales excluding that portion of Net Sales attributable to (i) Cosmetic Royalty Products and (ii) Chaps Royalty Products.

4.3 The Cosmetics Royalty shall be equal to the following percentages of Licensee's Net Sales of Cosmetic Royalty Products for the calendar years indicated:

Calendar Year	Cosmetics Royalty Percentage
1985	[***]
1986 and 1987	[***]
1988	[***]
1989 and thereafter	[***]

4.4 The Chaps Royalty shall be equal to [***] percent [***] of Licensee's Net Sales of Chaps Royalty Products for calendar year 1985 and to [***] percent [***] of Licensee's Net Sales of Chaps Royalty Products for calendar year 1986 and each year thereafter.

4.5 The Regular Royalty, the Cosmetics Royalty and the Chaps Royalty shall be paid as follows: With respect to each Semi-Annual Accounting Period, the entire Regular Royalty, Cosmetics Royalty and Chaps Royalty for such Semi-Annual Accounting Period shall be paid on or before the last day of the month next following the end of such Semi-Annual Accounting Period.

4.6 The following terms, as used in this Agreement, shall have the meanings hereinafter set forth:

(a) The term "Semi-Annual Accounting Period" as used herein shall mean each 6-month period ending June 30 and December 31 of each year during the term of this Agreement, except that the first Semi-Annual Accounting Period hereunder shall be the period from the date hereof through June 30, 1985.

(b) The term "Net Sales" as used herein shall have the gross sales made by or through Licensee and its Affiliates to retailers or to ultimate consumers (as in the case of accommodation sales to their respective employees and to others) of Full-Priced Royalty Products, excluding amounts received for shipping charges and sales, excise or other taxes which are collected by them, and less all allowances, discounts, returns and bad debts. The term "bad debts" as used in this subparagraph shall mean accounts receivable of Licensee and its Affiliates arising from the aforesaid sales of Full-Priced Royalty Products which have not been paid within 120 days after the due date; provided, however, that if any bad debt is subsequently collected, then, and in such event, the amount thereafter collected on account of such bad debt shall, upon collection, be included in Licensee's Net Sales for the period collected. Sales of Licensed Products between Licensee and its Affiliates (or persons, firms, corporations or businesses with rights to use the Names on Licensed Products outside the Territory), or between said Affiliates, shall not be included in the calculation of the Company's Net Sales, provided such sales are made solely for the purpose of further re-sale.

(c) The term, "Full-Priced Royalty Products" as used herein shall mean all Royalty Products except (i) display materials, samples and dummies and (ii) Promotion Products.

(d) The term "Promotion Products" shall mean Royalty Products which are sold to retailers (x) at a price yielding less than the mark-up or profit margin generally realized by the Licensee or its Affiliates upon the sale by them to retailers of Royalty Products (y) to enable such retailers to re-sell such products to ultimate consumers in conjunction with the sale by such retailers to ultimate consumers of other Royalty Products (which are not Promotion Products), and (z) for the purpose of promoting the sale of such other Royalty Products; provided, however, that, notwithstanding the foregoing, if the Cost of Goods (as hereinafter defined) to Licensee or its Affiliates (as the case may be) of a Royalty Product is not greater than [***] percent [***] of the price at which such product is sold by them to retailers, then, and in such event, such Royalty Product shall not be deemed a Promotion Product. The Cost of Goods of a Royalty Product shall include and consist of (i) the variable costs of materials (including packaging, components, chemicals) and all other manufacturing costs directly traceable to the production of units of the Royalty Product, (ii) all direct labor costs, and (iii) an appropriate allocation of all fixed costs consisting of all manufacturing costs and overhead not traceable to specific units of production (such as rent, heat, plant manager, etc.), all in conformity with normal industry practice. Licensee shall sell or give away products which are not Royalty Products in conjunction with Royalty Products only with Licensor's prior approval (or with Lauren's approval given pursuant to paragraphs 2(h) and 4(f) of the Design Agreement), to be exercised in Licensor's sole discretion. Sales of such products shall nevertheless be subject to royalty payments pursuant to this paragraph 4 unless otherwise agreed by Licensor and Licensee or unless such products are purchased from licensees of PFI and Lauren or their Affiliates in transactions from which PFI and Lauren or their Affiliates will derive their full royalty and compensation (as the case may be) fees or unless the Cost of Goods of such products to Licensee or its Affiliates (as the case may be) is greater than [***] percent [***] of the price at which such products are sold by them to retailers. Upon Licensor's request, Licensor and Licensee shall review periodically Licensee's promotional practices hereunder, and should said review reveal that Licensee is deriving excess profits or sales of said non-Royalty Products, Licensor and Licensee shall negotiate in good faith an appropriate royalty to be paid in connection with said sales.

5. Records and Reports.

5.1 With each payment of a Royalty made pursuant to article 4 hereof, Licensee shall furnish to Licensor a statement (the "Royalty Statement") which shall show for the relevant period, separately with respect to each range of Royalty Products and each kind of Promotion Product, the aggregate amount of Licensee's gross sales and Licensee's Net Sales of the same and the aggregate amount of Licensee's returns of and allowances for such product. Each Royalty Statement shall contain a separate certificate by an officer of Licensee to the effect that Promotion Products referred to therein as sold by Licensee comprised "Promotion Products" as defined in this Agreement. Licensor shall have a period of one (1) year after receipt of each Royalty Statement to object thereto by delivering to Licensee a written statement ("Notice of Disagreement") setting forth in detail the item or items objected to and the Licensor's reasons therefor, except that Licensor shall have a period of two (2) years after receipt of a Royalty Statement to assert a claim (by a Notice of Disagreement) that Promotion Products referred to in the Royalty Statement were in fact Full Priced Royalty Products. If Licensor does not timely object to items set forth in a Royalty Statement by delivering a Notice of Disagreement within the time allowed, such items contained in the Royalty Statement as to which timely objection was not made shall be deemed to be conclusive and binding upon Licensor and Licensee.

In addition to the above information, each Royalty Statement shall set forth (i) with respect to each account receivable of the Licensee constituting a bad debt (as hereinabove defined) the following information: the name and address of the account receivable debtor, the amount of the account receivable of such debtor constituting a bad debt and the date of the invoice or bill which remains unpaid in whole or in part (thereby creating the bad debt) and (ii) with respect to each bad debt from a prior accounting period which was collected during the accounting period covered by a Royalty Statement, the following information: the name and address of the account receivable debtor, the amount of the bad debt from a prior accounting period which was collected during the accounting period covered by the Royalty Statement and the date of the earlier Royalty Statement on which the bad debt had been charged against Licensee's Net Sales.

5.2 During the term of this Agreement, Licensee shall keep at its office complete and accurate books and records pertaining to Licensee's obligations hereunder. Such books and records shall show, by kind, quantity and name of customer, (i) the dollar volume of all sales of Royalty Products and Promotion Products made by Licensee and its Affiliates within the Territory, (ii) the Cost of Goods of Promotion Products and (iii) the accounts receivable and bad debts of Licensee.

Licensor shall have and is hereby granted the right, to be exercised no more frequently than once in any Semi-Annual Accounting Period, to have Licensee's said books and records examined by a certified public accountant or other representative selected by Licensor for the purpose of verifying the Royalty Statements. Licensee shall permit access to its books and records for the purpose of such examination during the normal hours of business upon receipt of notice from Licensor not less than five (5) business days in advance of the requested date of examination. Such examination requested by Licensor shall be made at Licensor's sole cost and expense, except that if upon any such examination Licensor shall determine and demonstrate that the amount of Licensee's Net Sales as set forth in a Royalty Statement has been understated by no more than three percent (3%) then, and in such event, Licensee shall reimburse Licensor for the fair and reasonable cost of Licensor of its examination of Licensee's books and records for the period covered by such understated Royalty Statement.

6. Representations and Warranties.

6.1 Licensor hereby makes the following representations and warranties to Licensee:

(a) As of November 22, 1976 Licensor was the sole owner of the trademark "Polo by Ralph Lauren," United States Patent Office Registration No. 1,021,368 covering certain products in U.S. Class 51 (as more fully set forth on Schedule A-1 hereto).

As of November 22, 1976, PFI was the registered owner of, and Lauren had consented to the use of his name in connection with the registration of, the trademarks (i) "Polo (with design) by Ralph Lauren," United States Patent Office Registration No. 978,166 covering certain products in U.S. Class 39, (ii) "Ralph Lauren" (and Polo Player Design), United States Patent Office Registration No. 984,005 covering certain products in U.S. Class 39, (iii) "Chaps by Ralph Lauren," United States Patent Office Registration No. 1,016,955 covering certain products in U.S. Class 39, and (iv) "Polo by Ralph Lauren" covering certain products in Class 26. PFI and Lauren, by written instrument duly and fully executed by them, have consented to, and have agreed to interpose no objection to, the registration, use and licensing of the foregoing trademarks, the Names and all other names and marks which either or both (or any business entity which is now or hereafter owned or controlled, directly or indirectly, by either or both of them), may hereafter develop or own (except such other names and marks as are not used in connection with any fashion related product) in connection with the manufacture and/or distribution and sale of Licensed Products by Licensee and its Affiliates, as contemplated by this Agreement;

(b) Licensor has the full right, power and authority to execute and deliver, and perform the terms of, this Agreement and the consummation of the transactions contemplated by this Agreement will not violate any agreement to which Licensor is a party or by which it may be bound;

(c) Without limiting the generality of the last preceding subparagraph, Licensor has the full right to grant the License. Licensor is not a party to or bound by any agreement in conflict herewith or with any provision hereof. Licensor has not granted to any other person, firm, corporation or business any right, license or privilege to use in the Territory the Names or associated crests, symbols, logos or identifying marks or any name, crest, symbol, logo or identifying mark which would be confusingly similar thereto in connection with any Licensed Product, or which would have the effect of infringing upon the exclusivity of the License granted to Licensee hereunder;

(d) Schedules A-1 and A-2 annexed hereto contain a full and complete list of all registrations existing as of November 22, 1976 covering the Current Names and associated crests, symbols, logos and identifying marks in the class of use owned by or registered in the name of Licensor, Lauren and/or PFI in any part of the world; and

(e) To the best of Licensor's knowledge as of November 22, 1976 (without any representation of an investigation having been made as of such date) no persons other than Licensor, Lauren or PFI had as of November 22, 1976 any trade name, trademark or similar right or interest in or to the "Ralph Lauren," "Polo" and "Chaps" Names as applied to Licensed Products in the Territory.

6.2 Licensee hereby makes the following representations and warranties to Licensor:

(a) Licensee has the full power and authority to enter into this Agreement and to perform its obligations hereunder and the consummation of the transactions contemplated hereunder will not violate any agreement to which Licensee is a party or by which it may be bound; and

(b) This Agreement constitutes a valid and binding obligation of Licensee, enforceable in accordance with its terms.

7. Additional Covenants.

7.1 Licensor covenants and agrees as follows:

(a) Except as expressly provided in paragraph 2.5 of this Agreement and only on the terms and conditions set forth therein, Licensor will not, and will not permit any business entity owned or controlled by it to, grant any persons, firm, corporation or business (other than Licensee) any right, license or privilege to use in the Territory the Names or associated crests, symbols, logos or identifying marks or any name, crest, symbol, logo or identifying mark which would be confusingly similar thereto in connection with any Licensed Product, or which would have the effect of infringing upon the exclusivity of the License granted to Licensee hereunder;

(b) (i) For the purpose of this paragraph, the term "First Trademarks" shall mean and refer to, collectively, the trademarks "POLO," "RALPH LAUREN" and the representation of a polo player on a horse as exemplified by the showing in Registration Nos. 1,050,722 and 1,053,873. Licensor shall have the right, to be exercised in its sole discretion, to control the prosecution of each application to register the First Trademarks in the United States Patent and Trademark Office, including the right to seek either appellate or de novo review of any final administrative determination by the United States Patent and Trademark Office.

(ii) If Licensee suffers or incurs any losses, damages, liabilities or expenses which would not have been suffered or incurred if PFI (rather than Licensor) had owned the Names and had applied for registration of the First Trademarks, Licensor hereby indemnifies and holds Licensee harmless from any and all such losses, damages, liabilities and expenses (including, without limitation, reasonable attorneys' fees and disbursements) paid or incurred, provided, however, that any such loss, damage, liability or expense is paid or incurred by Licensee before PFI has filed applications in its own name for registration of the First Trademarks. In the event any claim is made or accrued (to Licensee's knowledge) against Licensee which comes within the indemnity set forth in this subparagraph, Licensee will promptly notify Licensor of such claim. Thereafter, Licensor shall have the right, at its own expense and with counsel of its own choice, subject to the approval of Licensee, which approval will not be unreasonably withheld, to assume the defense of any such claim. Licensee agrees to cooperate fully in the defense of any such claim and may, at its own expense and with counsel of its own choice, participate in the defense of any such claim.

(c) During the term of this Agreement, Licensee shall have and is hereby granted the right, without cost or expense to Licensor, to file for registration of the Names as applied to the Licensed Products in the Territory (it being understood that such registrations shall be obtained in the names of Licensor or PFI or Lauren, if appropriate pursuant to the provisions of paragraph 7.1(b) hereof) and, accordingly, Licensor (or PFI or Lauren, as the case may be) shall have the right, title and interest in any trade names or trademarks so registered subject to the exclusive License of Licensee granted hereby). Licensee shall have the right, to the extent permitted by law, to make application to register Licensee as a permitted user or registered user of such trade names or trademarks in the Territory and Licensor shall appoint Licensee as its attorney-in-fact to apply for and register, in the name of

Licensor (or PFI or Lauren, if appropriate pursuant to the provisions of paragraph 7.1(b) hereof), in the Territory all trade names and trademarks which make use of the Names or are associated therewith as applied to Licensed Products. Licensee shall provide Licensor with copies of all applications filed and registrations obtained and shall include Licensor on its or its trademark counsel's trademark watch and distribution list so as to keep Licensor apprised of any applications, registrations, oppositions and proceedings relating to the trade names and trademarks which make use of the Names or are associated therewith. Licensor will cooperate with Licensee in all manners and respects, but at Licensee's expense, to enable Licensee to obtain the aforesaid registrations, and Licensor will execute any further agreements, documents and instruments as may be necessary to effect the same. Nothing herein shall (x) subject only to the provisions of paragraph 2.5 of this Agreement, preclude Licensee from using a Name for a Licensed Product in the Territory for the purposes set forth in this Agreement without registration of the same [provided, however, that Licensee will not use a name in the Territory without registration of the same (except as may be necessary to establish use in interstate commerce) if there is substantial risk, in Licensee's sole judgment, that the use of such name by Licensee will infringe on the rights of third persons who are unaffiliated with Licensor, Lauren or PFI and whose rights or claimed rights to such name do not arise after the date of this Agreement or by reason of a grant or claimed grant from Licensor, Lauren, PFI or an entity owned or controlled by any of them], or (y) preclude Licensor from filing, at Licensor's own cost and expense, for registration of any of the Names in the Territory. Nothing contained in this subparagraph 7.1(c) shall be construed to limit the obligations of Licensor under subparagraph 7.1(b) of this Agreement; if any Name is registered in the Territory, at Licensee's request Licensor will promptly execute and return to Licensee a letter confirming that such trade name or trademark is covered by this Agreement.

(d) Licensor will not, during the term of this Agreement or at any time thereafter, disclose to any person, firm, corporation or business (other than a person, firm, corporation or business with rights to use the Names on Licensed Products outside the Territory, if required in connection with a program for Licensed Products outside the Territory) any confidential information (including, without limitation, customer lists) concerning the conduct of the business and affairs of Licensee or of any Affiliate of Licensee which Licensor may have acquired during the course of this Agreement except as may be required pursuant to law and then only upon advance notice to Licensee;

(e) Licensor shall protect, indemnify and save harmless Licensee and each of Licensee's officers, directors, employees and agents against any and all liabilities, claims, damages, penalties, causes of action, costs and expense, including reasonable attorneys' fees, arising out of the breach or material inaccuracy of any of the representations, warranties, covenants and agreements of Licensor contained in this Agreement. Licensee shall have the right in its discretion, and with counsel of its own choosing, to take any action, legal or otherwise, in its own name and/or in the name of Licensor, at Licensee's discretion, to protect any trade name or trademark covered by the License from infringement, counterfeiting or passing off. Prior to taking any such action, Licensee shall advise Licensor of its intention to commence the proposed action and thereafter at Licensor's request, shall promptly furnish Licensor with copies of relevant documents and keep Licensor advised of developments relating to the action. Licensor shall cooperate with Licensee and, if requested, shall join as a plaintiff in any such action with counsel designated by Licensee. Any legal expenses incurred in the prosecution of such action shall be borne by, and any money recoveries received as a result of such action shall belong to, Licensee; provided, however, that the net amount of any such recovery upon a final, non-appealable judgment, after deducting the aggregate amount of all and every cost and expense of such an action (including attorney's fees, court costs, printing fees, witness fees, etc.), shall be included in Licensee's Net Sales for the purpose of calculating the Royalty;

(f) Licensor acknowledges that the Current Names have established prestige and good will in the field of fashion apparel and that it is of major importance to Licensee that the high standards and reputation of the Current Names be maintained. Licensor will not take any action which would be likely to injure or damage the reputation for high quality which has come to be associated with the Current Names. Licensee shall not be entitled to damages by reason of Licensor's breach or default of its obligations under this paragraph 7.1(f) and Licensee's sole remedy shall be to terminate this Agreement pursuant to paragraph 9.1(b) hereof;

(g) If Licensor hereafter registers any new Name in any part of the world, Licensor will promptly thereafter advise Licensee; and

(h) At the request of Licensee, Licensor will from time to time, at no cost or expense to Licensee, deliver promptly to Licensee (i) instruments executed by Licensor granting to Licensee the exclusive license in and to each trade name or trademark (for the classes of use contemplated by this Agreement) used by Licensee hereunder for a Royalty Product and/or instruments evidencing such grant, which instruments shall be in form and substance, satisfactory to Licensee's trademark counsel in such counsel's reasonable judgment, (ii) short form agreements of this Agreement (for records and other reasonable purposes), provided that the same shall be in all respects consistent with the rights and obligations hereunder, of, respectively, Licensor and Licensee, and (iii) such other and additional documents and instruments as may reasonably be requested by Licensee in furtherance of and to implement the purposes and provisions of this Agreement and the transactions provided for herein.

7.2 Licensee covenants and agrees as follows:

(a) Licensee will diligently promote the sale of the Royalty Products and will use its best efforts in this regard;

(b) It is understood that Licensor assumes no liability to Licensee or third parties with respect to the performance characteristics of the Royalty Products, and Licensee will protect, defend, indemnify and save harmless Licensor, its employees and agents, against any and all liabilities, claims, damages, penalties, cause of action, costs and expenses, including reasonable attorneys' fees, for product liability claims of third persons arising out of the use of such products by such third persons. Licensee will carry product liability insurance policies in such amount as Licensee, in its sole judgment and discretion deem adequate and will cause Licensor and Lauren to be included as additional named insureds under such policies and will provide Licensor with copies of insurance certificates evidencing same;

(c) Licensee will not, during the term of this Agreement or at any time thereafter, disclose to any person, firm, corporation, or business (other than a person, firm, corporation or business with rights to use the Names on Licensed Products outside the Territory) any confidential information concerning the conduct of the business and affairs of Licensor which Licensee may have acquired during the course of this Agreement except as may be required pursuant to law and then only upon advance notice to Licensor;

(d) The Royalty Products shall be of high quality and workmanship. For the purposes of ascertaining Licensee's compliance with the last preceding sentence, Licensee will permit duly authorized representatives of Licensor to inspect the Royalty Products and Licensee shall upon request of Licensor submit to Licensor samples of all such products;

(e) Licensee acknowledges that the Current Names have established prestige and good will in the field of fashion apparel and that it is of major importance to Licensor that in the manufacture, advertising, distribution, promotion and sale of Royalty Products, the high standards and reputation of the Current Names be maintained. Licensee will not take any action which would be likely to injure or damage the reputation for high quality which has come to be associated with the Current Names. Without limiting the generality of the foregoing, Licensee shall maintain the high prestige and good will of the Current Names in all manufacturing, advertising, distribution, promotion and sale of the Royalty Products. Licensor's remedies for breach or default by Licensee under this paragraph 7.2(e) shall be limited to termination of this Agreement pursuant to paragraph 9.1(a) hereof and/or injunctive relief;

(f) Licensee acknowledges that, except as set forth in paragraph 6.1 hereof, Licensor has not represented to Licensee that Licensor, Lauren or PFI have any trademarks, trade names or other rights or interests in or to the Names or that persons other than Licensor, Lauren or PFI have no such trademarks, trade names or other rights or interests. If Licensee uses any Name as a trademark, trade name or product name for a Royalty Product without registration of the same (except as may be necessary to establish its use in commerce) Licensee will protect, defend, and save harmless Licensor, PFI and Lauren from and against any claims of third persons for infringement, counterfeiting or passing off against them arising out of the use of such unregistered Name provided that (x) in connection therewith neither Licensor, Lauren nor PFI shall have misrepresented to Licensee their rights or interests in or to such Name whether in this Agreement or in any other instrument, and (y) such claim shall not arise by reason of any action taken or not taken (as contemplated by paragraph 7.1(b) of this Agreement) by Licensor, Lauren or PFI in breach of any obligation they may have to Licensee whether arising under this Agreement or under any other instrument; and

(g) Licensee shall protect, indemnify and save harmless Licensor, Lauren and PFI and each of their employees and agents against any and all liabilities, claims, damages, penalties, causes of action, costs and expenses, including reasonable attorneys' fees and disbursements, arising out of the breach or material inaccuracy of any of the representations, warranties, covenants and agreements of Licensee contained in this Agreement.

8. Relationship of Parties.

This Agreement shall not create nor be considered to create the relationship of master and servant, principal and agent, partnership or joint venture between the parties hereto, and neither party shall be liable for any obligation, liability, representation, negligent act or omission to act an the part of the other except as expressly set forth herein.

9. Termination.

9.1 This Agreement and License shall continue in full force and effect until terminated in one of the following ways, but in any event shall terminate upon termination of the Design Agreement being executed simultaneously herewith:

(a) By Licensor, in the event that (i) any royalty is not paid by Licensee when due and such failure to pay is not cured within ten (10) days following notice to the Licensee of such failure (unless such payment is disputed by Licensee in good faith, in which event the time to cure a failure to make payment shall begin after the rendition of an unappealable final judgment by an arbitration panel or court of competent jurisdiction), (ii) the Design Agreement being executed simultaneously herewith is terminated pursuant to the provisions of paragraph 8(a) thereof, (iii) in each of any two (2) consecutive fiscal years of the Licensee commencing after December 31, 1986, the aggregate sum of Licensee's Net Sales under this Agreement shall average less than [***] dollars per year, (iv) Licensee fails or refuses to maintain high standards of quality for Royalty Products as provided by subparagraph 7.2(d) hereof, unless such failure or refusal is cured within one hundred and twenty (120) days after notice of the same has been given by Licensor (with respect to Products sold after the end of such period), (v) Licensee makes an assignment for the benefit of creditors or is adjudged in any legal proceeding to be a voluntary or involuntary bankrupt, (vi) the representations of Licensee herein are not true and correct in any material respect, or (vii) there shall be a substantial breach by Licensee of any other material provision of this Agreement which breach shall not have been cured within ninety (90) days after Licensor shall have given Licensee notice of the same;

(b) By Licensee, in the event that (i) Licensee is temporarily or permanently enjoined or restrained with respect to a Royalty Product from using in any part of the United States any Current Name or associated crest, symbol, logo or identifying mark as contemplated by this Agreement and such injunction or restraint remains in effect for a period of not less than thirty (30) days, (ii) the Design Agreement being executed simultaneously herewith is terminated pursuant to the provisions of paragraph 8(b) thereof, (iii) Licensor, Lauren or PFI makes an assignment for the benefit of creditors or is adjudged in any legal proceeding to be voluntarily or involuntarily bankrupt, (iv) the representations of Licensor herein are not true and correct in any material respect, or (v) there shall be a substantial breach by Licensor of any other material provision of this Agreement, which breach shall not have been cured within ninety (90) days after Licensee shall have given Licensor notice of the same; and

(c) For the purposes of subparagraphs (a) and (b) of this paragraph 9.1, a breach of this Agreement shall be deemed to be cured if the course of conduct or omission comprising or causing such breach is timely brought to an end whether or not the effects of such prior conduct or omission continue thereafter.

9.2 The exercise by either party hereto of any of the foregoing rights of termination shall not constitute a waiver of other rights and remedies available to such terminating party, including, unless otherwise specifically provided herein, any right to damages. The failure by either party to insist upon the strict performance of any provision hereof shall not constitute a waiver by such party of its right to strict performance of such provision in the future nor shall a waiver of any right hereunder on any occasion constitute a waiver of such right on any other occasion.

9.3 During the "Post Termination Period" referred to in paragraph 9.4 hereof, Licensee may continue to sell Royalty Products which were in inventory, in process, or for which written orders had been received from customers, as of the date of termination of this Agreement. Upon the conclusion of the Post-Termination Period (i) the License shall terminate and Licensee shall be prohibited from making any further use of the Names or associated crests, symbols, logos and identifying marks, and (ii) all rights and interests in and to the Names shall belong to and be the property of Licensor, and Licensee shall have no further or continuing right or interest therein (subject only to the rights of Licensee under paragraph 9.4 hereof).

9.4 Notwithstanding anything to the contrary elsewhere herein contained, Licensor will not authorize or license anyone else to, and will not permit any business entity owned or controlled by it to, (i) use any "Restricted Name" (as hereinafter defined) for or in connection with a Licensed Product marketed during the "Post-Termination Period" (as hereinafter defined), (ii) grant any person, firm, corporation or business any right, license or privilege to use during the Post-Termination Period any Restricted Name for or in connection with a Licensed Product, (iii) use any "Restricted Package Design" (as hereinafter defined) for a Licensed Product marketed during the Post-Termination Period, or (iv) grant any person, firm, corporation or business any right, license or privilege to use any Restricted Name for or in connection with a Licensed Product unless such person, firm, corporation or business agrees, for the benefit of Licensee, that it will not use a Restricted Package Design during the Post-Termination Period. For the purposes of this paragraph 9.4, the term (x) "Restricted Name" shall mean each and any Name and associated crest, symbol, logo or identifying mark used by Licensee as a trade name, trademark or product name for or in connection with a Royalty Product prior to the termination of this Agreement, (y) "Post Termination Period" shall mean the period of one hundred and eighty (180) days after the date of termination of this

Agreement if this Agreement is terminated by Licensor under the provisions of subparagraph 9.1(a) hereof or the period of three hundred sixty-five (365) days after the date of termination of this Agreement if this Agreement is terminated by Licensee under the provisions of subparagraph 9.1(b) hereof, and (z) "Restricted Package Design" shall mean the design of any cap, bottle and/or carton used by Licensee for any Royalty Product prior to the termination of this Agreement and any design for a cap, bottle and/or carton which would be confusingly similar thereto. For the purposes of this paragraph 9.4 a product shall be deemed to be marketed as of and on the date when a shipment is first made to a retailer or other wholesale customer.

9.5 Within thirty (30) days following the date of termination of this Agreement if this Agreement is terminated by Licensor under the provisions of subparagraph 9.1(a) hereof and within one hundred eighty (180) days after the date of termination of this Agreement if this Agreement is terminated by Licensee under the provisions of subparagraph 9.1(b) hereof, Licensee shall furnish to Licensor a certificate of Licensee listing its inventories (and those of its Affiliates) of Royalty Products (which defined term for purposes of this paragraph shall include all packaging which is used in the manufacture and marketing of Royalty Products) on hand or in process wherever situated. Licensor or Licensor's designee shall have the option (but not the obligation) to purchase from Licensee and its Affiliates all of their (and that of its Affiliates) then existing inventory of Royalty Products upon the following terms and conditions:

(i) Licensor shall notify Licensee of its or its designee's intention to exercise the foregoing option within 30 days of delivery of the certificate referred to above.

(ii) The price for Royalty Products manufactured by Licensee or its Affiliates on hand or in process shall be the Cost of Goods (as defined in paragraph 4.6(d)) for each such Royalty Product. The price for all other Royalty Products which are not manufactured by Licensee or its Affiliates shall be the landed costs therefor. Landed costs for the purposes hereof means the F.O.B. price of the Royalty Products together with customs, duties, and brokerage, freight and insurance.

(iii) Within fifteen (15) days of receipt of the notice referred to in clause (i) above, Licensee shall deliver or cause to be delivered the Royalty Products purchased at a place to be signed by Licensor. Payment of the purchase price for the Royalty Products so purchased by Licensor or its designee shall be payable upon delivery thereof, provided that Licensor shall be entitled to deduct from such purchase price any amounts owed to it by Licensee. Notwithstanding anything else to the contrary elsewhere herein contained, once Licensee shall have received the notice referred to in clause (i) above, the provisions contained in paragraph 9.4 hereof and in the first sentence of paragraph 9.3 hereof shall no longer be applicable.

10. Assignment.

10.1 Licensor may assign its rights to royalties under this Agreement, but such assignment shall not have the effect of releasing or discharging Licensor from its obligations hereunder unless Licensee shall expressly so agree in writing.

10.2 Licensee may assign its rights and obligations under this Agreement only (i) to a transferee of substantially all of its business or assets and upon the express assumption of all of Licensee's obligations hereunder by such transferee or to a successor to Licensee's business by way of merger, consolidation or other business combination or (ii) to an Affiliate, in which case Licensee shall remain liable hereunder.

11. Arbitration, Equitable Remedies and Damages.

11.1 Any controversy, claim or dispute arising out of or relating to this Agreement or breach thereof, except with respect to an application pursuant to paragraph 11.2 hereof, shall be settled by binding arbitration in accordance with the rules of the International Chamber of Commerce, by three arbitrators selected in accordance with such rules, and judgment upon any award so rendered may be entered in any court having jurisdiction thereof. The arbitration shall be held in New York, New York. Notice of arbitration shall be sufficient if made or given in accordance with the provisions of article 14 hereof.

11.2 In the event of a breach or threatened breach of this Agreement, any party hereto shall have the right, without the necessity of proving any actual damages, to obtain mandatory or permanent injunctive or mandatory relief in a court of competent jurisdiction, it being the intention of the parties that this Agreement be specifically enforced to the maximum extent permitted by law.

11.3 If the representations of Licensor contained herein are not true and correct in any material respect or if there shall be a substantial breach by Licensor of any covenant contained herein, which breach shall not have been cured within ninety (90) days after Licensee shall have given Licensor notice of the same then, and in such event, Licensee shall have the right, in addition to any and all other rights and remedies the Licensee has against Licensor by reason of the same, to set off any and all damages, costs, expenses, losses and other injuries sustained by Licensee by reason of such misrepresentation or breach against any sums payable by Licensee to Licensor under this Agreement.

11.4 Neither Ricky Lauren nor Mark N. Kaplan, nor any prior or successor trustee or trustees, shall assume any personal liability under this Agreement, except for material misrepresentations herein contained, and the Licensee is limited in any recovery to the assets of the Licensor.

12. Licensor's Right of Approval.

Licensor has been given the right of approval in this Agreement with respect to various actions and classes of actions which may be taken or are proposed to be taken by Licensee during the term hereof. In all instances where Licensor has such a right of approval under this Agreement, such right may be exercised by either Ricky Lauren or Mark N. Kaplan, acting alone (or by any successor of either of them as Trustee under an Agreement dated September 21, 1976, also acting alone). If Licensor fails or is unable to exercise such right within thirty (30) days (by informing Licensee whether Licensor grants or withholds its said approval) Licensor shall be deemed to have given its approval to Licensee with respect to the matter as to which its approval was sought.

13. Further Assurances.

Each of the parties hereto forthwith upon request from the other shall execute and deliver such documents and take such action as may be reasonably requested in order fully to carry out the intent and accomplish the purposes of this Agreement.

14. Notices.

All notices, approvals or other communications required under or contemplated by this Agreement shall be in writing and shall be deemed given when transmitted by telex (with confirmed answerback) or delivered in person or sent, postage prepaid, by registered or certified mail, return receipt requested, as follows:

(a) If to Licensor, addressed as follows:
Ricky Lauren
1107 Fifth Avenue
New York, New York 10028

with a copy to:

Mark N. Kaplan, Esq.
Skadden, Arps, Slate, Meagher & Flom
919 Third Avenue
New York, New York 10022
Telex: 645899

(b) If to Licensee, addressed as follows:

Cosmair, Inc.
530 Fifth Avenue
New York, New York 10036
Attention: President
Telex: 421973 COS UI

with a copy to:

John F. Flaherty, Esq.
Gibney Anthony & Flaherty
420 Lexington Avenue
New York, New York 10170
Telex: 649388

Any party to this Agreement may change the address to which notices or other communications are to be sent to it hereunder by notice similarly given.

15. Binding Effect.

This Agreement shall be binding upon and inure to the benefit of successors and permitted assigns of the parties hereto.

16. Governing Law.

This Agreement shall be construed and governed in accordance with the internal laws of the State of New York without regard to choice of law provisions.

17. Entire Agreement.

This Agreement contains the entire agreement between the parties hereto with respect to the transactions contemplated hereby and may not be changed or terminated orally. No modification or waiver of any provisions hereof shall be valid unless signed by the party to be charged therewith.

18. Severability.

The provisions of this Agreement are severable, and if any provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such provision, or part thereof, in such jurisdiction and shall not in any manner affect such provision in any other jurisdiction, or any other provision in this Agreement in any jurisdiction.

19. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, or caused the same to be executed by a duly authorized person as of the 1st day of January, 1985.

COSMAIR, INC.

Date: October 8, 1985

By: /s/ Jacques H. Correze

Date: October 8, 1985

/s/ Ricky Lauren

Ricky Lauren, as Trustee
under an Agreement dated
September 21, 1976

Date: October 8, 1985

/s/ Mark N. Kaplan

Mark N. Kaplan, as Trustee
under an Agreement dated
September 21, 1976

SCHEDULE A-1

LICENSOR'S TRADEMARK

(as of November 22, 1976)

Polo by Ralph Lauren	1,021,368	Class 51 (Int. Cl. 3)	After-shave lotion and toilet water.

SCHEDULE A-2

PFI'S TRADEMARKS

(as of November 22, 1976)

Trademarks	Registration No.	Class	Products
Polo By Ralph Lauren	978,166	Class 39 (Int. Cl. 25)	Men's suits, slacks, ties, sweaters, shoes, shirts, hats, belts, socks; and ladies' blouses, skirts, suits and dresses.
Polo By Ralph Lauren		Class 26	Frames for prescription and non-prescription lenses and complete sunglasses.
Ralph (Polo Player Design) Lauren	984,005	Class 39 (Int. Cl. 25)	For suits, overcoasts, sweaters, ties, shirts and pants.
CHAPS BY RALPH LAUREN	1,016,955	Class 39 (Int. Cl. 25)	Jackets, pants, suits and slacks.

SCHEDULE B

LICENSED PRODUCTS

Fragrances and Scents
- ---------------------

Perfume
Cologne
Toilet Water
Aftershave Lotion

Cosmetic Preparations
- ---------------------

Eyebrow Coloring
Eye Highlighter
Eyelashes
Eyeliner
Eyeshadow or Contour
Mascara
Lipstick
Lip gloss
Lip undercoat
Cheek Color - Blushers, Gels, Rouges
Face powder
Make-up foundation/Base/Lightner
False fingernails
Nail polish
Nail hardener Nail polish
remover
Cuticle remover/Softener
Nail polish undercoat/Base coat
Leg and Body Make-up
Masks and Peelers/Firmers
Massages
Make-up remover
Formulated special facial preparations
Depilatories
Wrinkle, Line, Stretch mark, and Cellulite preparations

Personal Hygiene Products
- -------------------------

Mouthwash/Breath freshener/Throat lozenges
Underarm deodorant/Antiperspirant
Talcum/Bath powder/Spray
Blemishes/Pores/Acne preparations
Therapeutic preparations
Eyedrops (non-prescription)
Feminine hygiene deodorant
Douches Foot powder/spray
Bubble bath/oil/capsule
Hand or body lotion/oil/cream

Toiletries
- ----------

Soap, plain/deodorant
Suntan preparations/sun screen/bronzing agents
Hair shampoo Shave cream/Gel/Soap
Pre-shave/beard softner
Astringents, Fresheners, Toners
Hand, Face and Body cleansers
Moisturizers/Protectors
Lubricants/Night preparations
Body preparations
Appliances/Devices
Applicators
Nail clippers and files
Cuticle tools
Combs and Brushes
Hair spray/lacquer
Hair color/Dye/Lightner
Hair dressing
Hair Setting/Waving gel/Solution
Home permanent
Hair straightener/relaxer
Hair cream rinse/conditioner

Schedule C

Ms. Ricky Lauren
Mr. Ralph Lauren
1107 Fifth Avenue
New York, New York 10028

Mr. Mark N. Kaplan
919 Third Avenue
New York, New York 10022

Gentlemen:

Reference is made to the restated fragrance and cosmetics trademark license agreement, dated as of January 1, 1985 (the "License Agreement"), between Ricky Lauren and Mark N. Kaplan ("Licensor") and Cosmair, Inc. ("Cosmair"), a corporation organized under the laws of Delaware. Cosmair wishes to create a corporation under the name _______________ ("Subsidiary"), pursuant to which it shall conduct operations relating to ________________ pursuant to the License Agreement. You are hereby requested to acknowledge below your consent to the use of the name "Ralph Lauren" as part of the foregoing corporate name of Subsidiary, subject to the provisions hereinafter set forth.

1. Cosmair agrees to promptly execute, deliver and/or file and to cause Subsidiary to promptly execute, deliver and/or file (i) any documents necessary to effect the change of Subsidiary's corporate name, so as to delete therefrom, the name "Ralph Lauren," or any reference, direct or indirect, thereto, as promptly as practicable after, but in no event later than the earlier of (x) sixty (60) days after its receipt of a written communication from Licensor or Ralph Lauren requesting that Subsidiary terminate its use of such name or reference or (y) fifteen (15) days following the termination of the License Agreement and (ii) any consents or similar instruments requested by Licensor, Ralph Lauren or Polo Fashions, Inc. in connection with the use of the name "Ralph Lauren" as part of a corporate name or tradename by any third party or third parties. In conjunction with any change of name required hereunder, Cosmair shall cause Subsidiary to cease to use in any manner the name "Ralph Lauren" unless otherwise agreed. Licensor shall not unreasonably make a request pursuant to the foregoing clause (i) for Subsidiary to terminate its use of the aforementioned name.

2. Cosmair agrees that for so long as the name "Ralph Lauren" comprises a part of Subsidiary's corporate name, Subsidiary shall not engage or be involved, directly or indirectly, in any business other than the sale of products manufactured by or under license from Licensor, such business to be conducted only in accordance with the License Agreement.

3. Cosmair recognizes that the name "Ralph Lauren" is associated with, and forms a part of, numerous registered trademarks and service marks presently being used in connection with, among other things, various articles of wearing apparel and free standing stores (the "Marks"). Cosmair further acknowledges that the Marks have acquired valuable secondary meanings and goodwill with the public and that products and stores bearing the Marks have acquired a reputation of high quality and style. To the extent any rights in and to any of the Marks are deemed to accrue to Cosmair or Subsidiary by virtue of the adoption of the name "Ralph Lauren" by Subsidiary as part of its corporate name, this letter agreement or otherwise, Cosmair shall cause any and all such rights, at such time as they may be deemed to accrue, to be assigned to Licensor. Cosmair and subsidiary will execute any instruments requested by Licensor which Licensor deems necessary, proper or appropriate to accomplish or confirm the foregoing. Any such assignment, transfer or conveyance shall be without consideration other than the mutual agreements contained herein.

4. Cosmair agrees to cause Subsidiary, upon Subsidiary's formation, to execute an agreement by which Subsidiary will agree to be bound by the terms of this letter agreement.

Ms. Ricky Lauren
Mr. Mark N. Kaplan
Page 3

Without in any manner limiting any of the rights granted to Cosmair pursuant to the License Agreement, Cosmair hereby acknowledges and agrees that, except as specifically provided herein, nothing contained in this letter agreement shall be construed to grant Cosmair or Subsidiary the right or authority to (i) use any of the Marks for any purpose whatsoever or (ii) use the name "Ralph Lauren."

Very truly yours,

COSMAIR, INC.

By:

AGREED AND CONSENTED TO:

- ------------------------------
Ricky Lauren

- ------------------------------
Ralph Lauren

- ------------------------------
Mark N. Kaplan

Conformed Copy

COSMAIR, INC.
530 Fifth Avenue
New York, New York 10036

As of January 1, 1985

Mr. Ralph Lauren
1107 Fifth Avenue
New York, New York 10028

and

Polo Fashions, Inc.
40 West 55th Street
New York, New York 10019

Gentlemen:

Reference is made (i) to a restated U.S.A. license agreement (the "License Agreement") dated as of January 1, 1985 between Cosmair, Inc., a Delaware corporation (the "Licensee"), and Ricky Lauren and Mark N. Kaplan as trustees under an Agreement dated September 21, 1976 (the "Licensor"), which License Agreement is being executed simultaneously herewith, and (ii) to a U.S.A. design and consulting agreement (the "Design Agreement") dated as of January 1, 1985 between Ralph Lauren ("Lauren") individually and doing business under the name Ralph Lauren Design Studio, and Licensee, which Design Agreement is being executed simultaneously herewith. The License Agreement and the Design Agreement are hereinafter, at times, referred to collectively as the Agreements.

In order to induce the Licensee to enter into the Agreements and to perform the obligations imposed on the Licensee thereunder, the Licensor has requested Lauren and Polo Fashions, Inc., a New York corporation ("PFI"), to confirm to the Licensee certain representations, warranties, covenants and acknowledgments, which representations, warranties, covenants and acknowledgments have previously been made to the Licensor by Lauren and PFI.

NOW, THEREFORE, the parties hereto agree as follows:

1. Lauren and PFI, jointly and severally, hereby make the following representations and warranties to the Licensee, which are confirmatory of

the rights received by the Licensor under various agreements (the "Transfer Agreements") among the Licensor, The Polo/Lauren Company ("PLC"), Lauren and PFI each of which shall be deemed to be independently material and relied upon by the Licensee, regardless of any investigation made or information obtained by the Licensee:

(a) By operation of the assignments and conveyances in the Transfer Agreements, as of November 22, 1976 the Licensor became the sole owner of the trademark "Polo by Ralph Lauren," United States Patent Office Registration No. 1,021,368 covering certain products in U.S. Class 51 (as more fully set forth on Schedule A-1 to the License Agreements).

As of November 22, 1976, PFI was the registered owner of, and Lauren had consented to the use of his name in connection with the registration of, the trademarks (i) "Polo (with design) by Ralph Lauren," United States Patent Office Registration No. 978,166 covering certain products in U.S. Class 39, (ii) "Ralph Lauren" (and Polo Player Design), United States Patent Office Registration No. 984,005 covering certain products in U.S. Class 39, (iii) "Chaps by Ralph Lauren," United States Patent Office Registration No. 1,016,955 covering certain products in U.S. Class 39 and (iv) "Polo by Ralph Lauren" covering certain products in U.S. Class 26. PFI and Lauren, by written statement duly executed by them in favor of Licensors, have given their consent and agreement to interpose no objection to the registration, use and licensing of the foregoing trademarks, the Names and all other names and marks, which either or both (or any business entity which is now or hereafter owned or controlled, directly or indirectly, by either or both of them), may hereafter develop or own (except such other names and marks as are not used in connection with any fashion related product) in connection with the manufacture and/or distribution and sale of Licensed Products, as contemplated by the License Agreement;

(b) Licensor has the full right, power and authority to execute and deliver, and perform the terms of, the License Agreement and the consummation of the transactions contemplated by the License Agreement will not violate any agreement to which Licensor, Lauren or PFI is a party or by which they, it or he may be bound;

(c) Without limiting the generality of the last preceding subparagraph, Licensor has the full right to grant the License and neither Licensor, Lauren nor PFI is a party to or bound by any agreement in conflict with the License Agreement or with any provision thereof. Except as may be provided in the Agreements, neither Licensor, Lauren nor PFI has granted to any other person, firm, corporation or business any right, license or privilege to use the Names or associated crests, symbols, logos or identifying marks, or any crest, symbol, logo or identifying marks which would be confusingly similar thereto in connection with any Licensed

Product, or which would have the effect of infringing upon the exclusivity of the License granted to Licensee under the License Agreement;

(d) Schedules A-1 and A-2 to the License Agreement contain a full and complete list of all registrations existing as of November 22, 1976 covering the Current Names and associated crests, symbols, logos and identifying marks in the class of use owned by or registered in the name of Licensor, Lauren and/or PFI in any part of the world; and

(e) To the best of Lauren's and PFI's knowledge as of November 22, 1976 (without any representation of an investigation having been made) no person other than Licensor, Lauren of PFI had as of November 22, 1976 any trade name, trademark or similar right or interest in or to the "Ralph Lauren," "Polo" and "Chaps" Names as applied to Licensed Products in the Territory.

