AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JUNE 10, 1997

REGISTRATION NO. 333-24733

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 3

TO

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	2321	13-2622036
(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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NEW YORK, NEW YORK 10004
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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	AMOUNT TO BE	PROPOSED MAXIMUM OFFERING PRICE PER	PROPOSED MAXIMUM AGGREGATE OFFERING	AMOUNT OF

SECURITIES TO BE REGISTERED	REGISTERED(1)	UNIT(2)	PRICE(2)	REGISTRATION FEE(3)
Class A Common Stock, par value $.01 per share............................	33,925,000	$25	$848,125,000	$257,008

(1) Includes 4,425,000 shares that may be issued upon exercise of over-allotment options granted to the Underwriters.

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

(3) This amount was previously paid.

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 JUNE 10, 1997

29,500,000 SHARES
[POLO RALPH LAUREN CORPORATION LOGO]
CLASS A COMMON STOCK
(PAR VALUE $.01 PER SHARE)

Of the 29,500,000 shares of Class A Common Stock offered, 23,500,000 shares are being offered hereby in the United States and 6,000,000 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 29,500,000 shares of Class A Common Stock offered, 9,400,000 shares are being sold by the Company and 20,100,000 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. Mr. Ralph Lauren, a Lauren Family Trust, and the GS Group, consisting of affiliates of Goldman, Sachs & Co., are Selling Stockholders. Mr. Lauren will receive approximately $151.3 million of the gross proceeds, based on an initial public offering price of $23.50 per share, from the sale of shares of Class A Common Stock in the Offerings, the payment by the Company of a dividend to Mr. Lauren and the repayment of certain indebtedness owed to Mr. Lauren and related entities. A Lauren Family Trust will receive approximately $317.3 million of the gross proceeds, based on an initial public offering price of $23.50 per share, from the sale of shares of Class A Common Stock in the Offerings. The GS Group will receive approximately $71.0 million of the gross proceeds, based on an initial public offering price of $23.50 per share, from the sale of shares of Class A Common Stock in the Offerings, and the repayment of certain indebtedness owed to the GS Group. Distributions to be made to the existing stockholders of all undistributed earnings of the Operating Partnerships are expected to be in excess of such stockholders' tax liabilities with respect to such entities. See "Use of Proceeds", "Certain Relationships and Related Transactions" and "Principal and 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 89.8% 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 $22.00 and $25.00. For factors to be considered in determining the initial public offering price, see "Underwriting".

SEE "RISK FACTORS" BEGINNING ON PAGE 15 FOR CERTAIN CONSIDERATIONS RELEVANT TO AN INVESTMENT IN THE CLASS A COMMON STOCK.

The Class A Common Stock has been approved for listing, subject to notice of issuance, 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 $5,000,000 payable by the Company.

(3) The Company and a Selling Stockholder have granted the U.S. Underwriters options for 30 days to purchase up to an additional 3,525,000 shares of Class A Common Stock at the initial public offering price per share, less the underwriting discount, solely to cover over-allotments. Additionally, the Company and a Selling Stockholder have granted the International Underwriters similar options with respect to an additional 900,000 shares as part of the concurrent international offering. If such options are 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 DEAN WITTER

The date of this Prospectus is , 1997.

[PHOTOS OF MODELS, PRODUCTS AND STORES.]

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.

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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".

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.

SPECIAL NOTE REGARDING 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.

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, the information in this Prospectus (i) gives effect to the Reorganization and Trademark Acquisition (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 1993, 1994, 1995, 1996 and 1997 ended on April 3, 1993, April 2, 1994, April 1, 1995, March 30, 1996 and March 29, 1997, respectively. References to licensing partners' wholesale net sales have been derived from information obtained from the Company's licensing partners. 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.

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 in-store area dedicated exclusively to Polo Ralph Lauren products ("shop-within-shop boutique") opened in Bloomingdale's flagship store in New York City and the first Polo store was opened by an independent third party. See "Business -- Operations -- Domestic Wholesale and Home Collection Customers and Service -- Shop-within-Shop Boutiques". 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 $767.3 million in fiscal 1993 to $1.2 billion in fiscal 1997, and the Company's income from operations has grown from $82.1 million in fiscal 1993 to $157.4 million in fiscal 1997.

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. See "Business -- Operations -- Licensing Alliances". Worldwide wholesale net sales of all products bearing the Company's brands, generated by both Polo and its licensing partners, aggregated approximately $2.9 billion in fiscal 1997 and are displayed in the chart below. Of these sales, approximately 31% occurred outside the United States.

FISCAL 1997 WORLDWIDE WHOLESALE NET SALES OF
POLO RALPH LAUREN PRODUCTS(1)(2)
(IN MILLIONS)

MEASUREMENT PERIOD (FISCAL YEAR COVERED)	MENSWEAR	WOMENSWEAR	CHILDREN'S APPAREL	ACCESSORIES	FRAGRANCES	HOME
12/31/96	48.4	16.3	5.0	9.7	9.4	11.2

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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. See "Business -- Operations -- Wholesale". 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. See "Business -- Operations -- Home Collection". Polo's retail sales are generated by the Company's 28 Polo stores (including 21 stores being acquired pursuant to the PRC Acquisition (as defined)) located in regional malls and high-street shopping areas and its 67 outlet stores located primarily in outlet malls. See "Business -- Operations -- Direct Retailing" and "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. See "Business -- Licensing Alliances". Details of the Company's net revenues are shown in the table below.

	FISCAL YEAR			PRO FORMA FISCAL 1997(3) (UNAUDITED)
	1995	1996	1997	
	(IN THOUSANDS)			
Wholesale net sales(1)	$496,876	$ 606,022	$ 663,358	$ 623,041
Retail sales	249,719	303,698	379,972	508,645
Net sales	746,595	909,720	1,043,330	1,131,686
Licensing revenue(1)(2)	100,040	110,153	137,113	137,113
Net revenues	$846,635	$1,019,873	$1,180,443	$1,268,799

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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 and 1997 net revenues reflect the inclusion of womenswear wholesale net sales of $36,692 and $98,759, respectively, 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 March 31, 1996, the first day of fiscal 1997. 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 -- PRC Acquisition" 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 1991, and is the only person to have won all three of these awards. See "Business -- Design".

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 1997, Polo and its licensing partners spent over $130 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. See "Business -- Marketing".

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 March 29, 1997, 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. See "Business -- Operations -- Domestic Wholesale and Home Collection Customers and Service".

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. See "Business -- Operations -- Home Collection" and "-- Operations -- Licencing Alliances", for a description of the Company's material licensing alliances and the percent of revenue attributable to each.

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 67 outlet stores which broaden its customer base and contribute to profitability while maintaining the integrity of its primary distribution channels. See "Business -- Operations -- Direct Retailing".

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. See "Business -- Operations -- Wholesale -- Polo Ralph Lauren Menswear" and "-- Operations -- Licensing Alliances -- Product Licensing Alliances".

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. See "Business -- Operations -- Licensing Alliances -- Product Licensing Alliances".

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. See "Business -- Operations -- Licensing Alliances -- International Licensing Alliances".

CAPITALIZE ON WOMENSWEAR OPPORTUNITY. The Company believes the womenswear market offers a 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. See "Business -- Operations -- Wholesale -- Ralph Lauren Womenswear".

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. See "Business -- Operations -- Direct Retailing".