2. In further confirmation of their prior transfer of rights to Licensor, Lauren and PFI, jointly and severally, covenant and agree with Licensee as follows:

(a) Lauren and PFI will not, and will not permit any business entity owned or controlled by them to, grant any person, firm, corporation or business (other than Licensee) any right, license or privilege to use in the Territory the Names or associated crests, symbols, logos or identifying marks or any name, crest, symbol, logo or identifying mark which would be confusingly similar thereto in connection with any Licensed Product, or which would have the effect of infringing upon the exclusivity of the License granted to Licensee under the License Agreement;

(b) Lauren and PFI hereby confirm Licensor's authority to appoint Licensee as its attorney-in-fact to apply for and register, in accordance with the provisions of the Agreements, in the name of Licensor, in the Territory all trade names and trademarks which make use of the Names or are associated therewith as applied to Licensed Products. Lauren and PFI will cooperate with Licensee in all manners and respects, but at Licensee's expense, to enable Licensee to obtain the aforesaid registrations, and Lauren and PFI will execute any further agreements, documents and instruments as may be necessary to effect the same;

(c) Lauren and PFI will not at any time disclose to any person, firm, corporation or business (other than to a person, firm, corporation or business with rights to use the Names on Licensed Products outside the Territory, if required in connection with a program for the Licensed Products outside the Territory) any confidential information (including, without limitation, customer lists) concerning the conduct of the business and affairs of Licensee or of any subsidiary or affiliate of Licensee which they may acquire except as may be required pursuant to law and then only upon advance notice to Licensee;

(d) Lauren and PFI shall protect, indemnify and save harmless Licensee and each of Licensee's officers, directors, employees and agents against any and all liabilities, claims, damages, penalties, causes of action, costs and expenses, including reasonable attorneys' fees, arising out of the breach or material inaccuracy of any of the representations, warranties, covenants and agreements of (x) Licensor contained in the License Agreement or (y) Lauren or PFI, contained in this letter. Licensee shall have the right in its discretion, and with counsel of its own choosing, to take any action, legal or otherwise, in its own name and/or in the name of Lauren or PFI, at Licensee's discretion to protect any trade name or trademark covered by the License from infringement, counterfeiting or passing off. Prior to taking any such action, Licensee shall advise Licensor of its intention to commence the proposed action and thereafter, at Lauren or PFI's request, shall promptly furnish Lauren and/or PFI with copies of relevant documents and Lauren and PFI advised of developments relating to the action. Lauren and PFI shall cooperate with Licensee, and if requested shall join in as a plaintiff in any such action with counsel designated by Licensee. Any legal expenses incurred in the prosecution of such action shall be borne by, and any money recoveries received in such action, shall belong to, Licensee (subject only to the rights, if any, of Licensor to a royalty on any such recovery as expressly provided in the License Agreement);

(e) Lauren and PFI acknowledge that the Current Names have established prestige and good will in the field of fashion apparel and that it is of major importance to Licensee that the high standards and reputation of the Current Names be maintained. Neither Lauren nor PFI will take action which will be likely to injure or damage the reputation for high quality which has come to be associated with the Current Names. Licensee shall not be entitled to damages by reason of Lauren's or PFI's breach or default of their obligations under this subparagraph (e) and Licensee's sole remedy under the Agreements shall be to terminate the Agreements pursuant to the provisions thereof.

(f) Lauren and PFI believe and intend that they have transferred and assigned to Licensor all rights required by Licensor to enable Licensor to fully perform its obligations under the License Agreement. Nevertheless, in confirmation thereof, if Lauren or PFI or any entity owned or controlled by them now has or may hereafter acquire any right or interest in or to any of the Names and if such right or interest is required to or should properly be owned by Licensor under the License Agreement or to otherwise fully perform Licensor's obligations thereunder, then, and in such event, the following provisions shall apply:

> (i) Lauren and PFI shall promptly transfer and assign such right and interest to Licensor, without cost or expense to Licensee, and (ii) for the purpose of the License Agreement and Licensee's rights thereunder, such rights and interests shall be deemed to be the property of Licensor (whether or not they are actually assigned or transferred to Licensor as provided in clause (i) above);

(g) If Lauren or PFI hereafter registers any new Name in any part of the world, they will promptly thereafter advise Licensee of the same;

(h) Lauren will not permit his name to be used by any Unaffiliated Third Person as the designer or creator of a line of clothing or any other line of fashion related products owned, manufactured or distributed by such Unaffiliated Third Person, unless such Unaffiliated Third Person agrees, for the benefit of Licensee, that neither Ralph Lauren's name nor the name of Ralph Lauren as part of a trade name or trademark used for or in connection with such line of clothing or other line of fashion related products will be used in the Territory by such Unaffiliated Third Person (or by any person licensed or authorized by him) for a line of Licensed Products or in connection with the sale, distribution or promotion thereof. The term "Unaffiliated Third Person" shall mean every person and business entity except Licensor, Lauren, PFI, PLC and each business entity owned or controlled, directly or indirectly, by them; and

(i) In further confirmation of their prior transfer of rights to Licensor, (i) Lauren and PFI do hereby join in each of the covenants and agreements of Licensor contained in the License Agreements (including, without limitation, the covenants and agreements of the Licensor set forth in paragraphs 2.2, 7, 9.4 and 13 of the License Agreement and (ii) Lauren and PFI expressly consent to all of the other terms and conditions of the License Agreement and will deliver such documents and take such action as may be reasonably requested in order to enable Licensor to fully carry out the intent and accomplish the purposes of the License Agreement.

3. Lauren and PFI hereby agree to indemnify and hold harmless Licensee from and against any and all losses it may suffer and any and all damages, liabilities, claims, costs or expenses (including, without limitation, reasonable attorneys' fees and disbursements) paid or incurred, as the case may be, which it would not have suffered or incurred if PFI (rather than Licensor) had owned the Names and had applied for registration of the First Trademarks, provided, however that any such loss, damage, liability, claim, cost or expense is paid or incurred by Domestic Licensee before PFI has filed applications in its own name for registration of the First Trademarks. The parties acknowledge that the aforesaid indemnification provided by Lauren and PFI under this paragraph 3 shall be the same as that provided to Licensee by the License pursuant to the provisions of paragraph 7.1(b) of the License Agreement. In the event any claim is made or accrued (to Licensees' knowledge) against Licensee which comes within the indemnity set forth in this paragraph, Licensee will promptly notify Lauren and PFI of such claim. Thereafter, Licensor shall have the right, at its own expense and with counsel of its own choice, subject to the approval of Licensee, which approval will not be unreasonably withheld, to assume the defense of any such claim. Licensee agrees to cooperate fully in the defense of any such claim and may, at its own expense and with counsel of its own choice, participate in the defense of any such claim.

4. Licensee acknowledges that, except as set forth in paragraph 1 hereof, Lauren and PFI have not represented to Licensee that Licensor, Lauren or PFI have any trademarks, trade names or other rights or interests in or to the Names or that persons other than Licensor, Lauren or PFI have no such trademarks, trade names or other rights or interests. If Licensee uses any Name as a trademark, trade name or product name for a Royalty Product without registration of the same (except as may be necessary to establish its use in commerce) Licensee will protect, defend and save harmless Lauren and PFI from and against any claims of third persons for infringement, counterfeiting or passing off against Lauren or PFI arising out of the use of such unregistered Name provided that (x) neither Lauren, PFI nor Licensor shall have misrepresented to Licensee their rights or interests in or to such Name whether in this letter, in the License Agreement or any other instrument, and (y) such claim shall not arise by reason of any action taken by Lauren, PFI or Licensor in breach of any obligation they may have to Licensee whether arising under this letter, the License Agreement or any other instrument.

5. In the event of a breach or threatened breach of any of the covenants of Lauren or PFI contained in this letter, Licensee shall have the right, without the necessity of proving any actual damages, to obtain temporary or permanent injunctive or mandatory relief in a court of competent jurisdiction, it being the intention of the parties to this Agreement that the covenants and agreements of Lauren and PFI hereunder be specifically enforced to the maximum extent permitted by law.

If the representations of Lauren herein contained are not true and correct in any material respect or if there shall be a substantial breach by Lauren of any of its covenants hereunder, which breach shall not have been cured within ninety (90) days after Licensee shall have given Lauren notice of same, such misrepresentation or breach shall be deemed and shall constitute a breach of the Design Agreement, and Licensee shall have the right, in addition to any and all rights and remedies that Licensee has against Lauren by reason of the same, to (i) terminate the Design Agreement and/or (ii) set off any and all damages, costs, expenses, losses, and other injuries sustained by Licensee by reason of such misrepresentation or breach against any sums payable by Licensee under the Design Agreement, except as otherwise provided in this letter or under the Design Agreement.

6. In all instances where Lauren has a right of approval herein, such right may be exercised personally by Lauren or by the Ralph Lauren Design Studio. If Lauren or the Ralph Lauren Design Studio fails or is unable to exercise such right within thirty (30) days (by informing Licensee whether Lauren grants or withholds his said approval) Lauren shall be deemed to have given his approval to Licensee with respect to the matter as to which his approval was sought.

7. Licensee covenants and agrees with Lauren and PFI, as follows:

(a) Licensee will not disclose to any person, firm, corporation, or business any confidential information concerning the conduct of the business and affairs of Lauren or PFI which Licensee may acquire; and

(b) It is understood that Licensor, Lauren and PFI assume no liability to Licensee or third parties with respect to the performance characteristics of the Royalty Products, and Licensee will protect, defend, indemnify and save harmless, Licensor, Lauren and PFI, their officers, employees and agents, against any and all liabilities, claims, damages, penalties, causes of action, costs and expenses, including reasonable attorneys' fees and disbursements, for product liability or breach of warranty claims of third persons arising out of the use of such Products by such third persons.

8. All notices, approvals or other communications required under or contemplated by this Letter shall be in writing and (x) if given to Licensee, Licensor or Lauren shall be delivered in the manner provided in the Agreements, and (y) if given to PFI shall be transmitted by telex (with confirmed answerback) or delivered in person or sent, postage paid, by registered or certified mail, return receipt requested, as follows:

Polo Fashions, Inc.
40 West 55th Street
New York, New York 10019
Attention: President
Telex: 420747 POLOFAS

with a copy to:

Mark N. Kaplan, Esq.
Skadden, Arps, Slate, Meagher & Flom
919 Third Avenue
New York, New York 10022
Telex: 645899

9. All terms used in this Letter Agreement shall be defined or the purposes hereof as provided in the Agreements unless otherwise expressly defined herein.

10. This Letter Agreement supersedes a prior letter agreement made and dated November 22, 1976 (executed on June 30, 1978) among Licensee (as successor to the rights of Warner/Lauren Ltd.) and Lauren and PFI and the rights, duties and obligations of the parties from this date forth shall be governed by this Letter Agreement.

Very truly yours,

COSMAIR, INC.

By: /s/Jacques H. Correze

READ AND AGREED TO:

/s/Ralph Lauren

Ralph Lauren

POLO FASHIONS, INC.

By: /s/Peter Strom

EXHIBIT 10.6

PORTIONS OF THIS EXHIBIT HAVE BEEN
OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL
TREATMENT AND HAVE BEEN FILED SEPARATELY WITH THE SECURITIES AND
EXCHANGE COMMISSION. SUCH PORTIONS ARE DESIGNATED "[***]".

FOREIGN DESIGN AND CONSULTING AGREEMENT

Dated as of January 1, 1985

-between-

RALPH LAUREN,

individually and d/b/a

RALPH LAUREN DESIGN STUDIO

-and-

L'OREAL S.A.

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FOREIGN DESIGN AND CONSULTING AGREEMENT dated as of January 1, 1985 by and between Ralph Lauren ("Lauren") individually and doing business under the name Ralph Lauren Design Studio, with a place of business at 40 West 55th Street, New York, New York 10019, and L'Oreal S.A., a corporation organized under the laws of France ("Company"), with a place of business at 41, Rue Martre, 92117 Clichy Cedex, France.

A. Lauren is an internationally famous designer who has received numerous awards for his design of men's and women's wear, has twice been inducted into the Coty Hall of Fame for his design of men's and women's fashions and is a creator of original designs for fragrances, jewelry and other products.

B. Lauren has previously sold and transferred to certain Trusts created under an agreement dated September 21, 1976 (the "Trusts") all his rights and interest in and to certain present and future trademarks and trade names ("Names") in connection with the manufacture, sale, marketing, use and other commercial exploitation of fragrances and scents, cosmetic preparations, personal hygiene products and toiletries around the world. The Trusts have previously transferred to The Polo/Lauren Company ("PLC"), a New York limited partnership, all of their rights and interests in and to the Names in connection with the manufacture, sale, marketing, use and other commercial exploitation of fragrances and scents, cosmetic preparations, personal hygiene products and toiletries outside of the United

States of America, its territories and possessions (including, without limitation, Puerto Rico) and any military bases and duty free shops situated therein ("U.S.A."), and the Trusts continue to own such rights in and for the U.S.A.

C. Pursuant to various agreements dated as of November 22, 1976 (executed on June 30, 1978) among Warner/Lauren Ltd. ("WLL"), the Trustees, PLC and Lauren, WLL obtained (i) exclusive licenses to use the Names worldwide in connection with the manufacture, marketing, use, sale and other commercial exploitation of certain specified men's and women's fragrances, scents, cosmetic preparations, personal hygiene products and toiletries, referred to as "Royalty Products" and (ii) the services of Lauren in the creation of packaging designs for the Royalty Products and the exclusive worldwide right to use said Lauren-created designs in conjunction with the Royalty Products.

D. Pursuant to a stock purchase agreement dated January 13, 1984 and a subsequent series of corporate mergers and restructurings, Cosmair, Inc. ("Cosmair") assumed all the rights, duties and obligations of WLL under the aforementioned agreements. As of the effective date hereof, the Company has been assigned and has assured all the rights, duties and obligations of Cosmair under the aforementioned agreements as they relate to the manufacture, marketing, use, sale and other commercial exploitation of Royalty Products and said Lauren-created Packaging designs outside of the U.S.A.

E. Contemporaneously herewith, pursuant to a restated foreign license agreement (the "Restated Foreign License Agreement") between the Company and PLC, said parties have set forth their restated agreement concerning the Company's exclusive license to use the Names in connection with the manufacture, marketing, use, sale and other commercial exploitation outside of the U.S.A. of certain men's and women's fragrances, scents, cosmetic preparations, personal hygiene products, and toiletries, including, without limitation, those described in Schedule A annexed to the Restated Foreign License Agreement (the "Licensed Products"), and which when sold or marketed under the Restated Foreign License Agreement by the Company, its subsidiaries, its Affiliates or its Sub-licensees (as such terms are hereinafter defined) are therein and herein also referred to as the "Royalty Products". The Restated Foreign License Agreement is herein, at times, referred to as the "License Agreement" and capitalized defined term used herein shall have the same meaning as in the License Agreement, unless otherwise herein indicated.

F. The value of the Names is largely attributable to the skill and personal efforts of Lauren in designing. The Company and Lauren now wish to amend and restate and to set forth in one document their understanding concerning the services of Lauren in connection with the design of the Royalty Products and the packaging thereof which will be sold under the Names, and with respect to any patents of the designs and any copyrights thereon resulting from Lauren's services. As used herein and in the License Agreement, "Packaging" refers to all caps, bottles, containers, boxes, wrappings, labels, tags and any and all other receptacles and adornments used in connection with the marketing of the Royalty Products.

IN CONSIDERATION of the foregoing premises and of the mutual covenants herein contained, the parties hereto, intending legally to be bound, do hereby agree as follows:

1. Definitions.

Certain words and terms as used in this Agreement shall have the meanings given to them by the definitions and descriptions in this paragraph, and such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms herein defined.

"Affiliates" shall mean all persons or business entities, whether corporations, partnerships, joint ventures or otherwise, which now or hereafter own, or are owned or controlled, directly or indirectly by the Company.

"the Company" shall have the meaning assigned to that term in the preamble to this Agreement.

"Cosmair" shall have the meaning assigned to that term in recital D to this Agreement.

"Cosmetic Royalty Products" shall mean those Royalty Products which are cosmetic preparations, including specifically the ones described under the caption Cosmetic Preparations in Schedule A annexed to the License Agreement.

"Cosmetics Compensation" shall have the meaning assigned to that term in paragraph 4(a)(ii) of this Agreement.

"Design Concepts" shall have the meaning assigned to that term in paragraph 2(b) of this Agreement.

"Design Studio" shall have the meaning assigned to that term in paragraph 2(d) of this Agreement.

"Final Prototype", shall have the meaning assigned to that term in paragraph 3(d) of this Agreement.

"Full Priced Royalty Products" shall have the meaning assigned to that term in paragraph 4(e) of this Agreement.

"Japanese Compensation" shall have the meaning assigned to that term in paragraph 4(a)(iii) of this Agreement.

"Lauren" shall have the meaning assigned to that term in the preamble to this Agreement.

"License" shall have the meaning assigned to that term in paragraph 3(c) of this Agreement.

"License Agreement" shall mean the Restated Foreign License Agreement dated the date hereof between PLC and the Company.

"License Products" shall have the meaning assigned to that term in recital E to this Agreement.

"Names" shall have the meaning assigned to that term in recital B to this Agreement.

"Net Sales" shall have the meaning assigned to that term in paragraph 4(d) of this Agreement.

"New Licensed Products" shall mean Licensed Products not marketed as of the date hereof or, if then existing, for which Lauren develops new Packaging thereafter.

"Packaging" shall have the meaning assigned to that term in recital F to this Agreement.

"PLC" shall have the meaning assigned to that term in recital B to this Agreement.

"Promotion Products" shall have the meaning assigned to that term in paragraph 4(f) of this Agreement.

"Prototype" shall have the meaning assigned to that term in paragraph 3(d) of this Agreement.

"Regular Compensation" shall have the meaning assigned to that term in paragraph 4(a)(i) of this Agreement.

"Royalty Products" shall have the meaning assigned to that term in recital E to this Agreement.

"Semi-Annual Accounting Period" shall have the meaning assigned to that term in the License Agreement in paragraph 4(b) of this Agreement.

"Sub-licensees" shall have the same meaning assigned to that term in the License Agreement.

"Territory" shall mean all parts of the world exclusive of the U.S.A.

"U.S.A." shall have the meaning assigned to that term in recital B to this Agreement.

"WLL" shall have the meaning assigned to that term in recital C to this Agreement.

2. Design.

(a) At any time or from time to time the Company shall provide Lauren with a list or lists setting forth those New Licensed Products for which the Company shall require Packaging. The Company acknowledges that it is receiving valuable rights from Lauren by virtue of its right to use previously designed packaging concepts for Licensed Products heretofore primarily marketed in the U.S.A. It is the intention of each of the parties hereto that the marketing programs established for Licensed Products will be applied throughout the world, so as to project a consistent world-wide image. The Company shall provide Lauren with all pertinent information concerning the desired New Licensed Products, including the countries where they are intended to be marketed and the proposed launch dates in each of the countries.

(b) At any time or from time to time within a reasonable period (consistent with Lauren's and the Company's reasonable schedules), following receipt by Lauren's and the Company's reasonable schedules), following receipt by Lauren of the aforesaid list or lists, Lauren shall provide the Company with a program of suggested, broad design themes and concepts with respect to the Packaging for such New Licensed Products ("Design Concepts") which shall be embodied in verbal and/or written descriptions of design themes and concepts and such other detailed designs and sketches therefor, as Lauren deems appropriate. Lauren shall have full discretion with respect to the manner in which the Design Concepts shall be formulated and presented by Lauren to the Company. The Company and Lauren shall confer on Design Concepts and shall make such modifications as are required to meet Lauren's approval.

(c) The Design Concepts, as finally agreed upon, shall be the basis of the Packaging for any New Licensed Products subject to such changes as the Company with the approval of Lauren may deem necessary to increase the sales of said Products. It is understood that local conditions, legal or otherwise, may require variations on Packaging or with respect to Product formulas from country to country. The Company shall advise Lauren of any such local conditions and the consequent required variations, and Lauren shall not unreasonably withhold or delay his approval thereto.

(d) Lauren may engage such employees, agents and consultants operating under Lauren's supervision and control (such employees, agents and consultants collectively, the "Design Studio") as he may deem necessary and appropriate.

(e) From time to time while this Agreement is in effect, Lauren and/or the Design Studio may (i) develop or modify and implement designs from the Design Concepts or other designs furnished by Lauren or (ii) develop and implement new designs, which the Company may incorporate into the Packaging for Royalty Products.

(f) If the Company wishes to prepare a design or designs for New Licensed Products, it shall submit to Lauren for his approval the Company's proposed Packaging designs therefor. Lauren may, with respect to all designs intended to be incorporated into the Packaging of the New Licensed Products, review and approve, with such modifications as he may deem necessary or appropriate, or disapprove, in either event by notice to the Company, designs prepared by the Company.

(g) The Company shall submit to Lauren for his review and approval, which approval will not be reasonably withheld or delayed by Lauren, the Company's proposed media advertising (other than cooperative advertising) relating to each Licensed Product or Licensed Product line, and the Company's proposed selection of Promotion Products other than Promotion Products which are also Licensed Products. All layouts proposed by the Company for cooperative advertising shall similarly be subject to Lauren's review and approval; provided, however, that in the event the Company is not as a matter of practice given an opportunity to review the cooperative advertising due to time constraints, then the Company shall notify Lauren of those customers with whom it does cooperative advertising and/or promotions, and the Company shall notify the same customers of the terms of this Agreement which pertain to said advertising or promotional materials in the event Lauren objects to any advertising or promotional material used by any such customer. Lauren may, with respect to such advertising and Promotion Products, make such suggestions as he may deem necessary or appropriate, or disapprove, in either event by notice to the Company. Notwithstanding the foregoing, if the Company makes minor, non-material alterations in any advertising with respect to a Royalty Product or Royalty Product line, which advertising has previously been approved by Lauren, the Company need not resubmit such advertising to Lauren for his review or approval.

(h) Lauren's right of approval under sub-paragraphs (b), (c), (f) and (g) of this paragraph 2, sub-paragraphs (d) and (e) of paragraph 3 and sub-paragraph (f) of paragraph 4 may be exercised personally by Lauren or by the Design Studio. If Lauren or the Design Studio fails or is unable to exercise such right within thirty (30) days (fifteen (15) days with respect to sub-paragraph (g) of this paragraph 2), Lauren shall be deemed to have given his approval to the Company with respect to the matter as to which his approval was sought or otherwise required.

(i) All patents and copyrights on designs of the Royalty Products shall be applied for (where application is desired by the Company) by Lauren, at the expense of the Company, and shall designate Lauren as the patent or copyright owner, as the case may be, thereof. All patents, trade secrets or formulas created by or for the Company for Licensed Products and technical know-how and licenses (including technical assistance agreements) shall remain the property of the Company. The Company shall issue such patent and other licenses as may be necessary to enable the entity to which Lauren renders design services for Licensed Products in the U.S.A. to market in the U.S.A. the same Licensed Products as are marketed by the Company in the Territory.

3. Design Legends, Copyright Notice and Licensed Products.

(a) All designs of Royalty Products and Packaging created by Lauren or the Design Studio, or created by or for the Company and reviewed and approved by Lauren or reviewed by the Design Studio, or developed by or for the Company from Design Concepts or subsequent design concepts furnished or approved by Lauren or furnished or reviewed by the Design Studio, shall be subject to the provisions of this paragraph 3.

(b) The Company shall cause to be placed on all Packaging appropriate notice designating Lauren as the copyright or design patent owner thereof, as the case may be, except that the Company may, with respect to bottles of 3 oz. or less, omit such notice if the placement thereof shall not be esthetic in the Company's reasonable judgment (provided, however, that if such notice is omitted from a bottle, a notice will be placed on the box or other packaging thereof indicating: "Packaging and bottle(C) by Ralph Lauren" together with a date and/or such other similar notice as may be required by law in order to protect Lauren's proprietary rights). The manner of presentation of said notices shall be within the discretion of the Company, consistent with good taste and esthetics, it being understood that placement of said notice on the bottom of a bottle or lip of a carton shall be acceptable.

(c) Lauren hereby grants to the Company the exclusive right, license and privilege (the "License") to use in the Territory the designs furnished hereunder and all copyrights, if any, therein, and shall execute and deliver to the Company all documents and instruments necessary to perfect or evidence such license; provided, however, that all such right, title and interest therein shall revert to Lauren upon termination of this Agreement and the Company shall thereupon execute and deliver to Lauren all documents and instruments necessary to perfect or evidence such reversion. The License shall be exclusive even as to Lauren, and shall continue for a term of ninety-nine (99) years, unless terminated in accordance with paragraph 8 hereof.

(d) The Company shall obtain the written approval of Lauren, acting through Mr. Ralph Lauren individually or a designee of Lauren, of all new Licensed

Products, by submitting a Prototype, of each different design or model of a Licensed Product, including, but not limited to, the type and quality of materials, colors and workmanship to be used in connection therewith, prior to any commercial production thereof. In the event that Lauren rejects a particular Prototype or Prototypes, Lauren shall notify the Company of his reasons for rejection and to provide the Company with suggestions for modifying the particular Prototype or Prototypes which Lauren is rejecting. The Company shall promptly correct said Prototype or Prototypes, resubmit said Prototype or Prototypes to Lauren and seek Lauren's approval under the same terms and conditions as set forth herein with respect to the first submission of Prototypes. As used herein, the term "Prototype" shall mean any and all models, or actual samples, of Licensed Products; and the term "Final Prototype" shall mean the actual final sample of a Licensed Product upon which the first commercial production will be based and which has been approved by Lauren prior to the first commercial production thereof pursuant to this paragraph.

(e) Approval of any and all Prototypes as Final Prototypes shall be in the sole discretion of Mr. Ralph Lauren, individually, or a designee of Lauren. The Licensed Products thereafter manufactured and sold by the Company shall strictly adhere, in all respects, including, without limitation, with respect to materials, color, workmanship, designs, dimensions, styling, detail and quality, to the Final Prototypes approved by Lauren.

(f) The Company shall comply with all laws, rules, regulations and requirements of any governmental body which may be applicable to the manufacture, distribution, sale or promotion of Licensed Products, notwithstanding the fact that Lauren may have previously approved a conflicting item or conduct. The Company shall advise

Lauren to the extent any Final Prototype does not comply with any such law, rule, regulation or requirement.

(g) It is the intention of the parties that Lauren and/or senior executive personnel of the Design Studio and senior executives of the Company shall meet no less than twice each calendar year at mutually convenient places and dates to review all areas of product creation and promotional themes and to discuss and pursue in good faith the resolution of problems encountered by either party in connection with this Agreement.

4. Lauren's Compensation.

(a) As full compensation for the services and License, the Company shall pay to Lauren sums equal to the following: the "Regular Compensation", the "Cosmetics Compensation" and the "Japanese Compensation", all of which shall collectively be referred to as the "Compensation".

(i) The "Regular Compensation" shall be equal to [***] percent [***], of the "Company's Net Sales" excluding that portion of Net Sales attributable to (i) Cosmetic Royalty Products or (ii) sales of Royalty Products to or in Japan.

(ii) The Cosmetics Compensation shall be equal to the following percentages of the Company's Net Sales of Cosmetic Royalty Products (excluding those made to or in Japan) for the calendar years indicated:

Calendar Year	Cosmetics Royalty Percentage
1985	[***]
1986 and 1987	[***]

1988	[***]
1989 and thereafter	[***]

(iii) The "Japanese Compensation" shall be equal to [***] percent [***] of the Company's Net Sales to or in Japan; provided, however, that prior to the time the Company shall commence sales of Royalty Products in Japan, Lauren and the Company shall negotiate in good faith and agree upon an appropriate launch period during which the Japanese Compensation shall be waived by Lauren.

(b) The Regular Compensation, the Cosmetics Compensation and the Japanese Compensation shall be payable as follows: With respect to each "Semi-Annual Accounting Period" (being the 6-month period ending June 30 and December 31 of each year during the term of this Agreement, except that the first Semi-Annual Accounting Period shall be the period from the date hereof through June 30, 1985) the entire Regular Compensation, Cosmetics Compensation and Japanese Compensation for such Semi-Annual Accounting Period shall be paid on or before the fifteenth day of the third month next following the end of such Semi-Annual Accounting Period.

(c) [Intentionally omitted]

(d) The term "Net Sales" as used herein shall mean the gross sales made by the Company and its Affiliates and Sub-licensees to (i) retailers or to ultimate consumers (as in the case of accommodation sales to their respective employees and to others) of Full-Priced Royalty Products excluding amounts received for shipping charges and sales, excise or other taxes which are collected by them, and less all allowances, discounts, returns and bad debts and (ii) to wholesalers which are not Affiliates or Sub-licensees of

Full-Priced Royalty Products excluding amounts received for shipping charges and sales, excise or other taxes which are collected by them, and less all allowances, discounts, returns and bad debts. Net Sales shall be calculated on the basis of the local currency in which said Net Sales are made. The term "bad debts" as used in this sub-paragraph shall mean accounts receivable of the Company and its Affiliates and Sub-licensees arising from the aforesaid sales of Full-Priced Royalty Products which have not been paid within 120 days after the due date; provided, however, that if any bad debt is subsequently collected, then, and in such event, the amount thereafter collected on account of such bad debt shall, upon collection, be included in the Company's Net Sales for the period collected. Sales of Licensed Products between the Company and its Affiliates and Sub-licensees (or persons, firms, corporations or businesses with rights to use the Names on Licensed Products outside the Territory), or between said Affiliates and Sub-licensees, shall not be included in the calculation of the Company's Net Sales, provided such sales are made solely for the purpose of further re-sale.

(e) The term "Full Price Royalty Products" as used herein shall mean all Royalty Products except (i) display materials, samples and dummies and (ii) Promotion Products.

(f) The term "Promotion Products" shall mean Royalty Products which are sold to retailers (x) at a price yielding less than the mark-up or profit margin generally realized by the Company, its Affiliates or Sub-licensees (as the case my be) upon the sale by them to retailers of Royalty Products (y) to enable such retailers to re-sell such products to ultimate consumers in conjunction with the sale by such retailers to ultimate consumers of other Royalty Products (which are not Promotion Products), and (z) for the purpose of promoting the sale of such other Royalty Products; provided, however, that notwithstanding the foregoing if the Cost of Goods (as hereinafter defined) to the Company or its Affiliates or Sub-licensees (as the case may be) of a Royalty Product is not greater than [***] percent [***] of the price at which such product is sold by them to retailers, then, and in such event, such Royalty Product shall not be deemed a Promotion Product. The "Cost of Goods" of a Royalty Product shall include and consist of (i) the variable costs of materials (including packaging, components, chemicals) and all other manufacturing costs directly traceable to the production of units of the Royalty Product, (ii) all direct labor costs, and (iii) an appropriate allocation of all fixed costs consisting of all manufacturing costs and overhead not traceable to specific units of production (such as rent, heat, plant manager, etc.), all in conformity with normal industry practice. The Company shall sell or give away products which are not Royalty Products in conjunction with Royalty Products only with Lauren's prior approval (or with the approval of PLC under the License Agreement given pursuant to paragraph 4.6(f) thereof), to be exercised in his sole discretion. Sales of such products shall nevertheless be subject to compensation payments pursuant to this paragraph 4 unless otherwise agreed by Lauren and the Company or unless such promotional products are purchased from licensees of Lauren and PLC in transactions from which Lauren and PLC will derive their full compensation and royalty (as the case may be) fees or unless the Cost of Goods of such products to the Company or its Affiliates or its Sub-licensees (as the case my be) is greater than [***] percent [***] of the price at which such products are sold by them to retailers. Upon Lauren's request, Lauren and the Company shall review periodically the

Company's promotional practices hereunder, and should said review reveal that the Company is deriving excess profits on sales of non-Royalty Products, Lauren and the Company shall negotiate in good faith an appropriate compensation to be paid in connection with said sales.

5. Foreign Currency and Reports.

5.1 The Company shall pay (or cause to be paid) the Compensation due hereunder pursuant to Article 4 in New York in United States currency in accordance with Lauren's instructions. If payment of Compensation on sales is made to Lauren in the United States (not directly from the country in which the sales were made) in United States currency, the conversion of foreign currency to United States dollars shall be at the prevailing exchange rate at Manufacturers Hanover Trust Company, New York, New York at the close of business on the last day of the Semi-Annual Accounting Period for which such Compensation payment is made. In the case of payments of Compensation made directly from the country in which Full-Priced Royalty Products are sold, remittances of Compensation to Lauren in United States currency shall be made by converting the currency upon which Net Sales are calculated at the prevailing exchange rate at a leading bank in such country normally used by the Company or its Affiliate or Sub-licensee as a depository at the close of business an the due date of payment or on the payment date if prior to the due date of payment. Lauren will cooperate, at the Company's expense, in preparing, filing and executing any documents or instruments required by the Company to convert the funds into United States currency or to transfer such funds to Lauren (as the case may be) in the United States. It is the intention of the parties hereto that the calculation of Compensation due to Lauren shall be based upon a conversion to United States dollars from the local currency in which the sales of Royalty Products are made without regard to any intermediary currency transactions. It is also the intention of the parties hereto to eliminate any speculative activity of either party which my be undertaken to the detriment of the other with respect to the exchange rates.

5.2 In countries where foreign remittances of royalties or compensation are prohibited or partially restricted, Compensation shall be paid locally to a bank account in such country specified by Lauren. If foreign remittances are only partially restricted, Lauren and PLC (pursuant to the License Agreement), on the one hand, and the Company on the other hand, shall share equally the total proceeds (whether monetary or non-monetary) permitted to be remitted from any such country (Lauren's and PLC's combined share (including compensation and royalties paid locally) not to exceed the Compensation and Royalty payments to which they are entitled pursuant hereto and to the License Agreement). The Company shall confer with Lauren at the latter's request in order to discuss available alternative procedures, to the extent practicable and permitted by law which would permit the payment of Compensation in the United States. The Company will cooperate, at Lauren's expense, in preparing, filing and executing any documents or instruments required by Lauren to convert the funds into United States currency or to transfer such funds to Lauren in the United States.

5.3 Lauren and the Company shall jointly decide whether a program for the sale of Licensed Products should be undertaken or continued in any country which prohibits the payment of royalties or compensation both internally and externally.

5.4 The Company shall use diligent efforts to provide Lauren, within seventy-five (75) days of the end of each of the first and third calendar quarters of each calendar year, with informal statements of Net Sales by country in the local currency during each such quarter ended in order that Lauren may have the opportunity to protect Compensation remittances from currency fluctuations.

5.5 The Company shall prepare, maintain and furnish to Lauren such records and reports as are required pursuant to Article 6 of the License Agreement. Submission of the required records and reports to PLC pursuant to the License Agreement shall be deemed to have been furnished to Lauren unless Lauren requests separate submissions.

6. Operating Expenses.

The Company shall, provided its written consent shall have been obtained in advance, reimburse, advance or pay directly any and all costs and expenses for travel outside of New York City, reasonably incurred by Lauren, the Design Studio or any authorized designee of Lauren, in connection with performance of the services and supplying of the designs rendered and created pursuant to paragraph 2.

7. Death or Incapacity of Lauren.

In the event Lauren dies or becomes incapacitated, the Design Studio, or if the Design Studio is not then in existence, Lauren's authorized designee, or such entity or person as is responsible for the overall creation of marketing and design philosophy of Ralph Lauren products, shall perform the obligations of Lauren hereunder and the Company shall accept the services of the Design Studio or such designee, entity or person, and, accordingly, assume the expenses of the Design Studio, designee, entity or person as provided in paragraph 6. The Company shall pay all amounts required under paragraph 4 to Lauren or his heirs, successors or assigns.

8. Termination.

This Agreement shall continue in full force and effect until terminated in one of the following ways, but in any event shall terminate upon termination of the License Agreement being executed simultaneously herewith:

(a) By Lauren, in the event that (i) any Compensation is not paid by the Company when due, and such failure to pay is not cured within ten (10) days following notice to the Company of such failure (unless such payment is disputed by the Company in good faith, in which event the time to cure a failure to make payment shall begin after the rendition of an unappealable final judgment by an arbitration panel or a court of competent jurisdiction, (ii) the License Agreement being executed simultaneously herewith is terminated pursuant to the provisions of paragraph 10.1(a) thereof, (iii) there shall be a substantial breach by the Company of any other material provision of this Agreement, including specifically its obligations under paragraph 2(g), which breach shall not have been cured within ninety (90) days after Lauren shall have given the Company notice of the same, then, and in any of such events, at the option of Lauren or the Design Studio or Lauren's heirs, successors or assigns, this Agreement shall immediately terminate, and, subject to paragraph 8(c), all rights of the Company in and to the designs furnished hereunder and all copyrights and design patents therein shall terminate.

(b) By the Company, in the event that (i) Lauren makes an assignment for the benefit of creditors or is adjudged in any legal proceeding to be voluntarily or involuntarily bankrupt, (ii) the License Agreement being executed simultaneously herewith is terminated pursuant to the provisions of paragraph 10.1(b) thereof, or (iii) there shall be a substantial breach by Lauren of any other material provision of this Agreement, which breach shall not have been cured within ninety (90) days after the Company shall have given Lauren notice of the same.

(c) Subject to the provisions of paragraph 10.5 of the License Agreement, for the Post-Termination Period referred to in paragraph 10.4 of the License Agreement, the Company, its Affiliates and its Sub-licensees may continue to sell Royalty Products which were in inventory, in process, or for which written orders had been received from customers, as of the date of termination of this Agreement. Upon the conclusion of the Post-Termination Period, all rights and interests in and to the designs furnished hereunder and design patents therein and all copyrights licensed hereby shall belong to and be the property of Lauren, and the Company, its Affiliates and its Sub-licensees shall have no further or continuing right or interest therein.

(d) The Company acknowledges and admits that there would be no adequate remedy at law for its failure to cease the manufacture or sale of Royalty Products at the termination of the Disposal Period and the Company agrees that in the event of such failure, Lauren shall be entitled to relief by way of temporary or permanent injunction and such other and further relief as any court with jurisdiction may deem proper.

(e) For the purposes of sub-paragraphs (a) and (b) of this paragraph 8, a breach of this Agreement shall be deemed to be cured if the course of conduct or omission comprising or causing such breach is timely brought to an end whether or not the effects of such prior conduct or omission continue thereafter.

(f) The exercise by either party hereto of any of the foregoing rights of termination shall not constitute a waiver of other rights and remedies available to such terminating party, including, unless otherwise specifically provided herein, any right to damages; provided, however, that neither Lauren nor the Company shall be entitled to damages in the event this Agreement terminates as a result of the termination of the License Agreement due to a default by the Company under paragraph 8.2(e) of the License Agreement or by PLC under paragraph 8.1(e) of the License Agreement. The failure by either party to insist upon the strict performance of any provision hereof shall not constitute a waiver by such party of its right to strict performance of such provision in the future nor shall a waiver of any right hereunder on any occasion constitute a waiver of such right on any other occasion.

9. Notices.

All notices or other communications required or contemplated hereunder shall be in writing and shall be deemed given when transmitted by telex (with confirmed answerback) or delivered in person or fifteen (15) days after sent, postage prepaid, by registered mail, as follows:

(a) if to the Company, addressed as follows:

L'Oreal
Centre Eugene Schueller
41, Rue Martre
92117 Clichy Cedex, France
Attention: Directeur Juridique et Financier
Telex: 613088 CELER

with a copy to:

John F. Flaherty, Esq.
Gibney Anthony & Flaherty
420 Lexington Avenue
New York, New York 10170
Telex: 649388

(b) if to Lauren or the Design Studio, addressed as follows:

Ralph Lauren Design Studio
1107 Fifth Avenue
New York, New York 10028
Telex: 420747 POLOFAS

with a copy to:

Mark N. Kaplan, Esq.
Skadden, Arps, Slate,
Meagher & Flom
919 Third Avenue
New York, New York 10022
Telex: 645899

Anyone entitled to notice hereunder may change the address to which notices or other communications are to be sent to it by notice given in the manner contemplated hereby.

10. Binding Effect.

This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties hereto.

11. Assignment.

(a) Lauren may assign his right to receive compensation under this Agreement.

(b) The Company may assign its rights and obligations under this Agreement only (i) to a transferee of substantially all of its business or assets and upon the express assumption of all of the Company's obligations hereunder by such transferee or to a successor to the Company's business by way of merger, consolidation or other business combination or (ii) to an Affiliate, in which case the Company shall remain liable hereunder.

12. Arbitration and Equitable Remedies.

12.1 Any controversy, claim or dispute arising out of or relating to this Agreement or breach thereof, except with respect to an application pursuant to paragraph 12.2 hereof, shall be settled by binding arbitration in accordance with the rules of the International Chamber of Commerce, by three arbitrators selected in accordance with such rules, and judgment upon any award so rendered may be entered in any court having jurisdiction thereof. The arbitration shall be held in New York, New York. Notice of arbitration shall be sufficient if made or given in accordance with the provisions of article 9 hereof.

12.2 In the event of a breach or threatened breach of this Agreement, any party hereto shall have the right, without the necessity of proving any actual damages, to obtain temporary or permanent injunctive or mandatory relief, it being the intention of the parties that this Agreement be specifically enforced to the maximum extent permitted by law.

13. Relationship of Parties.

This Agreement shall not create nor be considered to create the relationship of master and servant, principal and agent, partnership or joint venture between the parties hereto, and neither party shall be liable for any obligation, liability, representation, negligent act or omission to act on the part of the other except as expressly set forth herein.

14. Governing Law.

This Agreement shall be construed and governed in accordance with the internal laws of the State of New York without regard to choice of law provisions.

15. Entire Agreement.

This Agreement contains the entire agreement between the parties hereto with respect to the transactions contemplated hereby and may not be changed or terminated orally. No modification or waiver of any of the provisions hereof shall be valid unless signed by a party to be charged therewith.

16. Severability.

Provisions of this Agreement are severable, and if any provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such provision, or part thereof, in such jurisdiction and shall not in any manner affect such provision in any other jurisdiction, or any other provision in this Agreement in any jurisdiction.

17. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

18. Termination of Prior Agreement.

This Agreement supersedes a prior design and consulting agreement made and dated as of November 22, 1976 (executed on June 30, 1978) between the Company (as successor to the rights of respectively, Cosmair and WTL) and Lauren, and the rights, duties and obligations of the parties from this date forth shall be governed by this Agreement; provided that the Company's obligations prior to this date shall continue to be governed by the prior design and consulting agreement. The Company shall cause Cosmair to remit compensation with respect to sales of Licensed Products made prior to this date as required thereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused the same to be executed by a duly authorized officer as of the lst day of January, 1985.

L'OREAL S.A.

By: /s/ Marc de Lacharriere

Date: October 8, 1985

/s/ Ralph Lauren

Ralph Lauren, individually and doing business as Ralph Lauren Design Studio

Date: October 8, 1985

L'OREAL S.A.
Centre Eugene Schueller
41, Rue Martre
92117 Clichy Cedex
France

As of January 1, 1985

Mr. Ralph Lauren
1107 Fifth Avenue
New York, New York 10028

and

Polo Fashions, Inc.
40 West 55th Street
New York, New York 10019

Gentlemen:

Reference is made (i) to a restated foreign license agreement (the "License Agreement") dated January 1, 1985 between L'Oreal S.A., a corporation organized under the laws of France (the "Licensee"), and The Polo/Lauren Company, a New York limited partnership (the "Licensor"), which License Agreement is being executed simultaneously herewith and (ii) a foreign design and consulting agreement (the "Design Agreement") dated as of January 1, 1985 between Ralph Lauren ("Lauren") individually and doing business under the name Ralph Lauren Design Studio, and Licensee, which Design Agreement is being executed simultaneously herewith. The License Agreement and the Design Agreement are hereinafter, at times, referred to collectively as the Agreements.

In order to induce the Licensee to enter into the Agreements and to perform the obligations imposed on the Licensee thereunder, the Licensor has requested Lauren and Polo Fashions, Inc., a New York corporation ("PFI"), to confirm to the Licensee certain representations, warranties, covenants and acknowledgments, which representations, warranties, covenants and acknowledgments have previously have been made to the Licensor by Lauren and PFI.

NOW, THEREFORE, the parties hereto agree as follows:

1. Lauren and PFI, jointly and severally, hereby make the following representations and warranties to Licensee, which are confirmatory of the rights received by the Licensor under various agreements (the "Transfer Agreements") among the Licensor, Ricky Lauren and Mark N. Kaplan as trustees under an Agreement dated September 21, 1976 (the "Trustees"), Lauren and PFI each of which shall be deemed to be independently material and relied upon by the Licensee, regardless of any investigation made or information obtained by the Licensee:

(a) As of November 12, 1976, PFI was the registered owner of, and Lauren had consented to the use of his name in connection with the registration of, the trademarks (i) "Polo (with design) by Ralph Lauren", United States Patent Office Registration No. 978,166 covering certain products in U.S. Class 39, (ii) "Ralph Lauren" (and Polo Player Design), United States Patent Office Registration No. 984,005 covering certain products in U.S. Class 39, (iii) "Chaps by Ralph Lauren", United States Patent Office Registration No. 1,016,955 covering certain products in U.S. Class 39 and (iv) "Polo by Ralph Lauren" covering certain products in U.S. Class 26. PFI and Lauren, by written instrument duly executed by them in favor of Licensor, have given their consent and agreement to interpose no objection to the registration, use and licensing of the foregoing trademarks, the Names and all other names and marks which either or both (or any business entity which is now or hereafter owed or controlled, directly or indirectly, by either or both of them), may hereafter develop or own (except such other names and marks as are not used in connection with any fashion related product) in connection with the manufacture and/or distribution and sale of Licensed Products, as contemplated by the License Agreements;

(b) Licensor has the full right, power and authority to execute and deliver, and perform the terms of, the License Agreement and the consummation of the transactions contemplated by the License Agreement will not violate any agreement to which Licensor, Lauren or PFI is a party or by which they, it or he may be bound;

(c) Without limiting the generality of the last preceding subparagraph, Licensor has the full right to grant the License and neither Licensor, Lauren nor PFI is a party to or bound by any agreement in conflict with the License Agreement or with any provision thereof. Except as may be provided in the Agreements, neither Licensor, Lauren nor PFI has granted to any other person, firm, corporation or business any right, license or privilege to use the Names or associated crests, symbols, logos or identifying marks, or any crest, symbol, logo or identifying marks which would be confusingly similar thereto in connection with any Licensed Product, or which would have the effect of infringing upon the exclusivity of the License granted to Licensee under the License Agreement;

2. In further confirmation of their prior transfer of rights to Licensor, Lauren and PFI, jointly and severally, covenant and agree with Licensee as follows:

(a) Lauren and PFI will not, and will not permit any business entity owned or controlled by them to, grant any person, firm, corporation or business (other than Licensee) any right, license or privilege to use in the Territory the Names or associated crests, symbols, logos or identifying marks or any name, crest, symbol, logo or identifying mark which would be confusingly similar thereto in connection with any Licensed Product, or which would have the effect of infringing upon the exclusivity of the License granted to Licensee under the License Agreement;

(b) Lauren and PFI hereby confirm Foreign Licensor's authority to appoint Licensee as its attorney-in-fact to apply for and register, in accordance with the provisions of the Agreements, in the name of Licensor, in any part of the Territory all trade names and trademarks which make use of the Names or are associated therewith as applied to Licensed Product. Lauren and FFI will cooperate with Licensee in all manners and respects, but at Licensee's expense, to enable Licensee to obtain the aforesaid registrations, and Lauren and PFI will execute any further agreements, documents and instruments as may be necessary to effect the same;

(c) Lauren and PFI will not at any time disclose to any person, firm, corporation or business (other than to the licensee with respect to Licensed Products in the United States of America, if required in connection with a program for the Licensed Products there) any confidential information (including, without limitation, customer lists) concerning the conduct of the business and affairs of Licensee or of any subsidiary or affiliate of Licensee which they may acquire except as may be required pursuant to law and then only upon advance notice to Licensee;

(d) Lauren and PFI shall protect, indemnify and save harmless Licensee and each of Licensee's officers, directors, employees and agents against any and all liabilities, claims, damages, penalties, causes of action, costs and expenses, including reasonable attorneys' fees, arising out of the breach or material inaccuracy of any of the representations, warranties, covenants and agreements of (x) Licensor contained in the License Agreement or (y) Lauren or PFI, contained in this letter.

Licensee shall have the right in its discretion, and with counsel of its own choosing, to take any action, legal or otherwise, in its own name and/or in the name of Lauren or PFI, at Licensee's discretion, to protect any trade name or trademark covered by the License from infringement, counterfeiting or passing off. prior to taking any such action, Licensee shall advise Licensor of its intention to commence the proposed action and thereafter, at Lauren or PFI's request, shall promptly furnish Lauren and/or PFI with copies of relevant documents and Lauren and PFI advised of developments relating to the action. Lauren and PFI shall cooperate with Licensee, and if requested, shall join in as a plaintiff in any such action with counsel designated by Licensee. Any legal expenses incurred in the prosecution of such action shall be borne by, and any money recoveries received in such action, shall belong to, Licensee (subject only to the rights, if any, of Licensor to a royalty on any such recovery as expressly provided in the License Agreement);

(e) Lauren and PFI acknowledge that the Current Names have established prestige and good will in the field of fashion apparel and that it is of major importance to Licensee that the high standards and reputation of the Current Names be maintained. Neither Lauren nor PFI will take action which will be likely to injure or damage the reputation for high quality which has come to be associated with the Current Names. Licensee shall not be entitled to damages by reason of Lauren's or PFI's breach or default of their obligations under this subparagraph (e) and Licensee's sole remedy under the Agreements shall be to terminate the Agreements pursuant to the provisions thereof.

(f) Lauren and PFI believe and intend that they have transferred and assigned to Licensor all rights required by Licensor to enable Licensor to fully perform its obligations under the License Agreement. Nevertheless, in confirmation thereof, if Lauren or PFI or any entity owned or controlled by them now has or may hereafter acquire any right or interest in or to any of the Names and if such right or interest is required to or should properly be owned by Licensor under the License Agreement or to otherwise fully perform Licensor's obligations thereunder, then, and in such event, the following provisions shall apply:

> (i) Lauren and PFI shall promptly transfer and assign such right and interest to Licensor, without cost or expense to Licensee, and (ii) for the purpose of the License Agreement and Licensee's rights thereunder, such rights and interests shall be deemed to be the property of Licensor (whether or not they are actually assigned or transferred to Licensor as provided in clause (i) above);

(g) If Lauren or PFI hereafter register any new Name in any part of the world, they will promptly thereafter advise Licensee of the same;

(h) Lauren will not permit his name to be used by any Unaffiliated Third Person as the designer or creator of a line of clothing or any other line of fashion related products owned, manufactured or distributed by such Unaffiliated Third Person, unless such Unaffiliated Third Person agrees, for the benefit of Licensee, that neither Ralph Lauren's name or the name of Ralph Lauren as part of a trade name or trademark used for or in connection with such line of clothing or other line of fashion related products will be used in the Territory by such Unaffiliated Third Person (or by any person licensed or authorized by him) for a line of Licensed Products or in connection with the sale, distribution or promotion thereof. The term "Unaffiliated Third Person" shall mean every person and business entity except Licensor, the Trustees, Lauren, PFI and each business entity owned or controlled directly or indirectly, by them; and

(i) In further confirmation of their prior transfer of rights to Licensor, (i) Lauren and PFI do hereby join in each of the covenants and agreements of Licensor contained in the License Agreement (including, without limitation, the covenants and agreements of the Licensor set forth in paragraphs 2.2, 8.1, 10.4 and 14 of the License Agreement) and (ii) Lauren and PFI expressly consent to all of the other terms and conditions of the License Agreement and will deliver such documents and take such action as may be reasonably requested in order to enable Licensor to fully carry out the intent and accomplish the License Agreement.

3. Licensee acknowledges that, except as set forth in paragraph 1 hereof, Lauren and PFI have not represented to Licensee that Licensor, Lauren or PFI have any trademarks, trade names or other rights or interests in or to the Names or that persons other than Licensor, Lauren or PFI have no such trademarks, trade names or other rights or interests. If Licensee uses any Name as a trademark, trade name or product name for a Royalty Product without registration of the same (except as may be necessary to establish its use in commerce) Licensee will protect, defend and save harmless Lauren and PFI from and against any claim of third persons for infringement, counterfeiting or passing off against Lauren or PFI arising out of the use of such unregistered Name provided that (x) neither Lauren, PFI nor Licensor shall have misrepresented to Licensee their rights or interests in or to such Name whether in this letter, in the License Agreement or any other instrument, and (y) such claim shall not arise by reason of any action taken by Lauren, PFI or Licensor in breach of any obligation they may have to Licensee whether arising under this letter, the License Agreement or any other instrument.

4. In the event of a breach or threatened breach of any of the covenants of Lauren or PFI contained in this letter, Licensee shall have the right, without the necessity of proving any actual damages, to obtain temporary or permanent injunctive or mandatory relief in a court of competent jurisdiction, it being the intention of the parties to this Agreement that the covenants and agreements of Lauren and PFI hereunder be specifically enforced to the maximum extent permitted by law.

If the representations of Lauren herein contained are not true and correct in any material respect or if there shall be a substantial breach by Lauren of any of its covenants hereunder, which breach shall not have been cured within ninety (90) days after Licensee shall have given Lauren notice of same, such misrepresentation or breach shall be deemed and shall constitute a breach of the Design Agreement, and Licensee shall have the right, in addition to any and all rights and remedies that Licensee has against Lauren by reason of the same, to (i) terminate the Design Agreement and/or (ii) set off any and all damages, costs, expenses, losses, and other injuries sustained by Licensee by reason of such misrepresentation or breach against any sums payable by Licensee under the Design Agreement, except as otherwise provided in this letter or under the Design Agreement.

5. In all instances where Lauren has a right of approval herein, such right may be exercised personally by Lauren or by the Ralph Lauren Design Studio. If Lauren or the Ralph Lauren Design Studio fails or is unable to exercise such right within thirty (30) days (by informing Licensee whether Lauren grants or withholds his said approval) Lauren shall be deemed to have given his approval to Licensee with respect to the matter as to which his approval was sought.

6. Licensee covenants and agrees with Lauren and PFI, as follows:

(a) Licensee will not disclose to any person, firm, corporation, or business any confidential information concerning the conduct of the business and affairs of Lauren or PFI which Licensee may acquire; and

(b) It is understood that Licensor, Lauren and PFI assume no liability to Licensee or third parties with respect to the performance characteristics of the Royalty Products, and Licensee will protect, defend, indemnify and save harmless, Licensor, Lauren and PFI, their officers, employees and agents, against any and all liabilities, claims, damages, penalties, causes of action, costs and expenses, including reasonable attorneys' fees and disbursements, for product liability or breach of warranty claims of third persons arising out of the use of such Products by such third persons.

7. All notices, approvals or other communications required under or contemplated by this Letter shall be in writing and (x) if given to Licensee, Licensor or Lauren shall be delivered in the manner provided in the Agreements, and (y) if given to PFI shall be transmitted by telex (with confirmed answerback) or delivered in person or sent, postage paid, by registered or certified mail, return receipt requested. as follows:

Polo Fashions, Inc.
40 West 55th Street
New York, New York 10019
Attention: President
Telex: 420747 POLOFAS

with a copy to:

Mark N. Kaplan, Esq.
Skadden, Arps, Slate, Meagher & Flom
919 Third Avenue
New York, New York 10022
Telex: 645899

8. All terms used in this Letter Agreement shall be defined for the purposes hereof as provided in the Agreements unless otherwise expressly defined herein.

9. This Letter Agreement supersedes a prior letter agreement made and dated November 22, 1976 (executed an June 30, 1978) among Cosmair, Inc. (as successor to the rights of Warner/Lauren Ltd.) and Lauren and PFI and the rights, duties and obligations of the parties from this date forth shall be governed by this Letter Agreement.

Very truly yours,

L'OREAL S.A.

By: /s/ Marc de Lacharriere

READ AND AGREED TO:

/s/ Ralph Lauren
- ------------------------------------
Ralph Lauren

POLO FASHIONS, INC.

By: /s/ Peter Strom
- ------------------------------------
Encl.

[LETTERHEAD OF POLO RALPH LAUREN CORPORATION-VICTOR COHEN]

September 16, 1994

VIA FEDERAL EXPRESS

L'Oreal S.A.
Centre Eugene Schueller
41, rue Martre
92117 Clichy Cedex, France

Attn: Directeur Juridique et Financier

Re: Foreign Design and Consulting Agreement dated January 1, 1985 ("Design Agreement")

Gentlemen:

We hereby give you notice that Ralph Lauren will, at a closing which we anticipate will take place on or shortly after October 1, 1994 (the "Closing"), assign his rights and obligations under the Design Agreement (including the right to receive compensation thereunder) to Polo Ralph Lauren Enterprises, L.P., a Delaware limited partnership, in which Mr. Lauren will own the controlling interest. Mr. Lauren will continue to perform the services set forth in the Design Agreement on the terms set forth therein.

We will give you further notice promptly after the Closing concerning the effective date of the assignment and all necessary information regarding the party to which future correspondence, accountings and payment should be directed.

Kindly indicate your acknowledge and consent to the consummation of the proposed transaction described above by executing the enclosed copy of this letter in the place provided and returning it to us in the enclosed Federal Express envelope at your earliest convenience.

Very truly yours,

/s/ Victor Cohen

Victor Cohen
on behalf of Ralph Lauren

/db.2878

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Enclosures

AGREED:

L'OREAL S.A.

By: /s/ P. Simoncelli

Name: P. Simoncelli
Date: September 28, 1994

[LETTERHEAD OF L'OREAL]

October 25, 1994

POLO RALPH LAUREN CORPORATION
650 Madison Avenue
New York, NY 10022

Attn: Mr Victor COHEN,
Vice-President and General Counsel

Re: Your letter of September 16, 1994 - Foreign Design and Consulting Agreement dated January 1, 1985 ("Design Agreement").

Gentlemen,

Further to your above-referred letter, we are pleased to confirm our consent to the proposed transaction described therein (we enclose herewith such letter countersigned on our side), subject however that:

1/ As announced by Mr Cohen on behalf of Ralph Lauren, Mr Ralph Lauren undertakes to continue to personally perform the services set forth in the Design Agreement on the terms set forth therein;

2/ "Polo Ralph Lauren Enterprises, L.P., or any successor or assignee to its rights and duties under the Design Agreement, will in any and all events (i) be able to provide us with the said services of Lauren as provided in the Design Agreement, and (ii) be controlled by Lauren or by the person(s) or entity which controls the Polo/Ralph Lauren trademarks or by an affiliate of such person(s) or entity".

Very truly yours,

/s/ P. Simoncelli

P. SIMONCELLI
General Counsel

P.S.: This letter supersedes our former letter dated September 28, 1994, with same object in reference.

Encl.

EXHIBIT 10.7

PORTIONS OF THIS EXHIBIT HAVE BEEN
OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL
TREATMENT AND HAVE BEEN FILED SEPARATELY WITH THE SECURITIES AND
EXCHANGE COMMISSION. SUCH PORTIONS ARE DESIGNATED "[***]".

RESTATED FOREIGN LICENSE AGREEMENT

Dated as of January 1, 1985

THE POLO/LAUREN COMPANY,

as Licensor

- and -

L'OREAL S.A.,

as Licensee

RESTATED FOREIGN LICENSE AGREEMENT

AGREEMENT dated as of January 1, 1985 by and between The Polo/Lauren Company, a New York limited partnership (hereinafter referred to as the "Licensor"), with a place of business at 40 West 55th Street, New York, New York 10019 and L'Oreal S.A. (the "Licensee"), with a place of business at 41, Rue Martre, 92117 Clichy Cedex, France.

A. Ralph Lauren ("Lauren") is a leading designer of men's, women's and children's apparel and related accessories and, since 1978, the various products designed by Lauren have been marketed and sold internationally under various names and trademarks owned by Licensor;

B. Licensee is a leading manufacturer, marketer and innovator in the field of perfumes and fragrances, cosmetics, toiletries and personal hygiene products and has developed worldwide expertise in this field;

C. Licensor and Warner/Lauren Ltd. entered into an agreement (the "Foreign License Agreement") dated as of November 22, 1976 (executed on June 30, 1978) relating to the manufacture, distribution and sale outside of the United States of America of fragrances, cosmetics and related products under certain trade names, trademarks and/or product names owned and used by Licensor and its affiliates. Pursuant to a stock purchase agreement dated January 13, 1984 and a subsequent series of corporate mergers and restructurings, Cosmair, Inc. ("Cosmair") has assumed all the rights, duties and obligations of Warner/Lauren Ltd. under the Foreign License Agreement and other related agreements, as evidenced by a certain Assumption Agreement dated September 13, 1984. As of the effective date hereof, Licensee has been assigned and has assumed all the rights, duties and obligations of Cosmair under the Foreign License Agreement;

D. It is the desire and intention of the parties to this Agreement to amend and restate the provisions of the Foreign License Agreement, which previously has been formally amended on three occasions, and to set forth in one document the respective rights, duties and obligations of Licensor and Licensee from this date forth, in connection with the grant to Licensee of the sole and exclusive worldwide rights (exclusive of the United States of America, its territories and possessions, including without limitation, Puerto Rico) to use certain Names (as hereinafter defined) as trade names, trademarks and/or product names in the manufacture, use and sale of men's and women's fragrances, scents, cosmetic preparations, personal hygiene products and toiletries, including, without limitation, those described in Schedule A annexed hereto and made a part hereof (the "Licensed Products").

IN CONSIDERATION of the foregoing premises and of the mutual covenants herein contained, the parties agree as follows:

1. Definitions.

Certain words and terms as used in this Agreement shall have the meanings given to them by the definitions and descriptions in this paragraph, and such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms herein defined.

"Affiliates" shall mean all persons or business entities, whether corporations, partnerships, joint ventures or otherwise, which now or hereafter own, or are owned or controlled, directly or indirectly by Licensee.

"Collateral Statement" shall have the meaning assigned to that term in paragraph 6.1 of this Agreement.

"Cosmetic Royalty Products" shall mean those Royalty Products which are cosmetic preparations, including specifically the ones described under the caption Cosmetic Preparations in Schedule A annexed hereto.

"Cosmetics Royalty" shall have the meaning assigned to that term in paragraph 4.3 of this Agreement.

"Current Names" shall mean "Ralph Lauren", "Lauren", "Monogram", "Tuxedo", "Chaps" and "Polo" and all combinations and forms of such names.

"Design Agreement" shall mean the Foreign Design and Consulting Agreement dated the date hereof between Ralph Lauren, individually and d/b/a Ralph Lauren Design Studio and Licensee.

"Foreign License Agreement" shall have the meaning assigned to that term in recital C to this Agreement.

"Full Priced Royalty Products" shall have the meaning assigned to that term in paragraph 4.6(e) of this Agreement.

"Japanese Royalty" shall have the meaning assigned to that term in paragraph 4.4 of this Agreement.

"Launch Line" shall mean the first collection of products to bear a newly developed Special Name.

"Lauren" shall have the meaning assigned to that term in recital A to this Agreement.

"License" shall have the meaning assigned to that term in paragraph 2.2 of this Agreement.

"Licensed Products" shall have the meaning assigned to that term in recital D to this Agreement.

"Licensee" shall have the meaning assigned to that term in the preamble to this Agreement.

"Licensor" shall have the meaning assigned to that term in the preamble to this Agreement.

"Names" shall mean the Current Names and all trade names and trademarks currently or hereafter used by Licensor or Lauren, or by any business entity owned or controlled, directly or indirectly, by any of them, including, without limitation, PFI, for or in connection with any line of clothing designed by or for Lauren or under his supervision or control.

"Net Sales" shall have the meaning assigned to that term in paragraph 4.6(c) of this Agreement.

"PFI" shall mean Polo Fashions, Inc., a New York corporation controlled by Lauren.

"Promotion Products" shall have the meaning assigned to that term in paragraph 4.6(f) of this Agreement.

"Regular Royalty" shall have the meaning assigned to that term in paragraph 4.2 of this Agreement.

"Royalty" shall have the meaning assigned to that term in paragraph 4.1 of this Agreement.

"Royalty Products" shall mean Licensed Products sold or marketed by Licensee, its Affiliates or Sublicensees under trade names, trademarks or product names licensed under this Agreement.

"Royalty Statement" shall have the meaning assigned to that term in paragraph 6.1 of this Agreement.

"Semi-Annual Accounting Period" shall have the meaning assigned to that term in paragraph 4.6(a) of this Agreement.

"Special Name" shall have the meaning assigned to that term in paragraph 2.5(a)(ii) of this Agreement.

"Sub-licensees" shall have the meaning assigned to that term in paragraph 11.3 of this Agreement.

"Territory" shall mean all parts of the world exclusive of the United States of America, its territories and possessions (including, without limitation Puerto Rico) and any military bases and duty free shops situated therein.

2. License.

2.1 The Foreign License Agreement is hereby superseded, and the rights, duties and obligations of the parties from this date forth shall be governed by this Agreement; provided that the obligations of the licensee under the Foreign License Agreement prior to this date shall continue to be governed by the Foreign License Agreement. Licensee shall cause Cosmair to remit royalties with respect to sales of Licensed Products made prior to this date as required under the Foreign License Agreement.

2.2 The Licensor grants to the Licensee the exclusive right, license and privilege (the "License") to use the Names in any form or forms and any and all crests, symbols, logos and identifying marks (including, without limitation, the likeness of Ralph Lauren) associated with the Names, and all other names and marks which the Licensor, Lauren, PFI or any business entity which is now or hereafter owned or controlled, directly or indirectly, by them may hereafter develop or own (except such other names and marks as are not used in connection with any fashion related product), as trade names and/or trademarks and/or product names, whether or not registered or registrable with any government authority, in connection with the manufacture, sale, marketing, use, and other commercial exploitation of the Licensed Products in the Territory. The License shall be exclusive even as to the Licensor. Except as otherwise specifically provided herein, it is understood and agreed that the License applies solely to the use of the Names in connection with Licensed Products and that no use of the Names on any other products or outside of the Territory is authorized or permitted.

2.3 Notwithstanding anything to the contrary set forth in paragraph 2.2 hereof or elsewhere in this Agreement:

(a) Licensee shall not, without the prior written consent of Licensor, use a Name as a trade name, trademark or product name for any of the following products or any similar product: false fingernails, mouthwash/breath freshener/throat lozenges, therapeutic preparations (excluding over-the-counter cosmetics), feminine hygiene deodorant, douches, eye drops, appliances and devices; and

(b) If any of the Names or any combinations or forms of words using any of the Names are to be used by any of Licensee's Affiliates as a corporate name, such Affiliate (using such name) shall first execute a letter agreement in the form set forth on Schedule B annexed hereto.

2.4 Licensee shall have the right to assign or transfer the License only as provided in paragraph 11.2 hereof and to grant sublicenses only as provided in paragraph 11.3 hereof.

2.5 Notwithstanding anything to the contrary set forth in paragraph 2.2 or elsewhere in this Agreement:

(a) If after the date hereof Licensor or Lauren or any business entity owned or controlled, directly or indirectly, by either of them, proposes to use a Special Name (as hereinafter defined) as a trade name or trademark for or in connection with any line of clothing or line of other fashion related product, the following provisions will apply:

(i) Licensor will (x) notify Licensee promptly after a decision has been made to use such a Special Name as aforesaid, which notice shall set forth the Special Name proposed to be used and shall describe, to the extent then practicable, the line of clothing or other fashion related product with respect to which such Special Name is proposed to be used and the proposed retail and wholesale price range, quality and method of marketing such line of clothing or other fashion related product, and (y) notify Licensee promptly after the Launch Line of such clothing or Launch Line of such other fashion related product has been initially shipped to retailers and other major customers, which notice will provide such other and additional information as is then available with respect to the proposed retail and wholesale price range of such product and the quality and method of distribution of the same and will include a full and complete description of all orders received and merchandise shipped with respect to each item in the Launch Line;

(ii) Licensee shall have a period of ninety (90) days from the date of its receipt of the notice referred to in clause (y) of subpara graph 2.5(a)(i) (and no fewer than one hundred eighty (180) days from the date of its receipt of the notice referred to in clause (x) of said subparagraph 2.5(a)(i)) to give notice (the "Licensee's Notice") to Licensor that Licensee intends to use the Special Name as a trade name or trademark for a line of Licensed Products to be marketed by Licensee and/or its Affiliates or Sublicensees. If Licensee timely gives Licensor the Licensee's Notice, Licensee shall have a period of two (2) years from the date on which Licensee's Notice is so given to commence shipment to retailers or other customers in any part of the Territory of a Launch Line of Licensed Products marketed under the Special Name (as a trademark or trade name). Licensor will cooperate in all reasonable manners and respects to enable Licensee to so commence to distribute such a line of Licensed Products within the aforesaid two (2) year period. Such line of Licensed Products shall, when so marketed, constitute Royalty Products and all of the provisions contained in this Agreement with respect to Royalty Products, including the provisions of paragraph 8.2(a) hereof, shall apply with respect thereto;

(iii) If Licensee has duly received each of the notices referred to in subparagraph 2.5(a)(i) and if Licensee has failed to timely give Licensor Licensee's Notice or, having timely given Licensee's Notice, Licensee has failed within the two (2) year period provided for in subparagraph 2.5(a)(ii) to commence shipment to retailers or other customers of the Launch Line of Licensed Products, as aforesaid (provided that Licensor and Lauren shall have cooperated in all reasonable manners and respects to enable Licensee to so commence to distribute such Launch Line of Licensed Products within the said two (2) year period) then, and in such event (x) Licensee shall not thereafter have the right, license and privilege to use such Special Name as a trade name, trademark or product name for or in connection with the manufacture, sale, marketing or other exploitation of Licensed Products, and (y) the Special Name shall not after such failure to give notice or the expiration of such two (2) year period be covered by the provision of this Agreement, but this Agreement shall not otherwise be affected thereby and shall for all other purposes remain in full force and effect and binding upon the parties hereto.

The term "Special Name" shall mean a Name and all crests, symbols, logos and identifying marks associated with the Name except (x) any Current Name and any crest, symbol, logo and identifying mark (including, without limitation, the likeness of Ralph Lauren) associated with a Current Name and any name, crest, symbol, logo and identifying mark which would be confusingly similar thereto, (y) any Name and any crest, symbol, logo and identifying mark associated therewith hereafter, at any time, used by Licensee, its Affiliates or Sublicensees as a trade name, trademark or product name for a Royalty Product and any name, crest, symbol, logo and identifying mark which would be confusingly similar thereto, and (z) any Name if Lauren is or is to be referred to or described in any packaging, advertisement or other promotion of any Licensed Product marketed under such Name (as a trade name, trademark or product name) as the creator, designer or developer of such Licensed Product, or if Lauren or PFI are or are to be referred to in any such packaging, advertisement or other promotion as the owner, manufacturer or distributor of the same;

(b) Licensee may propose to Licensor new trademarks, trade names or product names for use in connection with products Licensee wishes to commercialize in conjunction with the name or likeness of Ralph Lauren. Licensee shall not commence use of any such trademarks, trade names or product names unless

Licensor shall have prior thereto expressly approved the same in writing, in its sole discretion, in which event Licensee shall file to register or have registered, in the name of Licensor and at Licensee's expense, such trademarks, trade names or product names in accordance with paragraph 8.1 of this Agreement.

(c) Licensee acknowledges that Licensor has entered into an agreement with Dos Munecos S.A.C.I.F. ("Dos Munecos") which precludes Licensor from authorizing the sale of Licensed Products in Argentina. Licensee agrees not to commence the promotion, marketing or sale of Licensed Products in Argentina or to attempt to register any Name or any associated crests, symbols, logos or identifying marks in Argentina unless and until Licensor has advised Licensee in writing that Dos Munecos has consented to same or that same would not conflict with Licensor's agreement with Dos Munecos.

3. Term of License.

The term of the License and this Agreement shall continue in perpetuity, unless terminated in accordance with article 10 hereof.

4. Royalty.

4.1 In consideration of the License, the Licensee shall pay to the Licensor the "Regular Royalty", the "Cosmetics Royalty" and the "Japanese Royalty", all of which shall collectively be referred to as the "Royalty."

4.2 The Regular Royalty shall be equal to [* * *] percent [***] of the Licensee's Net Sales excluding that portion of Net Sales attributable to (i) Cosmetic Royalty Products or (ii) sales of Royalty Products to or in Japan.

4.3 The Cosmetics Royalty shall be equal to the following percentages of Licensee's Net Sales of Cosmetic Royalty Products (excluding those made to or in Japan) for the calendar years indicated:

Calendar Year	Cosmetics Royalty Percentage
1985	[***]
1986 and 1987	[***]
1988	[***]
1989 and thereafter	[***]

4.4 The Japanese Royalty shall be equal to [***] percent [***] of Licensee's Net Sales to or in Japan; provided, however, that prior to the time Licensee shall commence sales of Royalty Products in Japan, Licensor and Licensee shall negotiate in good faith and agree upon an appropriate launch period during which the Japanese Royalty shall be waived by Licensor.

4.5 The Regular Royalty, the Cosmetics Royalty and the Japanese Royalty shall be paid as follows: With respect to each Semi-Annual Accounting Period, the entire Regular Royalty, Cosmetics Royalty and Japanese Royalty for such Semi-Annual Accounting Period shall be paid on or before the fifteenth day of the third month next following the end of such Semi-Annual Accounting Period.

4.6 The following terms, as used in this Agreement, shall have the meanings hereinafter set forth:

(a) The term "Semi-Annual Accounting Period" as used herein shall mean each 6-month period ending June 30 and December 31 of each year during the term of this Agreement, except that the first Semi-Annual Accounting Period hereunder shall be the period from the date hereof through June 30, 1985.

(b) [Intentionally Omitted]

(c) The term "Net Sales" as used herein shall mean the gross sales made by Licensee and its Affiliates, and Sublicensees to (i) retailers or to ultimate consumers (as in the case of accommodation sales to their respective employees and to others) of Full-Priced Royalty Products excluding amounts received for shipping charges and sales, excise or other taxes which are collected by them, and less all allowances, discounts, returns and bad debts and (ii) to wholesalers which are not Affiliates or Sublicensees of Full-Priced Royalty Products excluding amounts received for shipping charges and sales, excise or other taxes which are collected by them, and less all allowances, discounts, returns and bad debts. Net Sales shall be calculated on the basis of the local currency in which said Net Sales are made. The term "bad debts" as used in this subparagraph shall mean accounts receivable of Licensee and its Affiliates and Sublicensees arising from the aforesaid sales of Full-Priced Royalty Products which have not been paid within 120 days after the due date; provided, however, that if any bad debt is subsequently collected, then, and in such event, the amount thereafter collected on account of such bad debt shall, upon collection, be included in the Licensee's Net Sales for the period collected. Sales of Licensed Products between Licensee and its Affiliates and Sublicensees (or persons, firms, corporations or businesses with rights to use the Names and Licensed Products outside the Territory), or between said Affiliates and Sublicensees, shall not be included in the calculation of Licensee's Net Sales, provided such sales are made solely for the purpose of further resale.

(d) [Intentionally Omitted]

(e) The term "Full Priced Royalty Products" as used herein shall mean all Royalty Products except (i) display materials, samples and dummies and (ii) Promotion Products.

(f) The term "Promotion Products" shall mean Royalty Products which are sold to retailers (x) at a price yielding less than the mark-up or profit margin generally realized by the Licensee, its Affiliates or Sublicensees (as the case may be) upon the sale by them to retailers of Royalty Products (y) to enable such retailers to resell such products to ultimate consumers in conjunction with the sale by such retailers to ultimate consumers of other Royalty Products (which are not Promotion Products), and (z) for the purpose of promoting the sale of such other Royalty Products; provided, however, that notwithstanding the foregoing if the Cost of Goods (as hereinafter defined) to Licensee or its Affiliates or Sublicensees (as the case may be) of a Royalty Product is not greater than [***] percent [***] of the price at which such product is sold by them to retailers, then, and in such event, such Royalty Product shall not be deemed a Promotion Product. The "Cost of Goods" of a Royalty Product shall include and consist of (i) the variable costs of materials (including packaging, components, chemicals) and all other manufacturing costs directly traceable to the production of units of the Royalty Product, (ii) all direct labor costs, and (iii) an appropriate allocation of all fixed costs consisting of all manufacturing costs and overhead not traceable to specific units of production (such as rent, heat, plant manager, etc.), all in conformity with normal industry practice. Licensee shall sell or give away products which are not Royalty Products in conjunction with Royalty Products only with Licensor's prior approval (or with Lauren's approval given pursuant to paragraphs 2(h) and 4(f) of the Design Agreement), to be exercised in Licensor's sole discretion. Sales of such products shall nevertheless be subject to royalty payments pursuant to this paragraph 4 unless otherwise agreed by Licensor and Licensee or unless such products are purchased from Licensees of Licensor and Lauren in transactions from which Licensor and Lauren will derive their full royalty and compensation (as the case may be) fees or unless the Cost of Goods of such products to Licensee or its Affiliates or its Sublicensees (as the case may be) is greater than [***] percent [***] of the price at which such products are sold by them to retailers. Upon Licensor's request, Licensor and Licensee shall review periodically Licensee's promotional practices hereunder, and should said review reveal that Licensee is deriving excess profits on sales of said non-Royalty Products, Licensor and Licensee shall negotiate in good faith an appropriate royalty to be paid in connection with said sales.

5. Foreign Currency.

5.1 Licensee shall pay (or cause to be paid) Royalties due hereunder pursuant to Article 4 in New York in United States currency in accordance with Licensor's instructions. If payment of a Royalty is made to Licensor in the United States (not directly from the country in which the sales were made) in United States currency, the conversion of foreign currency to United States dollars shall be at the prevailing exchange rate at Manufacturers Hanover Trust Company, New York, New York at the close of business on the last day of each Semi-Annual Accounting Period for which such Royalty payment is made. In the case of payments of Royalties made directly from the country in which Full-Priced Royalty Products are sold, remittances of Royalties to Licensor in United States currency shall be made by converting the currency upon which Net Sales are calculated at the prevailing exchange rate at a leading bank in such country normally used by Licensee or its Affiliate or Sub-licensee as a depository at the close of business on the due date of payment or on the payment date if prior to the due date of payment. Licensor will cooperate, at Licensee's expense, in preparing, filing and executing any documents or instruments required by Licensee to convert the funds into United States currency or to transfer such funds to Licensor (as the case may be) in the United States. It is the intention of the parties hereto that the calculation of Royalties due to Licensor shall be based upon a conversion to United States dollars from the local currency in which the sales of Royalty Products are made without regard to any intermediary currency transactions. It is also the intention of the parties hereto to eliminate any speculative activity of either party which may be undertaken to the detriment of the other with respect to the exchange rates.

5.2 In countries where foreign remittances of royalties are prohibited or partially restricted, Royalties shall be paid locally to a bank account in such country specified by Licensor. If foreign remittances are only partially restricted, Licensor and Lauren (pursuant to the Design Agreement), on the one hand, and Licensee on the other hand, shall share equally the total proceeds (whether monetary or non-monetary) permitted to be remitted from any such country (Licensor's and Lauren's combined share (including royalties and compensation paid locally) not to exceed the Royalty and Compensation payments to which they are entitled pursuant hereto and to the Design Agreement). Licensee shall confer with Licensor at the latter's request in order to discuss available alternative procedures, to the extent practicable and permitted by law, which would permit the payment of Royalties in the United States. Licensee will cooperate, at Licensor's expense, in preparing, filing and executing any documents or instruments required by Licensor to convert the funds into United States currency or to transfer such funds to Licensor in the United States.

5.3 Licensor and Licensee shall jointly decide whether a program for the sale of Licensed Products should be undertaken or continued in any country which prohibits the payment of royalties both internally and externally.

5.4 Licensee shall use diligent efforts to provide Licensor, within seventy-five (75) days of the end of each of the first and third calendar quarters of each calendar year, with informal statements of Net Sales by country in the local currency during each such quarter ended in order that Licensor may have the opportunity to protect Royalty remittances from currency fluctuations.

6. Records and Reports.

6.1 With each payment of a Royalty made pursuant to article 4 hereof, Licensee shall furnish to Licensor a statement (the "Royalty Statement") which shall show for the relevant period, separately with respect to each country (or groupings of countries where more practicable when currency conversions are not involved), each range of Royalty Products and each kind of Promotion Product: (i) the aggregate amount of Licensee's gross sales and Licensee's Net Sales of the same and the aggregate amount of Licensee's returns of and allowances for such products and the sales by units for each Royalty Product, and (ii) the aggregate amount of each Affiliate's and Sublicensee's Net Sales as reflected in Collateral Statements (as hereinafter defined) received by Licensee during the relevant period. Each Royalty Statement shall contain a separate certificate by an officer of Licensee to the effect that Promotion Products referred to therein as sold by Licensee comprised "Promotion

Products" as defined in this Agreement. A true and complete copy of each Collateral Statement referred to in a Royalty Statement shall be furnished to Licensor together with the Royalty Statement. Licensor shall have a period of one (1) year after receipt of each Royalty Statement to object thereto by delivering to Licensee a written statement ("Notice of Disagreement") setting forth in detail the item or items objected to and the Licensor's reasons therefor, except that Licensor shall have a period of two (2) years after receipt of a Royalty Statement to assert a claim (by a Notice of Disagreement) that Promotion Products referred to in the Royalty Statement were in fact Full Priced Royalty Products. If Licensor does not timely object to items set forth in a Royalty Statement by delivering a Notice of Disagreement within the time allowed, such items contained in the Royalty Statement as to which timely objection was not made shall be deemed to be conclusive and binding upon Licensor and Licensee.

Licensee shall require that its Affiliates and Sublicensees furnish to Licensee a statement (the "Collateral Statement") on or before the end of the fifteenth day of the second month next following the end of each Semi-Annual Accounting Period which shall show for the Semi-Annual Accounting Period then last ended prior to the date of such statement, separately with respect to each country (or groupings of countries where more practicable when currency conversions are not involved), each range of Royalty Products and each kind of Promotion Product, the aggregate amount of the Affiliate's or Sublicensee's (as the case may be) gross sales and Net Sales of the same and the aggregate amount of returns of and allowances for such products. In addition to the above information, each Royalty Statement and Collateral Statement shall set forth (i) with respect to each account receivable of the Licensee, Affiliate or Sublicensee, as the case may be, constituting a bad debt (as hereinabove defined) the following information: the name and address of the account receivable debtor, the amount of the account receivable of such debtor constituting a bad debt and the date of the invoice or bill which remains unpaid in whole or in part (thereby creating the bad debt) and (ii) with respect to each bad debt from a prior accounting period which was collected during the accounting period covered by a Royalty Statement or Collateral Statement the following information: the name and address of the account receivable debtor, the amount of the bad debt from a prior accounting period which was collected during the accounting period covered by the Royalty Statement or Collateral Statement and the date of the earlier Royalty Statement or Collateral Statement on which the bad debt had been charged against Licensee's, the Affiliate's or the Sublicensee's Net Sales.

6.2 During the term of this Agreement Licensee shall keep at its office complete and accurate books and records pertaining to Licensee's obligations hereunder. Such books and records shall show, by kind, quantity and name of customer, (i) the volume in local currency of all sales of Royalty Products and Promotion Products Trade made by Licensee and its Affiliates, (ii) the Cost of Goods of Promotion Products, (iii) the accounts receivable and bad debts of Licensee and its Affiliates and (iv) the names and addresses of all

Sublicensees. Licensee shall require that its Sublicensees maintain similar books and records.

Licensor shall have and is hereby granted the right, to be exercised no more frequently than once in any Semi-Annual Accounting Period, to have Licensee's said books and records examined by a certified public accountant or other representative selected by Licensor for the purpose of verifying the Royalty Statements. Licensee shall permit access to its books and records for the purpose of such examination during the normal hours of business upon receipt of notice from Licensor not less than five (5) business days in advance of the requested date of examination. Such examination requested by Licensor shall be made at Licensor's sole cost and expense, except that if upon any such examination Licensor shall determine and demonstrate that the amount of Licensee's Net Sales as set forth in a Royalty Statement has been understated by more than three (3%) percent then, and in such event, Licensee shall reimburse Licensor for the fair and reasonable cost to Licensor of its examination of Licensee's books and records for the period covered by such understated Royalty Statement. Licensee shall procure for Licensor a similar right, to be exercisable no less frequently than once in any Semi-Annual Accounting Period, to have the books of each Affiliate and Sublicensee examined for the purpose of verifying Collateral Statements. Each Affiliate and Sublicensee shall further agree that any such examination requested by Licensor shall be made at Licensor's sole cost and expense, except that if upon any such examination Licensor shall determine and demonstrate that the amount of the Affiliate's or Sublicensee's (as the case may be) Net Sales as set forth in a Collateral Statement has been understated by more than three (3%) percent then, and in such event, the Affiliate or Sublicensee shall reimburse Licensor for the fair and reasonable cost to Licensor of its examination of the Affiliate's or Sublicensee's books and records for the period covered by such understated Collateral Statement.

7. Representations and Warranties.

7.1 Licensor hereby makes the following representations and warranties to Licensee:

(a) As of November 22, 1976, PFI was the registered owner of, and Lauren had consented to the use of his name in connection with the registration of, among others, the trademarks (i) "Polo (with design) by Ralph Lauren", United States Patent Office Registration No. 978,166 covering certain products in U.S. Class 39, (ii) "Ralph Lauren" (and Polo Player Design), United States Patent Office Registration No. 984,005 covering certain products in U.S. Class 39, (iii) "Chaps by Ralph Lauren", United States Patent Office Registration No. 1,016,955 covering certain products in U.S. Class 39, and (iv) "Polo by Ralph Lauren" covering certain products in Class 26. PFI and Lauren, by written instrument duly and fully executed by them, have consented to, and have agreed to interpose no objection to, the registration, use and licensing of the foregoing trademarks, the Names and all other names and marks which either or both (or any business entity which is now or hereafter owned or controlled, directly or indirectly, by either or both of them), may hereafter develop or own (except such other names and marks as are not used in connection with any fashion related product) in connection with the manufacture and/or distribution and sale of Licensed Products by Licensee, its Affiliates and Sublicensees as contemplated by this Agreement;

(b) Licensor has the full right, power and authority to execute and deliver, and perform the terms of, this Agreement and the consummation of the transactions contemplated by this Agreement will not violate any agreement to which Licensor is a party or by which it may be bound; and

(c) Without limiting the generality of the last preceding subparagraph, Licensor has the full right to grant the License. Licensor is not a party to or bound by any agreement in conflict herewith or with any provision hereof. Except to the extent of the restriction referred to in paragraph 2.5(c) hereof, Licensor has not granted to any other person, firm, corporation or business any right, license or privilege to use in the Territory the Names or associated crests, symbols, logos or identifying marks or any name, crest, symbol, logo or identifying mark which would be confusingly similar thereto in correction with any Licensed Product, or which would have the effect of infringing upon the exclusivity of the License granted to Licensee hereunder.

7.2 Licensee hereby makes the following representations and warranties to Licensor:

(a) Licensee has the full power and authority to enter into this Agreement and to perform its obligations hereunder and the consummation of the transactions contemplated hereunder will not violate any agreement to which Licensee is a party or by which it may be bound; and

(b) This Agreement constitutes a valid and binding obligation of Licensee, enforceable in accordance with its terms.