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 simultaneous with the closing of the Offerings. Since October 1994, the Company has conducted its operations primarily through two operating partnerships, Polo Ralph Lauren Enterprises, L.P. ("Enterprises") and Polo Ralph Lauren, L.P. ("Polo LP"), and subsidiaries of Polo LP. In October 1995, the Company purchased certain of the assets of the Company's unaffiliated former womenswear licensing partner, Ralph Lauren Womenswear Inc., a wholly owned subsidiary of Bidermann Industries Corp. ("Bidermann"), and formed The Ralph Lauren Womenswear Company, L.P. ("Womenswear LP" and, together with Enterprises and Polo LP, the "Operating Partnerships"). In May 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, pursuant to which Mr. Lauren received shares of Class B Common Stock (as defined). Prior to the commencement of the Offerings, the Company will declare the Dividend (as defined) and certain investment funds affiliated with The Goldman Sachs Group, L.P. (collectively, the "GS Group") will contribute their interests, either directly or by merger into the Company, and Mr. Lauren and a partnership controlled by Mr. Lauren, RL Holding, L.P. ("Holding LP"), will contribute their interests, in the Operating Partnerships, and Mr. Lauren will contribute all of the outstanding capital stock of Polo Ralph Lauren Womenswear, Inc., a corporation wholly owned by Mr. Lauren ("PRLW"), to the Company in exchange for shares of Class B Common Stock and Class C Common Stock (as defined) and promissory notes (the "Reorganization Notes") of the Company (the "Reorganization"). As a result of such contributions, Enterprises and Polo LP will dissolve by operation of law.

Simultaneous with the Reorganization, the Company will also acquire from RL Family, L.P. ("Family LP"), a partnership of which Mr. Lauren is the sole general partner, Family LP's sole membership interest in RL Fragrances, LLC ("Fragrances LLC"), an entity which holds the

trademarks and rights under a licensing agreement relating to the Company's U.S. fragrance business and the interest which the Company did not previously own in The Polo/Lauren Company, L.P. in exchange for 1,557,503 shares of Class B Common Stock (the "Trademark Acquisition"). The Polo/Lauren Company, L.P. is currently majority-owned and controlled by the Company and holds the trademarks relating to its international licensing business. The Reorganization, including the Trademark Acquisition, will be completed prior to commencement of the Offerings.

Also simultaneous with the Reorganization and the Trademark Acquisition, the Company entered into a new credit facility with The Chase Manhattan Bank, as lender and agent (the "New Credit Facility"), and used the borrowings thereunder to refinance the Polo LP credit facility and to repay in full approximately $56.6 million in aggregate of the borrowings outstanding under the Womenswear LP credit facility and the PRC credit facility, thereby terminating such credit facilities. See "Reorganization and Related Transactions" and "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources".

Effective April 3, 1997, the Company entered into negotiated, arms-length purchase agreements with Mr. David J. Hare, who has since become an executive officer of the Company, and third parties including Mr. William G. Merriken and Mr. John Slater (both employees of PRC or its subsidiaries) and Franklin Retail Corporation, to acquire the 50% interest in PRC and minority interests in entities related to PRC, Perkins Shearer Venture, Colorado Retail Corp. and Perkins Shearer Polo Ltd. (collectively, "PRC 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, a cash payment of $1.0 million made on May 15, 1997 and a cash payment of $0.3 million made on June 3, 1997. The remaining $0.7 million will be paid concurrent with the closing of the Offerings in 29,787 shares of Class A Common Stock, assuming an initial public offering price of $23.50 per share, the mid-point of the range set forth on the cover page of this Prospectus. 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 23,500,000 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 6,000,000 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	9,400,000	Shares
The Selling Stockholders	20,100,000	Shares
Total	29,500,000	Shares
Common Stock to be outstanding after the Offerings:		
Class A Common Stock	29,858,893	Shares(1)
Class B Common Stock	45,935,021	Shares(2)
Class C Common Stock	22,720,979	Shares(2)
Total	98,514,893	Shares(1)

Use of Proceeds(3): The Company intends to use the estimated net proceeds of approximately $203.2 million from the Offerings to repay indebtedness (including the Subordinated Notes (as defined), the Reorganization Notes and bank debt) and to pay the Dividend (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 4,200,000 shares of Class A Common Stock subject to stock options granted to certain employees simultaneous with the commencement of the Offerings. See "Management -- 1997 Stock Incentive Plan" and "-- 1997 Non-Employee Director Option Plan". Includes 29,787 shares of Class A Common Stock which are expected to be issued in connection with the PRC Acquisition based on an initial public offering price of $23.50 per share, the midpoint of the range set forth on the cover page of this Prospectus and 85,106 shares of Class A Common Stock to be granted to Mr. Michael J. Newman under the 1997 Stock Incentive Plan simultaneous with the commencement of the Offerings. See "-- Reorganization and Related Transactions -- PRC Acquisition" and "Management -- 1997 Stock Incentive Plan".

(2) Shares of Class B Common Stock are convertible at any time into shares of Class A Common Stock on a one-for-one basis and may not be transferred to anyone other than a Lauren Family Member (as defined). Shares of Class C Common Stock are convertible at any time into shares of Class A Common Stock on a one-for-one basis and may not be transferred to anyone other than among members of the GS Group or any successor of a member of the GS Group. 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 and the removal of directors and as otherwise required by applicable 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".
New York Stock Exchange ("NYSE") symbol	RL

RISK FACTORS

See "Risk Factors" beginning on page 15 for a discussion of certain factors that should be considered in evaluating an investment in the Class A Common Stock. Such factors include, among others, the Company's dependence on Mr. Lauren and other key personnel; fashion and apparel industry risks; the Company's dependence on sales to a limited number of large department store customers; risks relating to extending credit to customers; the Company's dependence on licensing partners for a substantial portion of net income; risks associated with a lack of operational and financial control over licensed businesses; risks associated with consolidations, restructurings and other ownership changes in the retail industry; competition; uncertainty relating to the Company's ability to implement its growth strategy; the possible adverse impact of unaffiliated manufacturers' inability to manufacture in a timely manner, to meet quality standards or to use acceptable labor practices; risks associated with changes in social, political, economic and other conditions affecting the Company's foreign operations and sourcing; the possible adverse impact of changes in import restrictions; trademarks; foreign currency fluctuations; the material benefits to principal stockholders; and the control of the Company by Lauren Family Members and the anti-takeover effect of multiple classes of 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 29, 1997 have been derived from the Company's audited Combined Financial Statements. 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 1997 which give effect to the Reorganization, the PRC Acquisition and certain other adjustments as if they had occurred on March 31, 1996. In addition, the unaudited pro forma combined balance sheet data, as adjusted, give effect to the Reorganization, the PRC Acquisition, the New Credit Facility, the Offerings and certain other adjustments as if they had occurred on March 29, 1997. See "Unaudited Pro Forma Combined Financial Information".

	FISCAL YEAR ENDED					PRO FORMA(2) MARCH 29, 1997 (UNAUDITED)
	APRIL 3, 1993(1)	APRIL 2, 1994	APRIL 1, 1995	MARCH 30, 1996	MARCH 29, 1997	
	(IN THOUSANDS, EXCEPT SHARE DATA)					
STATEMENT OF INCOME DATA:						
Net sales	$ 684,923	$ 726,568	$ 746,595	$ 909,720	$1,043,330	$1,131,686
Licensing revenue	82,418	84,174	100,040	110,153	137,113	137,113
Net revenues	767,341	810,742	846,635	1,019,873	1,180,443	1,268,799
Cost of goods sold	425,322	466,525	474,999	583,546	648,597	687,003
Gross profit	342,019	344,217	371,636	436,327	531,846	581,796
Selling, general and administrative expenses	259,941	262,825	261,506	309,207	374,483	429,163
Income from operations	82,078	81,392	110,130	127,120	157,363	152,633
Interest expense	19,209	15,880	16,450	16,287	13,660	15,813
Equity in net loss of affiliate	--	2,837	262	1,101	3,599	--
Income before income taxes	62,869	62,675	93,418	109,732	140,104	136,820
Provision for income taxes(3)	4,960	8,778	13,244	10,925	22,804	57,464
Net income	$ 57,909	$ 53,897	$ 80,174	$ 98,807	$ 117,300	$ 79,356
Per share information(4)						$ 0.87
Number of common shares assumed outstanding(4)						91,028,307

	MARCH 29, 1997	
	ACTUAL	PRO FORMA, AS ADJUSTED(5) (UNAUDITED)
	(IN THOUSANDS)	
BALANCE SHEET DATA:		
Working capital	$212,372	$246,880
Inventories	222,147	246,091
Total assets	576,743	643,663
Total debt	140,900	47,241
Partners' capital and stockholders' equity	260,685	404,890

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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 net loss of affiliate.

(3) Increase of $34,660 for the fiscal year ended March 29, 1997 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 the beginning of the period, based upon a pro forma effective tax rate of 42%. The entities in the combined group include principally partnerships which are not subject to Federal and certain state income taxes (except for certain retail operations). However, effective with the Reorganization, the Company will be fully subject to such taxes at the corporate level. See "Reorganization and Related Transactions".

(Continued on following page)

(4) Pro forma net income per share is based upon (a) 89,000,000 shares of Common Stock outstanding as a result of the Reorganization and the Trademark Acquisition, increased by (b) the sale of 1,913,414 shares of Class A Common Stock by the Company at an initial public offering price of $23.50 per share ($21.62 net of expenses), the proceeds of which would be necessary to pay approximately $41,368 in satisfaction of the Dividend and Reorganization Notes; (c) 29,787 shares of Class A Common Stock expected to be issued in connection with the PRC Acquisition; and (d) 85,106 shares of Class A Common Stock which the Company expects to award to Mr. Newman simultaneously with the commencement of the Offerings. See "Reorganization and Related Transactions" and "Management -- 1997 Stock Incentive Plan".

Supplementary pro forma net income per share of $0.81 is based upon the average number of shares of Common Stock used in the calculation of pro forma net income per share, increased by (a) the sale of 1,110,083 shares of Class A Common Stock being sold by the Company, assuming an initial public offering price of $23.50 per share ($21.62, net of expenses), the proceeds of which would be necessary to repay approximately $24,000 outstanding under the Subordinated Notes (as defined); and (b) the sale of 6,375,116 shares of Class A Common Stock by the Company, assuming an initial public offering price of $23.50 per share ($21.62, net of expenses), the proceeds of which would be necessary to repay amounts outstanding under the Company's New Credit Facility of approximately $137,830.

(5) The unaudited pro forma, as adjusted, balance sheet data reflects (a) the Reorganization and the Trademark Acquisition; (b) the declaration by the Company of the Dividend and the Reorganization Notes in the amount of $85,792; (c) the termination of the Company's partnership status resulting in the recording of a deferred tax asset of $25,432, in addition to approximately $2,805 of deferred tax assets previously recorded by the Company; (d) the expected issuance of 29,787 shares of Class A Common Stock in connection with the PRC Acquisition; (e) the sale of 9,400,000 shares of Class A Common Stock in the Offerings by the Company, assuming an initial public offering price of $23.50 per share and no exercise of the Underwriters' over-allotment options; and (f) the application of the estimated net proceeds received by the Company therefrom to pay the Subordinated Notes, the Dividend and Reorganization Notes and a portion of the amounts outstanding under the New Credit Facility. 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's other executive officers have substantial experience and expertise in the Company's business and have made significant contributions to its growth and success. The unexpected loss of services of one or more of these individuals could adversely affect the Company. See "Management". The Company is not protected by a material amount of key-man or similar life insurance for Mr. Lauren or any of its other executive officers.

The Company has entered into employment agreements only with Mr. Lauren and certain other of its executive officers. See "Management -- Executive Compensation Agreements".

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. See "Business -- Sourcing, Production and Quality". 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.

DEPENDENCE ON SALES TO A LIMITED NUMBER OF LARGE DEPARTMENT STORE CUSTOMERS; RISKS RELATED TO EXTENDING CREDIT TO CUSTOMERS

Certain of the Company's department store customers, including some under common ownership, account for significant portions of the Company's wholesale net sales. Federated Department Stores, Inc., The May Department Stores Company and Dillard Department Stores, Inc. accounted for 17.3%, 14.2% and 12.5%, respectively, of the Company's wholesale net sales during fiscal 1995; 16.7%, 13.2% and 13.5%, respectively, during fiscal 1996; and 17.2%, 14.2% and 13.8%, respectively, during fiscal 1997. The Company had no other customer which accounted for more than 10% of its wholesale net sales during any of the last three fiscal years. The Company believes that a substantial portion of sales of the Company's licensed products by its domestic licensing partners (including sales made by the Company's sales force of Home Collection products) are also made to the Company's largest department store customers. The Company's ten largest customers accounted for approximately 66% of the Company's wholesale net sales during fiscal 1997. The Company generally enters into a number of purchase order commitments with its customers for each of its lines every season and does not enter into long-term agreements with any of its

customers. 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. See "Business -- Operations -- Domestic Wholesale and Home Collection Customers and Service".

The Company sells its merchandise primarily to major department stores across the United States and extends credit based on an evaluation of each customer's financial condition, usually without requiring collateral. While various retailers, including some of the Company's customers, have experienced financial difficulties in the past few years which increased the risk of extending credit to such retailers, the Company's losses due to bad debts have been limited. However, financial difficulties of a customer could cause the Company to curtail business with such customer or require the Company to assume more credit risk relating to such customer's receivables. The Company had three customers, Dillard Department Stores, Inc., Federated Department Stores, Inc. and The May Department Stores Company, which in aggregate constituted 38%, 36% and 49% of trade accounts receivables outstanding at April 1, 1995, March 30, 1996 and March 29, 1997, respectively. The Company's inability to collect on its trade accounts receivable relating to any one of these customers could have a material adverse effect on the Company's business or financial condition. See "Business -- Credit Control".

DEPENDENCE ON LICENSING PARTNERS FOR A SUBSTANTIAL PORTION OF NET INCOME; RISKS ASSOCIATED WITH A LACK OF OPERATIONAL AND FINANCIAL CONTROL OVER LICENSED BUSINESSES

A substantial portion of the Company's net income is derived from licensing revenue received from its licensing partners. Approximately 39% of the Company's licensing revenue in fiscal 1997 was derived from three licensing partners. These licensing partners, Seibu Department Stores, Ltd., WestPoint Stevens, Inc. and L'Oreal S.A./Cosmair Inc., accounted for 18.1%, 18.5% and 8.5%, respectively, of the Company's licensing revenue in fiscal 1995; 16.9%, 18.6% and 8.7%, respectively, in fiscal 1996; and 13.8%, 17.3% and 8.4%, respectively, in fiscal 1997. The Company had no other licensing partner which accounted for more than 10% of the Company's licensing revenue during any of the last three fiscal years. 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, including for example risks associated with a particular licensing partner's ability to obtain capital and manage its labor relations. Although certain of the Company's license agreements prohibit licensing partners from entering into licensing arrangements with the Company's competitors, generally the Company's licensing partners are not precluded from offering, under other brands, the types of products covered by their license agreements with the Company. 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".

RISKS ASSOCIATED WITH CONSOLIDATIONS, RESTRUCTURINGS AND OTHER OWNERSHIP 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.

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".

UNCERTAINTY RELATING TO ABILITY TO IMPLEMENT GROWTH STRATEGY

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. There can be no assurance that the Company's growth strategies will be successful or that the Company's total net revenues will increase as a result of the implementation of such strategies. See "Business -- Strategy" and "-- Operations".

POSSIBLE ADVERSE IMPACT OF UNAFFILIATED MANUFACTURERS' INABILITY TO MANUFACTURE IN A TIMELY MANNER, TO MEET QUALITY STANDARDS OR TO USE ACCEPTABLE LABOR PRACTICES

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. During fiscal 1997, approximately 30% (by dollar value) of men's and women's products were manufactured in the United States and approximately 70% (by dollar value) of such products were manufactured in Hong Kong, Saipan, Malaysia and other foreign countries. 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. Although the Company enters into a number of purchase order commitments each season specifying a time frame for delivery, method of payment, design and quality specifications and other standard industry provisions, the Company does not have long-term contracts with any manufacturer. None of the manufacturers used by the Company produces the Company's products exclusively. Two manufacturers engaged by the Company accounted for approximately 16% and 11% of the Company's total production during fiscal 1997. The primary production facilities of these two manufacturers are located in Malaysia, Sri

Lanka, Hong Kong and Mauritius, in the case of the manufacturer that accounted for approximately 16% of the Company's total production during fiscal 1997, and in Saipan, in the case of the manufacturer that accounted for approximately 11% of the Company's total production during fiscal 1997. No other manufacturer accounted for more than five percent of the Company's total production in fiscal 1997.