8. Additional Covenants.

8.1 Licensor covenants and agrees as follows:

(a) Except as expressly provided in paragraph 2.5 of this Agreement and only on the terms and conditions set forth therein, Licensor will not, and will not permit any business entity owned or controlled by it to, grant any person, firm, corporation or business (other than Licensee) any right, license or privilege to use in the Territory the Names or associated crests, symbols, logos or identifying marks or any name, crest, symbol, logo or identifying mark which would be confusingly similar thereto in connection with any Licensed Product, or which would have the effect of infringing upon the exclusivity of the License granted to Licensee hereunder;

(b) During the term of this Agreement Licensee shall have and is hereby granted the right, without cost or expense to Licensor, to file or cause its Sublicensees to file for registration of the Names as applied to the Licensed Products in all parts of the Territory where it proposes, directly or through its Sublicensees, to manufacture and/or market and sell Royalty Products (it being understood that such registrations shall be obtained in the name of Licensor and, accordingly, Licensor shall have the right, title and interest in any trade names or trademarks so registered subject to the exclusive License of Licensee granted hereby). Licensee shall have the right, to the extent permitted by law, to make application to register Licensee and/or its Sublicensees as permitted users or registered users of such trade names or trademarks in all parts of the Territory and Licensor hereby appoints Licensee as its attorney-in-fact to apply for and register, in the name of Licensor, in any part of the Territory all trade names and trademarks which make use of the Names or are associated therewith as applied to Licensed Products. Licensor shall have the right to approve the form of registered user agreement, which approval will not be unreasonably withheld or delayed by Licensor. Licensee shall provide Licensor with copies of all applications filed and registrations obtained and shall include Licensor on its or its trademark counsel's trademark watch and distribution list so as to keep Licensor apprised of any applications, registrations, oppositions and proceedings relating to the trade names and trademarks which make use of the Names or are associated therewith. Licensor will cooperate with Licensee in all manners and respects, but at Licensee's expense, to enable Licensee to obtain the aforesaid registrations, and Licensor will execute any further agreements, documents and instruments as my be necessary to effect the same. Nothing herein shall (x) subject only to the provisions of paragraph 2.5 of this Agreement, preclude Licensee from using a Name for a Licensed Product in any part of the Territory for the purposes set forth in this Agreement without registration of the same, or (y) preclude Licensor from filing, at Licensor's own cost and expense, for registration any of the Names in any part of the world; if any name is registered in any part of the Territory at Licensee's request Licensor will promptly execute and return to Licensee a letter confirming that such registered trade name or trademark is covered by this Agreement;

(c) Licensor will not during the term of this Agreement, or at any time thereafter, disclose to any person, firm, corporation or business (other than the licensee with respect to Licensed Products in the United States of America, if required in connection with a program for Licensed Products there) any confidential information (including, without limitation, customer lists) concerning the conduct of the business and affairs of Licensee or any Affiliate of Licensee which Licensor may have acquired during the course of this Agreement except as may be required pursuant to law and then only upon advance notice to Licensee;

(d) Licensor shall protect, indemnify and save harmless Licensee and each of Licensee's officers, directors, employees and agents against any and all liabilities, claims, damages, penalties, causes of action, costs and expenses, including reasonable attorneys' fees, arising out of the breach or material inaccuracy of any of the representations, warranties, covenants and agreements of Licensor contained in this Agreement. Licensee shall have the right in its discretion, and with counsel of its own choosing, to take any action, legal or otherwise, in its own name and/or in the name of Licensor, at Licensee's discretion, to protect any trade name or trademark covered by the License from infringement, counterfeiting or passing off. Prior to taking any such action, Licensee shall advise Licensor of its intention to commence the proposed action and thereafter, at Licensor's request, shall promptly furnish Licensor with copies of relevant documents and keep Licensor advised of developments relating to the action. Licensor shall cooperate with Licensee and, if requested, shall join as a plaintiff in any such action with counsel designated by Licensee. Any legal expenses incurred in the prosecution of such action shall be borne by, and any money recoveries received as a result of such action shall belong to, Licensee; provided, however, that the net amount of any such recovery upon a final, non-appealable judgment, after deducting the aggregate amount of all and every cost and expense of such an action (including attorneys' fees, court costs, printing fees, witness fees, etc.), shall be included in Licensee's Net Sales for the purpose of calculating the Royalty;

(e) Licensor acknowledges that the Current Names have established prestige and good will in the field of fashion apparel and that it is of major importance to Licensee that the high standards and reputation of the Current Names be maintained. Licensor will not take any action which would be likely to injure or damage the reputation for high quality which has come to be associated with the Current Names. Licensee shall not be entitled to damages by reason of Licensor's breach or default of its obligations under this paragraph 8.1(e) and Licensee's sole ready shall be to terminate this Agreement not pursuant to paragraph 10.1(b) hereof;

(f) If Licensor hereafter registers any new Name in any part of the world, Licensor will promptly thereafter advise Licensee; and

(g) At the request of Licensee, Licensor will from time to time, at no cost or expense to Licensee, deliver promptly to Licensee (i) instruments executed by Licensor granting to Licensee the exclusive license in and to each trade name or trademark (for the classes of use contemplated by this Agreement) used by Licensee hereunder for a Royalty Product and/or instruments evidencing such grant, which instruments shall be in form and substance satisfactory to Licensee's trademark counsel in such counsel's reasonable judgment, (ii) "short form" agreements of this Agreement (for recordings and other reasonable purposes) provided that the same shall be in all respects consistent with the rights and obligations hereunder of, respectively, Licensor and Licensee, and (iii) such other and additional documents and instruments as may reasonably be requested by Licensee in furtherance of and to implement the purposes and provisions of this Agreement and the transactions provided for herein.

8.2 Licensee covenants and agrees as follows:

(a) Licensee will diligently promote the sale of the Royalty Products and will use its best efforts in this regard;

(b) It is understood that Licensor assumes no liability to Licensee or third parties with respect to the performance characteristics of the Royalty Products, and Licensee will protect, defend, indemnify and save harmless Licensor, its employees and agents, against any and all liabilities, claims, damages, penalties, causes of action, costs and expenses, including reasonable attorneys' fees, for product liability claims of third persons arising out of the use of such products by such third persons. Licensee will carry product liability insurance policies in such amount as Licensee, in its sole judgment and discretion deems adequate and will cause Licensor and Lauren to be included as additional named insureds under such policies and will provide Licensor with copies of insurance certificates evidencing same;

(c) Licensee will not during the term of this Agreement, or at any time thereafter, disclose to any person, firm, corporation, or business (other than

Licensor's licensee with respect to Licensed Products in the United States of America) any confidential information concerning the conduct of the business and affairs of Licensor which Licensee my have acquired during the course of this Agreement except as may be required pursuant to law and then only upon advance notice to Licensor;

(d) The Royalty Products shall be of high quality and workmanship. For the purposes of ascertaining Licensee's compliance with the last preceding sentence, Licensee and its Sub-licensees will permit duly authorized representatives of Licensor to inspect the Royalty Products and Licensee shall upon request of Licensor submit to Licensor samples of all such products;

(e) Licensee acknowledges that the Current Names have established prestige and good will in the field of fashion apparel and that it is of major importance to Licensor that in the manufacture, advertising, distribution, promotion and sale of Royalty Products, the high standards and reputation of the Current Names be maintained. Licensee will not take any action which would be likely to injure or damage the reputation for high quality which has come to be associated with the Current Names. Without limiting the generality of the foregoing, Licensee shall maintain the high prestige and good will of the Current Names in all manufacturing, advertising, distribution, promotion and sale of the Royalty Products. Licensor's remedies for breach or default by Licensee under this paragraph 8.2(e) shall be limited to termination of this Agreement pursuant to paragraph 10.1(a) hereof and/or injunctive relief.

(f) Licensee acknowledges that, except as set forth in paragraph 7.1 hereof, Licensor has not represented to Licensee that Licensor, Lauren or PFI have any trademarks, trade names or other rights or interests in or to the Names or that persons other than Licensor, Lauren or PFI have no such trademarks, trade names or other rights or interest. If Licensee uses any Name as a trademark, trade name or product name for a Royalty Product without registration of the same (except as may be necessary to establish its use in commerce) Licensee will protect, defend, and save harmless Licensor, Lauren and PFI from and against any claim of third persons for infringement, counterfeit or passing off against them arising out of the use of such unregistered Name provided that (x) in correction therewith neither Licensor, Lauren nor PFI shall have misrepresented to Licensee their rights or interests in or to such Name whether in this Agreement or in any other instrument, and (y) such claim shall not arise by reason of any action taken or not taken by Licensor, Lauren, or PFI in breach of any obligation they may have to Licensee whether arising under this Agreement or under any other instrument; and

(g) Licensee shall protect, indemnify and save harmless Licensor, Lauren and PFI and each of their employees and agents against any and all liabilities, claims, damages, penalties, causes of action, costs and expenses, including reasonable attorneys' fees and disbursements, arising out of the breach or material inaccuracy of any of the representations, warranties, covenants and agreements of Licensee contained in this Agreement.

9. Relationship of Parties.

This Agreement shall not create nor be considered to create the relationship of master and servant, principal and agent, partnership or joint venture between the parties hereto, and neither party shall be liable for any obligation, liability, representation, negligent act or omission to act an the part of the other except as expressly set forth herein.

10. Termination.

10.1 This Agreement and License shall continue in full force and effect until terminated in one of the following ways, but in any event shall terminate upon termination of the Design Agreement being executed simultaneously herewith:

(a) By Licensor, in the event that (i) any royalty is not paid by Licensee when due and such failure to pay is not cured within ten (10) days following notice to the Licensee of such failure (unless such payment is disputed by Licensee in good faith, in which event the time to cure a failure to make payment shall begin after the rendition of an unappealable final judgment by an arbitration panel or court of competent jurisdiction), (ii) the Design Agreement being executed simultaneously herewith is terminated pursuant to the provisions of paragraph 8(a) thereof, (iii) in each of any two (2) consecutive fiscal years of the Licensee commencing after

December 31, 1986, the aggregate sum of Licensee's Net Sales under this Agreement shall average less than [***] Dollars per year, (iv) Licensee fails or refuses to maintain high standards of quality for Royalty Products as provided by subparagraph 8.2(d) hereof, unless such failure or refusal is cured within one hundred and twenty (120) days after notice of the same has been given by Licensor (with respect to products sold after the end of such period), (v) Licensee makes an assignment for the benefit of creditors or is adjudged in any legal proceeding to be a voluntary or involuntary bankrupt, (vi) the representations of Licensee herein are not true and correct in any material respect, or (vii) there shall be a substantial breach by Licensee of any other material provision of this agreement which breach shall not have been cured within ninety (90) days after Licensor shall have given Licensee notice of the same;

(b) By Licensee, in the event that (i) Licensor, Lauren or PFI makes an assignment for the benefit of creditors or is adjudged in any legal proceeding to be voluntarily or involuntarily bankrupt, (ii) the Design Agreement being executed simultaneously herewith is terminated pursuant to the provisions of paragraph 8(b) thereof, (iii) the representations of Licensor herein are not true and correct in any material respect, or (iv) there shall be a substantial breach by Licensor of any other material provision of this Agreement, which breach shall not have been cured within ninety (90) days after Licensee shall have given Licensor notice of the same; and

(c) For the purpose of subparagraphs (a) and (b) of this paragraph 10.1, a breach of this Agreement shall be deemed to be cured if the course of conduct or mission comprising or causing such breach is timely brought to an end whether or not the effects of such prior conduct or omission continue thereafter.

10.2 The exercise by either party hereto of any of the foregoing rights of termination shall not constitute a waiver of other rights and remedies available to such terminating party, including, unless otherwise specifically provided herein, any right to damages. The failure by either party to insist upon the strict performance of any provision hereof shall not constitute a waiver by such party of its right to strict performance of such provision in the future nor shall a waiver of any right hereunder on any occasion constitute a waiver of such right on any other occasion.

10.3 During the "Post-Termination Period" referred to in paragraph 10.4 hereof, Licensee, its Affiliates and its Sub-licensees may continue to sell Royalty Products which were in inventory, in process, or for which written orders had been received from customers, as of the date of termination of this Agreement. Upon the conclusion of the Disposal Period (i) the License and all Sub-licenses shall terminate and Licensee, its Affiliates and its Sub-licensees shall be prohibited from making any further use of the Names or associated crests, symbols, logos and identifying marks, and (ii) all rights and interests in and to the Names shall belong to and be the property of Licensor, and Licensee, its Affiliates and its Sub-licensees shall have no further or continuing right or interest therein (subject only to the rights of Licensee under paragraph 10.4 hereof).

10.4 Notwithstanding anything to the contrary elsewhere herein contained, Licensor will not, will not authorize or license anyone else to, and will not permit any business entity owned or controlled by it to, (i) use any "Restricted Name" (as hereinafter defined) for or in connection with a Licensed Product marketed during the "Post-Termination Period" (as hereinafter defined), (ii) grant any person, firm, corporation or business any right, license or privilege to use during the Post-Termination Period any Restricted Name for or in connection with a Licensed Product, (iii) use any "Restricted Package Design" (as hereinafter defined) for a Licensed Product marketed during the Post-Termination Period, or (iv) grant any person, firm, corporation or business any right, license or privilege to use any Restricted Name for or in connection with a Licensed Product unless such person, firm, corporation or business agrees, for the benefit of Licensee, that it will not use a Restricted Package Design during the Post-Termination Period. For the purposes of this paragraph 10.4, the term (x) "Restricted Name" shall mean each and any Name and associated crest, symbol, logo or identifying mark used by Licensee as a trade name, trademark or product name for or in connection with a Royalty Product prior to the termination of this Agreement, (y) "Post-Termination Period" shall mean the period of one hundred and eighty (180) days after date of termination of this Agreement if this Agreement is terminated by Licensor under the provisions of subparagraph 10.1(a) hereof or the period of three hundred and sixty-five (365) days after the date of termination of this Agreement if this Agreement is terminated by Licensee under the provisions of subparagraph 10.1(b) hereof, and (z) "Restricted Package Design" shall mean the design of any cap, bottle and/or carton used by Licensee for any Royalty Product prior to the termination of this Agreement and any design for a cap, bottle and/or carton which would be confusingly similar thereto. For the purposes of this paragraph 10.4 a product shall be deemed to be marketed as of and on the date when a shipment is first made to a retailer or other wholesale customer.

10.5 Within forty-five (45) days following the date of termination of this Agreement if this Agreement is terminated by Licensor under the provisions of subparagraph 10.1(a) hereof and within one hundred and eighty (180) days after the date of termination of this Agreement if this Agreement is terminated by Licensee under the provisions of subparagraph 10.1(b) hereof, Licensee shall furnish to Licensor a certificate of Licensee listing its inventories (and those of its Affiliates and Sub-licensees) of Royalty Products (which defined term for purposes of this paragraph shall include all packaging which is used in the manufacture and marketing of Royalty Products) on hand or in process wherever situated. Licensor or Licensor's designee shall have the option (but not the obligation) to purchase from Licensee and its Affiliates and Sub-licensees all of their (and that of its Affiliates and Sub-licensees) then existing inventory of Royalty Products upon the following terms and conditions:

(i) Licensor shall notify Licensee of its or its designee's intention to exercise the foregoing option within 30 days of delivery of the certificate referred to above.

(ii) The price for Royalty Products manufactured by Licensee or its Affiliates or Sub-licensees on hand or in process shall be the Cost of Goods (as defined in paragraph 4.6(f)) for each such Royalty Product. The price for all other Royalty Products which are not manufactured by Licensee or its Affiliates or Sub-licensees shall be the landed costs therefor. Landed costs for the purposes hereof means the F.O.B. price of the Royalty Products together with customs, duties, and brokerage, freight and insurance.

(iii) Within fifteen (15) days of receipt of the notice referred to in clause (i) above, Licensee shall deliver or cause to be delivered the Royalty Products purchased at a place to be designated by Licensor. Payment of the purchase price for the Royalty Products so purchased by Licensor or its designee shall be payable upon delivery thereof, provided that Licensor shall be entitled to deduct for such purchase price any amounts owed it by Licensee. Notwithstanding anything else to the contrary elsewhere herein contained, once Licensee shall have received the notice referred to in clause (i) above, the provisions contained in paragraph 10.4 hereof and in the first sentence of paragraph 10.3 hereof shall no longer be applicable.

11. Assignment; Sub-licenses.

11.1 Licensor may assign its rights to royalties under this Agreement, but such assignment shall not have the effect of releasing or discharging Licensor from its obligations hereunder unless Licensee shall expressly so agree in writing.

11.2 Licensee my assign its rights and obligations under this Agreement only (i) to a transferee of substantially all of its business or assets and upon the express assumption of all of Licensee's obligations hereunder by such transferee or to a successor to Licensee's business by way of merger, consolidation or other business combination or (ii) to an Affiliate, in which case Licensee shall remain liable hereunder.

11.3 Licensee and its Affiliates who have entered into sub-license agreements hereunder shall have the right to grant sub-licenses consistent with the uses permitted by the License to sub-licensees, subject to the following terms and conditions:

(a) Each sub-license shall state that the sub-license is issued pursuant to this Agreement as it shall be amended from time to tire, and shall incorporate and be subject to the relevant terms and provisions of this Agreement, as it may be amended from time to time, and shall further state that to the extent the sub-license conflicts with this Agreement or the Design Agreement, the terms of this Agreement or the Design Agreement, as the case may be, shall control;

(b) Each sub-license shall provide that it shall terminate upon the termination of this Agreement and shall give Licensee the same rights of termination with respect to the sub-licensees which Licensor has under this Agreement with respect to Licensee;

(c) Each sub-license shall be consistent with the provisions of the License in all other respects;

(d) Each sub-license shall not release or discharge Licensee from any of its obligations hereunder and Licensee shall remain directly and primarily liable to Licensor under this Agreement regardless of such sub-license;

(e) Licensee shall furnish to Licensor an executed copy of each sub-license as soon as practicable after the execution thereof; and

(f) Each sub-license shall expressly provide that Licensor and Lauren are third party beneficiaries of the sub-license and entitled to enforce the sub-license and protect any and all interests they may have therein under this Agreement or under the Design Agreement, as the case may be. Licensor and Lauren shall not institute any action against a sub-licensee to enforce a sub-license or to protect their interests without first extending to Licensee an opportunity to take such actions of its own as may be appropriate under the circumstances. The commencement of an action by Licensor or Lauren against a sub-licensee shall not in and of itself be deemed to constitute a breach by Licensee hereunder or under the Design Agreement.

Prior to executing a sub-license, Licensee shall advise Licensor of the identity of the proposed sub-licensee which Licensee shall reasonably believe to be economically sound and capable of performing under the sub-licensee agreement. Prior notice will not be required if the proposed sub-licensee is an affiliate of Licensee, or is a company which is included in the L'Oreal Group of companies as identified on Schedule C annexed hereto. Each person or entity which is authorized by or through Licensee to manufacture (or cause to be manufactured) Licensed Products or which pays a percentage royalty (or similar form of compensation) to Licensee or its Affiliates based on net sales of Licensed Products shall enter a sub-license pursuant to the foregoing provisions of this paragraph 11.3 and is referred to in this Agreement as a "Sub-licensee." Licensee shall have, and is hereby granted, the right and privilege to cause Licensor to grant a license, consistent with the uses permitted by the License, to any person (whether an individual, firm, joint venture, corporation or other entity, and whether or not affiliated with Licensee) to whom a sub-license could be granted pursuant to the provisions of this paragraph 11.3, which license will be granted by Licensor on such terms and conditions as Licensee may reasonably require provided the same are not inconsistent with the rights and obligations hereunder of, respectively, Licensor and Licensee, and provided further that Licensor approves the form of such license which approval will not be unreasonably withheld or delayed by Licensor. All references in this Agreement to Sub-licensee(s) include any such person (whether or not an Affiliate) to whom a license is granted by Licensor pursuant to the last preceding sentence.

12. Arbitration, Equitable Remedies and Damages.

12.1 Any controversy, claim or dispute arising out of or relating to this Agreement or breach thereof, except with respect to an application pursuant to paragraph 12.2 hereof, shall be settled by binding arbitration in accordance with the rules of the International Chamber of Commerce, by three arbitrators selected in accordance with such rules, and Judgment upon any award so rendered may be entered in any court having jurisdiction thereof. The arbitration shall be held in New York, New York. Notice of arbitration shall be sufficient if made or given in accordance with the provisions of article 15 hereof.

12.2 In the event of a breach or threatened breach of this Agreement, any party hereto shall have the right, without the necessity of proving any actual damages, to obtain temporary or permanent injunctive or mandatory relief, it being the intention of the parties that this Agreement be specifically enforced to the maximum extent permitted by law.

12.3 If the representations of Licensor contained herein are not true and correct in any material respect or if there shall be a substantial breach by Licensor of any covenant contained herein, which breach shall not have been cured within ninety (90) days after Licensee shall have given Licensor notice of the same then, and in such event, Licensee shall have the right, in addition to any and all other rights and remedies the Licensee has against Licensor by reason of the same, to set off any and all damages, costs, expenses, losses and other injuries sustained by Licensee by reason of such misrepresentation or breach against any sums payable by Licensee to Licensor under this Agreement.

13. Licensor's Right of Approval.

Licensor has been given the right of approval in this Agreement with respect to various actions and classes of actions which may be taken or are proposed to be taken by Licensee during the term hereof. If Licensor fails to exercise such right within thirty (30) days (by informing Licensee whether Licensor grants or withholds its said approval) Licensor shall be deemed to have given its approval to Licensee with respect to the Letter as to which its approval was sought.

14. Further Assurances.

Each of the parties hereto forthwith upon request from the other shall execute and deliver such documents and take such action as may be reasonably requested in order fully to carry out the intent and accomplish the purposes of this Agreement.

15. Notices.

All notices, approvals or other communications required under or contemplated by this Agreement shall be in writing and shall be deemed given when transmitted by telex (with confirmed answerback) or delivered in person or fifteen (15) days after sent, postage prepaid, by registered mail, as follows:

(a) If to Licensor, addressed as follows:
The Polo/Lauren Company
40 West 55 Street
New York, New York 10019
Attention: President
Telex: 420747 POLOFAS

with a copy to:

Mark N. Kaplan, Esq.
Skadden, Arps, Slate, Meagher & Flom
919 Third Avenue
New York, New York 10022
Telex: 645899

(b) If to Licensee, addressed as follows:

L'Oreal
Centre Eugene Schueller
41, Rue Martre
92117 Clichy Cedex, France
Attention: Directeur Juridique et Financier
Telex: 613088 CELER

with a copy to:

John F. Flaherty, Esq.
Gibney Anthony & Flaherty
420 Lexington Avenue
New York, New York 10170
Telex: 649388

Any party to this Agreement may change the address to which notices or other communications are to be sent to it hereunder by notice similarly given.

16. Binding Effect.

This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties hereto.

17. Governing Law.

This Agreement shall be construed and governed in accordance with the internal laws of the State of New York without regard to choice of law provisions.

18. Entire Agreement.

This Agreement contains the entire agreement between the parties hereto with respect to the transactions contemplated hereby and may not be changed or terminated orally. No modification or waiver of any provisions hereof shall be valid unless signed by the party to be charged therewith.

19. Severability.

The provisions of this Agreement are severable, and if any provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such provision, or part thereof, in such jurisdiction and shall not in any manner affect such provision in any other jurisdiction, or any other provision in this Agreement in any jurisdiction.

20. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused the same to be executed by a duly authorized person as of the 1st day of January, 1985.

L'OREAL S.A.

By: /s/ Marc de Lacherriere

Date: October 8, 1985

THE POLO/LAUREN COMPANY, a New York Limited Partnership

By: Polo Fashions, Inc., General Partner

By: /s/ Peter Strom

Date: October 8, 1985

SCHEDULE A

LICENSED PRODUCTS

Fragrances and Scents

Perfume
Cologne
Toilet Water
Aftershave lotion

Cosmetic Preparations

Eyebrow coloring
Eye Highlighter
Eyelashes
Eyeliner
Eyeshadow or Contour
Mascara
Lipstick
Lip gloss
Lip undercoat
Cheek Color - Blushers, Gels, Rouges
Face powder
Make-up foundation/Base/Lightner
False fingernails
Nail polish
Nail hardener
Nail polish remover
Cuticle remover/Softener
Nail polish undercoat/Base coat
Leg and Body Make-up
Masks and Peelers/Firmers
Massages
Make-up remover
Formulated special facial preparations
Depilatories
Wrinkle, Line, Stretch mark, and Cellulite preparations

Personal Hygiene Products

Mouthwash/Breath freshener/Throat lozenges
Underarm deodorant/Antiperspirant
Talcum/Bath powder/Spray
Blemishes/Pores/Acne preparations
Therapeutic preparations
Eyedrops (non-prescription)
Feminine hygiene deodorant
Douches
Foot powder/spray
Bubble bath/oil/capsule
Hand or body lotion/oil/cream

Toiletries

Soap, plain/deodorant
Suntan preparations/sun screen/bronzing agents
Hair shampoo
Shave cream/Gel/Soap
Pre-shave/beard softener
Astringents, Fresheners, Toners
Hand, Face and Body cleansers
Moisturizers/Protectors
Lubricants/Night preparations
Body preparations
Appliances/Devices Applicators
Nail clippers and files
Cuticle tools
Combs and Brushes
Hair spray/lacquer
Hair color/Dye/Lightner
Hair dressing
Hair Setting/Waving gel/Solution
Home permanent
Hair straightener/relaxer
Hair cream rinse/conditioner

Schedule B

The Polo/Lauren Company
1107 Fifth Avenue
New York, New York 10028

Mr. Ralph Lauren
c/o Polo Fashions, Inc.
40 West 55th Street
New York, New York 10019

Gentlemen:

Reference is made to the fragrance and cosmetics trademark license agreement, dated January 1, 1985 (the "Foreign License Agreement"), between The Polo/Lauren Company ("PLC"), a New York limited partnership, and L'Oreal S.A. ("L'Oreal"), a corporation organized under the laws of France. L'Oreal wishes to create a French corporation under the name "Parfume Ralph Lauren et Cie." ("PRL"), pursuant to which it shall conduct all operations relating to the Foreign License Agreement. You are hereby requested to acknowledge below your consent to the use of the name "Ralph Lauren" as part of the foregoing corporate name of PRL, subject to the provisions hereinafter set forth.

1. L'Oreal agrees to promptly execute, deliver and/or file and to cause PRL to promptly execute, deliver and/or file (i) any documents necessary to effect the change of PRL's corporate name, so as to delete therefrom, the name "Ralph Lauren," or any reference, direct or indirect, thereto, as promptly as practicable after, but in no event later than the earlier of (x) sixty (60) days after its receipt of a written communication from PLC or Ralph Lauren requesting that PRL terminate its use of such name or reference or (y) fifteen (15) days following the termination of the Foreign License Agreement and (ii) any consents or similar instruments requested by PLC or Ralph Lauren in connection with the use of the name "Ralph Lauren" as part of a corporate name or trademark by any third party or third parties. In conjunction with any change of name required hereunder, L'Oreal shall cause PRL to cease to use in any manner the name "Ralph Lauren" unless otherwise agreed. PLC shall not unreasonably make a request pursuant to the foregoing clause (i) for PRL to terminate its use of the aforementioned name.

2. L'Oreal agrees that for so long as the name "Ralph Lauren" comprises a part of PRL's corporate name, PRL shall not engage or be involved, directly or indirectly,

in any business other than the sale of products manufactured by or under license from PLC, such business to be conducted only in accordance with the Foreign License Agreement.

3. L'Oreal recognizes that the name "Ralph Lauren" is associated with, and forms a part of, numerous registered trademarks and service marks presently being used in connection with, among other things, various articles of wearing apparel and free standing stores (the "Marks"). L'Oreal further acknowledges that the Marks have acquired valuable secondary meanings and goodwill with the public and that products and stores bearing the Marks have acquired a reputation of high quality and style. To the extent any rights in and to any of the Marks are deemed to accrue to L'Oreal or PRL by virtue of the adoption of the name "Ralph Lauren" by PRL as part of its corporate name, this letter agreement or otherwise, L'Oreal shall cause any and all such rights, at such time as they may be deemed to accrue, to be assigned to PLC. L'Oreal and PRL will execute any instruments requested by PLC which PLC deems necessary, proper or appropriate to accomplish or confirm the foregoing. Any such assignment, transfer or conveyance shall be without consideration other than the mutual agreements contained herein.

4. L'Oreal agrees to cause PRL, upon PRL's formation, to execute an agreement by which PRL will agree to be bound by the terms of this letter agreement.

Without in any manner limiting any of the rights granted to L'Oreal pursuant to the Foreign License Agreement, L'Oreal hereby acknowledges and agrees that, except as specifically provided herein, nothing contained in this letter agreement shall be construed to grant L'Oreal or PM the right or authority to (i) use any of the Marks for any purpose whatsoever or (ii) use the name "Ralph Lauren".

Very truly yours,

L'OREAL S.A.

By:

AGREED AND CONSENTED TO:

THE POLO/LAUREN COMPANY
By: Polo Fashions, Inc.,
General Partner

By:

- ------------------------------------
Ralph Lauren

Schedule C

List 1
- ------
Countries in which the L'OREAL Group operates through affiliated companies.

ARGENTINA
AUSTRIA
AUSTRALIA
BELGIUM
BRAZIL
CHILE
DENMARK
FINLAND
FRANCE
GERMANY (West)
GREECE
HOLLAND
HONG KONG
ITALY
JAPAN
LUXEMBURG
MEXICO
NEW ZEALAND
PORTUGAL
SOUTH AFRICA
SPAIN
SWEDEN
UNITED KINGDOM
URUGUAY
VENEZUELA

List 2

Countries in which L'OREAL operates through agents under marketing control.

CANADA
SWITZERLAND

L'OREAL S.A.
Centre Eugene Schueller
41, Rue Martre
92117 Clichy Cedex
France

As of January 1, 1985

Mr. Ralph Lauren
1107 Fifth Avenue
New York, New York 10028

and

Polo Fashions, Inc.
40 West 55th Street
New York, New York 10019

Gentlemen:

Reference is made (i) to a restated foreign license agreement (the "License Agreement") dated January 1, 1985 between L'Oreal S.A., a corporation organized under the laws of France (the "Licensee"), and The Polo/Lauren Company, a New York limited partnership (the "Licensor"), which License Agreement is being executed simultaneously herewith and (ii) a foreign design and consulting agreement (the "Design Agreement") dated as of January 1, 1985 between Ralph Lauren ("Lauren") individually and doing business under the name Ralph Lauren Design Studio, and Licensee, which Design Agreement is being executed simultaneously herewith. The License Agreement and the Design Agreement are hereinafter, at times, referred to collectively as the Agreements.

In order to induce the Licensee to enter into the Agreements and to perform the obligations imposed on the Licensee thereunder, the Licensor has requested Lauren and Polo Fashions, Inc., a New York corporation ("PFI"), to confirm to the Licensee certain representations, warranties, covenants and acknowledgments, which representations, warranties, covenants and acknowledgments have previously have been made to the Licensor by Lauren and PFI.

NOW, THEREFORE, the parties hereto agree as follows:

1. Lauren and PFI, jointly and severally, hereby make the following representations and warranties to Licensee, which are confirmatory of the rights received by the Licensor under various agreements (the "Transfer Agreements") among the Licensor, Ricky Lauren and Mark N. Kaplan as trustees under an Agreement dated September 21, 1976 (the "Trustees"), Lauren and PFI each of which shall be deemed to be independently material and relied upon by the Licensee, regardless of any investigation made or information obtained by the Licensee:

(a) As of November 12, 1976, PFI was the registered owner of, and Lauren had consented to the use of his name in connection with the registration of, the trademarks (i) "Polo (with design) by Ralph Lauren", United States Patent Office Registration No. 978,166 covering certain products in U.S. Class 39, (ii) "Ralph Lauren" (and Polo Player Design), United States Patent Office Registration No. 984,005 covering certain products in U.S. Class 39, (iii) "Chaps by Ralph Lauren", United States Patent Office Registration No. 1,016,955 covering certain products in U.S. Class 39 and (iv) "Polo by Ralph Lauren" covering certain products in U.S. Class 26. PFI and Lauren, by written instrument duly executed by them in favor of Licensor, have given their consent and agreement to interpose no objection to the registration, use and licensing of the foregoing trademarks, the Names and all other names and marks which either or both (or any business entity which is now or hereafter owed or controlled, directly or indirectly, by either or both of them), may hereafter develop or own (except such other names and marks as are not used in connection with any fashion related product) in connection with the manufacture and/or distribution and sale of Licensed Products, as contemplated by the License Agreements;

(b) Licensor has the full right, power and authority to execute and deliver, and perform the terms of, the License Agreement and the consummation of the transactions contemplated by the License Agreement will not violate any agreement to which Licensor, Lauren or PFI is a party or by which they, it or he may be bound;

(c) Without limiting the generality of the last preceding subparagraph, Licensor has the full right to grant the License and neither Licensor, Lauren nor PFI is a party to or bound by any agreement in conflict with the License Agreement or with any provision thereof. Except as may be provided in the Agreements, neither Licensor, Lauren nor PFI has granted to any other person, firm, corporation or business any right, license or privilege to use the Names or associated crests, symbols, logos or identifying marks, or any crest, symbol, logo or identifying marks which would be confusingly similar thereto in connection with any Licensed Product, or which would have the effect of infringing upon the exclusivity of the License granted to Licensee under the License Agreement;

2. In further confirmation of their prior transfer of rights to Licensor, Lauren and PFI, jointly and severally, covenant and agree with Licensee as follows:

(a) Lauren and PFI will not, and will not permit any business entity owned or controlled by them to, grant any person, firm, corporation or business (other than Licensee) any right, license or privilege to use in the Territory the Names or associated crests, symbols, logos or identifying marks or any name, crest, symbol, logo or identifying mark which would be confusingly similar thereto in connection with any Licensed Product, or which would have the effect of infringing upon the exclusivity of the License granted to Licensee under the License Agreement;

(b) Lauren and PFI hereby confirm Foreign Licensor's authority to appoint Licensee as its attorney-in-fact to apply for and register, in accordance with the provisions of the Agreements, in the name of Licensor, in any part of the Territory all trade names and trademarks which make use of the Names or are associated therewith as applied to Licensed Product. Lauren and FFI will cooperate with Licensee in all manners and respects, but at Licensee's expense, to enable Licensee to obtain the aforesaid registrations, and Lauren and PFI will execute any further agreements, documents and instruments as may be necessary to effect the same;

(c) Lauren and PFI will not at any time disclose to any person, firm, corporation or business (other than to the licensee with respect to Licensed Products in the United States of America, if required in connection with a program for the Licensed Products there) any confidential information (including, without limitation, customer lists) concerning the conduct of the business and affairs of Licensee or of any subsidiary or affiliate of Licensee which they may acquire except as may be required pursuant to law and then only upon advance notice to Licensee;

(d) Lauren and PFI shall protect, indemnify and save harmless Licensee and each of Licensee's officers, directors, employees and agents against any and all liabilities, claims, damages, penalties, causes of action, costs and expenses, including reasonable attorneys' fees, arising out of the breach or material inaccuracy of any of the representations, warranties, covenants and agreements of (x) Licensor contained in the License Agreement or (y) Lauren or PFI, contained in this letter.

Licensee shall have the right in its discretion, and with counsel of its own choosing, to take any action, legal or otherwise, in its own name and/or in the name of Lauren or PFI, at Licensee's discretion, to protect any trade name or trademark covered by the License from infringement, counterfeiting or passing off. prior to taking any such action, Licensee shall advise Licensor of its intention to commence the proposed action and thereafter, at Lauren or PFI's request, shall promptly furnish Lauren and/or PFI with copies of relevant documents and Lauren and PFI advised of developments relating to the action. Lauren and PFI shall cooperate with Licensee, and if requested, shall join in as a plaintiff in any such action with counsel designated by Licensee. Any legal expenses incurred in the prosecution of such action shall be borne by, and any money recoveries received in such action, shall belong to, Licensee (subject only to the rights, if any, of Licensor to a royalty on any such recovery as expressly provided in the License Agreement);

(e) Lauren and PFI acknowledge that the Current Names have established prestige and good will in the field of fashion apparel and that it is of major importance to Licensee that the high standards and reputation of the Current Names be maintained. Neither Lauren nor PFI will take action which will be likely to injure or damage the reputation for high quality which has come to be associated with the Current Names. Licensee shall not be entitled to damages by reason of Lauren's or PFI's breach or default of their obligations under this subparagraph (e) and Licensee's sole remedy under the Agreements shall be to terminate the Agreements pursuant to the provisions thereof.

(f) Lauren and PFI believe and intend that they have transferred and assigned to Licensor all rights required by Licensor to enable Licensor to fully perform its obligations under the License Agreement. Nevertheless, in confirmation thereof, if Lauren or PFI or any entity owned or controlled by them now has or may hereafter acquire any right or interest in or to any of the Names and if such right or interest is required to or should properly be owned by Licensor under the License Agreement or to otherwise fully perform Licensor's obligations thereunder, then, and in such event, the following provisions shall apply:

(i) Lauren and PFI shall promptly transfer and assign such right and interest to Licensor, without cost or expense to Licensee, and (ii) for the purpose of the License Agreement and Licensee's rights thereunder, such rights and interests shall be deemed to be the property of Licensor (whether or not they are actually assigned or transferred to Licensor as provided in clause (i) above);

(g) If Lauren or PFI hereafter register any new Name in any part of the world, they will promptly thereafter advise Licensee of the same;

(h) Lauren will not permit his name to be used by any Unaffiliated Third Person as the designer or creator of a line of clothing or any other line of fashion related products owned, manufactured or distributed by such Unaffiliated Third Person, unless such Unaffiliated Third Person agrees, for the benefit of Licensee, that neither Ralph Lauren's name or the name of Ralph Lauren as part of a trade name or trademark used for or in connection with such line of clothing or other line of fashion related products will be used in the Territory by such Unaffiliated Third Person (or by any person licensed or authorized by him) for a line of Licensed Products or in connection with the sale, distribution or promotion thereof. The term "Unaffiliated Third Person" shall mean every person and business entity except Licensor, the Trustees, Lauren, PFI and each business entity owned or controlled directly or indirectly, by them; and

(i) In further confirmation of their prior transfer of rights to Licensor, (i) Lauren and PFI do hereby join in each of the covenants and agreements of Licensor contained in the License Agreement (including, without limitation, the covenants and agreements of the Licensor set forth in paragraphs 2.2, 8.1, 10.4 and 14 of the License Agreement) and (ii) Lauren and PFI expressly consent to all of the other terms and conditions of the License Agreement and will deliver such documents and take such action as may be reasonably requested in order to enable Licensor to fully carry out the intent and accomplish the License Agreement.

3. Licensee acknowledges that, except as set forth in paragraph 1 hereof, Lauren and PFI have not represented to Licensee that Licensor, Lauren or PFI have any trademarks, trade names or other rights or interests in or to the Names or that persons other than Licensor, Lauren or PFI have no such trademarks, trade names or other rights or interests. If Licensee uses any Name as a trademark, trade name or product name for a Royalty Product without registration of the same (except as may be necessary to establish its use in commerce) Licensee will protect, defend and save harmless Lauren and PFI from and against any claim of third persons for infringement, counterfeiting or passing off against Lauren or PFI arising out of the use of such unregistered Name provided that (x) neither Lauren, PFI nor Licensor shall have misrepresented to Licensee their rights or interests in or to such Name whether in this letter, in the License Agreement or any other instrument, and (y) such claim shall not arise by reason of any action taken by Lauren, PFI or Licensor in breach of any obligation they may have to Licensee whether arising under this letter, the License Agreement or any other instrument.

4. In the event of a breach or threatened breach of any of the covenants of Lauren or PFI contained in this letter, Licensee shall have the right, without the necessity of proving any actual damages, to obtain temporary or permanent injunctive or mandatory relief in a court of competent jurisdiction, it being the intention of the parties to this Agreement that the covenants and agreements of Lauren and PFI hereunder be specifically enforced to the maximum extent permitted by law.

If the representations of Lauren herein contained are not true and correct in any material respect or if there shall be a substantial breach by Lauren of any of its covenants hereunder, which breach shall not have been cured within ninety (90) days after Licensee shall have given Lauren notice of same, such misrepresentation or breach shall be deemed and shall constitute a breach of the Design Agreement, and Licensee shall have the right, in addition to any and all rights and remedies that Licensee has against Lauren by reason of the same, to (i) terminate the Design Agreement and/or (ii) set off any and all damages, costs, expenses, losses, and other injuries sustained by Licensee by reason of such misrepresentation or breach against any sums payable by Licensee under the Design Agreement, except as otherwise provided in this letter or under the Design Agreement.

5. In all instances where Lauren has a right of approval herein, such right may be exercised personally by Lauren or by the Ralph Lauren Design Studio. If Lauren or the Ralph Lauren Design Studio fails or is unable to exercise such right within thirty (30) days (by informing Licensee whether Lauren grants or withholds his said approval) Lauren shall be deemed to have given his approval to Licensee with respect to the matter as to which his approval was sought.

6. Licensee covenants and agrees with Lauren and PFI, as follows:

(a) Licensee will not disclose to any person, firm, corporation, or business any confidential information concerning the conduct of the business and affairs of Lauren or PFI which Licensee may acquire; and

(b) It is understood that Licensor, Lauren and PFI assume no liability to Licensee or third parties with respect to the performance characteristics of the Royalty Products, and Licensee will protect, defend, indemnify and save harmless, Licensor, Lauren and PFI, their officers, employees and agents, against any and all liabilities, claims, damages, penalties, causes of action, costs and expenses, including reasonable attorneys' fees and disbursements, for product liability or breach of warranty claims of third persons arising out of the use of such Products by such third persons.

7. All notices, approvals or other communications required under or contemplated by this Letter shall be in writing and (x) if given to Licensee, Licensor or Lauren shall be delivered in the manner provided in the Agreements, and (y) if given to PFI shall be transmitted by telex (with confirmed answerback) or delivered in person or sent, postage paid, by registered or certified mail, return receipt requested. as follows:

Polo Fashions, Inc.
40 West 55th Street
New York, New York 10019
Attention: President
Telex: 420747 POLOFAS

with a copy to:

Mark N. Kaplan, Esq.
Skadden, Arps, Slate, Meagher & Flom
919 Third Avenue
New York, New York 10022
Telex: 645899

8. All terms used in this Letter Agreement shall be defined for the purposes hereof as provided in the Agreements unless otherwise expressly defined herein.

9. This Letter Agreement supersedes a prior letter agreement made and dated November 22, 1976 (executed an June 30, 1978) among Cosmair, Inc. (as successor to the rights of Warner/Lauren Ltd.) and Lauren and PFI and the rights, duties and obligations of the parties from this date forth shall be governed by this Letter Agreement.

Very truly yours,

L'OREAL S.A.

By: /s/ Marc de Lacherriere

READ AND AGREED TO:

/s/ Ralph Lauren
- -----------------------------
Ralph Lauren

POLO FASHIONS, INC.

By: /s/ Peter Strom

SUPPLEMENTARY AGREEMENT
TO THE RESTATED FOREIGN LICENSE AGREEMENT
DATED AS OF JANUARY 1, 1985

AGREEMENT, dated as of October 1, 1991, supplementing the Restated Foreign License Agreement (the "License Agreement") dated as of January 1, 1985 by and between L'OREAL SA ("Licensee") and The POLO/LAUREN COMPANY ("Licensor"). All terms used but not defined herein shall have the respective meanings ascribed to them in the License Agreement.

Licensee desires Licensor to obtain DOS MUNECOS' consent, pursuant to paragraph 2.5 (c) of the License Agreement, to Licensee's manufacturing, promoting, marketing and selling Licensed Products in Argentina.

Licensor desires Licensee to supply Licensor's store licensees in Argentina with Licensed Products.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1/ Licensor hereby gives Licensee notice that DOS MUNECOS has consented to Licensee's manufacturing, promoting, marketing and selling Licensed Products in Argentina and therefore to Licensee's using any Name or any associated crests, symbols, logos or identifying marks in Argentina and, if need be, having itself recognized by the relevant Argentinian authorities as the Registered (or official) user of same for so long as, and on the condition that, Licensee supplies the retail stores listed on Schedule A hereto, and such other retail stores as may hereafter be opened and operated in South America under authority and control of Licensor and will not materially adversely affect Licensee's distribution plans or interests for Licensed Products in South America (collectively, "Store Licensees") with Licensed Products at a price equal to the price at which Licensee sells such Licensed Products to other retailers not affiliated with Licensee.

2/ All sales by Licensee to Store Licensees hereunder shall be on the same terms and conditions as those set forth in the License Agreement and the Foreign Design and Consulting Agreement dated as of January 1, 1985 between Ralph LAUREN and Licensee, with no other or extra payment whatsoever from Licensee to either Licensor, Ralph LAUREN or DOS MUNECOS (other than such payments as are required under such Agreements).

3/ Licensee's agreement to supply Store Licensees as set forth herein is subject to DOS MUNECOS causing each proposed Store Licensee to execute an agreement in the form annexed hereto as Schedule B and to strictly comply with its terms and conditions. Licensor shall also have DOS MUNECOS instruct the Store Licensees to collaborate with Licensee in order to harmonize the Licensed Products' marketing, merchandising and retail price policies, to the possible and lawful extent in each country. In addition, if a Store Licensee should materially adversely affect Licensee's distribution plans or interests for Licensed Products in South America, then Licensee and Licensor shall endeavor to take such steps as may be reasonable or necessary to settle the problem.

4/ To the extent any distribution of Licensed Products by any Store Licensee as contemplated herein may be inconsistent with the regulations of the country in which such Store Licensee is located, Licensee and Licensor, with DOS MUNECOS' cooperation, shall conform such distribution to such regulations.

5/ Licensee acknowledges that DOS MUNECOS' permission may, if Licensee fails to supply Licensed Products to Store Licensees in the manner set forth herein for another cause than set forth in Point 3 above, be revoked, whereupon all rights of Licensee to manufacture, promote, market and sell Licensed Products in Argentina shall terminate within the 90 days following the receipt by Licensee of the corresponding written notice of revocation.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the date first above written.

L'OREAL S.A.