The Company requires its licensing partners and independent manufacturers to operate in compliance with applicable laws and regulations. While the Company's internal and vendor 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".

RISK ASSOCIATED WITH CHANGES IN SOCIAL, POLITICAL, ECONOMIC AND OTHER CONDITIONS AFFECTING FOREIGN OPERATIONS AND SOURCING; POSSIBLE ADVERSE IMPACT OF CHANGES IN 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 24 different countries. During fiscal 1997, approximately 53% of the Company's piece goods were purchased from sources outside the United States, including Italy, Japan, Thailand and other foreign countries. In that same period, approximately 30% (by dollar volume) of men's and women's products were produced in the United States and approximately 70% (by dollar volume) of such products were produced in Hong Kong, Saipan, Malaysia and other foreign countries.

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".

Sovereignty over Hong Kong is scheduled to be transferred from the United Kingdom to The People's Republic of China effective July 1, 1997. If the business climate in Hong Kong were to experience an adverse change as a result of the transfer, the Company believes it could replace the merchandise currently produced in Hong Kong with merchandise produced elsewhere without a material adverse effect on the Company. Nevertheless, there can be no assurance that the Company would be able to do so.

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. See "Business -- Government Regulation".

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, none of which the Company believes has had a material impact on the Company's financial condition and results of operations. 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 including the Japanese yen and the French franc, and such revenue could be materially affected by currency fluctuations. In fiscal 1997, approximately 29% 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" and "-- Exchange Rates".

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 $24.0 million of Subordinated Notes (as defined) held by Mr. Lauren and the GS Group, and pay the Dividend and the Reorganization Notes in the amount of approximately $43.0 million, in aggregate. Mr. Lauren, and possibly a Lauren Family Trust (as defined) are Selling Stockholders and will receive approximately $420.7 million of gross proceeds, based on an initial public offering price of $23.50 per share, from the sale of shares in the Offerings. The GS Group, also a Selling Stockholder, will receive approximately $51.7 million of gross proceeds, based on an initial public offering price of $23.50 per share, from the sale of shares in the Offerings. The entities comprising the GS Group are affiliates 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 45,935,021 shares of the Company's outstanding Class B Common Stock representing 89.8% 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. The Class A Common Stock has been approved for listing, subject to notice of issuance, 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 29,858,893 shares of Class A Common Stock, 45,935,021 shares of Class B Common Stock and 22,720,979 shares of Class C Common Stock. Of such shares, the 29,500,000 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 45,935,021 shares of Class B Common Stock (which may be converted into Class A Common Stock at any time) will be owned by Lauren Family Members and all 22,720,979 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 the shares of Class A Common Stock issuable upon conversion of 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 executive officers and directors of the Company have agreed not to offer, sell, contract to sell or otherwise dispose of any shares of Class A Common Stock or any securities of the Company that are substantially similar to the Class A Common Stock, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, Class A Common Stock or any such substantially similar securities (other than pursuant to employee or director stock or stock option plans existing on the date of this Prospectus or in connection with the PRC Acquisition) 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, except for the shares of Class A Common Stock offered in connection with the Offerings. 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 $23.50 per share (the midpoint of the range of initial public offering prices set forth on the cover page of this Prospectus), such dilution would have been equal to $19.64 per share as of March 29, 1997. See "Dilution".

REORGANIZATION AND RELATED TRANSACTIONS

REORGANIZATION

Since October 1994, the Company has conducted its operations primarily through two operating partnerships, Enterprises and Polo LP, and subsidiaries of Polo LP, including, among others, Fashions Outlet of America, Inc., Polo Ralph Lauren Sourcing Company, Ltd., Polo Ralph Lauren UK Limited and The Polo/Lauren Company, L.P. In October 1995, the Company purchased certain of the assets of its former unaffiliated womenswear licensing partner, Ralph Lauren Womenswear Inc., a wholly owned subsidiary of Bidermann, and formed Womenswear LP. At the time of the purchase, Bidermann was in bankruptcy. Subsequent to obtaining the approval of the Bankruptcy Court, the Company paid cash consideration of approximately $40.3 million and assumed certain contracts, open customer orders and open purchase orders of Bidermann. The Company believes that the purchase of such assets was on terms as favorable as could have been obtained from a disinterested third party.

In May 1997, a corporation wholly owned by Mr. Lauren through which he held certain interests in Enterprises and Polo LP merged into the Company, a newly formed entity also wholly owned by Mr. Lauren, pursuant to which Mr. Lauren received shares of Class B Common Stock. Prior to the commencement of the Offerings, the GS Group will contribute their interests either directly or by merger into the Company, and Mr. Lauren and Holding LP will contribute their interests, in the Operating Partnerships and in PRLW to the Company in exchange for shares of Class B Common Stock and Class C Common Stock and the Reorganization Notes.

As a result of its predominant 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. From 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 anticipated amount of $22.0 million, which is the Company's estimate of its sole stockholder's 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 Dividend is expected to be in excess of the sole stockholder's tax liability with respect to the Operating Partnerships. The amount of the Reorganization Notes is expected to be $21.0 million and will equal the amount of the Dividend that the holders of the Reorganization Notes would have received if they had owned on the record date of the Dividend the number of shares of Common Stock that they will receive pursuant to the Reorganization. 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. The Selling Stockholders will receive $539.6 million of the gross proceeds of the Offerings from the sale of shares of Class A Common Stock in the Offerings, the payment of the Dividend and the repayment of the Reorganization Notes and the Subordinated Notes. The Reorganization is not conditioned upon the closing of the Offerings. See "Certain Relationships and Related Transactions" and "Principal and Selling Stockholders".

Simultaneous with the Reorganization and the Trademark Acquisition, the Company entered into the New Credit Facility and used the funds from the New Credit Facility to refinance the Polo LP credit facility and to repay in full approximately $56.6 million in aggregate of the borrowings outstanding under the Womenswear LP credit facility and the PRC credit facility, thereby terminating such credit facilities. The New Credit Facility consists of $375 million of revolving credit loans (the "Revolver"). The amount of the Revolver will be reduced automatically upon completion of the Offerings to $225 million and will mature on December 31, 2002. Interest is payable, at the Company's option, at the lender's Base Rate (as defined) or at the London Interbank Offered Rate plus an interest margin. See "Use of Proceeds". The agreement for the New Credit Facility contains customary representations, warranties, covenants and events of default for bank financings for borrowers similar to the Company, including covenants regarding maintenance of net worth and leverage ratios, limitations on indebtedness and incurrences of liens, and restrictions on sales of assets and transactions with affiliates. Mr. Lauren and related entities will be obligated under the agreement to maintain a specified minimum percentage of the voting power of the Company's Common Stock.

TRADEMARK ACQUISITION

Simultaneous with the Reorganization, the Company will also acquire from Family LP (i) its sole membership interest in Fragrances LLC, which holds the trademarks and rights under a licensing agreement related to the Company's U.S. fragrance business and (ii) the remaining interest, which the Company did not previously own, in The Polo/Lauren Company, L.P., for 1,557,503 shares of Class B Common Stock. The Polo/Lauren Company, L.P. is currently majority-owned and controlled by the Company and holds the trademarks related to the Company's international licensing business. The Trademark Acquisition is not conditioned upon the closing of the Offerings. The terms of the Trademark Acquisition were negotiated at arms-length and the Company believes that such terms were as favorable as could have been obtained from unaffiliated third parties. In connection with the Trademark Acquisition, each of the existing partners of the Operating Partnerships (being Mr. Lauren, the GS Group and Holding LP) evaluated and consented to the admission of Family LP as a stockholder of the Company in consideration for the contribution to the Company by the Family LP of its interest in Fragrances LLC. See "Certain Relationships and Related Transactions".

PRC ACQUISITION

Effective April 3, 1997, the Company entered into negotiated arms-length purchase agreements with Mr. Hare, who has since become an executive officer of the Company, and third parties, including Messrs. Merriken and Slater (both employees of PRC or its subsidiaries) and Franklin Retail Corporation, to acquire the 50% interest in PRC and minority interests in the PRC Related Entities that the Company did not previously own for aggregate consideration of approximately $10.4 million, which 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, a cash payment of $1.0 million made on May 15, 1997, a cash payment of $0.3 million made on June 3, 1997, and a payment of $0.7 million to be paid concurrent with the closing of the Offerings with 29,787 shares of Class A Common Stock, assuming an initial public offering price of $23.50 per share, the mid-point of the range set forth on the cover page of this Prospectus. 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 $23.50 per share, the mid-point of the range set forth on the cover page of this Prospectus, are estimated to be approximately $203.2 million (approximately $242.4 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 $24.0 million outstanding under the Subordinated Notes (as defined) held by Mr. Lauren and the GS Group; (ii) to pay the Dividend and the Reorganization Notes of approximately $43.0 million to Mr. Lauren and related entities and the GS Group; and (iii) to repay approximately $136.2 million of the borrowings outstanding under the Company's New Credit Facility. Any proceeds to the Company from the exercise of the Underwriters' over-allotment options will be used to retire remaining borrowings outstanding under the Revolver and for general corporate purposes.

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 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. Borrowings under the New Credit Facility will bear interest, at the Company's option, at a Base Rate (the "Base Rate"), equal to the higher of (i) the Federal Funds Rate as published by the Federal Reserve Bank of New York plus 1/2 of 1% and (ii) the prime commercial lending rate of Chase in effect from time to time or at the London Interbank Offered Rate plus an interest margin initially to be 0.3%. The New Credit Facility consists of a $375 million Revolver. Upon the closing of the Offerings the Company will be obligated to repay borrowings under the Revolver to reduce the indebtedness outstanding thereunder to $225.0 million. Indebtedness under the New Credit Facility was incurred to refinance the amounts outstanding under the Polo LP credit facility (approximately $111.8 million at the time of the Reorganization), to repay in full approximately $56.6 million in aggregate of the borrowings under the Womenswear LP credit facility and the PRC credit facility. Indebtedness under such facilities was incurred to fund, among other things, repayment of third party indebtedness and indebtedness owed to affiliates, distributions to partners, the PRC Acquisition and working capital requirements. See "Reorganization and Related Transactions" and "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 New Credit Facility contains no restrictions on the Company's ability to pay dividends, except for covenants relating to the maintenance of net worth and leverage ratios. 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 March 29, 1997, (ii) the pro forma capitalization of the Company as of such date, as adjusted to give effect to the Reorganization, the Trademark Acquisition, the PRC Acquisition, the declaration by the Company of the Dividend and the issuance of the Reorganization Notes, in aggregate, of $85.8 million, $44.4 million of which will be paid from the proceeds of the New Credit Facility, and 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 New Credit Facility and (iii) the pro forma capitalization of the Company as of such date as further adjusted to reflect the sale of 9,400,000 shares of Class A Common Stock offered by the Company hereby at an assumed initial public offering price of $23.50 per share, the mid-point of the range set forth on the cover page of this Prospectus, 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".

	MARCH 29, 1997		
	ACTUAL	PRO FORMA, AS ADJUSTED	PRO FORMA, AS FURTHER ADJUSTED
	(IN THOUSANDS, EXCEPT SHARE DATA)		
Short-term debt:			
Notes and acceptances payable -- banks	$ 26,777	$ 185,071	$ 47,241
Current portion of long-term debt	22,248	--	--
Current portion of subordinated notes	20,000	--	--
Dividend and Reorganization Notes payable	--	41,368	--
Total short-term debt	69,025	226,439	47,241
Long-term debt:			
Bank	47,875	--	--
Subordinated notes	24,000	24,000	--
Total long-term debt	71,875	24,000	--
Partners' capital and stockholders' equity:			
Class A Common Stock, par value $.01 per share; 500,000,000 shares authorized; 13,744,000 and 29,858,893 shares issued and outstanding, pro forma as adjusted and pro forma as further adjusted, respectively(1)	--	137	299
Class B Common Stock, par value $.01 per share; 100,000,000 shares authorized; 50,335,021 and 45,935,021 shares issued and outstanding, pro forma, as adjusted and pro forma, as further adjusted, respectively	--	504	459
Class C Common Stock, par value $.01 per share; 70,000,000 shares authorized; 24,920,979 and 22,720,979 shares issued and outstanding, pro forma, as adjusted and pro forma, as further adjusted, respectively	--	249	227
Additional paid-in capital		199,435	403,905
Partners' capital and retained earnings	260,837	--	--
Cumulative translation adjustment	(152)	--	--
Total partners' capital and stockholders' equity	260,685	200,325	404,890
Total capitalization	$401,585	$ 450,764	$452,131

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(1) Excludes an aggregate of 10,500,000 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 approximately 4,200,000 shares of Class A Common Stock to certain employees of the Company at an exercise price equal to the initial public offering price on the closing date of the Offerings. See "Management -- 1997 Stock Incentive Plan" and "-- 1997 Non-Employee Director Option Plan".

DILUTION

The net tangible book value of the Company at March 29, 1997 was approximately $243.2 million. Assuming the Reorganization had occurred as of March 29, 1997, the net tangible book value of the Company as of such date would have been approximately $2.73 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 March 29, 1997, after giving effect to the Reorganization, the sale of the Class A Common Stock offered hereby at an assumed initial public offering price of $23.50 per share, the mid-point of the range set forth on the cover page of this Prospectus and the application of the estimated net proceeds as described under "Use of Proceeds", the pro forma net tangible book value as adjusted at March 29, 1997 would have been $380.6 million, or $3.87 per share of Common Stock. This represents an immediate increase in pro forma net tangible book value as adjusted of $1.91 per share of Common Stock to existing stockholders and an immediate dilution of $19.64 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		$23.50
Net tangible book value per share at March 29, 1997	$2.73	
Pro forma net tangible book value per share at March 29, 1997, 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	$1.96	
Increase in net tangible book value per share attributable to completion of the Offerings	1.90	
Pro forma net tangible book value as adjusted per share after giving effect to the Reorganization and the Offerings(1)(2)(3)		3.86
Dilution per share to new stockholders(4)		$19.64

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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 (tangible assets less liabilities) assuming the Reorganization had taken place on March 29, 1997, by the 89,000,000 shares of Common Stock outstanding after giving effect to the Reorganization.

(2) Reflects an aggregate of 98,514,893 shares of Common Stock that will be outstanding upon completion of the Offerings including 29,787 shares of Class A Common Stock expected to be issued in connection with the PRC Acquisition and the award of 85,106 shares of Class A Common Stock to be granted to Mr. Newman simultaneous with the commencement of the Offerings.

(3) Excludes an aggregate of 10,500,000 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 approximately 4,200,000 shares of Class A Common Stock to certain employees of the Company at an exercise price equal to the initial public offering price simultaneous with the commencement 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 March 29, 1997, 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 of $23.50 per share, the mid-point of the range set forth on the cover page of this Prospectus.

The following table summarizes on a pro forma basis as of March 29, 1997 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 $23.50 per share, the mid-point of the range set forth on the cover page of this Prospectus.

	SHARES PURCHASED		TOTAL CONSIDERATION		AVERAGE PRICE PER SHARE
	NUMBER	PERCENT	AMOUNT	PERCENT	
Existing stockholders(1)	68,900,000	70%	$138,011,000	17%	$ 2.00
New stockholders	29,500,000	30	693,250,000	83	23.50
Total	98,400,000	100%	$831,261,000	100%	

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(1) Excludes 29,787 shares of Class A Common Stock expected to be issued in connection with the PRC Acquisition and 85,106 shares of Class A Common Stock to be awarded to Mr. Newman simultaneous with the commencement of the Offerings.