By: /s/ P. Castres Saint Martin
P. CASTRES SAINT MARTIN
Vice-President, Directeur General
de l'Administration et des Finances

THE POLO/LAUREN COMPANY
BY : POLO RALPH LAUREN
CORPORATION

By: /s/ Cheryl L. Sterling

SCHEDULE A

Name and Address of Store	Owner
Polo/Ralph Lauren Callao 1200 Esq. Arenales Buenos Aires, Argentina	Ariel and Marta Feldsztejn
Polo/Ralph Lauren Unicenter Shopping Parana 3745 Martinez-Buenos Aires, Argentina	Polo Ralph Lauren Sudamericana
Polo/Ralph Lauren Rua Oscar Freire 789 01456-Sao Paulo-SP, Brazil	Jose Carlos Kalil
Polo/Ralph Lauren Shopping Center Iguatemi Avenida Brigadiero Faria Lima 1191-Loja X53 CEP. - 01451 Sao Paulo, Brazil	Jose Carlos Kalil
Polo/Ralph Lauren Rua Visconde de Piraja # 401 Ipanema CEP - 22410, Brazil	Cecilia T. D'Orey Veiga
Polo/Ralph Lauren Park Shopping Loja 112 Brasilia, CEP 70000, Brazil	Jose Carlos Kalil
Polo/Ralph Lauren Rua Aleixo Neto 773-Praia Do Canto 29055-Vitoria-ES, Brazil	Americo E Tanta Buaiz
Polo/Ralph Lauren El Bosque Morte 0275 Las Condes, Santiago, Chile	Carlos Alberto Cartoni

Polo/Ralph Lauren
Calle 18, Esq. 29
Punta del Este, Uruguay

Juan Alberto Etcheverrito

2

SCHEDULE B

(ENGLISH TRANSLATION)

AGREEMENT L'OREAL'S SUBSIDIARIES / POLO SHOPS

Gentlemen,

We have accepted to allow you to sell the fragrances known and marketed under the "POLO-RALPH LAUREN" trademarks in your shop located at :..........

In this way your shop is able to offer, within the very peculiar surroundings of the trademarks, all the items which contribute to the trademarks' value and which illustrate, for the consumer, the RALPH LAUREN style.

We have drawn your attention to the fact that because of their nature, these high class fragrances are destined to a selective distribution and that they are usually marketed only through specialized retailers which enter into special agency agreements with our company. Accordingly the presence of these fragrances in your shop is exceptional and is justified by our willing of enhancing the trademarks' value by gathering together different classes of items marketed under the trademarks in the very few privileged sales points which use the names "POLO/RALPH LAUREN".

The fragrances are sold to your shop in the aforesaid framework only and with a view to satisfying a normal demand from the consumers.

Therefore you may not, under any circumstances, make any sale of the fragrances which would not be intended for individuals, for their personal use. The purpose of this provision is to warn you against possible attempts from third parties "to pick up" the fragrances and resell them outside from the authorized agents network.

We remain at your disposal for any further information.

Please confirm your agreement to the foregoing by returning to us a copy of this letter duly approved and signed by you.

Yours faithfully,

Made in two original copies
In.........................
On ....

SCHEDULE B

CONTRAT ENTRE LES FILIALES DE L'OREAL ET LES BOUTIQUES POLO

Monsieur,

Nous avons accepte de vous permettre la vente des Parfums "POLO-RALPH LAUREN" dans votre boutique :

....
....
....

Cette boutique offre ainsi dans l'ambiance propre a la marque, une presentation de 1'ensemble des produits qui participent a sa valeur et situe, pour le consommateur le Style RALPH LAUREN.

Nous avons attire votre attention sur le fait que les produits de Parfumerie POLO/RALPH LAUREN appartiennent par vocation a une distribution selective et qu'ils ne sont commercialises que par l'intermediaire de parfumeurs ayant signe un contrat de distributeur agree. La presence de ces produits dans votre magasin revet un caractere tres exceptionnel justifie par le souci d'une valorisation de la marque par la reunion dans quelques points de vente privilegies a son enseigne, des differents produits qui la portent.

Les produits de parfumerie susvises ne vous sont vendus que dans ce contexte et pour repondre a une demande de votre clientele.

Il est bien convenu que vous vous interdisez en particulier toute vente qui ne serait pas destinee a un consommateur pour son usage personnel ou celui de ses proches. Nous entendons par cette clause vous mettre en garde contre d'eventuelles tentatives dites "de ramassage" par lesquelles nos produits risqueraient de se trouver en vente en dehors du reseau de distributeurs agrees, ce que nous sommes tres attentifs a controler.

Nous sommes bien evidemment a votre disposition pour tout renseignement a cet egard.

Nous vous prions de bien vouloir marquer votre accord en nous retournant un des deux exemplaires de la presente sur lequel vous aurez fait preceder votre signature au bas de celle-ci de la mention "lu et approuve".

Nous vous prions d'agreer, Monsieur, 1'expression de nos sentiments distingues.

Fait en deux exemplaires, a.........
le ....

EXHIBIT 10.8

PORTIONS OF THIS EXHIBIT HAVE BEEN
OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL
TREATMENT AND HAVE BEEN FILED SEPARATELY WITH THE SECURITIES AND
EXCHANGE COMMISSION. SUCH PORTIONS ARE DESIGNATED "[***]".

AMENDMENT NO. 2
TO RESTATED FOREIGN LICENSE AGREEMENT
AND TO FOREIGN DESIGN AND CONSULTING AGREEMENT

AGREEMENT, dated as of November 27, 1992, amending the Restated Foreign License Agreement (the "License Agreement"), dated as of January 1, 1985, by and between The POLO/LAUREN COMPANY ("Licensor") and L'OREAL S.A. (("Licensee" or "Company") and the Foreign Design and Consulting Agreement (the "Design Agreement"), dated as of January 1, 1985, by and between Ralph LAUREN, individually and d/b/a RALPH LAUREN DESIGN STUDIO ("Lauren") and Company. All terms used but not defined herein shall have the respective meanings ascribed to them in the License Agreement and Design Agreement. The term "Agreements" as sometimes used herein refers collectively to the License Agreement and the Design Agreement.

Licensor, Lauren and Licensee wish to confirm herein their agreements to modify the rates of Royalty and Compensation to be paid by Licensee in the event certain stated conditions are satisfied.

NOW, THEREFORE, THE PARTIES HERETO, INTENDING TO BE LEGALLY BOUND, AGREE AS FOLLOWS:

1) Commencing with the first calendar year in which Net Sales under the License Agreement and Design Agreement equal or exceed the equivalent of [***] French Francs, for such year, and continuing until modified pursuant to paragraph 2 of this Agreement or otherwise agreed in writing by the parties, the Regular Royalty and the Cosmetics Royalty under paragraph 4 of the License Agreement shall each be [***] percent [***] and the Regular Compensation and the Cosmetics Compensation under paragraph 4 of the Design Agreement shall each be [***] percent [***].

2) Commencing with the first calendar year in which Net Sales under the License Agreement and Design Agreement equal or exceed the equivalent of [***] French Francs for such year, and continuing until otherwise agreed in writing by the parties, the Regular Royalty and the Cosmetics Royalty under paragraph 4 of the License Agreement shall each be [***] percent [***] and the Regular Compensation and the Cosmetics Compensation under paragraph 4 of the Design Agreement shall each be [***] percent [***].

3) No later than the next succeeding date on which Royalty and Compensation payments are due under the Agreements, Licensee shall account to Licensor and Lauren for any amounts which may be due them as a result of the change of Royalty and Compensation rates pursuant to this Agreement.

4) Except as expressly provided herein, the Agreements remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the date first above written.

L'OREAL S.A.	THE POLO/LAUREN COMPANY By: POLO RALPH LAUREN CORPORATION, General Partner
By: /s/ P. Castres Saint Martin	By: /s/ Ralph Lauren
P. CASTRES SAINT MARTIN Vice-President Directeur General de l'Administration et des Finances	RALPH LAUREN, individually and doing business as RALPH LAUREN DESIGN STUDIO

EXHIBIT 10.9

PORTIONS OF THIS EXHIBIT HAVE BEEN
OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL
TREATMENT AND HAVE BEEN FILED SEPARATELY WITH THE SECURITIES AND
EXCHANGE COMMISSION. SUCH PORTIONS ARE DESIGNATED "[***]".

April 8, 1992

SUBLICENSE AGREEMENT

THIS AGREEMENT made as of February 1, 1992, between THE RALPH LAUREN HOME COLLECTION, with a principal place of business at 1185 Avenue of the Americas, New York, New York ("RLHC"), and J.P. STEVENS & CO. INC., with a principal place of business at 1185 Avenue of the Americas, New York, New York 10036 ("Company").

W I T N E S S E T H :

WHEREAS, RLHC is a division of Polo Ralph Lauren Corporation, a New York Corporation ("Polo"); and

WHEREAS, Polo owns, and RLHC is the exclusive licensee of the rights to use, the "Licensed Mark", hereinafter defined, in connection with the manufacture and sale in the United States of certain items of home furnishings, including the "Licensed Products", hereinafter defined; and

WHEREAS, Company desires to obtain, and RLHC is willing to grant, an exclusive sublicense, pursuant to which Company shall have the right to use the Licensed Mark and, through RLHC, to obtain Design Concepts and other professional services from Design Studio in connection with the manufacture and sale of Licensed Products in the United States;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and undertakings hereinafter set forth, the parties hereto agree as follows:

1. Definitions. As used in this Agreement, the term:

1.1 "Bathroom Products" shall mean those items of home furnishings listed on Schedule A attached hereto, all bearing the Licensed Mark.

1.2 "Bedroom Products" shall mean those items of home furnishings listed on Schedule B attached hereto, all bearing the Licensed Mark.

1.3 "Licensed Products" shall mean the Bathroom Products and the Bedroom Products.

1.4 "Licensed Mark" shall mean either the trademark "Ralph (Polo Player Design) Lauren", the representation of the Polo Player Design or the trademark "Ralph Lauren" and unless the context indicates otherwise, all of such trademarks, and any other trademark RLHC may, from time to time at its sole discretion, specifically authorize for use by Company. Polo shall have the sole right to determine which trademark shall be used in connection with each particular Licensed Product.

1.5 "Territory" shall mean the United States of America.

2. Grant of License.

2.1 Subject to the terms and provisions hereof, RLHC hereby grants Company, and Company hereby accepts, the exclusive, non-assignable right to use the Licensed Mark for the term of this Agreement, in connection with the manufacture and sale to the trade of Licensed Products in the Territory.

2.2 The sublicense granted herein applies solely to the use of the Licensed Mark in connection with the manufacture and sale to the trade of the Licensed Products. No use of any other trademark of RLHC, Lauren or Polo or of any of their related companies (as such term is defined in the Lanham Act), and no use of the Licensed Mark in connection with the manufacture and sale of any other products, shall be authorized or permitted pursuant to this sublicense.

2.3 RLHC reserves all rights granted to it under its agreements with Polo and Lauren which are not expressly and exclusively granted to Company hereunder, and RLHC may grant sublicenses to others in the Territory in connection with the items of home furnishings designated in such agreements, except for the Licensed Products specifically licensed hereunder.

2.4 It is understood and agreed that all right, title and interest in and to the Licensed Mark are reserved by Polo for its own use or for the use of any other licensee, whether within or outside the Territory, in connection with any and all products and services other than the rights granted to Company herein. Without limiting the generality of the foregoing, Company understands and agrees that RLHC or Polo may manufacture or authorize third parties to manufacture, in the Territory, Licensed Products for ultimate sale outside the Territory.

2.5 RLHC shall not, without Company's consent, grant to others the right and license to use a trademark which bears the words "Polo" or "Ralph Lauren" in connection with the Licensed Products within the Territory. To the extent that it is legally possible to do so, no license is granted hereunder for the manufacture, sale or distribution of Licensed Products to be used for publicity purposes, other than publicity of Licensed Products, in combination sales, as premiums or giveaways or to be disposed of under or in connection with similar methods of merchandising, such rights being specifically reserved for RLHC. Company shall not without Licensor's prior written approval sell any Licensed Products bearing the Mark to any third party which, directly or indirectly, sells or proposes to sell such Licensed Products outside the Territory. Company shall use its best efforts to prevent any such resale outside the Territory and shall, immediately upon learning or receiving notice from RLHC that a customer is selling Licensed Products outside the Territory, cease all sales and deliveries to such customer.

2.6 Company shall not purport to grant any right, permission or sublicense hereunder to any third party, whether at common law or otherwise. In the event of any attempted assignment or sublicense by Company without RLHC's prior written consent, RLHC may at its option immediately terminate such sublicense and this Agreement by written notice to Company to such effect; any such attempted assignment or sublicense shall otherwise be null, void and of no force or effect.

2.7 Company shall not use, or permit another person or entity in its control to use, the words "Polo" or "Ralph Lauren" as part of a corporate name or tradename and Company shall not otherwise permit use of the Licensed Mark in such a way so as to give the impression that the names "Polo" or "Ralph Lauren", or the Licensed Mark, or any modification thereof, is the property of Company.

2.8 Notwithstanding anything to the contrary herein contained, RLHC hereby reserves the right from time to time to authorize the manufacture and sale of Licensed Products as part of a combination sale, or premium or giveaway with certain products other than Licensed Products bearing the Ralph Lauren name; provided, however, such Licensed Products shall not (i) be substantially identical to products distributed by the Company and (ii) unreasonably interfere with the distribution of Licensed Products by the Company.

2.9 RLHC represents and warrants to Company that upon obtaining the consents set forth on the signature page hereof, it shall have full legal right, power and authority to grant the sublicense hereby granted by RLHC to Company, to enter into this Agreement, to perform all of its obligations hereunder, and to consummate all of the transactions contemplated herein.

2.10 Company represents and warrants to RLHC that it has full legal right, power and authority to enter into this Agreement, to perform all of its obligations hereunder and to consummate all of the transactions contemplated herein.

2.11 Company recognizes that there are many uncertainties in the business contemplated by this Agreement. Company agrees and acknowledges that other than those representations explicitly contained in this Agreement, if any, no representations, warranties or guarantees of any kind have been made to Company, either by RLHC, Polo or Lauren, or by anyone acting on their behalf. Without limitation, no representations concerning the value of the Licensed Products or the prospects for the level of their sales or profits have been made and Company has made its own independent business evaluation in deciding to manufacture and distribute the Licensed Products on the terms set forth herein.

3. Design Standards and Prestige of Licensed Products.

3.1 Lauren is an internationally famous designer who has been twice inducted into the Coty Hall of Fame for his creation and design of men's and women's fashions and is a creator of original designs for cosmetics, jewelry and other products. The value of the Licensed Mark is largely derived from the reputation, skill and personal efforts of Lauren in designing.

3.2 RLHC agrees to provide Company with the benefit of the services of Lauren in connection with the creation and design of Licensed Products, subject to terms and provisions herein, in order to enable Company to exploit the rights granted to it under this Sublicense Agreement and to manufacture Licensed Products in conformity with the established prestige and good will of the Licensed Mark. All Licensed Products manufactured or caused to be manufactured and sold by Company shall be made in accordance with the design and other information approved under this Agreement, and in all other respects in conformity with the terms hereof.

3.3 Company acknowledges that the Licensed Mark has established prestige and good will and is well recognized in the trade and the public, and that it is of great importance to RLHC that in the manufacture and sale of the various lines of products bearing the Licensed Mark, including the Licensed Products, the high standards and reputation Polo and Lauren have established be maintained. Accordingly, all items of Licensed Products manufactured by Company hereunder shall be of high quality workmanship with adherence to all details and characteristics embodied in the designs furnished pursuant to the provisions of this Agreement. Company shall, upon RLHC's request, supply RLHC with samples of Licensed Products (including samples of labeling and packaging used in connection therewith) prior to production and from time to time during production, and shall, at all times during the term hereof, upon RLHC's request, make its manufacturing facilities available to RLHC, Polo and/or Lauren, and shall use its best efforts to make available each subcontractor's manufacturing facilities, for inspection by representatives of RLHC, Polo and/or Lauren during usual working hours. No sales of Licensed Products as miscuts, damaged or defective merchandise shall contain any labels or other identification bearing the Licensed Mark without Polo's prior written approval.

4. Marketing; Advertising.

4.1 Licensed Products shall be marketed in a manner consistent with the quality and prestige of the Licensed Mark and only to those customers expressly approved by Polo. Prior to the opening of each selling season, Company shall submit a written list of its customers to RLHC for RLHC's approval. It is understood that such approval shall not be unreasonably withheld, and shall be based on considerations of quality and prestige of the Licensed Mark. In the event RLHC disapproves a customer, RLHC shall advise Company of its reasons for refusing to approve such customer. If Company shall decide during the season to sell to customers not previously approved by RLHC, Company shall so advise RLHC and shall not sell to such additional customers without the approval of RLHC as aforesaid.

4.2 Company shall maintain the high standards of the Licensed Mark as applied to Licensed Products, in all packaging and promotion of the Licensed Products. Company shall not employ or otherwise release any of such packaging or other business materials relating to any Licensed Products and bearing the Licensed Mark, unless and until Company shall have made a request in writing for approval, and RLHC shall have consented to the same in writing. Approval or disapproval of any such proposed use shall be given by RLHC as promptly as reasonably practicable after receipt of Company's request in connection therewith, but in all cases within twenty-one (21) business days after receipt by RLHC of Company's request; if neither approval nor disapproval has been given within such time, approval shall be deemed to have been given. Any such approval shall be effective until revoked by RLHC; provided, however, to the extent RLHC's approval relates only to a seasonal collection of Licensed Products, Company shall not thereafter use said packaging or business materials without RLHC's further approval.

4.3 Provided approval to use the Licensed Mark as part of a specific piece of packaging or business material remains effective, it shall not be necessary to obtain prior approval for each separate, substantially similar use of the Licensed Mark containing immaterial changes from the use of the Licensed Mark so approved. Notwithstanding the foregoing, Company shall, as soon as is reasonably possible, either prior to publication, release or other public showing, or immediately thereafter, deliver to RLHC a tear sheet, proof or "mock-up" of any such changed use of the Licensed Mark, which shall be subject to disapproval by RLHC; if such disapproval shall be expressed, the same shall not be used at any later time unless approval thereof shall be later obtained.

4.4 Anything in this Agreement to the contrary notwithstanding, as between RLHC and Company, RLHC shall have the sole and exclusive right to prepare or place any and all advertising of any nature with respect to the Licensed Products. Any and all cooperative advertising campaigns supported or approved by Company shall be subject to the prior approval of RLHC. In the event RLHC during the term hereof authorizes Company to prepare and place any advertising with respect to the Licensed Products, Company shall not place any such advertising unless and until Company shall have made a request in writing to RLHC for approval of such advertising detailing the use to be made of the advertising material (e.g. TV, print, radio), and RLHC shall have approved the same in writing. Any approval granted hereunder shall be limited to use during the seasonal collection of Licensed Products to which such advertising relates and shall be further limited to the use (e.g. TV, print, radio) for which approval by RLHC was granted.

4.5 Company shall maintain the highest quality and standards of the Licensed Products and shall exercise its best efforts to safeguard the established prestige and good will of the name Ralph Lauren and the Lauren image, at the same level of prestige and good will as heretofore maintained. "Image", as used herein, refers primarily to quality and style of packaging, shipping, customer service, promotion, selling tools, creation and introduction of new products and types of outlets (with reference to quality of service provided by retail outlets and quality of presentation of Lauren merchandise in retail outlets). Company shall take all necessary steps, and all steps reasonably requested by RLHC, to prevent or avoid any misuse of the Licensed Mark by any of its customers, contractors or other resources.

4.6 To the extent permitted by applicable law, RLHC may from time to time, and in writing, promulgate uniform rules and regulations to Company relating to the manner of use of the Licensed Mark. Company shall comply with such rules and regulations.

4.7 Company agrees to make available for purchase, and to sell on its customary price, credit and payment terms, all lines and styles of Licensed Products to retail stores in the Territory bearing any trademark of Polo or its affiliates pursuant to a license from Polo or any of its affiliates and to any stores or facilities operated or owned by Polo and/or its affiliates, which are authorized to sell Licensed Products within such retail stores. Notwithstanding anything to the contrary contained herein, in the event that any such Licensed Products are not so made available by Company to such stores or facilities, and in addition to any other remedy available to RLHC hereunder, such Licensed Products may be made available to such stores by RLHC (or its affiliates or other licensees).

5. Trademark and Copyright Protection.

5.1 All uses of the Licensed Mark by Company, including, without limitation, use in any business documents, invoices, stationery, advertising, promotions, labels, packaging and otherwise, shall be subject to paragraph 4 hereof and shall require RLHC's prior written consent, and all uses of the Licensed Mark by Company in advertising, promotions, labels and packaging shall bear the notation, "Ralph (Polo Player Design) Lauren", the representation of the Polo Player Design, or "Ralph Lauren." Company acknowledges and agrees that its use of the Licensed Mark shall at all times be as sublicensee of RLHC for the account and benefit of RLHC, Polo and Lauren. All uses of the Licensed Mark pursuant to this Agreement shall be for the sole benefit of Polo and shall not vest in Company any title to or right or presumptive right to continue such use. For the purposes of trademark registrations, sales by Company or RLHC shall be deemed to have been made by Polo.

5.2 Company will cooperate fully and in good faith with RLHC for the purpose of securing and preserving RLHC's and Polo's rights in and to the Licensed Mark. Nothing contained in this Agreement shall be construed as an assignment or grant to Company of any right, title or interest in or to the Licensed Mark or any of RLHC's or Polo's other trademarks, and all rights relating thereto are reserved by RLHC and Polo, relative to their respective interests therein, except for the sublicense hereunder to Company of the right to use and utilize the Licensed Mark only as specifically and expressly provided herein. Company acknowledges that only Polo may file and prosecute a trademark application or applications to register the Licensed Mark for Licensed Products.

5.3 Company will not, during the term of this Agreement or thereafter, (a) attack Polo's title or rights, or RLHC's rights, in and to the Licensed Mark in any jurisdiction, or attack the validity of this Sublicense or of the Licensed Mark, or (b) contest the fact that Company's rights under this Agreement (i) are solely those of a manufacturer or distributor, and (ii) subject to the provisions of paragraph 14 hereof, terminate upon termination of this Agreement. The provisions of this paragraph 5.3 shall survive the termination or expiration of this Agreement.

5.4 All right, title and interest in and to all samples, sketches, designs, artwork, logos and other materials furnished by or to Polo, Lauren or RLHC, whether created by Polo, Lauren, RLHC or Company, are hereby assigned in perpetuity to, and shall be the sole property of, Polo, RLHC and/or Lauren, as the case may be. Company will assist RLHC, Polo and Lauren, at RLHC's, Polo's or Lauren's expense, as the case may be (provided that RLHC, Polo and/or Lauren shall not be responsible for the cost of the time and effort expended by Company's officers and employees in connection with furnishing such assistance) to the extent necessary in the protection of or the procurement of any protection of the rights of Polo or Lauren, as the case may be, to the Licensed Mark or the designs, design patents or copyrights furnished hereunder, as well as to the rights of RLHC to the same. RLHC, Polo and Lauren, as their interests may appear, may commence or prosecute any claims or suits in their own names and may join Company as a party thereto. Company shall promptly notify RLHC and Polo in writing of any uses which may be infringements or imitations by others of the Licensed Mark on articles similar to those covered by this Agreement, and of any uses which may be infringements or imitations by others of the designs, design patents and copyrights furnished hereunder, which may come to the attention of Company. As between Company and RLHC, RLHC shall have the sole right with respect to the Licensed Mark, designs, design patents and copyrights furnished hereunder, to determine whether or not any action shall be taken on account of such infringements or imitations. Company shall not institute any suit or take any action without first obtaining RLHC's written consent to do so.

6. Designs.

6.1 At any time or from time to time Company shall provide RLHC with a list or lists setting forth those Licensed Products for which Company shall require designing by Lauren.

6.2 At any time or from time to time within a reasonable period following receipt by RLHC of the aforesaid list or lists, RLHC shall provide Company, directly or through Lauren, with Lauren's program of suggested, broad design themes and concepts with respect to the design of the Licensed Products ("Design Concepts") which shall be embodied in verbal and/or written descriptions of design themes and concepts and such other detailed designs and sketches therefor, as Lauren deems appropriate. Lauren shall have full discretion with respect to the manner in which the Design Concepts shall be formulated and presented to Company. RLHC shall make Lauren available for consultation with Company on Design Concepts for the purpose of making such modifications to the Design Concepts as are required to meet Lauren's approval.

6.3 Lauren may engage such employees, agents, and consultants operating under Lauren's supervision and control (such employees, agents and consultants being called collectively the "Design Studio") as he may deem necessary and appropriate.

6.4 From time to time while this Agreement is in effect, Lauren and/or the Design Studio may (a) develop or modify and implement designs from the Design Studio or other designs furnished by Lauren, or (b) develop and implement new designs.

6.5 If Company wishes to prepare a design for each of its lines of Licensed Products, it shall submit to RLHC for Lauren's approval Company's proposed design therefor. Lauren may, in his sole discretion, by written notice, approve any of the designs so furnished, with such modifications as he shall deem appropriate, or he may disapprove any or all of the designs.

6.6 All patents and copyrights on designs, and all artwork, sketches, logos and other materials depicting the designs or Design Concepts shall only be applied for by Lauren, at Lauren's discretion and expense, and shall designate Lauren as the patent or copyright owner, as the case may be, thereof.

6.7 Company shall include within its collection of Licensed Products each design designated by Lauren for inclusion therein. The foregoing notwithstanding, in the event the Company is unable, in good faith and due only to physical impossibility or economic impracticability, to include within a collection of Licensed Products a particular Licensed Product which Lauren has designed or designated for inclusion in such collection, RLHC shall be entitled to authorize third parties to manufacture and sell such Licensed Products within the Territory and Company shall display and present such Licensed Product(s) in its showroom for Licensed Products.

7. Design Legends; Copyright Notice and Grant.

7.1 All designs, and all artwork, sketches, logos and other materials depicting the designs or Design Concepts created by Lauren or the Design Studio, or created by or for Company and reviewed and approved by Lauren and the Design Studio or developed by or for Company from Design Concepts or subsequent design concepts furnished or approved by Lauren or the Design Studio, shall be subject to the provisions of this paragraph 7.

7.2 Company shall cause to be placed on all Licensed Products, when necessary, appropriate notices designating Lauren as the copyright or design patent owner thereof, as the case may be. Prior to use thereof by Company, the manner of presentation of said notices must be reviewed and approved in writing by Lauren.

7.3 RLHC hereby grants to Company the exclusive right, sublicense and privilege in connection with Licensed Products in the Territory to use the designs furnished hereunder and all copyrights, if any, therein, and hereby sublicenses to Company the right to use all patents on such designs, and shall execute and deliver to Company all documents and instruments necessary to perfect or evidence such sublicense; provided, however, that all such right, title and interest therein shall revert to Lauren upon termination of this Agreement for any reason whatsoever, and Company shall thereupon execute and deliver to Lauren all documents and instruments necessary to perfect or evidence such reversions and, provided, further, that such sublicense is limited to use in connection with Licensed Products authorized to be manufactured and sold from time to time pursuant to this Sublicense Agreement. Such sublicense shall continue only for such period as this Agreement shall be effective.

8. Licensed Products.

8.1 Company shall, through RLHC, obtain the written approval of Lauren, acting through Mr. Ralph Lauren individually or a designee of Lauren, of all Licensed Products, by submitting a Prototype, as hereinafter defined, of each different design or model of a Licensed Product, including, but not limited to, the type and quality of materials, colors and workmanship to be used in connection therewith, prior to any commercial production thereof. In the event that Lauren rejects a particular Prototype or Prototypes, Company shall be notified of the reasons for rejection and Company may be provided with suggestions for modifying the particular Prototype or Prototypes which Lauren is rejecting. Company shall promptly correct said Prototype or Prototypes and resubmit said Prototype or

Prototypes for Lauren's approval under the same terms and conditions as set forth herein with respect to the first submission of Prototypes. As used herein, the term "Prototype" shall mean any and all models, or actual samples, of Licensed Products; and the term "Final Prototype" shall mean the actual final sample of a Licensed Product from which the first commercial production thereof will be made and which has been approved by Lauren prior to the first commercial production thereof pursuant to paragraphs 8 and 9 hereof.

8.2 The written approval of Lauren of the Prototypes for each seasonal collection shall be evidenced by a written list, signed by Mr. Ralph Lauren individually or by his designee, setting forth those Prototypes that have been approved for inclusion in such collection. Prototypes so approved shall be deemed Final Prototypes in respect of such collection. Approval of any and all Prototypes as Final Prototypes shall be in the sole discretion of Mr. Ralph Lauren, individually, or of his designee. Company shall present for sale, through the showing of each seasonal collection to the trade, all Final Prototypes so approved in respect of such collection.

8.3 The Licensed Products thereafter manufactured and sold by Company shall strictly adhere, in all respects, including, without limitation, with respect to materials, colors, workmanship dimensions, styling, detail and quality, to the Prototypes approved by Lauren.

8.4 Company shall comply with all laws, rules, regulations and requirements of any governmental body which may be applicable to the manufacture, distribution, sale or promotion of Licensed Products. Company shall advise RLHC to the extent any Final Prototype does not comply with any such law, rule, regulation or requirement.

8.5 Company shall make its personnel, and shall use its best efforts to make the personnel of any of its contractors, suppliers and other resources, available by appointment during normal business hours for consultation with Lauren or representatives of the Design Studio. Company shall make available to Lauren, upon reasonable notice, marketing plans, reports and information which Company may have with respect to Licensed Products. In addition, when requested by Lauren, Company shall arrange meetings between Lauren and senior executive personnel of Company to discuss and pursue in good faith the resolution of problems encountered by Lauren in connection with this Agreement during the term hereof.

9. Quality of Licensed Products.

9.1 Lauren shall have the right of approval of the styles, designs, colors, materials, workmanship and quality of all Licensed Products to insure that all Licensed Products manufactured, sold or distributed, are of the highest quality and are consistent with the highest standards and reputation and established prestige and good will connected with the name "Ralph Lauren". In connection with the production of each item of Licensed Products, Company shall use only such materials as Lauren shall have previously approved pursuant to the Final Prototype with respect to such item of Licensed Products.

9.2 In the event that any Licensed Product is, in the judgment of Lauren, not being manufactured or sold in adherence to the materials, colors, workmanship, design, dimensions, styling, detail and quality, embodied in the Final Prototypes, or is otherwise not in accordance with the Final Prototypes, RLHC shall notify Company thereof in writing and Company shall promptly repair or change such Licensed Product to conform strictly thereto. If an item of Licensed Product as repaired or changed does not strictly conform to the Final Prototypes and such strict conformity cannot be obtained after at least one (1) resubmission, the Licensed Mark shall be promptly removed from the item, at the option of Lauren, in which event the item may be sold by Company, subject to the royalty provisions of Paragraph 10 hereof, provided it is in no way identified as a Licensed Product.

9.3 RLHC and Lauren and their duly authorized representatives shall have the right, upon reasonable notice during normal business hours, to inspect all facilities utilized by Company (and its contractors and suppliers) in connection with the preparation of Prototypes and the manufacture, sale, storage or distribution of Licensed Products pursuant hereto and to examine Licensed Products in the process of manufacture and when offered for sale within Company's operations. Company hereby consents to examination by RLHC and Lauren of Licensed Products held by Company's customers for resale provided Company has such right of examination. Company shall take all necessary steps, and all steps reasonably requested by RLHC and Lauren, to prevent or avoid any misuse of the licensed designs by any of its customers, contractors or other resources.

10. Royalties.

10.1 Company shall pay to RLHC minimum royalties each year during the term of this Sublicense Agreement. The minimum royalty with respect to Bathroom Products shall be [***] per year (as hereinafter defined) of this Agreement and [***] per year with respect to Bedroom Products. Minimum royalties shall be paid in equal installments on the last day of each quarterly period in each year hereof, commencing with the quarter ending April 30, 1992. With respect to any quarterly period ended the last day of October, January, April and July of any year of this Agreement, any excess of the aggregate minimum royalties over earned royalties, as described in paragraph 10.2 hereof, for any quarterly period, shall be set off against earned royalties in the subsequent quarterly periods of the same year; provided, however, that no credit shall be permitted against minimum royalties payable in any year on account of earned or minimum royalties paid in any other year and minimum royalties shall not be returnable. For the purposes of this Agreement, a "year" shall mean a period of twelve (12) months commencing on each February 1 during the term hereof.

10.2 Company shall pay to RLHC earned royalties based on the Net Sales Price, as hereinafter defined, of all Licensed Products sold hereunder. Earned royalties shall equal [***] percent [***] of the Net Sales Price of all Licensed Products sold under this Agreement, including without limitation, any sales made pursuant to the terms of paragraphs 3.3, 9.2 and 14 hereof; provided, however, that no earned royalties shall be owed for Licensed Products which have been discounted more than [***] percent [***] from Company's regular selling price for such Licensed Products to unaffiliated parties for sale at retail and provided, further, that except as may otherwise be agreed in a writing signed by both parties hereto, there shall be no modification or adjustment of the royalty rate applicable to all sales of Licensed Products hereunder. Statements of operations shall be prepared and furnished by Company to RLHC in accordance with the provisions of paragraph 11 hereof, with respect to each quarterly period ended the last day of October, January, April and July in each year hereof, and shall be furnished to RLHC within thirty (30) days of the end of each such period. Any excess of earned royalties over the minimum royalties provided in paragraph 10.1 hereof, shall be remitted to RLHC within thirty (30) days after the end of each quarterly period. The term "Net Sales Price" shall be deemed to be the gross sales price to retailers or, with respect to Licensed Products that are not sold directly or indirectly to retailers, other ultimate consumers (as in the case of accommodation sales by Company to its employees), of all sales of Licensed Products sold under this Agreement, less trade discounts actually taken and merchandise returns. The Net Sales Price of any Licensed Products sold by Company to affiliates of Company shall, for purposes of this Agreement, be deemed to be the higher of (a) the actual gross sales price, or (b) Company's regular selling price for such Licensed Products sold to unaffiliated parties for sale at retail. Merchandise returns shall be credited in the quarterly period in which the returns are actually made.

10.3 Company shall reimburse Lauren and the Design Studio for all his or its travel and promotion expenses incurred with respect to design development and approval pursuant to this Agreement, and for any additional trips made at Company's request.

10.4 If the payment of any installment of royalties is delayed for any reason, interest shall accrue on the unpaid principal amount of such installment from and after the date on which the same became due pursuant to paragraphs 10.1 and 10.2 hereof at the lower of the highest rate permitted by law in New York or the rate of interest published from time to time by Manufacturers Hanover Trust Company, New York, New York ("MHTC") as its reference rate, or, if such rate is not published, then the nearest equivalent rate thereto then published by MHTC.

10.5 The obligation of Company to pay royalties hereunder shall be absolute notwithstanding any claim Company may assert against Polo, Lauren or RLHC. Company shall not have the right to set off, compensate or make any deduction from such royalty payments for any reason whatsoever.

11. Accounting; Records.

11.1 Company shall at all times keep an accurate account of all operations within the scope of this Agreement and shall prepare and furnish to RLHC full statements of operations with respect to each quarter in each year during the term of this Agreement within thirty (30) days of the end of such period. Such statements shall include all aggregate gross sales (including sales discounted more than [***] percent [***] from Company's regular selling price), trade discounts, merchandise returns and Net Sales Price of all sales of Licensed Products by product category for the previous quarterly period. Such statements shall be in sufficient detail to be audited from the books of the Company and shall be certified by a financial officer of Company. Once each year, which may be in connection with the regular annual audit of the Company's books, Company shall furnish an annual statement of the aggregate gross sales, trade discounts, merchandise returns and Net Sales Price of all sales of Licensed Products made by Company certified by the independent public accountant of Company. The books of account of Company with respect to such sales shall be available for inspection and audit by RLHC, Polo and Lauren or their agents at all reasonable times and shall be made by RLHC, Polo and Lauren at their own expense; provided, however, that if there is an error in favor of Company in excess of one percent (1%) of royalties in computing such royalties, all expenses in connection with such inspection and audit shall be borne by Company.

11.2 Company shall provide to RLHC in the form requested such information as RLHC may reasonably request with respect to the manufacture, distribution and sale of Licensed Products.

12. Term. The initial term of this Agreement shall commence as of the date hereof and shall terminate on January 31, 1995, unless earlier terminated in accordance with the terms hereof.

13. Default; Change of Business.

13.1 Each of the following shall constitute an event of default ("Event of Default") hereunder:

(i) Royalty payments are not paid when due and such default continues for more than ten (10) days after notice thereof;

(ii) Company defaults in performing any of the terms of this Agreement and continues in default for a period of thirty (30) days after notice thereof (unless the default cannot be totally cured within the initial thirty (30) day period after notice and Company diligently and continuously proceeds to cure and does in fact cure such default, but within no later than ninety (90) days following such initial period);

(iii) Company institutes proceedings seeking relief under the Bankruptcy Code or any similar law, or consents to entry of an order for relief against it in any bankruptcy or insolvency proceeding or similar proceeding, or files a petition or answer or consent for reorganization or other relief under any bankruptcy act or other similar law, or consents to the filing against it of any petition for the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of it or of any substantial part of its property, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts as they become due, or takes any action in furtherance of the foregoing;

(iv) Company transfers or agrees to transfer a substantial part of its property (except as provided in paragraph 13.3 below), which transfer impairs Company's ability to perform under this Agreement;

(v) The calling of a meeting of creditors, appointment of a committee of creditors or liquidating agents, or offering of a composition or extension to creditors by, for, or of Company;

(vi) If Company shall, after achieving distribution and sale of the Licensed Products throughout the Territory thereafter fail for a consecutive period in excess of two (2) months to continue the bona fide manufacture, distribution and sale of the Licensed Product;

(vii) If the quality of the Licensed Products should become lower than that in the approved Prototypes referred to in paragraph 8 hereof; or

(viii) If Company shall use the Licensed Marks in an unauthorized or improper manner and/or if Company shall make an unauthorized disclosure of confidential information or materials given or loaned to Company by Polo, Lauren and or RLHC.

13.2 If any Event of Default shall occur, RLHC, Polo or Lauren, or any of them, shall have the right, exercisable in its or his sole discretion, to immediately terminate this Agreement and the sublicense upon ten (10) days written notice to Company of its or his intention to do so, and upon the expiration of such ten (10) day period, this Agreement and the sublicense, including, without limitation, all rights of Company in and to the Licensed Mark, and in and to the designs furnished or used hereunder and all copyrights therein and design patents thereon, shall terminate and come to an end without prejudice to any remedy of RLHC for the recovery of any monies (including attorneys' fees for collection) then due it under this Agreement or in respect of any antecedent breach of this Agreement, and without prejudice to any other right of RLHC, including, without limitation, damages for breach to the extent that the same may be recoverable. No assignee for the benefit of creditors, receiver, liquidator, sequestrator, trustee in bankruptcy, sheriff or any other officer of the court or official charged with taking over custody of Company's assets or business shall have any right to continue the performance of this Agreement.

13.3 In the event Company sells or transfers, or suffers a sale or transfer of, by operation of law or otherwise, directly or indirectly, control of either its Sheets & Bedroom Accessories Division or its Terry Bath & Kitchen Products Division to a third party, Company shall advise RLHC thereof in writing within ten (10) days of such sale or transfer. Such notice shall identify the name and address of the third party. Within sixty (60) days of its receipt of such notice, RLHC shall have the right to terminate this Agreement, such termination to become effective thirty (30) days after the date notice of termination is received by Company. Subject to the next following sentence, the transfer of both the aforementioned divisions to Company's parent (Westpoint Pepperell, Inc.) or to a direct or indirect wholly-owned subsidiary of Company (or of its parent, Westpoint Pepperell, Inc.), will not constitute a sale or transfer to a "third party" under this subparagraph. The parties agree that the acquisition of a controlling interest in Company or its direct or indirect parents by a third party shall be deemed a transfer of control of the aforesaid divisions pursuant to the first sentence of this subparagraph. In addition to, and not in substitution of, its right to terminate this Agreement upon receipt of notice of any such sale or transfer of control, RLHC shall have the option to require Company to offer to the landlord of the premises at 1185 Avenue of the Americas a five-year sublease of the ninth floor on the same terms as contained in the lease therefor between the Company and the landlord, for the purpose of permitting RLHC to sublease the space from the landlord for such period and on such terms.

14. Disposal of Stock upon Termination or Expiration.

14.1 Within ten (10) days following the termination of this Agreement for any reason whatsoever, including the expiration of the term hereof, Company shall furnish to RLHC a listing of its inventory of Licensed Products on hand or in process wherever situated. For purposes of this paragraph, inventory shall mean finished and unfinished Licensed Products and roll goods, labels, embellishments, packaging, transparencies, films, and echtachromes that are used in connection with the manufacture and packaging of the Licensed Products, artwork and negatives or transparencies to be used in connection with the designs for the upcoming market after the termination or expiration, and prototypes and samples of the Licensed Products (hereafter collectively referred to as "Inventory"). RLHC shall have the right to conduct a physical inventory of the Inventory in RLHC's possession or under Company's control. RLHC or its designee shall have the option (but not the obligation) to purchase from Company either or both of (i) all finished Licensed Products and samples and (ii) all other Inventory upon the following terms and conditions:

(i) RLHC shall notify Company of its or its designee's intention to exercise the foregoing option within 30 days of delivery of the listing of Inventory above referred to.

(ii) RLHC shall pay Company for the finished Licensed Products and samples at a price equal to Company's standard cost therefor (the actual manufacturing cost). RLHC shall pay Company its book value for the remaining items contained in the definition of Inventory above.

(iii) Company shall deliver the Inventory purchased within fifteen (15) days after receipt of the notice referred to in clause (i) above. Payment of the purchase price shall be payable upon delivery thereof. RLHC shall be entitled to deduct from such purchase price any amounts owed it by Company.

14.2 In the event RLHC chooses not to exercise the option referred to in paragraph 14.1 hereof with respect to all or any portion of Licensed Products, for a period of ninety (90) days after termination of this Agreement for any reason whatsoever, except on account of breach of the provisions of paragraph 3 or 4 hereof, Company may dispose of Licensed Products which are on hand or in the process of being manufactured at the time of termination of this Agreement, provided Company fully complies with the provisions of this Agreement, including specifically those contained in paragraphs 3 and 4 hereof in connection with such disposal. Such sales shall be subject to the payment of earned royalties pursuant to paragraph 10.2. Failure by Company to submit the certificate of inventory as set forth in paragraph 14.1 hereof shall deprive Company of its right of disposal of stock pursuant to this paragraph 14.

15. Effect of Termination.

15.1 Except for the sublicense to use the Licensed Mark and the designs furnished hereunder only as specifically provided in this Agreement, Company shall have no right, title or interest in or to the Licensed Mark, the designs furnished hereunder and design patents thereon, and all copyrights licensed hereby. Upon and after the termination of this sublicense, all rights granted to Company hereunder, including without limitation all right, title and interest in or with respect to all designs, artworks, sketches and other materials depicting or relating to the Licensed Products, together with any interest in and to the Licensed Mark Company may acquire, shall forthwith automatically and without further action or instrument be assigned to and revert to Polo, Lauren and RLHC, as their interests may appear. Company will execute any instruments requested by RLHC to accomplish or confirm the foregoing. Any such assignment, transfer or conveyance shall be without consideration other than the mutual agreements contained herein. RLHC shall thereafter be free to license to others the use of the Licensed Mark in connection with the manufacture and sale of the Licensed Products covered hereby, and Company will, except as specifically provided in paragraph 14 hereof, (i) refrain from any further use of the Licensed Mark or any reference to it, direct or indirect, or anything deemed by RLHC or Polo to be similar to the Licensed Mark, (ii) refrain from further use of any of the Design Concepts, and (iii) refrain from manufacturing, selling or distributing any products (whether or not they bear the Licensed Mark) which are confusingly similar to, or derived from, the Licensed Products or Design Concepts, in connection with the manufacture, sale or distribution of Company's products. Upon termination of this Agreement, Company shall forthwith cease the use of the words "Ralph Lauren" and/or the Polo Player Design in any and all respects.

15.2 Notwithstanding any termination or expiration of this Agreement (whether by reason of the expiration of the stated term of this Agreement, by earlier termination of this Agreement pursuant to paragraph 13 hereof, or otherwise) (a) RLHC shall have, and hereby reserves, all the rights and remedies which it may have, at law or in equity, with respect to the collection of royalties or other funds payable by Company pursuant to this Agreement and the enforcement of all rights relating to the establishment, maintenance or protection of the Licensed Mark and the designs furnished hereunder, and (b) Company and RLHC shall continue to have rights and remedies with respect to damages for breach of this Agreement on the part of the other.

16. Remedies. Company acknowledges and admits that there would be no adequate remedy at law for its failure (except as otherwise provided in paragraph 14 hereof) to cease the use of the Licensed Mark, or the designs, or the manufacture and sale of the Licensed Products covered by this Agreement at the expiration hereof, and Company agrees that in the event of such failure RLHC, Polo and Lauren, or any of them, shall be entitled to equitable relief by way of temporary

and permanent injunction and such other and further relief as any court with jurisdiction may deem just and proper. Such relief shall be in addition to and not in substitution of any other remedies available to RLHC, Polo and Lauren, or any of them, pursuant to this Agreement or otherwise.

17. Liaison. Company shall at all times employ a high level managerial person reasonably satisfactory to RLHC whose sole material responsibility shall be for the production, merchandising, distribution and promotion of the Licensed Product lines. Such person shall act as liaison between Company and RLHC. In the event such person is not also the product or business manager for the Bathroom Products and Bedroom Products, the provisions of this paragraph 17 shall similarly apply to such product or business manager(s).

18. Indemnity.

18.1 RLHC shall indemnify and hold harmless Company against any and all liability, claims, causes of action, suits, damages and expenses (including reasonable attorneys' fees and expenses in actions involving third parties or between the parties hereto) which Company is or becomes liable for, or may incur solely by reason of its use within the Territory, in strict accordance with the terms and conditions of this Agreement, of the Licensed Mark or the designs furnished to Company by RLHC or Lauren, to the extent that such liability arises through infringement of another's design patent, trademark, copyright or other proprietary rights, provided that Company gives RLHC prompt notice of and full cooperation in the defense against, such claim. If any action or proceeding shall be brought or asserted against Company in respect of which indemnity may be sought from RLHC under this paragraph 18.1, Company shall promptly notify RLHC thereof in writing, and RLHC shall assume and direct the defense thereof. Company may thereafter, at its own expense, be represented by its own counsel in such action or proceeding.

18.2 To the extent not inconsistent with paragraph 18.1 hereof, Company shall indemnify and save and hold RLHC, Polo, Lauren and Ralph Lauren, individually, harmless of and from any and all liability, claims, causes of action, suits, damages and expenses (including reasonable attorneys' fees and expenses in actions involving third parties or between the parties hereto), which they, or any of them, are or become liable for, or may incur, or be compelled to pay by reason of any acts, whether of omission or commission, that may be committed or suffered by Company or any of its servants, agents or employees in connection with Company's performance of this Agreement, including Company's use of Company's own designs, in connection with Licensed Products manufactured by or on behalf of Company or otherwise in connection with Company's business.

18.3 Company shall carry product liability insurance with limits of liability of not less than $3,000,000 per occurrence and $3,000,000 per person and RLHC, Polo, Lauren and Ralph Lauren, individually, shall be named therein as insureds, as their interests may appear. Company shall, promptly after the signing of this Agreement, deliver to RLHC a certificate of such insurance from the insurance carrier, setting forth the scope of coverage and the limits of liability and providing that the policy may not be canceled or amended without at least thirty (30) days prior written notice to RLHC, Polo, Lauren and Ralph Lauren.

19. Disclosure. RLHC and Company, and their affiliates, employees, attorneys, bankers and accountants, shall hold in confidence and not use or disclose, except as permitted by this Agreement, (i) confidential information of the other, or (ii) the terms of this Agreement, except upon consent of the other or pursuant to, or as may be required by law, or in connection with, regulatory or administrative proceedings and only then with reasonable advance notice of such disclosure to the other. Company shall take all reasonable precautions to protect the secrecy of the designs, artwork, sketches and other materials used pursuant to this Agreement prior to the commercial distribution or the showing of samples for sale, and shall not sell any merchandise employing, or adapted from or resulting from the use of any of said designs, artwork, sketches or other material, except under the Licensed Marks. All press releases and other public announcements shall be subject to the prior approval of RLHC. Every request for a statement, release or other inquiry shall be sent in writing whenever practicable to the advertising/publicity director of RLHC for handling.

20. Brokers. Each of RLHC and Company hereby represents and warrants to the other that it has not employed or dealt with any broker or finder in connection with this Agreement or the transactions contemplated hereby, and agrees to indemnify the other and hold it harmless from any and all liabilities (including, without limitation, reasonable attorneys' fees and disbursements paid or incurred in connection with any such liabilities) for any brokerage commissions or finders' fees in connection with this Agreement or the transactions contemplated hereby, insofar as such liabilities shall be based on the arrangements or agreements made by it or on its behalf.

21. Manufacture; Distribution; Sale. Consistent with the high quality and prestige of the Licensed Marks and products manufactured by, or under license from, Polo or Lauren, Company undertakes, during the term hereof, diligently to manufacture and sell each and every Licensed Product listed in Schedules A and B, to use its best efforts to create a demand therefor, supply such demand, and maintain adequate arrangements and facilities for the distribution of Licensed Products throughout the Territory. As an essential part of its distribution program, Company agrees to maintain adequate inventories (consistent with good industry practice) of all such Licensed Products at a single distribution point to satisfy the requirements of its customers for a full line of such Licensed Products and to expedite the delivery thereof.

22. Showroom.

22.1 Company shall display its Licensed Products at the showroom to be jointly operated and maintained by RLHC and Company on the ninth floor at 1185 Avenue of the Americas (hereinafter referred to as the "Home Collection Showroom" or "Showroom"). Company shall also display at the Home Collection Showroom products other than Licensed Products which comprise the Ralph Lauren Home Collection and which are manufactured by other sublicensees of RLHC. The parties acknowledge that it is of substantial benefit to the Company that the "Collection" be displayed and sold as an entirety in order to create the greatest demand for all Collection products, including Licensed Products, and to promote the image of the Collection as a complete Ralph Lauren lifestyle of products.

22.2 Notwithstanding the provisions of paragraph 10.5 of this Agreement, Company shall be entitled to deduct from minimum and earned royalties due each quarterly period pursuant to paragraphs 10.1 and 10.2 hereof, one quarter of the annual Qualified Showroom Expenses (as hereinafter defined) for maintaining the Home Collection Showroom referred to in paragraph 22.1 hereof. The term "Qualified Showroom Expenses" shall mean the proportionate share (based on square feet) of the actual intercompany allocation charged to subsidiaries of J.P. Stevens & Co., Inc. for rent and leasehold operating expenses (i.e., building, utilities, water, taxes and cleaning, etc.) computed on a basis consistent with prior practice since 1983 with respect to such Showroom. The term "Qualified Showroom Expenses" shall exclude, however, any allocable cost of 600 square feet of storage space which Company shall make available at 1185 Avenue of the Americas for storage of samples and stock. For purposes of illustration, for calendar 1986 the Qualified Showroom Expenses for maintaining that portion of the 12th floor at 1185 Avenue of the Americas used for the Ralph Lauren Home Collection (approximately 7,800 square feet) were $159,653. In addition to the foregoing, Company shall be entitled to deduct (on a consistent basis with prior practice) from quarterly minimum and earned royalties, one quarter of the annual charges for office services provided by J.P. Stevens & Co., Inc. to the Home Collection Showroom (i.e., office supplies, postage and freight, etc.). The annual charges for office services shall be calculated by subtracting the total amount incurred for telecommunications by J.P. Stevens from the total building expenses incurred by J.P. Stevens for the eight floors it occupies in the building and multiplying the difference by 1/8. The foregoing fraction shall be modified if the number of floors occupied by J.P. Stevens changes. Company shall, upon request, make available for inspection by RLHC, records substantiating the intercompany charges for rent, leasehold operating expenses and office services.

22.3 Together with each quarterly royalty remittance, the Company shall submit to RLHC a separate statement, certified by a financial officer of the Company, setting forth the computation of the Qualified Showroom Expenses and charges for office services for the then-ended quarter. Within sixty (60) days of the end of each year, Company shall submit to RLHC a statement setting forth in reasonable detail the total Qualified Showroom Expenses for the year then ended. If during the year Company shall have deducted in excess of the actual total Qualified Showroom Expenses, Company's statement shall be accompanied by a check in the amount of such excess. If there shall have been a shortage of the aggregate deductions in relation to the total Qualified Showroom Expenses and office service charges, RLHC shall, within fifteen (15) days of its receipt of Company's statement, remit a check in the amount of the shortage.

22.4 Upon the expiration of this Agreement, at RLHC's option, exercisable by notice in writing to Company given no later than 90 days prior to such expiration, Company shall, subject to the approval of, and under the terms and conditions required by, Company's landlord, continue to maintain and operate the Home Collection Showroom with RLHC for a period not to exceed three (3) months following such expiration, during which time RLHC may show and sell the Ralph Lauren Home Collection in such showroom. In the event this Agreement is terminated by RLHC as a result of an Event of Default on the part of the Company, RLHC shall be entitled to request in writing, given simultaneously with its notice of termination to Company, that Company continue to maintain and operate the Home Collection Showroom with RLHC for a period of up to twelve (12) months after such termination. To the extent that RLHC requests an extension hereunder, Company shall request approval therefor from its landlord. RLHC shall on the first of each month of any such extension remit to Company one-twelfth of the annual Qualified Showroom Expenses for maintaining and operating such showroom, adjusted according to the terms and conditions required by the landlord, if any, and the parties shall at the end of each three-month period reconcile the aggregate amount actually paid by RLHC in relation to the total of the actual Qualified Showroom Expenses, as adjusted.

22.5 Company shall provide, at no charge, samples for the Home Collection Showroom and for advertising and editorials relating to Licensed Products. All normal expenses with respect to shipping shall be the responsibility of Company and Company may, at its option, insure the samples for risk of damage or loss (including by theft) during shipment and while at the RLHC showroom, but RLHC shall have no liability with respect thereto. All items will be inventoried by RLHC and, at RLHC's discretion, (i) held in storage for future use, (ii) sold at sample sales, or (iii) returned to Company at Company's expense. In the event of a sale at a sample sale, RLHC shall remit to Company, within forty-five (45) days thereof, fifty percent (50%) of the profits therefrom. In addition, Company shall supply at its own expense, such samples as may be reasonably necessary for RLHC salesmen.

23. Miscellaneous.

23.1 All notices, requests, consents and other communications hereunder shall be in writing and shall be deemed to have been properly given or sent

(i) on the date when such notice, request, consent or communication is personally delivered and acknowledged, or (ii) five (5) days after the same was sent, if sent by certified or registered mail, or (iii) one (1) day after the same was sent, if sent by overnight courier delivery as follows:

(a) If to RLHC addressed as follows:

Ralph Lauren Home Collection
1185 Avenue of the Americas
New York, New York 10036
Attention: Mr. John Idol

(b) With a courtesy copy to Polo and Lauren, addressed as follows:

Polo Ralph Lauren Corporation
650 Madison Avenue
New York, New York 10022
Attention: Victor Cohen, Esq.

(c) If to Company, addressed as follows:

J.P. Stevens Co., Inc.
1185 Avenue of the Americas
New York, New York 10036
Attention: Mr. Thomas Ward

(d) With a courtesy copy to:

West Point-Pepperell, Inc.
P.O. Box 71
West Point, Georgia 31833
Attention: General Counsel

Anyone entitled to notice hereunder may change the address to which notices or other communications are to be sent to it by notice given in the manner contemplated hereby.

23.2 Nothing herein contained shall be construed to place Company, RLHC, Polo and Lauren in the relationship of partners or joint venturers, and neither Company, RLHC, Polo nor Lauren shall have the power to obligate or bind any other party in any manner whatsoever, except as expressly provided herein.

23.3 None of the terms hereof can be waived or modified except by an express agreement in writing signed by the party to be charged. The failure of either party hereto to enforce, or the delay by either party in enforcing, any of its rights hereunder shall not be deemed a continuing waiver, a modification hereof, or a waiver of any other right or remedy hereunder, and either party may, within the time provided by applicable law, commence appropriate legal proceedings to enforce any and all such rights. All rights and remedies provided for herein shall be cumulative and in addition to any other rights or remedies such parties may have at law or in equity. Either party hereto may employ any of the remedies available to it with respect to any of its rights hereunder without prejudice to the use by it in the future of any other remedy with respect to any such rights. Except as expressly provided herein, no person, firm or corporation, other than the parties hereto, shall be deemed to have acquired any rights by reason of anything contained in this Agreement.

23.4 RLHC may assign its right to receive royalties under this Agreement and, in addition, this Agreement may be assigned by RLHC to any designee corporation or entity to which ownership of the Licensed Mark has been transferred provided RLHC shall guarantee the performance by such corporation or entity of all the obligations of RLHC under the Agreement. The rights granted to Company are personal in nature, and neither the Agreement nor the sublicense may be assigned by Company without the prior written consent of RLHC, Polo and Lauren. Company may employ subcontractors for the manufacture of the Licensed Products with the prior approval of RLHC, provided, however, that Company shall maintain appropriate quality controls and such subcontractors shall comply with the quality requirements of the Agreements.

23.5 This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties hereto.

23.6 This Agreement shall be construed in accordance with the laws of the State of New York applicable to contracts made and performed therein without regard to principles of conflict of laws.

23.7 Provisions of this Agreement are severable, and if any provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such provision, or part thereof, in such jurisdiction and shall not in any manner affect such provision in this Agreement in any other jurisdiction.

23.8 This Agreement represents the entire understanding and agreement between the parties and supersedes all prior negotiations, representations or agreements either written or oral.

23.9 The paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

23.10 This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused the same to be executed by a duly authorized officer on the day and year first set forth above.

THE RALPH LAUREN HOME
COLLECTION, a Division of
Polo Ralph Lauren Corporation

By: /s/ John Idol

Title: President - Ralph Lauren
Home Collection

J.P. STEVENS & CO., INC.

By: /s/ Thomas Ward

Title: Division President J.P. Stevens -
Home Fashion Division

SCHEDULE A

"LICENSED PRODUCTS"

(pursuant to paragraph 1.1)

Bathroom Products consisting of:

(a) bath towels (non-embellished)

(b) bath sheets (non-embellished)

(c) fingertip towels (non-embellished)

(d) hand towels (non-embellished)

(e) facecloths (non-embellished)

(f) tub mats

(g) men's and women's robes made from towels

SCHEDULE B

"LICENSED PRODUCTS"

(pursuant to paragraph 1.2)

1. Bedroom Products consisting of:

   (a) sheets

   (b) pillow cases (but not pillows)

2. The following bedroom products to the extent they match sheets that are made under license from Polo:

   (a) shams

   (b) ruffles

   (c) comforters

   (d) bedspreads

   (e) bed skirts

   (f) night spreads

   (g) comforter and blanket covers

   (h) European squares

   (i) valances and draperies

POLO RALPH LAUREN CORPORATION LOGO

LEGAL DEPARTMENT

July 6, 1992

Mr. Thomas Ward
J.P. Stevens Co., Inc.
1185 Avenue of the Americas
New York, New York 10036

Re: Sublicense Agreement dated as of February 1, 1992 between The Ralph Lauren Home Collection ("RLHC") and J.P. Stevens & Co. Inc. ("Stevens")

Dear Mr. Ward:

Further to your recent conversations with John Idol, this will confirm that Stevens will not be making robes from towels in the future.

Consequently, effective as of October 1, 1992, the definition of Bathroom Products set forth on Schedule A to the Sublicense Agreement is hereby amended so as to omit therefrom "men's and women's robes made from towels."

This will also confirm Stevens' agreement to make body sheets available to Trylon Robe Co., Inc. at its regular wholesale price, less the [***] royalty that would otherwise be payable to Ralph Lauren Home Collection, which hereby waives its royalty on all such sales to Trylon.

Kindly indicate your agreement with the above terms by executing the enclosed copy of this letter in the place provided and returning it to me.

With kind regards,

Very truly yours,

By: /s/ Lee S. Sporn

Lee S. Sporn
Associate General Counsel

AGREED:

J.P. Stevens Co. Inc.

By: /s/ Thomas J. Ward

Thomas J. Ward

Executive Vice President, Sales & Marketing

POLO RALPH LAUREN CORPORATION LOGO

January 4, 1994

Mr. Thomas Ward
West Point-Pepperell, Inc.
1185 Avenue of the Americas
New York, New York 10036

Re: Sublicense Agreement dated as of February 1, 1992 between The Ralph Lauren Home Collection ("RLHC") and West Point-Pepperell, Inc., assignee of J.P. Stevens & Co. Inc. ("Company")

Dear Tom:

This letter will confirm our agreement to amend the terms of the above referenced agreement (the "Agreement"), which otherwise would expire on January 31, 1995, as follows:

1. All terms used but not defined herein shall have the respective meanings set forth in the Agreement.

2. In the event no Event of Default shall have occurred and not been cured or waived, and Company has achieved the Minimum Renewal Volume (as such term is hereinafter defined) for the twelve-month period ending July 31, 1994, Company shall have the option, upon providing notice to RLHC on or before October 31, 1994, to renew the Agreement for an additional two year and eleven month period (the "Renewal Term") so as to expire on December 31, 1997, on the terms and conditions set forth therein, except that there will be no further right to renewal. The minimum aggregate net sales price which Company must achieve in connection with sales of Licensed Products during the twelve-month period ending July 31, 1994 (the "Minimum Renewal Volume") in order to be entitled to renew the Agreement shall be [***].

3. It is expressly understood that only the company (which may be Company) whose licensed term covers the period subsequent to the expiration of the Agreement shall be entitled to receive designs for Licensed Products intended to be sold after the expiration of the Agreement, and to make presentations of such Licensed Products during the market presentation weeks that relate to such subsequent

period, even if such market presentation occurs prior to the termination of this Agreement.

4. Commencing with the month of January, 1994, all accounting statements and payments of earned royalties pursuant to paragraph 10.2 of the Agreement shall be due monthly, within 30 days after the last day of each month during the term (including the Renewal Term set forth above).

5. Minimum royalties shall continue to be due pursuant to paragraph 10.1 of the agreement for each quarter, but instead of being due on the last day of each quarter, Company shall, simultaneously with its rendering the accounting and paying earned royalties due for the month of March, June, September and December in each year, pay the minimum royalty due for each quarter ending the last day of March, June, September and December, less the amount of earned royalties paid for each such quarter. No minimum royalty payment shall be due for the quarter ending January 31, 1994, and the next minimum royalty payment shall instead be due for the quarter ending March 31, 1994.

6. For each year during the Renewal Term set forth above, minimum royalties shall be [***].

7. From and after the date hereof Company shall not during the term of the Agreement or any renewals thereof directly or indirectly manufacture, distribute, sell or advertise any items which bear the name or are associated with the name of any of the following designers: [***]. In the event that on or after the date hereof during the term of the Agreement and all renewals thereof, Company shall desire directly or indirectly to manufacture, distribute, sell or advertise any items which bear the name or are associated with the name of any fashion apparel or home furnishings designer other than those specifically named above, Company shall notify RLHC of the identity of the designer and the nature of the proposed transaction not less than 30 days prior to concluding an agreement with respect to such transaction.

8. The definition of the "Territory", as set forth in paragraph 1.5 of the Agreement, is hereby expanded so as to include Canada and The Republic of Mexico; provided, however, that the provisions of paragraph 18.1 shall not apply with respect to Canada or The Republic of Mexico.

9. Except as expressly provided herein, the terms and conditions of the Agreement shall remain in full force and effect.

Please confirm your agreement with the above by executing the enclosed copy of this letter in the place provided, and returning it to me.

Sincerely yours

THE RALPH LAUREN HOME COLLECTION

By: /s/ John Idol

John Idol

AGREED:

WestPoint Stevens Inc., as successor
by merger to West Point-Pepperell, Inc.

By: /s/ Thomas J. Ward

Thomas J. Ward

[WESTPOINT STEVENS LOGO]

Mr. John Idol July 5, 1994
The Ralph Lauren Home Collection
1185 Avenue of the Americas - 9th Floor
New York, New York 10036

Re: Sublicense Agreement dated as of February 1, 1992 between The Ralph Lauren Home Collection ("RLHC") and West Point-Pepperell, Inc., assignee of J.P. Stevens & Co., Inc. ("Company") and Letter Agreement dated January 4, 1994 between The Ralph Lauren Home Collection and WestPoint Stevens Inc.

Dear John:

Reference is made to the captioned matter. Inasmuch as the Renewal Minimum Volume of [***] specified in the letter agreement dated January 4, 1994 has been reached, notice is hereby given that WestPoint Stevens Inc. is exercising its option to renew the agreement so that the same will now expire on December 31, 1997.

Please acknowledge our right in this connection and your agreement to this term extension by executing the enclosed duplicate copy of this letter agreement in the place provided and return one fully executed copy of this letter to A.T. Nance, Esq., WestPoint Stevens Inc., 1185 Avenue of the Americas, New York, New York 10036.

Very truly yours,

WESTPOINT STEVENS INC.

By: /s/ Thomas J. Ward

Thomas J. Ward
Executive Vice President, Sales & Marketing

AGREED:

THE RALPH LAUREN HOME COLLECTION

By: /s/ John Idol

John Idol

cc: Victor Cohen, Esq.

EXHIBIT 10.10

PORTIONS OF THIS EXHIBIT HAVE BEEN
OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL
TREATMENT AND HAVE BEEN FILED SEPARATELY WITH THE SECURITIES AND
EXCHANGE COMMISSION. SUCH PORTIONS ARE DESIGNATED "[***]".

LICENSE AGREEMENT, dated as of March 1, 1998 by and between The Polo/Lauren Company, L.P. ("Licensor"), with a place of business at 650 Madison Avenue, New York, New York 10022, and Polo Ralph Lauren Japan Co., Ltd. ("Licensee"), a Japanese corporation with a place of business at Kihoh Bldg. 2-2, Koji-Machi, Chiyoda-ku, Tokyo, 102 Japan.

WHEREAS, Licensor and its affiliates are engaged in the business of manufacturing, selling and promoting, and licensing others the right to manufacture, sell and promote, high quality apparel and related merchandise under certain Polo/Ralph Lauren trademarks and trade names; and

WHEREAS, Licensee desires to obtain, and Licensor is willing to grant, a license pursuant to which Licensee shall have the right to use certain Polo/Ralph Lauren trademarks in a specified territory on the terms set forth herein;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and undertakings hereinafter set forth, the parties hereto agree as follows:

1. Definitions. As used herein, the term:

1.1 "License" shall mean the exclusive, non-assignable right to use the Trademarks in connection with the manufacture and/or importation and sale of Licensed Products in the Territory.

1.2 "Licensed Products" shall mean those items set forth on Schedule A attached hereto and made a part hereof, and all bearing the Trademarks.

1.3 "Licensor" shall mean The Polo/Lauren Company, L.P. a New York limited partnership.

1.4 "Licensee" shall mean Polo Ralph Lauren Japan Co., Ltd. a corporation organized under the laws of Japan.

1.5 "Territory" shall mean Japan.

1.6 "Trademarks" shall mean the trademarks set forth on Schedule B attached hereto. Licensor shall have the sole right to determine which Trademark shall be used on each particular Licensed Product, and the manner in which each Trademark shall be used in connection with each particular Licensed Product.

2. Grant of License.

2.1 Subject to the terms and provisions hereof, Licensor hereby grants Licensee and Licensee hereby accepts the License. Licensor shall neither use nor authorize third parties to use the Trademarks in connection with the manufacture, sale and/or importation of Licensed Products in the Territory during the term of this Agreement without Licensee's prior approval. Notwithstanding the foregoing, Licensor acknowledges and agrees that Licensee's parent company, The Seibu Department Stores, Ltd. ("Seibu"), will be involved, as Licensee's sublicensee, service provider or otherwise, in the Polo/Ralph Lauren business in the Territory using the Trademarks in accordance with the terms and conditions of this Agreement. To the extent it is legally permissible to do so, no license is granted hereunder for the manufacture, sale or distribution of Licensed Products to be used for publicity purposes, other than publicity of Licensed Products, in combination sales, as premiums or giveaways, or to be disposed of under or in connection with similar methods of merchandising, such license being specifically reserved for Licensor.

2.2 It is understood and agreed that the License applies solely to the use of the Trademarks on the Licensed Products, and that, except as specifically authorized or permitted under this Agreement, (i) no use of any other trademark of Licensor or of any of Licensor's affiliates (including any trademark that uses the name "Polo" or "Ralph Lauren"), and (ii) no use of the Trademarks on any other products, is authorized or permitted, nor are any rights with respect to the foregoing granted hereunder. Licensor reserves the right to use, and to grant to any other licensee the right to use, the Trademarks, whether within or outside the Territory, in connection with any and all products and services, other than Licensed Products within the Territory. Licensee understands and agrees that Licensor may itself manufacture or authorize third parties to manufacture in the Territory, Licensed Products for ultimate sale outside of the Territory. Subject to the terms of paragraph 16.4 hereof, Licensee may manufacture or cause to be manufactured the Licensed Products outside of the Territory, but solely for purposes of sale within the Territory pursuant to the terms of this Agreement.

2.3 Licensee shall not have the right to use Licensee's name on or in connection with the Licensed Products, except with the prior approval by Licensor of the use and placement of Licensee's name. Licensee shall, at the option of Licensor, include on its business materials and/or the Licensed Products an indication of the relationship of the parties hereto in a form approved by Licensor.

2.4 Licensee shall not use or permit or authorize another person or entity in its control to use the words "Polo" or "Ralph Lauren" as part of a corporate name or tradename without the express written consent of Licensor and Licensee shall not permit or authorize use of the Trademark in such a way so as to give the impression that the name "Ralph Lauren," or the Trademark, or any modifications thereof, are the property of Licensee. Licensor hereby consents to the use by Licensee of the business name "Polo Ralph Lauren Japan Co., Ltd."

2.5 Neither Licensee nor its parent company or any affiliate or subsidiary of Licensee shall, directly or indirectly, manufacture, distribute, sell or advertise during the term of this Agreement, any items which bear the name or are associated with the name of any designer or brand listed on Schedule C hereto without Licensor's prior written consent. Licensee shall cause each sublicensee of rights hereunder, as a condition of such sublicensee's manufacture, promotion or sale of Licensed Products, to comply fully with the provisions of this paragraph 2.5; provided, however, that it shall not constitute a violation of this paragraph for any such sublicensee, with prior notice to Licensor, to manufacture, distribute, sell or advertise handkerchiefs, scarves, mufflers, luggage, leather goods, belts, gloves, hats, caps, socks, hosiery or jewelry which bear the name or are associated with the name of any designer or brand listed on Schedule C hereto. Nothing contained in this paragraph 2.5 shall prevent any parent company or affiliate of Licensee which owns or operates multi-brand department stores from acting as a retailer of any of the brands set forth on Schedule C hereto at such multi-brand department stores.

2.6 Licensor represents and warrants that it has full corporate right, power and authority to enter into this Agreement, to perform all of its obligations hereunder, and to consummate all of the transactions contemplated herein. In the event that Licensee or Licensor is charged with infringement on account of Licensee's use of any of the Trademarks or, if in connection with the development of Licensor's program in the Territory, Licensor determines that the use by Licensee of any or all of the trademarks should be discontinued upon reasonable written notice to Licensee, this license under the Trademarks shall be converted to a license under other "Ralph Lauren" trademark(s) or label(s); in such event Licensee hereby accepts the exclusive license to use such "Ralph Lauren" trademark(s) in connection with the manufacture and sale of Licensed Products in the Territory subject to all other terms of this License Agreement. In such event, Licensee shall immediately advise Licensor of its inventory of Licensed Products labeled with the Trademark(s) and of its stock of business materials bearing the Trademark(s) and Licensor shall, in its sole discretion and judgment, determine whether and to what extent such inventory and materials of Licensee may continue to be used by Licensee.

2.7 Except as specifically authorized under this Agreement, Licensee shall not purport to grant any right, permission or license hereunder to any third party, whether at common law or otherwise. Licensee shall not without Licensor's prior written approval sell any Licensed Products bearing the Trademark to any third party which, directly or indirectly, sells or proposes to sell such Licensed Products outside the Territory. Licensee shall use its best efforts to prevent any such resale outside the Territory and shall, immediately upon learning or receiving notice from Licensor that a customer is selling Licensed Products outside the Territory, cease all sales and deliveries to such customer.

2.8 Licensee recognizes that there are many uncertainties in the business contemplated by this Agreement. Licensee agrees and acknowledges that other than those representations explicitly contained in this Agreement, if any, no representations, warranties or guarantees of any kind have been made to Licensee, either by Licensor or by anyone acting on its behalf. Without limitation, no representations concerning the value of the Licensed Products or the prospects for the level of their sales or profits have been made and Licensee has made its own independent business evaluation in deciding to manufacture and distribute the Licensed Products on the terms set forth herein.

2.9 Notwithstanding anything to the contrary contained herein, Licensor reserves the right from time to time to authorize others to manufacture and sell Licensed Products as part of a combination sale, premium or give away with certain products (e.g. fragrances and cosmetics) bearing any of the Trademarks other than on Licensed Products.

2.10 The rights granted to Licensee hereunder are expressly conditioned upon (i) Seibu entering into an agreement with Licensor, simultaneous with the execution of this License Agreement and the Design Agreement, by which Seibu shall guarantee all of Licensee's financial and other obligations hereunder and under the Design Agreement, and upon the continued effectiveness of such agreement throughout the term and all renewals hereof. The form of such agreement is annexed hereto as Schedule E.

2.11 In the event Licensor wishes to use or license a third party to use in the Territory the trademark "Lauren/Ralph Lauren" in connection with the manufacture or sale of women's apparel during the term hereof, Licensor shall grant to Licensee a right of first refusal to act as the licensee therefor. In the implementation of said first refusal rights, Licensor shall give Licensee notice of the offer terms (the "Offer Terms") upon which it proposes to grant a license for such products ("Licensor's Offer"). Licensee shall have a period of forty-five (45) days after the date of Licensor's notice of the Offer Terms to accept or reject Licensor's Offer in writing. If Licensee rejects Licensor's Offer or if Licensee initially accepts Licensor's Offer but thereafter is unable to satisfy the Offer Terms, then Licensor shall be free to make an offer to any third party under the terms and conditions which are not materially more favorable to such third party than the offer terms set forth in Licensor's Offer. If Licensor shall make an offer to any third party under terms and conditions materially more favorable to such third party than the Offer Terms then, during the term hereof, Licensee's right of first refusal as provided hereinabove shall apply to such changed Offer Terms.

2.12 In the event Licensor wishes to use or license a third party to use in the Territory (i) any "New Trademark," as hereinafter defined, in connection with the manufacture or sale of Licensed Products during the term hereof, or (ii) the Trademarks in connection with any product other than Licensed Products

("New Product"), Licensor shall grant to Licensee a right of first refusal to act as the licensee therefor; provided, however, that Licensee shall have no right of first refusal with respect to any New Trademark or New Product if Licensor grants a license therefor to any third party for a territory which includes a country other than Japan. Licensor shall advise Licensee prior to granting, in Licensor's sole discretion, a license in the Territory to a third party with respect to any New Trademark or New Product. The term "New Trademark," as used herein, shall mean any trademark which includes the name "Polo" or "Ralph Lauren" which is not specifically listed in Schedule B hereto, but excludes any trademark designated by Licensor to replace any of the Trademarks pursuant to paragraph 2.6 hereof. The implementation of such first refusal rights shall be in the manner set forth in paragraph 2.11 hereof.

3. Design Standards and Prestige of Licensed Products.

3.1 Licensee acknowledges that it has entered into a design services agreement ("Design Agreement"), of even date herewith, with Polo Ralph Lauren Enterprises, L.P. (the "Design Partnership") which provides for the furnishing to Licensee by the Design Partnership of design concepts and other professional services so as to enable Licensee to manufacture or cause to be manufactured the Licensed Products in conformity with the established prestige and goodwill of the Trademark. Licensee shall manufacture, or cause to be manufactured, and sell only such Licensed Products as are made in accordance with the design and other information approved under, and in all other respects in strict conformity with the terms of, the Design Agreement.

3.2 Licensee acknowledges that the Trademarks have established prestige and goodwill and are well recognized in the minds of the public, and that it is of great importance to each party that in the manufacture and sale of various lines of Licensor's products, including the Licensed Products, the high standards and reputation that Licensor and Ralph Lauren have established be maintained. Accordingly, all items of Licensed Products manufactured or caused to be manufactured by Licensee hereunder shall be of high quality workmanship with strict adherence to all details and characteristics embodied in the designs furnished pursuant to the Design Agreement. Licensee shall supply Licensor with samples of the Licensed Products (including, if Licensor so requests, samples of labeling and packaging used in connection therewith) prior to production and from time to time during production, and shall, at all times during the term hereof, upon Licensor's request, make its manufacturing facilities available to Licensor, and shall use its best efforts to make available each subcontractor's manufacturing facilities for inspection by Licensor's representatives during usual working hours. No sales of miscuts or damaged merchandise shall contain any labels or other identification bearing the Trademark without Licensor's prior written approval, but sales of all products of Licensor or the Design Partnership's design shall nonetheless be subject to royalty payments pursuant to paragraph 6 hereof.

3.3 In the event that any Licensed Product is, in the judgment of Licensor, not being manufactured, distributed or sold with first quality workmanship or in strict adherence to all details and characteristics furnished pursuant to the Design Agreement, Licensor shall notify Licensee thereof in writing and Licensee shall promptly repair or change such Licensed Product to conform thereto. If a Licensed Product as repaired or changed does not strictly conform after Licensor's request and such strict conformity cannot be obtained after at least one (1) resubmission, the Trademarks shall be promptly removed from the item, at the option of Licensor, in which event the item may be sold by Licensee, provided such miscut or damaged item does not contain any labels or other identification bearing the Trademarks without Licensor's prior approval. Notwithstanding anything in this paragraph 3.3 to the contrary, sales of all products of Licensor's or the Design Partnership's design, whether or not bearing the Trademarks, shall nonetheless be subject to royalty payments pursuant to paragraph 6 hereof.

3.4 At the request of Licensor, Licensee shall cause to be placed on all Licensed Products appropriate notice designating Licensor or the Design Partnership as the copyright or design patent owner thereof, as the case may be. The manner of presentation of said notices shall be determined by Licensor.

3.5 Licensee shall make its personnel, and shall use its best efforts to make the personnel of any of its sublicensees, contractors, suppliers and other resources, available by appointment during normal business hours for consultation with the Licensor and the Design Partnership. Licensee shall make available to Licensor, upon reasonable notice, marketing plans, reports and information which Licensee may have with respect to Licensed Products in the Territory. At least once each year during the term hereof, senior executive personnel of Licensor and Licensee shall arrange meetings to discuss the conduct of all activities hereunder (including, without limitation, strategies for maintaining brand images in the Territory) and to pursue in good faith the resolution of problems which may be encountered by them. Licensee shall in no event be required to reimburse Licensor for any costs or expenses incurred by Licensor in connection with the consultation or meetings under this paragraph 3.5 in excess of the amount specified in paragraph 4.3 of the Design Agreement, inclusive of its reimbursement to The Polo/Lauren Company, L.P. and the Design Partnership thereunder.

4. Marketing.

4.1 The distribution of the Licensed Products in the Territory shall be performed exclusively by Licensee or under its supervision or control. The Licensed Products shall be sold by Licensee only to those specialty shops, department stores and other retail outlets which deal in products similar in quality and prestige to products bearing the Trademarks, whose operations are consistent with the quality and prestige of the Trademarks. Licensee shall not offer for sale or promote the sale of Licensed Products through the "Internet" (such rights being reserved by Licensor), direct mail or other similar vehicles without Licensor's prior written approval. Licensee shall not market or promote or seek customers for the Licensed Products outside of the Territory and Licensee shall not, without Licensor's prior approval (which shall not unreasonably be withheld or delayed) establish a branch, wholly owned subsidiary, distribution or warehouse with inventories of Licensed Products outside of the Territory.

4.2 Licensee acknowledges that in order to preserve the good will attached to the Trademark, the Licensed Products are to be sold at prices and terms reflecting the prestigious nature of the Trademarks, it being understood, however, that Licensor is not empowered to fix or regulate the prices at which the Licensed Products are to be sold, either at the wholesale or retail level.

4.3 Licensee shall maintain the high standards of the Trademarks and the Licensed Products, in all advertising, packaging and promotion of the Licensed Products. Licensee shall not employ or otherwise release any of such advertising or packaging or other business materials relating to any Licensed Products or bearing the Trademarks, unless and until Licensee shall have made a request, in writing, for approval by Licensor. Licensor may, with respect to any advertising, packaging or business materials submitted by Licensee, make such suggestions as Licensor deems necessary or appropriate, or disapprove, in either event by notice to Licensee. Any approval granted hereunder shall be limited to use during the seasonal collection of Licensed Products to which such advertising relates and shall be further limited to the use (e.g. TV or print) for which approval by Licensor was granted. Licensee shall, at the option of Licensor, include on its business materials an indication of the relationship of the parties hereto in a form approved by Licensor.

4.4 Licensee shall use its best efforts to assure that all cooperative advertising, whereby Licensee provides a customer with a contribution toward the cost of an advertisement for Licensed Products, whether Licensee's contribution be in the form of an actual monetary contribution, a credit or otherwise, shall be subject to prior approval of Licensor under the same terms and conditions as apply to advertising and promotional materials prepared by or to be used by Licensee pursuant to paragraph 4.3 hereof; provided, however, that in the event that Licensee is not as a matter of practice given an opportunity to review the cooperative advertising due to time constraints, then Licensee shall notify Licensor, in advance, of those customers with whom it does cooperative Licensed Product advertising and/or promotion, and Licensee at Licensor's request shall notify the named customer of the terms of this Agreement which pertain to the said advertising or promotional materials.

4.5 Licensee shall exercise its best efforts to safeguard the established prestige and goodwill of the names "Polo" and "Ralph Lauren," the Polo Player design and the Lauren image, at the same level of prestige and goodwill as heretofore maintained. "Image" as used herein refers primarily to quality and style of packaging, advertising and promotion, creation and introduction of new products, type of outlets with reference to quality of service provided by retail outlets and quality of presentation of Licensed Products in retail outlets. Licensee shall take all necessary steps, and all steps reasonably requested by Licensor, to prevent or avoid any misuse of the Trademarks by any of its customers, contractors or other resources.

4.6 During each year of this Agreement, Licensee shall expend for the production and placement of advertising of Licensed Products as may be approved by Licensor hereunder ("Advertising") and such other promotional activities as Licensor, in its sole discretion, may approve, an amount that is not less than the "Annual Advertising Obligation," as hereinafter defined, for such year. Licensor shall consult with Licensee regarding the creation, production and placement of Advertising, but all final decisions with respect thereto shall be made by Licensor in its sole discretion. The "Annual Advertising Obligation" for each year during the term hereof shall be [***] percent [***] of the aggregate net sales price (as defined in paragraph 6.2 hereof) of Licensed Products sold during such year. Licensee's Annual Advertising Obligation shall be applied to Advertising and with Licensor's prior approval in its sole discretion, other promotional activities related to Licensed Products. Licensee shall deliver to Licensor within sixty (60) days after the end of each year hereof an accounting statement in respect of amounts expended by Licensee on Advertising for the prior year. Each such accounting statement shall be signed, and certified as correct, by a duly authorized officer of Licensee. Prior to each year hereof, Licensee shall submit Licensee's advertising budget for the upcoming year, based on the aggregate net sales price of Licensed Products during the year then ending and on sales projected for the upcoming year. The Annual Advertising Obligation for such upcoming year will initially be calculated and expended based upon such budget. If in any year during the term hereof an amount less than the Annual Advertising Obligation is expended on Advertising for any reason whatsoever (including an underestimate of the actual net sales for such year or because the actual cost of Advertising, if any, produced and placed during such year is less than the Annual Advertising Obligation), the entire amount not expended shall be added to the Annual Advertising Obligation for the following year. Except as may otherwise be agreed, not less than [***] percent [***] of the Annual Advertising Obligation shall be spent on the placement of media Advertising (i.e., print, outdoor and television advertising) other than "Cooperative Advertising" (which term shall mean Advertising specifically referring to, and intended to promote sales of Licensed Products at, a particular retail store or stores), and the remainder on Cooperative Advertising and other publicity and promotional activities pursuant to a plan and budget which shall be approved in advance by Licensor. Licensee may expend amounts to be determined in its discretion on advertising and promotional activities approved in advance by Licensor which exceed the Annual Advertising Obligation, and such excess expenditures by Licensee shall not be deemed to increase or otherwise modify the calculation of the Annual Advertising Obligation or Licensee's obligations pursuant to paragraph 4.7 hereof.

4.7 Licensee acknowledges that Licensor (or its affiliates or licensees), in connection with its contractual arrangements with certain models and the production of various advertising materials, incur costs (e.g. costs for photographers, models, usage rights, advertising shoots, etc.) properly allocable to its various international licensees who derive rights from such activities. Licensor shall be entitled to invoice Licensee each year for Licensee's allocable share of such costs and Licensee shall reimburse Licensor for such costs promptly after receipt of such invoices. In addition, Licensor intends to undertake various athletic endorsements, team and event sponsorships and other such activities as Licensor deems appropriate as part of a worldwide sports marketing program to develop its image internationally ("Sports Marketing Costs"). Licensor shall be entitled to invoice Licensee each year for Licensee's allocable share of such Sports Marketing Costs, and Licensee shall reimburse Licensor for such Sports Marketing Costs promptly after receipt of such invoices.

4.8 To the extent permitted by applicable law Licensor may from time to time, and in writing, promulgate rules and regulations to Licensee relating to the manner of use of the Trademarks. Licensee shall comply with such rules and regulations. Any such rules or regulations shall not be inconsistent with or derogate from the terms of this Agreement.

4.9 Licensee agrees to make available for purchase and to sell on its customary price, credit and payment terms all lines and styles of Licensed Products to (i) retail stores in the Territory bearing a trademark of Licensor or its affiliates and (ii) to any stores or facilities operated or owned by Licensor and its affiliates, which may be opened upon sixty (60) days' prior written notice to Licensee, which are authorized to sell the Licensed Products within such retail stores. Notwithstanding anything to the contrary contained herein, to the extent that any such Licensed Products are not so made available by Licensee to such stores because Licensee does not have such Licensed Products available to sell to such stores, such Licensed Products may be made available to such stores by Licensor (or its affiliates or other licensees).

4.10 Licensee shall refurbish or cause to be refurbished each store and corner dedicated to the sale of Licensed Products at least every six to eight years during the term hereof. Licensor and Licensee shall, each six months during the term hereof, consult in good faith regarding standards and specifications for such refurbishing, which standards and specifications shall be subject to Licensor's approval, and Licensee shall be responsible for causing all refurbishing to be undertaken in a manner consistent with such plans and specifications, as modified during each six-month review.

4.11 Consistent with the high quality and prestige of the Trademarks and products manufactured by, or under license from, Licensor and its affiliates, Licensee undertakes, during the term hereof, diligently to manufacture and sell all Licensed Products, to use its best efforts to create a demand therefor, supply such demand, and maintain adequate arrangements and facilities for the distribution of Licensed Products throughout the Territory. As an essential part of its distribution program, Licensee shall maintain adequate inventories (consistent with good industry practice) of all Licensed Products at distribution points reasonably adequate to satisfy the requirements of its customers for a full line of such Licensed Products and to expedite the delivery thereof.

4.12 Licensee shall, at all times during the term hereof, employ a President of Licensee, reasonably satisfactory to Licensor, whose material responsibilities shall include the conduct of the business contemplated hereunder. In addition to such President, Licensee shall, at all times during the term hereof, employ a high level managerial person, reasonably satisfactory to Licensor, whose sole material responsibility shall be the production, merchandising, distribution and promotion of the Licensed Product lines. Such person shall act as liaison between Licensor and Licensee.

5. Trademark Protection.

5.1 All uses of the Trademarks by Licensee, including, without limitation, use in any business documents, invoices, stationery, advertising, promotions, labels, packaging and otherwise shall require Licensor's prior written consent in accordance with paragraph 4.3 hereof.

5.2 All uses of the Trademarks by Licensee in advertising, promotions, labels and packaging shall bear the notation "Ralph (Polo Player Design) Lauren" or the representation of the Polo Player, as the case may be, and shall include at Licensor's option, a notice to the effect that each Trademark is used by Licensee for the account and benefit of Licensor or that Licensee is a registered user thereof or both such statements. The use of the Trademark pursuant to this Agreement shall be for the benefit of Polo and shall not vest in Licensee any title to or right or presumptive right to continue such use. For the purposes of trademark registration, sales by Licensee shall be deemed to have been made by Licensor.

5.3 Licensee shall cooperate fully and in good faith with Licensor for the purpose of securing and preserving Licensor's rights in and to the Trademarks. If Licensor and Licensee agree that registering Licensee's exclusive rights with respect to the Trademarks in the Territory is appropriate, each of them shall undertake such action as may be necessary to obtain such registration; provided, however, that the cost of obtaining and maintaining such registration shall be borne by Licensee. Neither Licensor nor Licensee shall act unreasonably with respect to a request of the other in connection with the preceding sentence. Nothing contained in this Agreement shall be construed as an assignment or grant to Licensee of any right, title or interest in or to the Trademarks, or any of Licensor's other trademarks, it being understood that all rights relating thereto are reserved by Licensor, except for the License hereunder to Licensee of the right to use the Trademarks only as specifically and expressly provided herein. Licensee shall not file or prosecute a trademark or service mark application or applications to register the Trademarks, for Licensed Products or otherwise.

5.4 Licensee shall not, during the term of this Agreement or thereafter, (a) attack Licensor's title or rights in and to the Trademarks in any jurisdiction or attack the validity of this License or the Trademarks or (b) contest the fact that Licensee's rights under this Agreement (i) are solely those of a licensee, manufacturer and distributor and (ii) subject to the provisions of paragraph 10 hereof, cease upon termination of this Agreement. The provisions of this paragraph 5.4 shall survive the termination of this Agreement.