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 29, 1997 have been derived from the Company's audited Combined Financial Statements. 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				
	APRIL 3, 1993	APRIL 2, 1994	APRIL 1, 1995	MARCH 30, 1996	MARCH 29, 1997
	(IN THOUSANDS)				
STATEMENT OF INCOME DATA:					
Net sales	$684,923	$726,568	$746,595	$ 909,720	$1,043,330
Licensing revenue	82,418	84,174	100,040	110,153	137,113
Net revenues	767,341	810,742	846,635	1,019,873	1,180,443
Cost of goods sold	425,322	466,525	474,999	583,546	648,597
Gross profit	342,019	344,217	371,636	436,327	531,846
Selling, general and administrative expenses	259,941	262,825	261,506	309,207	374,483
Income from operations	82,078	81,392	110,130	127,120	157,363
Interest expense	19,209	15,880	16,450	16,287	13,660
Equity in net loss of affiliate	--	2,837	262	1,101	3,599
Income before income taxes	62,869	62,675	93,418	109,732	140,104
Provision for income taxes	4,960	8,778	13,244	10,925	22,804
Net income	$ 57,909	$ 53,897	$ 80,174	$ 98,807	$ 117,300

	APRIL 3, 1993	APRIL 2, 1994	APRIL 1, 1995	MARCH 30, 1996	MARCH 29, 1997
	(IN THOUSANDS)				
BALANCE SHEET DATA:					
Working capital	$ 83,522	$ 84,663	$221,050	$262,844	$212,372
Inventories	212,631	209,540	271,220	269,113	222,147
Total assets	429,760	456,076	487,547	563,673	576,743
Total debt	240,857	230,034	186,361	199,645	140,900
Partners' capital and stockholders' equity	107,832	118,037	188,579	237,653	260,685

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 PRC Acquisition and certain other adjustments as if they occurred on March 31, 1996. The Unaudited Pro Forma Combined Balance Sheet gives effect to the Reorganization, the PRC Acquisition, the New Credit Facility, and certain other adjustments as if they had occurred on March 29, 1997. The Unaudited Pro Forma Combined Balance Sheet, as adjusted, gives further effect to the Offerings at an assumed initial public offering price of $23.50 per share, the mid-point of the range set forth on the cover page of this Prospectus, 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 March 29, 1997. 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 STATEMENT OF INCOME

	FISCAL YEAR ENDED MARCH 29, 1997		
	ACTUAL COMBINED	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
	(IN THOUSANDS, EXCEPT SHARE DATA)		
Net sales	$1,043,330	$88,356(1)	$ 1,131,686
Licensing revenue	137,113		137,113
Net revenues	1,180,443		1,268,799
Cost of goods sold	648,597	38,406(1)	687,003
Gross profit	531,846		581,796
Selling, general and administrative expenses	374,483	53,812(1)	
		868(1)	429,163
Income from operations	157,363		152,633
Interest expense	13,660	2,153(1)	15,813
Equity in net loss of affiliates	3,599	(3,599)(1)	--
Income before income taxes	140,104		136,820
Provision for income taxes	22,804	34,660(2)	57,464
Net income	$ 117,300		$ 79,356
Per share information(3)			$ 0.87
Number of common shares assumed outstanding(3)			91,028,307
Supplementary pro forma net income per common share(4)			$ 0.81

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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 March 31, 1996, the amortization of goodwill over 25 years of $868 for the fiscal year ended March 29, 1997, 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 March 31, 1996, based upon a pro forma effective tax rate of 42%.

(3) Pro forma net income per share is based upon (a) 89,000,000 shares of Common Stock outstanding as a result of the Reorganization and the Trademark Acquisition, increased by (b) the sale of 1,913,414 shares of Class A Common Stock by the Company at an initial public offering price of $23.50 per share ($21.62, net of expenses), the proceeds of which would be necessary to pay approximately $41,368 in satisfaction of the Dividend and Reorganization Notes; (c) 29,787 shares of Class A Common Stock expected to be issued in connection with the PRC Acquisition; and (d) 85,106 shares of Class A Common Stock to be granted to Mr. Newman simultaneous with the commencement of the Offerings. See "Reorganization and Related Transactions" and "Management -- 1997 Stock Incentive Plan".

(4) Supplementary pro forma net income per share is based upon the average number of shares of Common Stock used in the calculation of pro forma net income per share, increased by (a) the sale of 1,110,083 shares of Class A Common Stock being sold by the Company, assuming an initial public offering price of $23.50 per share ($21.62, net of expenses), the proceeds of which would be necessary to repay approximately $24,000 outstanding under the Subordinated Notes (as defined) and (b) the sale of 6,375,116 shares of Class A Common Stock by the Company, assuming an initial public offering price of $23.50 per share ($21.62, net of expenses), the proceeds of which would be necessary to repay amounts outstanding under the Company's New Credit Facility of approximately $137,830.

UNAUDITED PRO FORMA COMBINED BALANCE SHEET

	AS OF MARCH 29, 1997				
	ACTUAL COMBINED	ACQUISITION, DIVIDEND DECLARATION, ISSUANCE OF REORGANIZATION NOTES, NEW CREDIT FACILITY AND REORGANIZATION	PRO FORMA COMBINED	PRO FORMA ADJUSTMENTS OFFERING	PRO FORMA, AS ADJUSTED
			(IN THOUSANDS)		
Current assets					
Cash and cash equivalents	$29,599	$ 2,062(1)	$31,661	$ --(6)	$ 31,661
Accounts receivable, net	144,303	1,769(1)	146,072		146,072
Inventories	222,147	23,944(1)	246,091		246,091
Prepaid expenses and other	40,290	(20,292)(1) 1,522(1) 16,957(2)	38,477		38,477
Total current assets	436,339	25,962	462,301	--	462,301
Property and equipment, net	83,240	25,488(1)	108,728		108,728
Investment in and advances to affiliate	17,977	(17,977)(1)	--		
Other assets	39,187	24,972(1) 8,475(2)	72,634		72,634
Total assets	$576,743	$ 66,920	$643,663	$ --	$ 643,663
Current liabilities					
Notes and acceptances payable -- banks	$26,777	$ 9,700(1) 148,594(3)	$185,071	$(137,830)(6)	$ 47,241
Current portion of long-term debt	22,248	(22,248)(3)	--		--
Current portion of subordinated notes	20,000	(20,000)(3)	--		--
Dividend and Reorganization Notes payable	--	(44,424)(3) 85,792(4)	41,368	(41,368)(6)	--
Accounts payable	89,417	3,761(1)	93,178		93,178
Accrued expenses and other	65,525	10,844(1)	76,369	(1,367)(6)	75,002
Total current liabilities	223,967	171,019	395,986	(180,565)	215,421
Long-term debt	47,875	12,629(1) (60,504)(3) 50,000(3)	--		--
Other noncurrent liabilities	20,216	3,136(1)	23,352		23,352
Subordinated notes	24,000	--	24,000	(24,000)(6)	--
Partners' capital and stockholders' equity					
Common stock	--	890(5)	890	95(6)	985
Additional paid-in capital	--	199,435(5)	199,435	204,470(6)	403,905
Partners' capital and retained earnings	260,837	25,432(2) (200,477)(5) (85,792)(4)	--		--
Cumulative translation adjustment	(152)	152(5)	--		--
Total partners' capital and stockholders' equity	260,685	(60,360)	200,325	204,565	404,890
Total liabilities and partners' capital and stockholders' equity	$576,743	$ 66,920	$643,663	$ --	$ 643,663

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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, the elimination of the Company's receivables due from PRC ($20,292) and the recording of the excess of the purchase price ($10,400) over net assets acquired which has been allocated to goodwill ($21,708). The Company will amortize goodwill over 25 years.

(2) Adjustments to record a deferred tax asset of $25,432, in addition to approximately $2,805 of certain Federal, state and local deferred tax assets previously recorded, which the Company will record concurrently with the termination of its 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 the proceeds of $185,071 under the New Credit Facility, used for the repayment of $139,905 under the Polo LP credit facility, the repayment of $31,119 under the Womenswear LP credit facility and the repayment of $14,047 under the PRC credit facility.

(4) Reflects that portion of the Dividend and the Reorganization Notes

representing undistributed net earnings through March 29, 1997.

(5) Reflects the reclassification of partners' capital and retained earnings and cumulative translation adjustment to additional paid-in capital as a result of the Reorganization.

(6) Represents the estimated net proceeds of $203,198 from the sale of Class A Common Stock offered by the Company, the issuance of 29,787 shares of Class A Common Stock in connection with the PRC Acquisition, the issuance of 85,106 shares of Class A Common Stock granted to Mr. Newman, the repayment of the Dividend and Reorganization Notes payable of $41,368, the repayment of the Subordinated Notes of $24,000 and the repayment of amounts outstanding under the New Credit Facility of $137,830.

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 1993, 1994, 1995, 1996 and 1997 ended on April 3, 1993, April 2, 1994, April 1, 1995, March 30, 1996 and March 29, 1997, respectively.

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 $767.3 million in fiscal 1993 to $1.2 billion in fiscal 1997, while income from operations has grown from $82.1 million in fiscal 1993 to $157.4 million in fiscal 1997. 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 1997(4)
	1993(3)	1994	1995	1996	1997	(UNAUDITED)
	(IN THOUSANDS)					
Wholesale net sales(1)(2)	$432,984	$508,402	$496,876	$ 606,022	$ 663,358	$ 623,041
Retail sales(2)	251,939	218,166	249,719	303,698	379,972	508,645
Net sales	684,923	726,568	746,595	909,720	1,043,330	1,131,686
Licensing revenue(1)	82,418	84,174	100,040	110,153	137,113	137,113
Total net revenues	$767,341	$810,742	$846,635	$1,019,873	$1,180,443	$1,268,799

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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 and 1997 net revenues reflect the inclusion of womenswear wholesale net sales of $36,692 and $98,759, respectively, 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, Perkins Shearer Venture, 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 1997, 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 -- PRC Acquisition".

(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 March 31, 1996, the first day of fiscal 1997. 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 $433.0 million in fiscal 1993 to $663.4 million in fiscal 1997. 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 and 1997 wholesale net sales include womenswear wholesale net sales of $36.7 million and $98.8 million, respectively, since the date of the acquisition of certain assets of its former unaffiliated womenswear licensing partner.

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 four Polo stores and 27 outlet stores (net of nine outlet store closings). The Company currently operates seven Polo stores and 67 outlet stores. Retail sales have grown from $218.2 million in fiscal 1994 to $380.0 million in fiscal 1997.

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 March 29, 1997, 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 in PRC 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, wholesale net sales by the Company to PRC are eliminated and PRC net revenues are reflected as retail sales. Assuming the PRC Acquisition had taken place at March 31, 1996, pro forma wholesale net sales and retail sales in fiscal 1997 would have been $623.0 million and $508.7 million, respectively. The Company believes the PRC Acquisition did not have a material impact on pro forma operating income for fiscal 1997. See "Reorganization and Related Transactions -- PRC Acquisition".

Licensing revenue consists of royalties paid to the Company under its licensing alliances. During fiscal 1997, product, international, and home licensing alliances accounted for 37.3%, 29.3% and 33.4%, respectively, of total licensing revenue. 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. Examples of Polo's licensed products include sheets and towels, fragrances and men's sportswear. While product licensing partners may employ their own designers, pursuant to their license agreements with the Company, 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-shop boutiques, and participates in the long-range planning and development of its licensing partners' Polo businesses. See "Business -- Licensing Alliances". In addition to performing these functions, pursuant to the terms of its license agreements, Polo acts as sales and marketing agent for its domestic Home Collection licensing partners. The Company's license agreements with its domestic Home Collection licensing partners generally contain provisions which allow the Company to exercise control over, among other things, marketing and advertising and typically require such licensing partners to provide samples of licensed products for the Company's Home Collection showroom and sales force. Together with its Home Collection 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. As a result, Polo generally receives a higher royalty rate from Home Collection licensing partners relative to other licensing alliances, which rates generally range from 15% to 25%. 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 $82.4 million in fiscal 1993 to $137.1 million in fiscal 1997.

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 interest it did not already own in another related entity that holds the trademarks relating to its international licensing business. See "Reorganization and Related Transactions -- Trademark Acquisition".

Prior to the Reorganization, the Company's operations were conducted predominantly through a partnership structure. Accordingly, 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. 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 March 29, 1997, the deferred tax asset and corresponding tax benefit would have been approximately $25.4 million. The Company's pro forma effective tax rate, excluding the non-recurring tax benefit discussed above, for fiscal 1997 was 42%. 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		
	1995	1996	1997
Net sales	88.2%	89.2%	88.4%
Licensing revenue	11.8	10.8	11.6
Net revenues	100.0	100.0	100.0
Gross profit	43.9	42.8	45.1
Selling, general and administrative expenses	30.9	30.3	31.8
Income from operations	13.0%	12.5%	13.3%

FISCAL 1997 COMPARED TO FISCAL 1996

NET SALES. Net sales increased 14.7% to $1.043 billion in fiscal 1997 from $909.7 million in fiscal 1996. Wholesale net sales increased 9.5% to $663.4 million in fiscal 1997 from $606.0 million in fiscal 1996. This increase primarily reflects the benefit of a full year of womenswear sales in fiscal 1997 compared to five and one-half months in fiscal 1996. Retail sales increased by 25.1% to $380.0 million in fiscal 1997 from $303.7 million in fiscal 1996. Of this increase, $58.8 million is attributable to the opening of three new Polo stores and seven new outlet stores (net of four outlet store closings) in fiscal 1997 and the benefit of a full year of operations for seven outlet stores opened in fiscal 1996. Comparable store sales in fiscal 1997 increased by 6.3% or $17.5 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 24.4% to $137.1 million in fiscal 1997 from $110.2 million in 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 fiscal 1997 from 42.8% in 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 fiscal 1997 wholesale gross margins improved slightly while retail gross margins increased significantly due to a reduction in markdowns as compared to 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 $374.5 million or 31.8% of net revenues in fiscal 1997 from $309.2 million or 30.3% of net revenues in 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 fiscal 1997. Additionally, SG&A expenses in fiscal 1997 include a full year of womenswear SG&A expenses as compared to five and one-half months in the prior period.

INTEREST EXPENSE. Interest expense decreased to $13.7 million in fiscal 1997 from $16.3 million 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 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 $3.6 million in fiscal 1997 from $1.1 million 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. Under this program, Polo offers certain basic styles year round which are generally shipped within one to five days of order receipt. See "Business -- Domestic Wholesale and Home Collection Customers and Service -- Basic Stock Replenishment Program". Increased sales under this program are due to the introduction of new products and a higher percentage of order fulfillment. 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, $42.2 million is attributable to four new outlet stores opened in fiscal 1996 (net of three 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 5.4% or $11.8 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 in fiscal 1996.

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 $203.6 million in fiscal 1997 from $91.3 million in fiscal 1996, 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 $38.6 million in fiscal 1997 from $49.0 million 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, Ralph Lauren Womenswear, Inc., a wholly owned subsidiary of Bidermann, in fiscal 1996. See "Reorganization and Related Transactions -- Reorganization". This decrease was partially offset by a substantial increase in capital expenditures in fiscal 1997. Net cash used in financing activities increased to $149.0 million in fiscal 1997 from $33.9 million in fiscal 1996. This increase was primarily due to a substantial reduction in short-term borrowings in fiscal 1997 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.

Simultaneous with the closing of the Reorganization, the Company entered into the New Credit Facility and used the borrowings under the New Credit Facility to refinance the amounts outstanding under the Polo LP credit facility, (approximately $111.8 million at the time of the Reorganization) and to repay in full approximately $56.6 million in aggregate of the borrowings outstanding under the Womenswear LP credit facility and the PRC credit facility, thereby terminating such credit facilities. The New Credit Facility consists of a $375 million Revolver which will be reduced automatically upon completion of the Offerings to $225 million. The Revolver will mature on December 31, 2002. Interest is payable, at the Company's option, at the Base Rate or at the London Interbank Offered Rate plus an interest margin. See "Use of Proceeds". The agreement for the New Credit Facility contains customary representations, warranties, covenants and events of default for bank financings for borrowers similar to the Company, including covenants regarding maintenance of net worth and leverage ratios, limitations on indebtedness and incurrences of liens, and restrictions on sales of assets and transactions with affiliates. Mr. Lauren and related entities are obligated under the

agreement to maintain a specified minimum percentage of the voting power of the Company's Common Stock. See "Reorganization and Related Transactions".