5.5 All right, title and interest in and to all samples, patterns, sketches, designs, artwork, logos and other materials furnished by or to Licensor or the Design Partnership, whether created by Licensor, the Design Partnership, or Licensee, are hereby assigned in perpetuity to, and shall be the sole property of, Licensor and/or the Design Partnership, as the case may be. Licensee shall assist Licensor to the extent necessary in the protection of or the procurement of any protection of Licensor's rights to the Trademarks and the designs, design patents and copyrights furnished hereunder, and Licensor, if Licensor so desires, may commence or prosecute any claims or suits in Licensor's own name or, if legally necessary and permissible, in the name of Licensee or join Licensee as a party thereto. Licensee shall promptly notify Licensor in writing of any uses which may be infringements or imitations by others of the Trademark on articles similar to those covered by this Agreement which may come to Licensee's attention. Licensor shall have the sole right to determine whether or not any action shall be taken on account of any such infringements or imitations, and shall bear one hundred percent (100%) of the costs of all actions or proceedings it elects to take; provided, however, that if Licensor declines to take action with respect to a particular infringer Licensee may, with Licensor's prior written consent, undertake such action at Licensee's expense.

6. Royalties.

6.1 (a) Licensee shall pay to Licensor minimum royalties for each year during the term of this Agreement as compensation for the License granted hereunder for the use of the Trademarks in the manufacture and sale, and/or importation and sale, of Licensed Products in the Territory.

(b) The minimum royalty for each year during the Initial Term hereof (as defined in paragraph 8 hereof) shall be the following amounts, fixed in U.S. dollars:

Year 1	[***]
Year 2	[***]
Year 3	[***]
Year 4	[***]
Year 5	[***]

(c) The minimum royalty for each year during the "First Renewal Period" (as defined in paragraph 8 hereof) shall be as follows, in [***] yen:

Year 6	[***]
Year 7	[***]
Year 8	[***]
Year 9	[***]
Year 10	[***]

(d) The minimum royalty for each year during the "Second Renewal Period" (as defined in paragraph 8 hereof) shall be as follows, in [***] yen:

Year 11	[***]
Year 12	[***]
Year 13	[***]
Year 14	[***]
Year 15	[***]

(e) Within thirty (30) days after Licensee gives Licensor notice, pursuant to paragraph 8 hereof, that it is exercising its option to extend the term of this Agreement for each of the First Renewal Period and the Second Renewal Period, Licensor and Licensee shall confer and agree upon an exchange rate which shall be applied to all minimum royalty payments throughout the First Renewal Period and the Second Renewal Period, respectively, and that agreed upon exchange rate shall thereafter be applied throughout each such ensuing Renewal Period, unless the parties mutually agree to modify such exchange rate.

(f) Minimum royalties for each year shall be paid in twelve (12) equal monthly installments on the last day of each month during the term hereof, commencing with the first payment in the amount of [***] on March 31, 1998. No credit shall be permitted against minimum royalties payable in any year on account of earned or minimum royalties paid in any other year, and minimum royalties shall not be returnable. For the purposes of this Agreement, the term "year" shall mean a period of twelve (12) months commencing on each March 1 during the term of this Agreement.

6.2 Licensee shall pay to Licensor earned royalties based on the net sales price of all Licensed Products manufactured or imported and sold by Licensee hereunder. Earned royalties shall be an amount equal to the "Earned Royalty Percentage Rate" (as defined in Schedule D hereto) applied to the net sales price of all Licensed Products sold under this Agreement, including, without limitation, any sales made pursuant to the terms of paragraphs 3.2 and 10 hereof. Licensee shall prepare or cause to be prepared statements of operations for the period commencing on the date hereof and ending on August 31, 1998 and for each six-month period ending the last day of August and February in each new year hereof, hereof, which shall be furnished to Licensor together with payment of the earned royalties due, if any, for each such six-month period (less minimum royalties due for such year) no later than October 31 (for each period ending on the last day of August) and April 30 (for each period ending on the last day of February). The term "net sales price" shall mean the gross sales price to retailers who are not affiliates of Licensee or, with respect to Licensed Products that are not sold directly or indirectly to retailers, other ultimate consumers (as in the case of accommodation sales by Licensee to its employees or sales by Licensee in its own shops), of all sales of Licensed Products under this Agreement, less trade discounts, merchandise returns, sales tax or VAT taxes. No other deductions shall be taken. Any merchandise returns shall be credited in the six (6) month period in which the returns are actually made. For purposes of this Agreement, affiliates of Licensee shall mean all persons and business entities, whether corporations, partnerships, joint ventures or otherwise, which now or hereafter control, or are owned or controlled, directly or indirectly by Licensee, or are under common control with Licensee. It is the intention of the parties that royalties will be based on the bona fide wholesale prices at which Licensee sells Licensed Products to independent retailers in arms' length transactions. In the event Licensee shall sell Licensed Products to its affiliates, royalties shall be calculated on the basis of such a bona fide wholesale price irrespective of Licensee's internal accounting treatment of such sale. Licensee shall identify separately in the statements of operations provided to Licensor pursuant to paragraph 7.1 hereof, all sales to affiliates. Notwithstanding anything to the contrary contained herein, and except as may otherwise be agreed by Licensor and Licensee with respect to any particular items of Licensed Products, no earned royalties shall be due hereunder with respect to sales of Licensed Products which Licensee has acquired from other licensees of Licensor, unless Licensee acquires such products at a price which is equal to or less than [***] percent [***] off the regular wholesale price therefor, or the factory cost thereof plus [***] percent [***]. Licensor and Licensee anticipate that such products may include Women's Collection products, luggage and handbags.

6.3 If the payment of any installment of royalties is delayed for any reason, interest shall accrue on the unpaid principal amount of such installment from and after the date which is 10 days after the date the same became due pursuant to paragraphs 6.1 or 6.2 hereof at the prime rate of interest in effect from time to time at Chase Manhattan Bank, New York, New York or any successor bank.

6.4 The obligation of Licensee to pay royalties hereunder shall be absolute notwithstanding any claim which Licensee may assert against Licensor or the Design Partnership. Licensee shall not have the right to set-off, compensate or make any deduction from such royalty payments for any reason whatsoever.

6.5 All references to dollars in this Agreement shall, except as otherwise expressly provided herein, mean U.S. dollars. All royalties due hereunder shall be paid in U.S. dollars. The currency conversion to U.S. dollars for each six-month accounting period shall be made: (i) with respect to earned royalties on net sales of Licensed Products up to the "Trigger Point" (as defined in Schedule D hereto), at the "Fixed Exchange Rate" (as hereinafter defined), and (ii) with respect to earned royalties on net sales of Licensed Products in excess of the Trigger Point, at the spot conversion rate published by the Bank of Tokyo-Mitsubishi for the day on which the accounting statement and payment pursuant to paragraph 6.2 hereof. The term "Fixed Exchange Rate" shall mean the exchange rate agreed to by Licensor and Licensee with respect to each of the First Renewal Period and the Second Renewal Period, as set forth in paragraph 6.1(e) hereof, and with respect to the Initial Term hereof, the Fixed Exchange Rate shall be 110 yen to one (1) U.S. dollar. The amount of royalties to be paid to Licensor by Licensee hereunder has been determined on the understanding that Licensee will be entitled to deduct any required withholding taxes and Licensor will be entitled to a tax credit for United States federal income tax purposes equal to the amount of any tax imposed in Japan upon Licensor's royalties, whether imposed by withholding or otherwise. Licensee shall provide Licensor with all information and documentation necessary in order for the Licensor to secure such tax credits. In the event that any such Japan tax is not so available as a credit for United States federal income tax purposes for the period when paid, the royalty to be paid hereunder shall be renegotiated to reflect the actual loss of revenue to Licensor.

7. Accounting.

7.1 Licensee shall at all times keep an accurate account of all operations within the scope of this Agreement and shall render a full statement of such operations in writing to Licensor in accordance with paragraph 6.2 hereof. Such statements shall account separately for each different product category and shall include all aggregate gross sales, trade discounts, merchandise returns, sales of miscuts and damaged merchandise and net sales price of all sales for the previous six-month period. Such statements shall be in sufficient detail to be audited from the books of Licensee. Once annually, which may be in connection with the regular annual audit of Licensee's books, Licensee shall furnish an annual statement of the aggregate gross sales, trade discounts, merchandise returns and net sales price of all Licensed Products made or sold by Licensee certified by Licensee's chief financial officer or, if Licensee's records are examined by an independent accountant, by such independent accountant. Each six-month financial statement furnished by Licensee shall be certified by the chief financial officer of Licensee.

7.2 At least once annually and no later than 90 days after the close of Seibu's fiscal year, Seibu will furnish to Licensor a profit and loss statement and balance sheet covering its fiscal year which shall be certified by the independent auditor for Seibu. All financial statements required to be furnished herein shall be prepared in accordance with generally accepted accounting principles and any officer's certificate relative thereto shall state that such statements are true, complete and correct in all material respects and present fairly the financial position of Seibu as of the respective date of the balance sheets and the results of operations for the respective periods covered.

7.3 Licensor and its duly authorized representatives, on reasonable notice, shall have the right, no more than once in each year during regular business hours, for the duration of the term of this Agreement and for one (1) year after the expiration of the disposal period set forth in paragraph 10.2 hereof, to examine the books of account and records and all other documents, materials and inventory in the possession or under the control of Licensee and its successors with respect to the statements and information required pursuant to paragraphs 4.6, 6.2 and 7.1 hereof. All such books of account, records and documents shall be maintained and kept available by Licensee for at least the duration of this Agreement and for three (3) years thereafter. Licensor shall have free and full access thereto in the manner set forth above and shall have the right to make copies and/or extracts therefrom. If as a result of any examination of Licensee's books and records it is shown that Licensee's payments to Licensor hereunder with respect to any twelve (12) month period were less than or greater than the amount which should have been paid to Licensor by an amount equal to two percent (2%) of the amount which should have been paid during such twelve (12) month period, Licensee will, in addition to reimbursement of any underpayment, with interest from the date on which each payment was due at the rate set forth in paragraph 6.3 hereof, promptly reimburse Licensor for the cost of such examination.

8. Term.

(a) The term of this Agreement shall commence as of the date hereof and shall terminate on February 28, 2003 (the "Initial Term").

(b) If no Event of Default (as defined in paragraph 9.1 hereof) shall have occurred and not been cured or waived, and Licensee has achieved the "First Minimum Renewal Volume" (as such term is hereinafter defined) for the period March 1, 2001 to February 28, 2002, Licensee shall have the option, upon providing notice to Licensor on or before June 30, 2002, to renew this Agreement for an additional five (5) year period (the "First Renewal Term") so as to expire on February 28, 2008, on the terms and conditions set forth herein. The First Minimum Renewal Volume which Licensee must achieve in connection with sales of Licensed Products during the period from March 1, 2001 to February 28, 2002 in order to be entitled to renew this Agreement for a second term as hereinabove provided shall be [***] yen [***].

(c) If no Event of Default (as defined in paragraph 9.1 hereof) shall have occurred and not been cured or waived, and Licensee has achieved the "Second Minimum Renewal Volume" (as such term is hereinafter defined) for the period March 1, 2006 to February 28, 2007, Licensee shall have the option, upon providing notice to Licensor on or before June 30, 2007, to renew this Agreement for an additional five (5) year period (the "Second Renewal Term") so as to expire on February 28, 2013, on the terms and conditions set forth herein, except that there shall be no further option of renewal. The Second Minimum Renewal Volume which Licensee must achieve in connection with sales of Licensed Products during the period from March 1, 2006 to February 28, 2007 in order to be entitled to renew this Agreement for a second term as hereinabove provided shall be [***] yen [***].

(d) It is expressly understood that only the company (which may be Licensee) whose licensed term covers the period subsequent to the expiration of this Agreement shall be entitled to receive designs for Licensed Products intended to be sold after the expiration of this Agreement, and to make presentations of such Licensed Products during the market presentation weeks that relate to such subsequent period, even if such market presentation occurs prior to the termination of this Agreement. Without limiting the generality of the foregoing, in the event the term hereof is not renewed or extended, the last season for which Licensee shall be entitled to receive designs and, during the term hereof, to manufacture and sell Licensed Products shall be the Cruise/Holiday immediately preceding the expiration of the term hereof, and Licensor shall be entitled to undertake, directly or through a successor licensee, all activities associated with the design, manufacture and sale of Licensed Products commencing with the Spring season immediately following the expiration of the term hereof.

9. Default; Change of Control.

9.1 Each of the following shall constitute an event of default ("Event of Default") hereunder:

(i) Any installment of royalty payments is not paid when due and such default continues for more than fifteen (15) days after written notice thereof to Licensee; or

(ii) Licensee shall, after thirty (30) days' written notice from Licensor, continue to fail to timely present for sale to the trade a broadly representative and fair collection of each seasonal collection of Licensed Products designed by the Design Partnership under the Design Agreement, or Licensee again shall fail to timely ship to its customers a material portion of the orders of Licensed Products it has accepted after it has received thirty (30) days' written notice from Licensor stating that Licensee has failed on a recurring basis to so timely ship in the past and that such a failure in the future shall constitute an Event of Default hereunder; or

(iii) Licensee defaults in performing any of the other terms of this Agreement and continues in such default for a period of thirty (30) days after notice thereof (unless the default cannot be cured within such thirty (30) day period and Licensee shall have commenced to cure the default and proceeds diligently thereafter to cure within an additional fifteen (15) day period); or

(iv) Licensee fails within fifteen (15) days after written notice that payment is overdue to pay for any Licensed Products or materials, trim, fabrics, packaging or services relating to Licensed Products purchased by Licensee from Licensor or any agent or licensee of Licensor or any other supplier of such items; or

(v) If Licensee shall, after thirty (30) days' written notice from Licensor, continue to use the Trademarks in an unauthorized or improper manner and/or if Licensee shall make an unauthorized disclosure of confidential information or materials given or loaned to Licensee by Licensor or the Design Partnership which, unless it relates to designs or business plans for upcoming seasons, is expressly designated by Licensor or the Design Partnership as confidential when so given or loaned; or

(vi) Licensee or Seibu institutes proceedings seeking relief under a bankruptcy act or any similar law, or consents to entry of any order for relief against it in any bankruptcy or insolvency proceeding or similar proceeding, or files a petition for or consent or answer consenting to reorganization or other relief under any bankruptcy act or other similar law, or consents to the filing against it of any petition for the appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of it or of any substantial part of its property, or a proceeding seeking such an appointment shall have been commenced without Licensee's or Seibu's consent and shall continue undismissed for sixty (60) days or an order providing for such an appointment shall have been entered, or makes an assignment for the benefit of creditors, or admits in writing its inability, to pay its debts as they become due or fails to pay its debts as they become due, or takes any action in furtherance of the foregoing; or

(vii) Licensee or Seibu transfers or agrees to transfer substantially all of its property; or (viii)The calling of a meeting of creditors, appointment of a committee of creditors or liquidating agents, or offering a composition or extension to creditors by, for or of Licensee or Seibu; or

(ix) There shall be a direct or indirect change in control of Licensee in violation of the provisions of paragraph 9.3 hereof; or

(x) An event of default occurs under the guarantee agreement referred to in paragraph 2.10 hereof or under the Design Agreement, or any other license agreement entered into between Licensor and Licensee or design agreement between Licensee and the Design Partnership; or

(xi) There shall be a change in control of Licensee such that Seibu Department Stores, Ltd. no longer controls, 100% of the issued and outstanding voting stock of Licensee or 100% of the equity interest of Licensee or (b) Hiroshi Kometani is no longer in all material respects responsible with individual authority as officer of Licensee, to unconditionally bind Licensee in connection with the operations contemplated by this Agreement, including, without limitation, the performance of Licensee's duties and obligations under this Agreement, unless Licensor approves a successor to Hiroshi Kometani within six (6) months after he ceases to function in such capacity, which approval will not unreasonably be withheld; or

(xii) Licensee shall have failed to perform any material term, covenant or agreement on its part to be performed under any agreement or instrument (other than this Agreement) evidencing or securing or relating to any indebtedness owing by Licensee, if the effect of such failure is to accelerate the maturity of such indebtedness, or to permit the holder or holders of such indebtedness to cause such indebtedness to become due prior to the stated maturity thereof, regardless of whether or not such failure to perform will be waived by the holder or holders of such indebtedness.

9.2 If any Event of Default described in paragraphs 9.1(i), (ii), (iii), (iv), (v), (ix), (x), (xi) or (xii) shall occur, Licensor shall have the right, exercisable in its sole discretion, to terminate this Agreement and the License upon ten (10) days' written notice to Licensee of its intention to do so, and upon the expiration of such ten (10) day period, this Agreement and the License shall terminate and come to an end. If the Event of Default described in paragraphs 9.1(vi), (vii) or (viii) shall occur, this Agreement and the License shall thereupon forthwith terminate and come to an end without any need for notice to Licensee. This Agreement will terminate automatically upon the expiration or termination for any reason whatsoever of the Design Agreement. Any termination of this Agreement shall be without prejudice to any remedy of Licensor for the recovery of any monies then due it under this Agreement or in respect to any antecedent breach of this Agreement, and without prejudice to any other right of Licensor including, without limitation, damages for breach to the extent that the same may be recoverable and Licensee agrees to reimburse Licensor for any costs and expenses (including attorneys' fees) incurred by Licensor in enforcing its rights hereunder. No assignee for the benefit of creditors, receiver, liquidator, sequestrator, trustee in bankruptcy, sheriff or any other officer of the court or official charged with taking over custody of Licensee's assets or business shall have any right to continue the performance of this Agreement.

9.3 During the term of this Agreement, Licensee shall not dissolve, liquidate or wind-up its business. In addition, Licensee shall not, without prior written notice to Licensor (i) merge or consolidate with or into any other corporation, or (ii) directly or indirectly sell or otherwise dispose of all or of a substantial portion of its business or assets. Licensor shall have the option, upon receipt of such notice, to terminate this Agreement upon notice to Licensee.

9.4 Licensee shall have the right to terminate this Agreement upon one hundred and twenty (120) days' written notice in the event that pursuant to paragraph 16.7 hereof it is determined that Licensor has defaulted in performing any of the terms of this Agreement which default has had a material adverse effect on Licensee's ability to exploit its rights hereunder, and that Licensor has continued in default for a period of thirty (30) days after notice thereof (unless the default cannot be cured within such thirty (30) day period and Licensor shall have commenced to cure the default and proceeds diligently to cure within an additional fifteen (15) day period).

10. Disposal of Stock Upon Termination or Expiration.

10.1 Within fifteen (15) days following the termination of this Agreement for any reason whatsoever including the expiration of the term hereof, and on the last of each month during the disposal period set forth in paragraph 10.2 hereof, Licensee shall furnish to Licensor a certificate of Licensee listing its inventories of Licensed Products (which defined term for purposes of this paragraph 10.1 shall include, but shall not be limited to, all fabrics, trim and packaging which are used in the manufacture and marketing of Licensed Products) on hand or in process wherever situated. Within fifteen (15) days after delivery of such certificate, Licensor shall have the right to conduct a physical inventory of Licensed Products in Licensee's possession or under Licensee's control. Licensor or Licensor's designee shall have the option (but not the obligation) to purchase from Licensee all or any part of Licensee's then existing inventory of Licensed Products upon the following terms and conditions:

(i) Licensor shall notify Licensee of its or its designee's intention to exercise the foregoing within 30 days of delivery of the certificate referred to above and shall specify the items of Licensed Products to be purchased.

(ii) The price for Licensed Products manufactured by or on behalf of Licensee on hand or in process shall be Licensee's standard cost (the actual manufacturing cost) for each such Licensed Product. The price for all other Licensed Products which are not manufactured by Licensee shall be Licensee's landed costs therefor. Landed costs for the purposes hereof means the F.0.B. price (as defined under the INCOTERMS 1990 of the International Chamber of Commerce) of the Licensed Products together with customs, duties, and brokerage, freight and insurance.

(iii) Licensee shall deliver the Licensed Products purchased within twenty (20) days of receipt of the notice referred to in clause (i) above. Payment of the purchase price for the Licensed Products so purchased by Licensor or its designee shall be payable upon delivery thereof, provided that Licensor shall be entitled to deduct from such purchase price any amounts owed it by Licensee (and/or to direct payment of any part of such merchandise to any supplier of Licensed Products in order to reduce an outstanding balance due to such supplier from Licensee).

10.2 In the event Licensor chooses not to exercise the option referred to in paragraph 10.1 hereof with respect to all or any portion of Licensed Products, for a period of one hundred and twenty (120) days after termination of this Agreement for any reason whatsoever, except on account of breach of provisions of paragraph 3, 4 or 6 hereof, Licensee may dispose of Licensed Products which are on hand or in the process of being manufactured at the time of termination of this Agreement, provided that (i) Licensee fully complies with the provisions of this Agreement, including specifically those contained in paragraphs 3, 4 and 6 hereof in connection with such disposal, and (ii) said disposal takes place within one hundred and twenty (120) days after the termination or expiration of the term hereof, as the case may be.

10.3 Notwithstanding anything to the contrary contained herein, in the event that upon the expiration or termination of the term hereof for any reason Licensee has not rendered to Licensor all accounting statements then due, and paid (i) all royalties and other amounts then due to Licensor, (ii) all compensation then due to Design Partnership under the Design Agreement and (iii) all amounts then due to any supplier of Licensed Products or components thereof (collectively, "Payments"), Licensee shall have no right whatsoever to dispose of any inventory of Licensed Products in any manner. In addition, if during any disposal period Licensee fails timely to render any accounting statements, or certificates of inventory as required under paragraph 10.1 hereof, or to make all Payments when due, Licensee's disposal rights hereunder shall immediately terminate without notice.

11. Effect of Termination.

11.1 It is understood and agreed that except for the License to use the Trademarks only as specifically provided for in this Agreement, Licensee shall have no right, title or interest in or to the Trademarks. Upon and after the termination of this License, all rights granted to Licensee hereunder, together with any interest in and to the Trademarks which Licensee may acquire, shall forthwith and without further act or instrument be assigned to and revert to Licensor. In addition, Licensee will execute any instruments requested by Licensor which are necessary to accomplish or confirm the foregoing. Any such assignment, transfer or conveyance shall be without consideration other than the mutual agreements contained herein. Licensor shall thereafter be free to license to others the right to use the Trademarks in connection with the manufacture and sale of the Licensed Products covered hereby, and Licensee will refrain from further use of the Trademarks or any further reference to them, direct or indirect, or any other trademark, trade name or logo that is confusingly similar to the Trademarks, or associated with the Trademark in any way, in connection with the manufacture, sale or distribution of Licensee's products, except as specifically provided in paragraph 10 hereof. It is expressly understood that under no circumstances shall Licensee be entitled, directly or indirectly, to any form of compensation or indemnity from Licensor or the Design Partnership or their affiliates, as a consequence to the termination of this Agreement, whether as a result of the passage of time, or as the result of any other cause of termination referred to in this Agreement. Without limiting the generality of the foregoing, by its execution of the present Agreement, Licensee hereby waives any claim which it has or which it may have in the future against Licensor, the Design Partnership or their affiliates, arising from any alleged goodwill created by Licensee for the benefit of any or all of the said parties or from the alleged creation or increase of a market for Licensed Products. Licensee does not hereby waive any claim which might arise against Licensor for damages as a result of any breach of this Agreement by Licensor.

11.2 Licensee acknowledges and admits that there would be no adequate remedy at law for its failure (except as otherwise provided in paragraph 10 hereof) to cease the manufacture or sale of the Licensed Products covered by this Agreement at the termination of the License, and Licensee agrees that, notwithstanding anything to the contrary contained in paragraph 16.7 hereof, in the event of such failure Licensor shall be entitled to equitable relief by the way of temporary and permanent injunction and such other and further relief as any court with jurisdiction may deem just and proper.

12. Showroom. Licensee represents that a separate showroom for the presentation and sale of the Licensed Products will be established and staffed and Licensee agrees to maintain, operate, decorate and staff the showroom in a manner consistent with that of the showrooms established for the presentation and sale of Licensor's products. Licensee shall consult with Licensor with respect to the design,

layout, decoration and staffing of the showroom and all expenses incurred with respect to the design, construction, operation and maintenance of such showroom shall be borne by Licensee.

13. Indemnity.

13.1 Licensor shall indemnify and hold harmless Licensee from and against any and all liability, claims, causes of action, suits, damages and expenses (including reasonable attorneys' fees and expenses in actions involving third parties or between the parties hereto) which Licensee is or becomes liable for, or may incur solely by reason of its use within the Territory, in strict accordance with the terms and conditions of this Agreement, of the Trademarks or the designs furnished to Licensee by Licensor or the Design Partnership, to the extent that such liability arises through infringement of another's design patent, trademark, copyright or other proprietary rights; provided, however, that Licensee gives Licensor prompt notice of, and full cooperation in the defense against, such claim. If any action or proceeding shall be brought or asserted against Licensee in respect of which indemnity may be sought from Licensor under this paragraph 13.1, Licensee shall promptly notify Licensor thereof in writing, and Licensor shall assume and direct the defense thereof. Licensee may thereafter, at its own expense, be represented by its own counsel in such action or proceeding. Licensor shall, promptly after a request from Licensee no more than once each year, provide Licensee with an updated list of the trademark applications and registrations it owns in the Territory.

13.2 To the extent not inconsistent with paragraph 13.1 hereof, Licensee shall indemnify and save and hold Licensor, the Design Partnership and Ralph Lauren, individually, harmless from and against any and all liability, claims, causes of action, suits, damages and expenses (including reasonable attorneys' fees and expenses in actions involving third parties or between the parties hereto), which they, or any of them, are or become liable for, or may incur, or be compelled to pay by reason of any acts, whether of omission or commission, that may be committed or suffered by Licensee or any of its servants, agents or employees in connection with Licensee's performance of this Agreement, including Licensee's use of Licensee's own designs, in connection with Licensed Products manufactured by or on behalf of Licensee or otherwise in connection with Licensee's business.

14. Insurance. Licensee shall carry product liability insurance with limits of liability in the minimum amount, in addition to defense costs, of $2,000,000 per occurrence and $2,000,000 per person and Licensor, Polo Ralph Lauren Corporation, the Design Partnership and Ralph Lauren, individually, shall be named therein as insureds, as their interests may appear. The maximum deductible with respect to such insurance shall be $25,000. Licensee shall, promptly after the signing of this Agreement, deliver to Licensor a certificate of such insurance from the insurance carrier, setting forth the scope of coverage and the limits of liability and providing that the policy may not be canceled or amended without at least thirty (30)

days' prior written notice to Licensor, the Design Partnership and Ralph Lauren, individually.

15. Disclosure.

15.1 Licensor and Licensee, and their affiliates, employees, attorneys, accountants and bankers shall hold in confidence and not use or disclose, except as permitted by this Agreement, (i) confidential information of the other or (ii) the terms of this Agreement, except upon consent of the other or pursuant to, or as may be required by law, or in connection with regulatory or administrative proceedings and only then with reasonable advance notice of such disclosure to the other. Licensee shall take all reasonable precautions to protect the secrecy of the material used pursuant to this Agreement prior to the commercial distribution or the showing of samples for sale, and shall not sell any merchandise employing or adapted from any of said designs sketches, artwork, logos, and other materials or their use except under the Trademark.

15.2 Licensee agrees that all press releases and other public announcements related to Licensor's operations hereunder, shall be subject to approval by Licensor, and that each request for a statement, release or other inquiry shall be sent in writing to the advertising/publicity director of Licensor for response.

16. Miscellaneous.

16.1 All notices, requests, consents and other communications hereunder shall be in writing and shall be deemed to have been properly given or sent (i) on the date when such notice, request, consent or communication is personally delivered or (ii) five (5) days after the same was sent, if sent by certified or registered mail or (iii) two (2) days after the same was sent, if sent by overnight courier delivery or confirmed telecopier, as follows:

(a) if to Licensee, addressed as follows:

Polo Ralph Lauren Japan Co., Ltd.
Kihoh Bldg. 2-2, Koji-Machi
Chiyoda-ku
Tokyo, 102 Japan
Attention: President
Telecopier: 81.3.3222.0266

With a copy to:

The Seibu Department Stores, Ltd.
16-15 Minaini-ikebukuro 1-chome
Toshima-ku, Tokyo 171 Japan
Attention: Manager of International Division
Telecopier: 81.3.5396.5285

(b) if to Licensor, addressed as follows:

The Polo/Lauren Company, L.P.
650 Madison Avenue
New York, New York 10022
Attention: President
Telecopier: 212-318-7186

with a copy to:

Victor Cohen, Esq.
Eighth Floor
650 Madison Avenue
New York, New York 10022
Telecopier: 212-318-7183

Anyone entitled to notice hereunder may change the address to which notices or other communications are to be sent to it by notice given in the manner contemplated hereby.

16.2 Nothing herein contained shall be construed to place the parties in the relationship of partners or joint venturers, and no party hereto shall have any power to obligate or bind any other party hereto in any manner whatsoever, except as otherwise provided for herein.

16.3 None of the terms hereof can be waived or modified except by an express agreement in writing signed by the party to be charged. The failure of any party hereto to enforce, or the delay by any party in enforcing, any of its rights hereunder shall not be deemed a continuing waiver or a modification thereof and any party may, within the time provided by applicable law, commence appropriate legal proceedings as set forth in paragraphs 11.2 and 16.7 hereof to enforce any and all of such rights. All rights and, except as provided in paragraph 16.7 hereof, remedies, provided for herein shall be cumulative and in addition to any other rights or remedies such parties may have at law or in equity. Any party hereto may employ any of the remedies available to it with respect to any of its rights hereunder without prejudice to the use by it in the future of any other remedy with respect to any of such rights. No person, firm or corporation other than the parties hereto shall be deemed to have acquired any rights by reason of anything contained in this Agreement.

16.4 This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties hereto. Licensor may assign all or any portion of the royalties payable to Licensor hereunder, as designated by Licensor, and in addition, Licensor may, upon thirty (30) days' written notice to Licensee, assign all of its rights, duties and obligations hereunder to any entity to which the Trademarks, or the right to use the Trademarks, has been transferred, or to an affiliate of any such entity. The rights granted to Licensee hereunder are unique and personal in nature, and neither this Agreement nor the License may be assigned by Licensee without Licensor's prior written consent. Any attempt by Licensee to transfer any of its rights or obligations under this Agreement, whether by assignment, sublicense or otherwise, without having received the prior written consent of Licensor shall constitute an Event of Default, but shall otherwise be null and void. Licensee may employ subcontractors subject to the prior approval of Licensor for the manufacture of the Licensed Products; provided, however, that in any event, (i) the supervision of production of Licensed Products shall remain under the control of Licensee, (ii) Licensee shall maintain appropriate quality controls to assure compliance with the quality standards set forth herein, (iii) such subcontractors shall comply with all other requirements of Licensor consistent with the terms of this Agreement, including, but not limited to, the execution by subcontractor of a Trademark and Design Protection Agreement in the form annexed hereto as Exhibit F, (ii) Licensee shall cause such subcontractors to sell off any seconds or defective merchandise exclusively to Licensee, and shall be responsible for ensuring that such subcontractors do not violate any customs, quota or other such laws, rules and regulations, or any laws, rules or regulations in respect of the use of child labor, wages, workplace safety, environmental compliance and all related matters.

16.5 Licensee shall comply with all laws, rules, regulations and requirements of any governmental body which may be applicable to the operations of Licensee contemplated hereby, including, without limitation, as they relate to the manufacture, importation, distribution, sale or promotion of Licensed Products, notwithstanding the fact that Licensor may have approved such item or conduct. Nothing contained herein or in the Design Agreement shall obligate either party hereto to act in violation of any applicable law, rule, regulation or requirement of any governmental body, including, without limitation, the Antimonopoly Act of Japan.

16.6 This Agreement shall be construed in accordance with and governed by the laws of the State of New York, applicable to contracts made and to be wholly performed therein without regard to its conflicts of law rules.

16.7.1 The parties hereby consent to the jurisdiction of the United States District Court for the Southern District of New York and of any of the courts of the Southern District of New York and of any of the courts of the State of New York located within the Southern District in any action by Licensor to enforce its rights pursuant to paragraph 11.2 hereof, and agree further that service of process or notice in any such action, suit or proceeding shall be effective if in writing and delivered as provided in paragraph 16.1 hereof. Notwithstanding anything to the contrary set forth herein, neither Polo Ralph Lauren, L.P., Polo Ralph Lauren Corporation nor any other general or limited partner of Licensor shall be liable for any claim based on, arising out of, or otherwise in respect of, this Agreement, and Licensee shall not have nor claim to have any recourse for any such claim against any general or limited partner of Licensor.

16.7.2 Except as provided for in paragraph 16.7.1 hereof, in the event that (i) there is a dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or validity thereof (hereinafter referred to as a "Controversy"), and (ii) the parties hereto have not resolved such Controversy within sixty (60) days (or such other period of time as the parties hereto may at the time agree upon) after either party gives written notice of such Controversy to the other, then the Controversy in question shall, at the request of either party, be finally settled by arbitration in accordance with the Commercial Arbitration Rules (the "Rules") of the American Arbitration Association ("AAA"), as such rules may be modified herein.

16.7.3 An award rendered in connection with an arbitration pursuant to this Section shall, absent appealable error, be final and binding on the parties and judgment upon such an award may be entered and enforced in any court of competent jurisdiction; provided, however, that nothing contained in, nor the exercise of any rights under, this paragraph 16.7 shall be construed to limit or preclude a party from bringing an action in any court of competent jurisdiction before or during the pendency of any arbitration proceedings for injunctive or other provisional relief to compel the other party to comply with its obligations hereunder. The pursuit of provisional remedies shall not constitute a waiver of the right of either party, including the plaintiff, to submit the controversy or claim to arbitration.

16.7.4 All arbitration proceedings under this Section shall be held in New York City.

16.7.5 The parties hereto shall mutually agree on an arbitrator; provided, however, that if the parties are unable to agree upon a sole arbitrator within ten (10) days after either party has, by written notice to the other, requested arbitration then the arbitration panel shall be composed of three (3) arbitrators. In that case, each party shall, within twenty-one (21) days after either party has by written notice to the other requested arbitration (in accordance with the Rules), appoint one (1) arbitrator (and notify the other party in writing of such appointment), and the two (2) arbitrators so appointed shall jointly select, within fifteen (15) days after their appointment, a third arbitrator to act as chairperson. If (i) either party fails to notify the other party in writing of its appointment of an arbitrator within the aforesaid twenty-one (21) day period, or (ii) the two (2) party-appointed arbitrators fail to appoint a third arbitrator within said fifteen (15) days of their appointment, or (iii) any person appointed as an arbitrator by either party cannot continue to serve, and the party by whom such arbitrator was appointed shall fail to appoint a successor arbitrator within ten (10) days after such arbitrator's inability to serve becomes known to the parties, the successor arbitrator shall be appointed by the AAA in accordance with the Rules, but in no event later than fifteen (15) days after the AAA is first requested in writing to make such appointment in accordance with this paragraph 16.4. Each arbitrator shall possess the requisite experience and expertise in respect of the matters to which the Controversy relates to enable him or her to perform his or her arbitral duties competently.

16.7.6 Each party shall bear and pay the cost of the arbitrator appointed by it, and its other costs, including attorneys' fees. The cost of the sole or third arbitrator and of any hearing transcript shall be divided equally between the parties.

16.7.7 All arbitration proceedings under this Section shall be governed by the laws of the State of New York.

16.7.8 Each party shall be given not less than forty-five (45) days' advance written notice of the time and place of any arbitration hearing. The arbitration hearing shall be held no later than sixty (60) days after the appointment of the arbitration panel, and the arbitration panel shall render its award or decision no later than thirty (30) days after the closing of the arbitration hearing.

16.7.9 The arbitrator(s) shall be guided, but not bound, by the Federal Rules of Evidence and by the Federal Rules of Civil Procedure. Any discovery shall be limited to information directly relevant to the controversy or claim in arbitration and shall be concluded within forty-five (45) days after the appointment of the arbitration panel.

16.7.10 Each party agrees to cooperate fully with any such arbitrator(s) and to use its best efforts to respond to all reasonable requests of such arbitrator(s).

16.8 The provisions hereof are severable, and if any provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such provision, or part thereof in such jurisdiction and shall not in any manner affect such provision in any other jurisdiction, or any other provision in this Agreement in any jurisdiction. To the extent legally permissible, an arrangement which reflects the original intent of the parties shall be substituted for such invalid or unenforceable provision.

16.9 The paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Any ambiguity in this Agreement shall not be construed against the party who prepared this Agreement.

16.10 This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused the same to be executed by a duly authorized officer as of the day and year first above written.

THE POLO/LAUREN COMPANY, L.P.
By: Polo Ralph Lauren, L.P.
General Partner
By: Polo Ralph Lauren Corporation
General Partner

By: /s/ Michael J. Newman

Michael J. Newman

Polo Ralph Lauren Japan Co. Ltd.

By: /s/ Hiroshi Kometani

Hiroshi Kometani

Acknowledged and Agreed:

The Seibu Department Stores, Ltd.

By: /s/ Hiroshi Kometani

Hiroshi Kometani

Schedule A

LICENSED PRODUCTS

Licensed Products shall mean the following products bearing one of the Trademarks as designated by Licensor, in its sole discretion:

1. "Menswear Licensed Products", as follows: men's suits, jackets, slacks, jeans, overcoats, top coats, sports outerwear, sweaters, knit shirts, dress shirts, sport shirts, raincoats, scarves, robes, socks, gloves, handkerchiefs, underwear, pajamas, ties (including bow ties, ascot ties, pocket squares and cummerbunds) hats and caps and such other items as may from time-to-time be designated by the Design Partnership. If Licensor is able, during the term hereof, to reach an arrangement with Kokan Hanbai K.K. ("Kokan") by which Kokan would no longer be required to act as Licensee's sublicensee for men's and boy's underwear bearing the Trademark in the Territory ("Men's Underwear"), Licensor shall have the right to terminate Licensee's rights with respect to Men's Underwear upon thirty (30) days' written notice; provided, however, that upon such termination Licensor shall pay Licensee an amount equal to two (2) times the amount of royalties and compensation paid by Licensee to Licensor hereunder and under the Design Agreement on sales of Men's Underwear during the contract year immediately preceding the year in which such termination takes place.

2. "Boyswear Licensed Products", sizes 4-20, as follows: boy's dress, knit and woven sport shirts, suits, sportcoats, vests, sweaters, topcoats, neckwear, long and short pants and slacks, jeans, socks, gloves, underwear, pajamas, hats and caps, handkerchiefs and swimsuits, and such other items as may from time-to-time be designated by the Design Partnership.

3. "Girlswear Licensed Products", sizes 3-14, as follows: shirts, blouses, knit shirts, dresses, coats, sport jackets, sweaters, slacks, jeans, socks, gloves, hats, scarves, swimwear, handkerchiefs and skirts and such other items as may from time-to-time be designated by the Design Partnership.

4. "Infants and Toddlers Licensed Products", as follows: newborn, infant and toddler apparel including, without limitation, playwear, sportswear, outerwear and sleepwear.

5. "Leather Goods Licensed Products", as follows: personal leather goods, luggage and ladies' handbags, including, but not limited to wallets, portfolios, key cases, eyeglass cases, girls' schoolbags, jewelry boxes, cosmetic cases (but not cosmetics), document bags, executive stationery accessories, brief cases, attache cases and men's toiletry accessories (but not men's toiletries), employing, subject to the approval of Licensor, fabrics or synthetic leather substitutes, and men's, women's and

children's belts, suspenders and watch bands; provided, however, that in the event Licensor grants a license with respect to the manufacture and sale of watches in a territory which includes the Territory, Licensor shall have the right to terminate Licensee's rights in respect of watch bands upon ninety (90) days' notice, although Licensee shall have the right to fulfill all orders for watch bands taken prior to being given notice of such termination.

6. "Women's Licensed Products", as follows: shirts, blouses, skirts, dresses, jackets, suits, sweaters, pants, shorts, jeans, vests, coats, raincoats, scarves, outerwear, hosiery (including sheer hosiery and panty hose), gloves, hats and caps, and jewelry and such other items as may from time-to-time be designated by the Design Partnership. Women's Licensed Products shall include both higher quality ready-to-wear apparel, and apparel having a "work", "western" or "roughwear" look. Women's Licensed Products shall include products designated by Licensor as "Women's Collection Products". Women's Licensed Products shall also include swimwear; provided, however, that such rights may be terminated upon one hundred and eighty (180) days' written notice in the event that Licensor wishes to grant a license with respect to women's swimwear in the Territory to a third party under circumstances which, pursuant to paragraph 2.12 hereof, would not result in Licensee having a right of first of first refusal.

7. "Golf Licensed Products", which term shall mean such items of men's, women's and children's apparel and accessories as Licensor may from time-to-time develop and merchandise as part of its regular golf program.

8. "Ski Licensed Products", which term shall mean such items of men's, women's and children's apparel and accessories as Licensor may from time-to-time develop and merchandise as part of its regular ski program.

9. Umbrellas.

10. "Home Furnishings Licensed Products", as follows:

(a) Bath:

Bath rugs, bath robes, shower curtains (plastic and fabric), bath mats, towels (bath, body sheet, finger and face cloth), toilet seat covers, tank covers, toilet tissue covers, curtain and window treatments, towel bars, rods, soap dishes, cups, tissue boxes, waste baskets, hampers, medicine cabinets.

(b) Bedroom:

Sheets, pillow cases, shams, ruffles, comforters, quilts, blankets, blanket covers, duvet covers, mattress pads and covers, headboard covers, draperies, curtains, pillows, wardrobe and closet accessories (hangers and garment bags that are not luggage), furniture such as headboards, tables, beds, mirrors, chests, chairs, vanities, sofas.

(c) Living Room and Dining Room:

Furniture such as tables, chairs, chests, breakfronts, credenzas, shelf units and bookcases, desks, sectional dividers, sofas, cushions; provided, however, that Licensee shall consult in good faith with Licensor on ways to develop and expand sales of furniture Licensed Products in the Territory.

(d) Kitchen:

Hand towels, pot holders, oven mitts, kitchen towels, aprons, appliance covers.

(e) Accessories:

Ceramics, canister sets, can openers, bowls, pots, pans, utensils and related houseware and cookware products.

(f) Tabletop:

Soft: Tablecloths, napkins, napkin rings, mats, runners, etc.

Hard: China, flatware, glassware, plates and dishes and related products.

(g) Multi-Room:

Upholstery, wall coverings, floor coverings, light fixtures, window treatments (including venetian, shutters, curtains and other types of window blinds and shades), lamps and shades, throw blankets, waste baskets, potpourri, artificial flowers, decorative pillows.

Schedule B

TRADEMARKS

Polo by Ralph Lauren
Ralph (Polo Player Symbol) Lauren
Chaps by Ralph Lauren (for Menswear Licensed Products only)
RRL
Double RL Ralph Lauren
Polo Sport
Ralph by Ralph Lauren (for womenswear only)
Ralph Lauren Polo Jeans Company

Such other trademarks (including various seasonal logos adopted by Licensor) as Licensor, in its sole discretion, may from time-to-time designate for use in connection with particular Licensed Products.

Schedule C

Restricted Designers and Brands

[* * *]

Licensor hereby approves of the following products being manufactured and sold by sublicensees of Licensee:

Sublicensee	Applicable Name	Products
Kawabe K.K.	[* * *]	Men's and women's handkerchiefs
Kawabe K.K.	[* * *]	Men's and women's handkerchiefs
K.K. Naigai	[* * *]	Men's, women's and children's socks & hosiery
K.K. Naigai	[* * *]	Men's and women's socks & hosiery
K. K. Why	[* * *]	Men's and women's leather goods
K.K. Iwanami	[* * *]	Women's belts
K.K. Iwanami	[* * *]	Women's belts

Schedule D

EARNED ROYALTY PERCENTAGE RATE

Except as hereinafter provided with respect to Chaps Licensed Products, during each year hereof, there shall be two applicable rates of earned royalties applied against net sales of Licensed Products, depending upon the volume of net sales achieved. For each year during the term hereof, the Earned Royalty Percentage Rate shall mean "Initial Rates" applied to net sales of Licensed Products up to the "Trigger Point" (which shall mean a pre-established volume of the aggregate net sales price of all Licensed Products sold by Licensee, sales above which shall trigger a lower rate), and the "Overroyalty Rate", which shall be applied to all net sales in excess of the "Trigger Point", all as hereinafter set forth. The first Trigger Point shall apply to net sales of all Licensed Products which do not bear the Chaps trademark. The second Trigger Point shall apply to net sales of all Licensed Products which bear the Chaps trademark ("Chaps Licensed Products").

YEAR COMMENCING MARCH 1ST:	INITIAL RATE	TRIGGER POINT (IN [* * *] YEN) (NON-CHAPS/CHAPS)	OVERROYALTY RATE
1998	[* * *]	[* * *]	[* * *]
1999	[* * *]	[* * *]	[* * *]
2000	[* * *]	[* * *]	[* * *]
2001	[* * *]	[* * *]	[* * *]
2002	[* * *]	[* * *]	[* * *]
If renewed:			
2003	[* * *]	[* * *]	[* * *]
2004	[* * *]	[* * *]	[* * *]
2005	[* * *]	[* * *]	[* * *]
2006	[* * *]	[* * *]	[* * *]
2007	[* * *]	[* * *]	[* * *]
If renewed:			
2008	[* * *]	[* * *]	[* * *]
2009	[* * *]	[* * *]	[* * *]
2010	[* * *]	[* * *]	[* * *]
2011	[* * *]	[* * *]	[* * *]
2012	[* * *]	[* * *]	[* * *]

Notwithstanding anything to the contrary contained herein, the Earned Royalty Percentage Rate with respect to all sales of Chaps Licensed Products shall be [* * *] percent [* * *]. Accordingly, Licensee shall account for and pay earned royalties in respect of net sales of Chaps Licensed Products in excess of the Chaps Trigger Point set forth above, at the rate of [* * *] percent [* * *].

Example 1: During the second six-month accounting period of the year commencing on March 1, 2001, the aggregate net sales price of all Licensed Products, excluding Chaps Licensed Products, is [* * *] yen for an annual total of [* * *] yen. The Initial Rate of [* * *] is applied to the first [* * *] yen of net sales, and the Overroyalty Rate of [* * *] is applied to the remaining [* * *] yen.

Example 2: During the second six-month Accounting period of the year commencing on March 1, 2001, the aggregate net sales price of Chaps Licensed Products is [* * *] yen, for an annual total of [* * *] yen. The Overroyalty Rate of [* * *] is applied, to [* * *] yen of net sales.

Schedule E

As of March 1, 1998

The Polo/Lauren Company, L.P.
650 Madison Avenue
New York, New York 10022

Re: License Agreement between Polo Ralph Lauren Japan Co., Ltd. ("Polo Japan") and The Polo/Lauren Company, L.P. (the "Polo Partnership"), dated as of March 1, 1998 (the "License Agreement"); Design Services Agreement between Polo Japan and Polo Ralph Lauren Enterprises, L.P. (the "Design Partnership"), dated as of March 1, 1998 (the "Design Agreement")

Gentlemen:

In order to induce each of the Polo Partnership and the Design Partnership to enter into the License Agreement and the Design Agreement (the "Agreements"), and for other good and valuable consideration, receipt of which is hereby acknowledged, the undersigned The Seibu Department Stores, Ltd., a Japanese corporation ("Guarantor"), unconditionally guaranties: (i) the prompt payment of any and all monies owing by Polo Japan under the Agreements and (ii) the performance of all obligations of Polo Japan under the Agreements.

This Guaranty shall be a continuing, absolute, irrevocable and unconditional guaranty of payment and performance and may be enforced directly and immediately following any "Event of Default" (as defined in the respective Agreements) on the part of Polo Japan under any of the Agreements, and without prior notice of, demand upon, or any prior action against, Polo Japan, and without resorting to any other remedies available to the Polo Partnership or the Design Partnership.

The Guarantor shall not be released from its obligations hereunder, and this Guaranty shall not be affected, modified or impaired in any way whatsoever upon the happening from time to time of any event, including without limitation, any of the following, whether with or without notice to or consent of the Guarantor: (i) the modification, extension or amendment of any of the Agreements; (ii) the compromise, settlement, modification, release or termination of any of the foregoing obligations hereby guarantied by the Guarantor; (iii) the failure to give notice to the Guarantor of the occurrence of any default in Polo Japan's performance of any such obligations or any amendment of any of the Agreements, provided notice of such default is given in accordance with the Agreements; or (ii) any failure, omission or delay by any party to any of the Agreements to exercise any right or remedy to which it may be entitled.

Upon the occurrence of any of those events set forth in paragraphs (i) through (iii) below, it is expressly understood that the Guarantor shall be deemed to be in default under this Guaranty:

(i) The Guarantor institutes proceedings seeking relief under a bankruptcy act or any similar law, or consents to entry of an order for relief against it in any bankruptcy or insolvency proceeding or similar proceeding, or files a petition or answer or consent for reorganization or other relief under any bankruptcy act or other similar law, or consents to the filing against it in any petition for the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of it or of any substantial part of its property, or makes a general assignment for the benefit of creditors, or admits in writing its inability to pay its debts as they become due or fails to pay its debts as they become due, or takes any action in furtherance of the foregoing; or

(ii) The Guarantor transfers or agrees to transfer a substantial part of its property, which transfer impairs the Guarantor's ability to perform under this Guaranty; or

(iii) There has been the calling of a meeting of creditors, appointment of a committee of creditors or liquidating agents, or offering of a composition or extension to creditors by, for, or of the Guarantor.

It is further understood that the occurrence of any event (or events), including and in addition to those set forth in paragraphs (i) through (iii) above, that would cause the Guarantor to be deemed to be in default under this Guaranty shall be deemed to constitute an Event of Default under each of the Agreements and shall entitle the Polo Partnership and the Design Partnership to immediately terminate the Agreements without prejudice to any other rights available to them under the Agreements or this Guaranty.

The Guarantor hereby represents and warrants to, and agrees with, each of the Polo Partnership and the Design Partnership that the Guarantor has full legal right, power and authority to enter into this Guaranty, to perform all of its obligations hereunder and to consummate all of the transactions contemplated herein.

This Guaranty shall be binding upon the Guarantor and any and all of its successors and assigns, and shall inure to the benefit of the Polo Partnership and the Design Partnership and each of their respective successors and assigns. No change, modification, alteration or discharge hereof shall be binding except by a written instrument duly executed by the party to be bound thereby.

Very truly yours,

GUARANTOR:
The Seibu Department Stores, Ltd.

By:

The undersigned, Polo Ralph Lauren Japan Co., Ltd., understands and agrees that the occurrence of any event which shall result in Guarantor being deemed to be in default under the foregoing Guaranty shall be deemed to constitute an Event of Default under the Agreements, and the Polo Partnership and the Design Partnership shall be entitled immediately to terminate the Agreements, without prejudice to any other rights available to them thereunder.

Polo Ralph Lauren Japan Co., Ltd.

By:

Schedule F

POLO/RALPH LAUREN TRADEMARK AND DESIGN
PROTECTION AGREEMENT

TO __________________ ("You"):

Our company is considering having you manufacture certain products designed under a contract with Polo Ralph Lauren Japan Co. Ltd. To facilitate this consideration, we may be providing you with certain designs and art work and you may be providing blankets of material or other samples or prototypes bearing our designs.

By accepting our designs for review and development, and/or our orders or contracts for manufacture or purchases of material or finished products, your company will have agreed that it has only a limited, non-transferable right to use any trademarks and/or designs and/or art work (including specifically, colors, shapes, and textures) and/or paper patterns of Polo Ralph Lauren, L.P. and its affiliates ("Polo") as necessary for merchandise developed, manufactured and shipped, or services rendered, under our orders or contracts. You agree that you will keep highly confidential, and shall not disclose to any third party, all information pertaining to designs we may provide to you for a period of one (1) year after we provide such designs to you. You further agree that you shall not use or facilitate the use at any time of any of Polo's trademarks, logos or, regardless of whether they are used in conjunction with the Ralph Lauren name or trademarks, any proprietary designs of Polo, for any purpose other than that for which they were placed in your trust, i.e., development of materials and fulfillment of your obligations under our orders or contracts. No rights shall remain in your firm or its employees or agents as to such trademarks, logos, or proprietary designs of Polo and you agree that to the extent your firm may acquire any rights to said marks, logos, art work or designs, such rights shall revert to Polo without any further act of the parties hereunder. By accepting our designs for development, you hereby agree to indemnify Polo and its affiliates for any losses, costs or expenses (of any kind whatsoever) which may arise as a result, directly or indirectly, of a breach of this Agreement.

Please arrange for the signature of your executive officer in the space provided below and return one signed copy of this letter to the undersigned as soon as possible.

Thank you for your cooperation.

Sincerely yours,

The Polo/Lauren Company, L.P.
By: Polo Ralph Lauren, L.P.
General Partner

By: ________________________

We have read and accept and agree to the above in consideration of orders from Polo Ralph Lauren, L.P.

CONTRACTOR NAME: ____________________________

By: ________________________
Date:_______________________

THE POLO/LAUREN COMPANY, L.P.

Polo Ralph Lauren Japan Co., Ltd.
Kihoh Bldg. 2-2, Koji-Machi
Chiyoda-ku
Tokyo, 102 Japan
Attention: President

Re: License Agreement (the "Agreement") between The Polo/Lauren Company, L.P. and Polo Ralph Lauren Japan Co., Ltd. Dated as of March 1, 1998.

Gentlemen:

Pursuant to paragraph 4.7 of the above-referenced agreement (all terms used but not defined herein having the respective meanings set forth in the Agreement), Licensor has the right to require Licensee to reimburse Licensor for Sports Marketing Costs and various advertising production costs ("Production Costs") on the terms set forth therein.

By this letter agreement, Licensor and Licensee agree that:

(A) The total amount of reimbursement for which Licensor may seek reimbursement from Licensee with respect to Sports Marketing Costs in each year shall be an amount equal to [***] percent [***] of the net sales price of all Licensed Products sold during such year pursuant to the Agreement;

(B) The total amount of reimbursement for which Licensor may seek reimbursement from Licensee with respect to Production Costs shall be an amount equal to [***] percent [***] of the net sales price of all Licensed Products sold during such year pursuant to the Agreement; and

(C) The, total amount of the Annual Advertising Obligation for each year set forth in paragraph 4.6 of the Agreement shall be reduced by an amount [***].

Sincerely,

The Polo/Lauren Company, L.P.
By: Polo Ralph Lauren, L.P.
General Partner
By: Polo Ralph Lauren Corporation,
General Partner

By: /s/ Michael J. Newman

AGREED:

Polo Ralph Lauren Japan Co. Ltd.

By: /s/ Hiroshi Kometani

EXHIBIT 10.11

PORTIONS OF THIS EXHIBIT HAVE BEEN
OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL
TREATMENT AND HAVE BEEN FILED SEPARATELY WITH THE SECURITIES AND
EXCHANGE COMMISSION. SUCH PORTIONS ARE DESIGNATED "[***]".

DESIGN SERVICES AGREEMENT dated as of March 1, 1998 by and between Polo Ralph Lauren Enterprises, L.P. (the "Design Partnership"), with a place of business at 650 Madison Avenue, New York, New York 10022 and Polo Ralph Lauren Japan Co., Ltd. (the "Company") with a place of business at Kihoh Bldg. 2-2, Koji-Machi, Chiyoda-ku, Tokyo, 102 Japan.

Ralph Lauren ("Lauren") is an internationally famous designer who has been twice inducted into the Coty Hall of Fame for his design of men's and women's fashions, is the recipient of the CFDA Lifetime Achievement Award, and is a creator of original designs for cosmetics, jewelry, home furnishings and other products.

The Polo/Lauren Company, L.P., a New York limited partnership ("PLC"), holds the right and interest in and to certain trademarks and trade names, as same may be used in connection with the manufacture and sale of Licensed Products, as hereinafter defined, and on even date herewith, the Company has obtained the right to use the trademarks ("Trademarks") in connection with the Licensed Products, pursuant to a license agreement ("License Agreement") of even date herewith by and between the Company and PLC.

The value of the Trademarks are largely derived from the reputation, skill and design talents of Lauren, and Lauren, directly and through his designees, provides design services through the Design Partnership.

The Company desires to obtain the services of the Design Partnership in connection with the creation and design of the Licensed Products.

The Company desires, in order to exploit the rights granted to it under the License Agreement, to engage and retain the Design Partnership to create and provide to the Company the designs for its line of Licensed Products. The Design Partnership is willing to furnish such designs and render such services on the basis hereinafter set forth. As used herein, the term "Licensed Products" shall have the meaning set forth in the License Agreement.

In consideration of the foregoing premises and of the mutual promises and covenants herein contained, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Designs: Assistance.

1.1 At any time or from time to time the Company may provide the Design Partnership with a list or lists setting forth those Licensed Products for which the Company shall require designing.

1.2 At any time or from time to time, or within a reasonable period following receipt by the Design Partnership of the aforesaid list or lists, the Design Partnership shall provide the Company with a program of suggested, broad design themes and concepts with respect to the design of the Licensed Products ("Design Concepts") which shall be embodied in verbal and/or written descriptions of design themes and concepts and such other detailed designs and sketches therefor, as the Design Partnership deems appropriate. The Design Partnership shall have full discretion with respect to the manner in which the Design Concepts shall be formulated and presented by the Design Partnership to the Company. The Company and the Design Partnership shall confer on Design Concepts and shall make such modifications as are required to meet the Design Partnership's approval.

1.3 The Design Partnership may engage such employees, agents, and consultants operating under the Design Partnership's creative supervision and control as it may deem necessary and appropriate.

1.4 From time to time while this Agreement is in effect, the Design Partnership, by notice to the Company, may (a) develop or modify and implement designs from the Design Concepts or other designs furnished by the Design Partnership or (b) develop and implement new designs.

1.5 If the Company wishes to prepare a design for any or all of its lines of Licensed Products, it shall submit to the Design Partnership for its approval the Company's proposed design therefor. By written notice to the Company, the Design Partnership may approve any of the designs so furnished, with such modifications as it shall deem appropriate, or the Design Partnership, in its sole discretion, may disapprove any or all of the designs.

1.6 The Company understands that all or portions of the Design Concepts may be furnished to the Company through or in cooperation with other entities to which the Design Partnership has provided design services. The Company upon its prior authorization and receipt of appropriate documentation, shall pay all costs, including shipping and handling charges, for fabric swatches or mill chips, sketches, specifications, paper sample patterns and product samples furnished to the Company by the Design Partnership or such other entities.

1.7 The Company shall submit to the Design Partnership for its review and approval, the Company's proposed media advertising (other than cooperative advertising) relating to each Licensed Product or Licensed Product line.

All layouts proposed by the Company for cooperative advertising shall similarly be subject to the Design Partnership's review and approval, which shall not be unreasonably withheld or delayed. The Design Partnership may, with respect to such advertising make such suggestions as it may deem necessary or appropriate, or disapprove, in either event by notice to the Company.

1.8 All patents and copyrights on designs of the Licensed Products shall be owned exclusively, and applied for, by the Design Partnership or its designee, at the Design Partnership's discretion and expense and shall designate the Design Partnership or its designee as the patent or copyright owner, as the case may be, therefor.

1.9 The Company acknowledges that the Licensed Products contain elements which in concept, execution and/or presentation are unique. The Company agrees that it will not, during the term of the Agreement, use any designs used in the Licensed Products or any designs submitted or modified by the Design Partnership or any designs which are comparable and/or competitive with Licensed Products and which may be identified as the Design Partnership designs for purposes other than those permitted by this Agreement or the License Agreement.

2. Design Legends; Copyright Notice and License.

2.1 All designs, patterns, sketches, artwork, logos and other materials of Licensed Products and the use of such designs, artwork, sketches, logos and other materials created by the Design Partnership, or created by or for the Company and reviewed and approved by the Design Partnership, or developed by or for the Company from Design Concepts or subsequent design concepts furnished or approved by the Design Partnership (all of which shall hereinafter constitute Design Concepts), shall be the property of the Design Partnership and shall be subject to the provisions of this paragraph 2.

2.2 All right, title and interest in and to the samples, sketches, design, artwork, logos and other materials furnished by or to the Company or submitted to the Design Partnership, whether created by the Design Partnership or the Company, are hereby assigned to and shall be the sole property of the Design Partnership. The Company shall cause to be placed on all Licensed Products appropriate notice designating the Design Partnership as the copyright or design patent owner thereof, as the case may be. The manner of presentation of said notices shall be reviewed and approved by the Design Partnership prior to use thereof by the Company.

2.3 The Design Partnership hereby grants to the Company the exclusive right, license and privilege ("License") to use the designs furnished hereunder and all copyrights, if any, and patents, if any therein; provided, however, that the License is limited to use in connection with Licensed Products manufactured and sold, or imported and sold, pursuant to the License Agreement and only for the seasonal collection for which such Design Concepts are approved. All other rights in and to the designs furnished hereunder, including without limitation all rights to use such designs in connection with products other than Licensed Products (as defined in the License Agreement) and in territories other than the Territory (as defined in the License Agreement) are expressly reserved by the Design Partnership. The License shall continue only for such period as this Agreement shall be effective. The Design Partnership shall execute and deliver to the Company all documents and instruments necessary to perfect or evidence the License. Upon termination of this Agreement, for any reason whatsoever, any and all of the Company's right, title and interest in and to the License shall forthwith and without further act or instrument be assigned to, revert to and be the sole and exclusive property of the Design Partnership, and the Company shall have no further or continuing right or interest therein, except the limited right to complete the manufacture of and sell Licensed Products during the disposal period, as set forth in paragraph 6.3 hereof. In addition, the Company shall thereupon (i) execute and deliver to the Design Partnership all documents and instruments necessary to perfect or evidence such reversion, (ii) refrain from further use of any of the Design Concepts and (iii) refrain from manufacturing, selling or distributing any products (whether or not they bear the Trademarks) which are confusingly similar to or derived from the Licensed Products or Design Concepts.

2.4 The Company may sublicense its rights hereunder only in connection with a sublicense of its rights under the License Agreement which has been approved pursuant to the License Agreement. The Design Partnership acknowledges and agrees that the Company's parent Company, The Seibu Department Stores, Ltd., will be involved, as the Company's sublicensee, service provider or otherwise, in the Polo/Ralph Lauren business in the Territory (as defined in the License Agreement) using the Design Concepts in accordance with the terms and conditions of this Agreement.

2.5 The Design Partnership represents and warrants to the Company that it has full right, power and authority to enter into this Agreement, to perform all of its obligations hereunder and to consummate all of the transactions contemplated herein.

2.6 The Company represents and warrants to the Design Partnership that the Company has full right, power and authority to enter into this Agreement, to perform all of its obligations hereunder and to consummate all the transactions contemplated herein.

3. Licensed Products.

3.1 The Company shall obtain the written approval of the Design Partnership, of all Licensed Products to be manufactured or caused to be manufactured by the Company, by submitting a Prototype, as hereinafter defined, of each different design or model of a Licensed Product, including, but not limited to, the type and quality of materials, colors and workmanship to be used in connection therewith, prior to any commercial production thereof. In the event that the Design Partnership rejects a particular Prototype or Prototypes, the Design Partnership shall so notify the Company and shall in certain cases where the Design Partnership desires to include the prototype in the collection, provide the Company with suggestions for modifying the particular Prototype or Prototypes which the Design Partnership is rejecting. The Company shall promptly correct said Prototype or Prototypes, resubmit said Prototype or Prototypes to the Design Partnership and seek the Design Partnership's approval under the same terms and conditions as set forth herein with respect to the first submission of Prototypes. As used herein, the term "Prototype" shall mean any and all models, or actual samples, of Licensed Products; and the term "Final Prototype" shall mean the actual final sample of a Licensed Product from which the first commercial production thereof will be made and which has been approved by the Design Partnership prior to the first commercial production thereof pursuant to this paragraph 3.

3.2 The written approval of the Design Partnership of the Prototypes for each seasonal collection shall be evidenced by a written list, signed on behalf of the Design Partnership, setting forth those Prototypes which have been approved for inclusion in such collection. Prototypes so approved shall be deemed Final Prototypes in respect of such collection. Approval of any and all Prototypes as Final Prototypes shall be in the sole discretion of the Design Partnership, individually, or a designee of the Design Partnership. The Company shall present for sale, through the showing of each seasonal collection to the trade, all Final Prototypes so approved in respect of such collection.

3.3 The Licensed Products thereafter manufactured and sold by the Company shall strictly adhere, in all respects, including, without limitation, with respect to materials, color, workmanship, designs, dimensions, styling, detail and quality, to the Final Prototypes approved by the Design Partnership.

3.4 In the event that any Licensed Product is, in the judgment of the Design Partnership, not being manufactured or sold in strict adherence to the materials, color, workmanship, designs, dimensions, styling detail and quality, embodied in the Final Prototypes, or is otherwise not in accordance with the Final Prototypes, the Design Partnership shall notify the Company thereof in writing and the Company shall promptly repair or change such Licensed Product to conform strictly thereto. If an item of Licensed Product as repaired or changed does not strictly conform to the Final Prototypes and such strict conformity cannot be obtained after at least one (1) resubmission, the Trademarks shall be promptly removed from the item, at the option of the Design Partnership, in which event the item may be sold by the Company, provided it is in no way identified as a Licensed Product. Notwithstanding anything in this paragraph 3.4 to the contrary, sales of all products using the Design Concepts, whether or not bearing the Trademarks, shall be subject to compensation payments pursuant to paragraph 4 hereof.

3.5 The Design Partnership and its duly authorized representative shall have the right, upon reasonable notice during normal business hours, to inspect all facilities utilized by the Company (and, upon prior consultation with the Company, its contractors and suppliers) in connection with the preparation of Prototypes and the manufacture, sale, storage or distribution of Licensed Products pursuant hereto and to examine Licensed Products in process of manufacture and when offered for sale within the Company's operations. The Company shall take all necessary steps, and all steps reasonably requested by the Design Partnership, to prevent or avoid any misuse of the licensed designs by any of its customers, contractors or other resources.

3.6 The Company shall upon request make its personnel, and shall use its best efforts to make the personnel of any of its contractors, suppliers and other resources, available by appointment during normal business hours for consultation with the Design Partnership. The Company shall make available to the Design Partnership, upon reasonable notice, marketing plans, reports and information which the Company may have with respect to Licensed Products in the Territory (as defined in the License Agreement).

3.7 The Company may employ subcontractors for the manufacture of Licensed Products, solely on the terms set forth in paragraph 16.4 of the License Agreement.

3.8 The Company shall include within each seasonal collection of Licensed Products a fully representative assortment of designs therefor designated by the Design Partnership for inclusion therein. Notwithstanding anything to the contrary contained herein or in the License Agreement, in the event the Company chooses not to or is unable to include within a seasonal collection of Licensed Products a particular Licensed Product which the Design Partnership has designed or designated for inclusion in such collection, the Design Partnership shall be entitled to authorize third parties to manufacture such Licensed Product(s) on behalf of the Company and the Company shall, at the Design Partnership's option, display, present and sell such Licensed Product(s) in its showroom for Licensed Products.

4. Compensation; Accounting.

4.1 (a) As compensation for the designs and services rendered hereunder, the Company shall pay minimum compensation to the Design Partnership each year during the term of this Agreement.

(b) the Initial Term hereof (as defined in paragraph 8 of the License Agreement) shall be the following amounts, fixed in U.S. dollars:

Year 1	[***]
Year 2	[***]
Year 3	[***]
Year 4	[***]
Year 5	[***]

(c) The minimum compensation for each year during the "First Renewal Period" (as defined in paragraph 8 of the License Agreement) shall be as follows, in [***] yen:

Year 6	[***]
Year 7	[***]
Year 8	[***]
Year 9	[***]
Year 10	[***]

(d) The minimum compensation for each year during the "Second Renewal Period" (as defined in paragraph 8 of the License Agreement) shall be as follows, in [***] yen:

Year 11	[***]
Year 12	[***]
Year 13	[***]
Year 14	[***]
Year 15	[***]

(e) The exchange rates fixed by Licensor and Licensee with respect to minimum royalty payments during each of the First Renewal Period and the Second Renewal Period, in accordance with the terms of paragraph 6.1(e) of the License Agreement, shall apply to the minimum compensation payments to be made by the Company hereunder during each of the First Renewal Period and the Second Renewal Period.

(f) Minimum compensation for each year shall be paid in twelve (12) equal monthly installments on the last day of each month during the term hereof, commencing with the first payment in the amount of [***] on March 31, 1998. No credit shall be permitted against minimum compensation payable in any year on account of earned or minimum compensation paid in any other year, and minimum compensation shall not be returnable. For the purposes of this

Agreement, the term "year" shall mean a period of twelve (12) months commencing on each March 1 during the term of this Agreement.

4.2 The Company shall pay to the Design Partnership earned compensation based on the net sales price of Licensed Products manufactured or imported and sold by the Company hereunder. Earned compensation shall be an amount equal to the "Earned Compensation Percentage Rate" (as defined in Schedule A hereto) applied to the net sales price of all Licensed Products sold under this Agreement, including, without limitation, sales made pursuant to paragraphs 3.4 and 6.3 hereof. The Company shall prepare or cause to be prepared statements of operations for the period commencing on the date hereof and ending on August 31, 1998 and for each six-month period ending the last day of August and February in each year hereof, which shall be furnished to the Design Partnership together with payment of the earned compensation due, if any, for each such six-month period (less minimum compensation due for such year) no later than October 31 (for each period ending on the last day of August) and April 30 (for each period ending on the last day of February). The term "net sales price" shall mean the gross sales price of all Licensed Products sold under this Agreement to retailers or, with respect to Licensed Products that are not sold directly or indirectly to retailers, other ultimate consumers (as in the case of accommodation sales by Company to its employees or sales by Company in its own stores), less trade discounts, merchandise returns and sales tax. No other deductions shall be taken. Any merchandise returns shall be credited in the three (3) month period in which the returns are actually made. For purposes of this Agreement, affiliates of the Company shall mean all persons and business entities, whether corporations, partnerships, joint ventures or otherwise, which now or hereafter control, or are owned or controlled, directly or indirectly by the Company, or are under common control with the Company. It is the intention of the parties that compensation payments will be based on bona fide wholesale prices at which the Company sells Licensed Products to independent retailers in arms' length transactions. In the event the Company shall sell Licensed Products to its affiliates, compensation payments shall be calculated on the basis of such a bona fide wholesale price irrespective of the Company's internal accounting treatment of such sale. The Company shall identify separately in the statements of operations provided to the Design Partnership pursuant to paragraph 4.5 hereof, all sales to its affiliates. Notwithstanding anything to the contrary contained herein, and except as Licensor and Licensee may otherwise agree with respect to particular items of Licensed Products, no earned compensation shall be due hereunder with respect to sales of Licensed Products which Licensee has acquired from other licensees of Licensor, unless Licensee acquires such products at a price which is equal to or less than [***] percent [***] off the regular wholesale price therefor, or the factory cost thereof plus [***] percent [***].

4.3 The Company shall reimburse PLC and the Design Partnership for all of their travel expenses incurred in the performance of their respective duties under this Agreement, such amounts to include first class travel and hotel accommodations, up to a maximum amount of $70,000 per year in the aggregate. Such amounts payable to the Design Partnership pursuant to this paragraph shall become due and payable monthly within thirty (30) days of the date of mailing of the invoices, accompanied by corresponding receipts, for such costs incurred during the preceding month.

4.4 If the payment of any installment of compensation is delayed for any reason, interest shall accrue on the unpaid principal amount of such installment from and after the date on which the same became due pursuant to paragraphs 4.1 or 4.2 hereof at the prime rate of interest in effect from time to time at Chase Manhattan Bank, New York, New York or its successor bank.

4.5 The Company shall at all times keep an accurate account of all operations within the scope of this Agreement and shall render a full statement of such operations in writing to the Design Partnership in accordance with paragraph 4.2 hereof. Such statements shall account separately for each different product category and shall include all aggregate gross sales, trade discounts, merchandise returns, sales of miscuts and damaged merchandise and net sales price of all sales for the preceding six (6) month period. Such statements shall be in sufficient detail to be audited from the books of the Company. Once annually, which may be in connection with the regular annual audit of the Company's books, the Company shall furnish an annual statement of the aggregate gross sales, trade and prompt payment discounts, merchandise returns and net sales price of all Licensed Products made or sold by the Company, certified by Company's chief financial officer or, if the Company's records are examined by an independent accountant, by such independent accountant. Each six-month financial statement furnished by Company shall be certified by the chief financial officer of the Company. The Design Partnership and its duly authorized representatives, on reasonable notice, shall have the right, no more than once in each year during regular business hours, for the duration of the term of this Agreement and for one (1) year after the expiration of the disposal period set forth in paragraph 10.2 of the License Agreement, to examine the books of account and records and all other documents, materials and inventory in the possession or under the control of the Company and its successors with respect to the information required to be provided under paragraph 4.2 hereof and this paragraph 4.5. All such books of account, records and documents shall be maintained and kept available by the Company for at least the duration of this Agreement and for three (3) years thereafter. The Design Partnership shall have free and full access thereto in the manner set above and shall have the right to make copies and/or extracts therefrom. If as a result of any examination of the Company's books and records it is shown that the Company's payments to the Design Partnership hereunder with respect to any twelve (12) month period were less than or greater than the amount which should have been paid to the Design Partnership by an amount equal to two percent (2%) of the amount which should have been paid during such twelve (12) month period, the Company will, in addition to reimbursement of any underpayment, with interest from the date on which each payment was due at the rate set forth in paragraph 4.4 hereof, promptly reimburse the Design Partnership for the cost of such examination.

4.6 The obligation of the Company to pay compensation hereunder shall be absolute notwithstanding any claim which the Company may assert against PLC or the Design Partnership. The Company shall not have the right to set-off, compensate or make any deduction from such compensation payments for any reason whatsoever.

4.7 All references to dollars in this Agreement shall, except as otherwise expressly provided herein, mean U.S. dollars. All compensation due hereunder shall be paid in U.S. dollars. The currency conversion to U.S. dollars for each six-month accounting period shall be made: (i) with respect to earned compensation on net sales of Licensed Products up to the "Trigger Point" (as defined in Schedule A hereto), at the "Fixed Exchange Rate" (as hereinafter defined), and (ii) with respect to earned compensation on net sales of Licensed Products in excess of the Trigger Point, at the spot conversion rate published by The Bank of Tokyo-Mitsubishi for the day on which the accounting statement and payment is due pursuant to paragraph 4.2 hereof. The term "Fixed Exchange Rate" shall have the meaning set forth in paragraph 6.5 of the License Agreement. The amount of compensation to be paid to the Design Partnership by the Company hereunder has been determined on the understanding that the Company will be entitled to deduct any required withholding taxes and the Design Partnership will be entitled to a tax credit for United States federal income tax purposes equal to the amount of any tax imposed in Japan upon the Design Partnership's compensation, whether imposed by withholding or otherwise. The Company shall provide the Design Partnership with all information and documentation necessary in order for the Design Partnership to secure such tax credits. In the event that any such Japan tax is not so available as a credit for United States federal income tax purposes for the period when paid, the compensation to be paid hereunder shall be renegotiated to reflect the actual loss of revenue to Licensor.

5. Death or Incapacity of Lauren.

The Design Partnership shall perform its obligations hereunder notwithstanding any death or incapacity of Lauren, and the Company shall accept the services of the Design Partnership.

6. Term and Termination.

6.1 Unless sooner terminated in accordance with the terms and provisions hereof, this Agreement shall continue in effect for so long as the License Agreement is in effect and shall terminate upon the termination of the License Agreement.

6.2 Each of the following shall constitute an event of default ("Event of Default") hereunder: (i) any compensation is not paid when due and such default continues for more than fifteen (15) days after notice thereof; (ii) the Company shall, after thirty (30) days' written notice from the Design Partnership, continue to use the designs in an unauthorized or improper manner and/or Company shall make an unauthorized disclosure of confidential information or materials given or loaned to Company by the Design Partnership or PLC which, unless it relates to designs or business plans for upcoming seasons, is expressly designated by the Design Partnership or PLC as confidential when so given or loaned; or (iii) the Company defaults in performing any of the other terms of this Agreement and continues in such default for a period of thirty (30) days after notice thereof (unless the default cannot be cured within such thirty (30) day period and the Company shall have commenced to cure the default and proceeds diligently thereafter to cure within an additional fifteen (15) day period); (iv) an event of default shall occur under the License Agreement or any other design agreement entered into between the Company and the Design Partnership or license agreement between the Company and PLC; or (v) the License Agreement shall be terminated for any reason whatsoever. If any Event of Default other than that described in paragraph 6.2(v) shall occur, the Design Partnership shall have the right, exercisable in its sole discretion, to terminate this Agreement upon ten (10) days' written notice to the Company of its intention to do so. Upon the expiration of such ten (10) day period, this Agreement shall terminate and come to an end and, subject to paragraph 6.3 hereof, all rights of the Company in and to the designs furnished or used hereunder and all copyrights and designs patents therein and their contemplated use shall terminate. If the Event of Default described in paragraph 6.2(v) shall occur, this Agreement and the License shall thereupon forthwith terminate and come to an end without any need for notice to the Company. Termination of this Agreement shall be without prejudice to any remedy of the Design Partnership for the recovery of any monies then due to it under this Agreement or in respect to any antecedent breach of this Agreement, and without prejudice to any other right of the Design Partnership, including without limitation, damages for breach to the extent that the same may be recoverable.

6.3 In the event PLC chooses not to exercise the option referred to in paragraph 10.1 of the License Agreement with respect to all or any portion of the Licensed Products (as therein defined), the Company may dispose of Licensed Products to the extent permitted by and in the manner set forth in paragraph 10.2 of the License Agreement. Such sales shall be subject to the payment of earned compensation pursuant to paragraph 4.2 hereof. Upon the conclusion of the disposal period all rights and interests in and to the designs furnished or used hereunder and design patents therein and all copyrights licensed hereby shall belong to and be the property of the Design Partnership, and the Company shall have no further or continuing right or interest therein.

6.4 The Company acknowledges and admits that there would be no adequate remedy at law for its failure to cease the manufacture or sale of

Licensed Products at the termination of this Agreement, by expiration or otherwise, and the Company agrees that, notwithstanding anything to the contrary contained in paragraph 9.8 hereof, in the event of such failure, the Design Partnership shall be entitled to relief by way of temporary or permanent injunction and such other and further relief as any court with jurisdiction may deem proper.

6.5 It is expressly understood that under no circumstances shall the Company be entitled, directly or indirectly, to any form of compensation or indemnity from the Design Partnership, PLC or their affiliates as a consequence to the termination of this Agreement, whether as a result of the passage of time, or as the result of any other cause of termination referred to in this Agreement. Without limiting the generality of the foregoing, by its execution of the present Agreement, the Company hereby waives any claim which it has or which it may have in the future against the Design Partnership, PLC, Lauren, Polo Ralph Lauren Corporation or their affiliates, arising from any alleged goodwill created by the Company for the benefit of any or all of the said parties or from the alleged creation or increase of a market for Licensed Products. The Company does not hereby waive any claim which might arise against the Design Partnership for damages as a result of any breach of this Agreement by the Design Partnership.

6.6 The Company shall have the right to terminate this Agreement upon one hundred and twenty (120) days' written notice in the event that pursuant to paragraph 9.8 hereof and paragraph 16.7 of the License Agreement it is determined that the Design Partnership has defaulted in performing any of the terms of this Agreement which default has had a material adverse effect on the Company's ability to exploit its rights hereunder, and that the Design Partnership has continued in default for a period of thirty (30) days after notice thereof (unless the default cannot be cured within such thirty (30) day period and the Design Partnership shall have commenced to cure the default and proceeds diligently to cure within an additional fifteen (15) day period).

7. Indemnity.

7.1 The Company shall indemnify and save and hold the Design Partnership, PLC, Polo Ralph Lauren Corporation and Lauren, individually, and their directors, officers, servants, agents and employees harmless from and against any and all liability, claims, causes of action, suits, damages and expenses (including reasonable attorney's fees and expenses in actions involving third parties or between the parties hereto), which they, or any of them, are or become liable for, or may incur, or be compelled to pay by reason of any acts, whether of omission or commission, that may be committed or suffered by the Company or any of its directors, officers, servants, agents or employees in connection with the Company's performance of this Agreement, in connection with Licensed Products manufactured by or on behalf of the Company or otherwise in connection with the Company's business; provided, however, that the Company shall not be responsible for any liability, claims, causes of action, suits, damages or expenses incurred or suffered by the Design Partnership, PLC, Polo Ralph Lauren Corporation or Lauren, individually, or their directors, officers, servants, agents and employees in connection with any suit or proceeding for infringement of another's design patent, trademark, copyright or other proprietary rights brought against them as a result of the Company's use of the Trademarks, or the Design Concepts furnished by the Design Partnership hereunder, in strict accordance with the terms and conditions of this Agreement and the License Agreement.

8. Disclosure.

The Design Partnership and the Company, and their affiliates, employees, attorneys, bankers and accountants, shall hold in confidence and not use or disclose, except as permitted by this Agreement, (i) confidential information of the other or (ii) the terms of this Agreement, except upon consent of the other or pursuant to, or as may be required by law, or in connection with regulatory or administrative proceedings and only then with reasonable advance notice of such disclosure to the other. The Company shall take all reasonable precautions to protect the secrecy of the materials, samples, sketches designs artwork logos and other materials used pursuant to this Agreement prior to the commercial distribution or the showing of samples for sale and shall not sell any merchandise employing or adapted from any of said designs, sketches, artwork, logos, and other materials or their use except under the Trademarks.

9. Miscellaneous.

9.1 All notices, requests, consents and other communications hereunder shall be in writing and shall be deemed to have been properly given or sent (i) on the date when such notice, request, consent or communication is personally delivered, or (ii) five (5) days after the same was sent, if sent by certified or registered mail or (iii) two (2) days after the same was sent, if sent by overnight courier delivery or confirmed telecopier, as follows:

(a) if to the Company, addressed as follows:

Polo Ralph Lauren Japan Co., Ltd.
Kihoh Bldg. 2-2, Koji-Machi
Chiyoda-ku
Tokyo, 102 Japan
Attention: President
Telecopier: 81.3.3222.0266

With a copy to:

The Seibu Department Stores, Ltd.
16-15 Minaini-ikebukuro 1-chome
Toshima-ku, Tokyo 171 Japan
Attention: Manager of International Division
Telecopier: 81.3.5396.5285

(b) if to the Design Partnership, addressed as follows:

Polo Ralph Lauren Enterprises, L.P.
650 Madison Avenue
New York, New York 10022
Attention: President
Telecopier: 212-318-7186

with a copy to:

Victor Cohen, Esq.
Eighth Floor
650 Madison Avenue
New York, New York 10022
Telecopier: 212-318-7183

Anyone entitled to notice hereunder may change the address to which notices or other communications are to be sent to it by notice given in the manner contemplated hereby.

9.2 Nothing herein contained shall be construed to place the parties in the relationship of partners or joint venturers, and neither the Design Partnership nor the Company shall have any power to obligate or bind the other in any manner whatsoever, except as otherwise provided for herein.

9.3 None of the terms hereof can be waived or modified except by an express agreement in writing signed by the party to be charged. The failure of any party hereto to enforce, or the delay by any party in enforcing, any of its rights hereunder shall not be deemed a continuing waiver or a modification thereof and any party may, within the time provided by applicable law, commence appropriate legal proceedings as set forth in paragraphs 6.4 and 9.8 hereof to enforce any and all of such rights. All rights and, except as provided in paragraph 9.8 hereof, remedies, provided for herein shall be cumulative and in addition to any other rights or remedies such parties may have at law or in equity. Any party hereto may employ any of the remedies available to it with respect to any of its rights hereunder without prejudice to the use by it in the future of any other remedy with respect to any of such rights. No person, firm or corporation, other than the parties hereto and

PLC, shall be deemed to have acquired any rights by reason of anything contained in this Agreement.

9.4 The Design Partnership may, upon thirty (30) days' written notice to the Company, assign its right to receive all or any portion of its compensation under this Agreement and, in addition, this Agreement and all of the Design Partnership's rights, duties and obligations hereunder may, upon thirty (30) days' written notice to the Company, be assigned by the Design Partnership to any entity to which the right to own or use the Trademarks has been assigned, or to an affiliate of any such entity. The Company may not assign its rights and obligations under this Agreement without the prior written consent of the Design Partnership, which may be withheld in the Design Partnership's sole discretion.

9.5 The Company will comply with all laws, rules, regulations and requirements of any governmental body which may be applicable to the operations of the Company contemplated hereby, including, without limitation, as they relate to the manufacture, distribution, sale or promotion of Licensed Products, notwithstanding the fact that the Design Partnership may have approved such item or conduct. The Company shall advise the Design Partnership to the extent that any Final Prototype does not comply with any such law, rule, regulation or requirement effective in the Territory.

9.6 This Agreement shall be binding upon and inure to the benefit of the successors, heirs and permitted assigns of the parties hereto.

9.7 This Agreement shall be construed in accordance with and governed by the laws of the State of New York, applicable to contracts made and to be wholly performed therein without regard to its conflicts of law rules.

9.8 The parties hereby consent to the jurisdiction of the United States District Court for the Southern District of New York and of any of the courts of the Southern District of New York and of any of the courts of the State of New York located within the Southern District in any action by the Design Partnership to enforce its rights pursuant to paragraph 6.4 or 9.9 hereof, and agree further that service of process or notice in any such action, suit or proceeding shall be effective if in writing and delivered as provided in paragraph 9.1 hereof. Notwithstanding anything to the contrary set forth herein, neither Polo Ralph Lauren Corporation nor any other general or limited partner of the Design Partnership shall be liable for any claim based on, arising out of, or otherwise in respect of, this Agreement, and the Company shall not have nor claim to have any recourse for any such claim against any general or limited partner of the Design Partnership. In the event that (i) there is a dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or validity thereof (hereinafter referred to as a "Controversy"), and (ii) the parties hereto have not resolved such Controversy within sixty (60) days (or such other period of time as the parties hereto may at the time agree upon) after either party gives written notice of such Controversy to the other, then the Controversy in question shall, at the request of either party, be finally settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, in the manner set forth in paragraph 16.7 of the License Agreement.

9.9 In the event of a breach or threatened breach of this Agreement by the Company, the Design Partnership shall have the right, without the necessity of proving any actual damages, to obtain temporary injunctive relief in a court of competent jurisdiction, it being the intention of the parties that this Agreement be specifically enforced to the maximum extent permitted by law pending final resolution by arbitration in accordance with paragraph 9.8 hereof.

9.10 Provisions of this Agreement are severable, and if any provision shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such provision, or part thereof, in such jurisdiction and shall not in any manner affect such provision in any other jurisdiction, or any other provision in this Agreement in any jurisdiction. To the extent legally permissible, an arrangement which reflects the original intent of the parties shall be substituted for such invalid or unenforceable provision.

9.11 The paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Any ambiguity in this Agreement shall not be construed against the party who prepared this Agreement.

9.12 This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused the same to be executed by a duly authorized officer as of the day and year first above written.

Polo Ralph Lauren Enterprises, L.P.
By: Polo Ralph Lauren Corporation,
General Partner

By: /s/ Michael J. Newman

Polo Ralph Lauren Japan Co., Ltd.

By: /s/ Hiroshi Kometani

Hiroshi Kometani

Acknowledged and Agreed:

The Seibu Department Stores, Ltd.

By: /s/ Hiroshi Kometani

Schedule A

EARNED COMPENSATION PERCENTAGE RATE

Except as hereinafter provided with respect to Chaps Licensed Products, during each year hereof, there shall be two applicable rates of earned compensation applied against net sales of Licensed Products, depending upon the volume of net sales achieved. For each year during the term hereof, the Earned Compensation Percentage Rate shall mean "Initial Rate" applied to net sales of Licensed Products up to the "Trigger Point" (which shall mean a pre-established volume of the aggregate net sales price of all Licensed Products sold by Licensee, sales above which shall trigger a lower rate), and the "Overroyalty Rate", which shall be applied to all net sales in excess of the "Trigger Point", all as hereinafter set forth. The first Trigger Point shall apply to net sales of all Licensed Products which do not bear the Chaps trademark. The second Trigger Point shall apply to net sales of all Licensed Products which bear the Chaps trademark ("Chaps Licensed Products").

YEAR COMMENCING MARCH 1ST:	INITIAL RATE	TRIGGER POINT (IN [***] YEN) (NON-CHAPS/CHAPS)	OVERROYALTY
1998	[***]	[***]	[***]
1999	[***]	[***]	[***]
2000	[***]	[***]	[***]
2001	[***]	[***]	[***]
2002	[***]	[***]	[***]
If renewed:			
2003	[***]	[***]	[***]
2004	[***]	[***]	[***]
2005	[***]	[***]	[***]
2006	[***]	[***]	[***]
2007	[***]	[***]	[***]

If renewed:

2008	[***]	[***]	[***]
2009	[***]	[***]	[***]
2010	[***]	[***]	[***]
2011	[***]	[***]	[***]
2012	[***]	[***]	[***]

Notwithstanding anything to the contrary contained herein, the Earned Compensation Percentage Rate with respect to all sales of Chaps Licensed Products shall be [***] percent [***]. Accordingly, the Company shall account for and pay earned compensation in respect of net sales of Chaps Licensed Products in excess of the Chaps Trigger Point set forth above, at the rate of [***] percent [***].

EXHIBIT 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the inclusion in this registration statement on Form S-1 of our report dated June 21, 1996 (March 14, 1997 as to Note 1(a)), on our audits of the financial statements and schedule of Polo Ralph Lauren Corporation. We also consent to the reference to our firm under the caption "Experts."

/s/ Mahoney Cohen Rashba & Pokart, CPA, PC

MAHONEY COHEN RASHBA & POKART, CPA, PC
New York, New York
April 8, 1997