As of May 15, 1997, the Company had Subordinated Notes payable to its partners in the amount of $24.0 million which bear interest at the prime rate (8.5% at May 15, 1997) and are payable on March 1, 2001. 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 $35.3 million, $5.6 million and $4.9 million in fiscal 1997, fiscal 1996 and fiscal 1995, respectively. The increase in capital expenditures in fiscal 1997 represents expenditures associated with the Company's shop-within-shop boutique 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 boutique 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. The Company had three customers, Dillard Department Stores, Inc., Federated Department Stores, Inc. and The May Department Stores Company, which in aggregate constituted 38%, 36% and 48% of trade accounts receivable outstanding at April 1, 1995, March 30, 1996 and March 29, 1997, respectively. Additionally, the Company had three licensing partners, WestPoint Stevens, Inc., Seibu Department Stores, Ltd. and L'Oreal S.A./Cosmair Inc., which in aggregate constituted approximately 45%, 43% and 39% of licensing revenue in fiscal 1995, 1996 and 1997, respectively. 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. See "Risk Factors -- Dependence on Sales to a Limited Number of Large Department Store Customers; Risks Related to Extending Credit to Customers".

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 fiscal 1997:

	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	MAR. 29, 1997
	(IN MILLIONS)							
Net sales(1)	$ 179.8	$ 242.6	$ 245.4	$ 241.9	$ 199.3	$ 296.5	$ 268.6	$ 278.9
Licensing revenue(1)	21.9	30.8	29.2	28.3	24.5	35.7	37.9	39.0
Net revenues	201.7	273.4	274.6	270.2	223.8	332.2	306.5	317.9
Gross profit	90.8	118.7	114.4	112.4	103.6	147.5	137.8	143.0
Income from operations	24.2	40.7	30.3	31.9	21.3	58.2	34.9	43.0

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(1) The Company purchased certain of the assets of its former womenswear licensing partner, Ralph Lauren Womenswear Inc., a wholly owned subsidiary of Bidermann, 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 ("SFAS") No. 123, Accounting for Stock-Based Compensation. 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.

SFAS No. 128, Earnings Per Share, effective for interim and annual periods beginning after December 15, 1997, establishes standards for computing and presenting earnings per share ("EPS") and simplifies the standards for computing EPS currently found in Accounting Principles Board ("APB") Opinion No. 15, Earnings Per Share. Common stock equivalents under APB Opinion No. 15, with the exception of contingently issuable shares (shares issuable for little or no cash consideration), are no longer included in the calculation of primary or basic EPS. Under SFAS No. 128, contingently issuable shares are included in the calculation of diluted EPS. Early adoption of this Statement is not permitted. As the Company does not currently report EPS, it has not determined the impact of adopting this Statement.

SFAS No. 129, Disclosure of Information about Capital Structure, effective for periods ending after December 15, 1997, establishes standards for disclosing information about an entity's capital structure. This Statement requires disclosure of the pertinent rights and privileges of various securities outstanding (stock, options, warrants, preferred stock, debt and participation rights) including dividend and liquidation preferences, participant rights, call prices and dates, conversion or exercise prices and redemption requirements. Adoption of this Statement will have no effect on the Company as it currently discloses the information specified.

BUSINESS

Polo Ralph Lauren Corporation 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 $767.3 million in fiscal 1993 to $1.2 billion in fiscal 1997, and the Company's income from operations has grown from $82.1 million in fiscal 1993 to $157.4 million in fiscal 1997.

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 $2.9 billion in fiscal 1997 and are displayed in the chart below. Of these sales, approximately 31% occurred outside the United States.

FISCAL 1997 WORLDWIDE WHOLESALE NET SALES OF POLO RALPH LAUREN PRODUCTS(1)(2)
(IN MILLIONS)

MEASUREMENT PERIOD (FISCAL YEAR COVERED)	MENSWEAR	WOMENSWEAR	CHILDREN'S APPAREL	ACCESSORIES	FRAGRANCES	HOME
12/31/96	48.4	16.3	5.0	9.7	9.4	11.2

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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 28 Polo stores (including 21 stores being acquired pursuant to the PRC Acquisition) located in regional malls and high-street shopping areas and its 67 outlet stores located primarily in outlet malls. See "Reorganization and Related Transactions -- PRC Acquisition". 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			PRO FORMA FISCAL 1997(3) (UNAUDITED)
	1995	1996	1997	
	(IN THOUSANDS)			
Wholesale net sales(1)	$496,876	$ 606,022	$ 663,358	$ 623,041
Retail sales	249,719	303,698	379,972	508,645
Net sales	746,595	909,720	1,043,330	1,131,686
Licensing revenue(1)(2)	100,040	110,153	137,113	137,113
Net revenues	$846,635	$1,019,873	$1,180,443	$1,268,799

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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 and 1997 net revenues reflect the inclusion of womenswear wholesale net sales of $36,692 and $98,759, respectively, 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 March 31, 1996, the first day of fiscal 1997. 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 -- PRC Acquisition" 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 1991, and is the only person to have won all three of these awards. See "-- Design".

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 1997, Polo and its licensing partners spent over $130 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. See "-- Marketing".

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 March 29, 1997, 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. See "-- Domestic Wholesale and Home Collection Customers and Service".

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. See "-- Operations -- Home Collection" and "-- Operations -- Licensing Alliances" for a description of the Company's material licensing alliances and the percent of revenue attributable to each.

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 currently also operates 67 outlet stores which broaden its customer base and contribute to profitability while maintaining the integrity of its primary distribution channels. See "-- Operations -- Direct Retailing".

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. See "-- Operations -- Wholesale -- Polo Ralph Lauren Menswear" and "-- Operations -- Licensing Alliances -- Product Licensing Alliances".

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. See "-- Operations -- Licensing Alliances -- Product Licensing Alliances".

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. See "-- Operations -- Licensing Alliances -- International Licensing Alliances".

CAPITALIZE ON WOMENSWEAR OPPORTUNITY. The Company believes the womenswear market offers a 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. See "-- Operations -- Wholesale -- Ralph Lauren Womenswear".

CONTINUE RETAIL EXPANSION. The Company plans to expand its retail presence by adding five or more Polo stores, including Polo Stores in Palm Beach and Las Vegas and 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. See "-- Operations -- Direct Retailing".

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. See "-- Domestic Wholesale and Home Collection Customers and Services". The Company's total wholesale net sales for fiscal 1997 were $663.4 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 $433.0 million in fiscal 1993 to $564.6 million in fiscal 1997.

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 145 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.

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 1997, the Company's wholesale net sales of womenswear products were $98.8 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 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-shop boutiques, 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				
	1993	1994	1995	1996	1997
	(IN MILLIONS)				
Home Collection wholesale net sales........	$109.3	$144.7	$206.9	$265.9	$325.5

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, which rates generally range from 15% to 25%. 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 domestic 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.
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 52% of Home Collection licensing revenue in fiscal 1997. See "Risk Factors -- Dependence on Licensing Partners for a Substantial Portion of Net Income; Risks Associated with a Lack of Operational and Financial Control Over Licensed Businesses".

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 MARCH 29, 1997		
	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 1997, Federated Department Stores, The May Department Store Company and Dillard Department Stores accounted for 17.2%, 14.2% and 13.8%, respectively, of the Company's wholesale net sales. See "Risk Factors--Dependence on Sales to a Limited Number of Large Department Store Customers; Risks Related to Extending Credit to 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 boutiques 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 boutiques. The Company believes 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 March 29, 1997, 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 17% of menswear wholesale sales and approximately 7% of womenswear wholesale sales in fiscal 1997. 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 73% of net sales of Home Collection licensing partners in fiscal 1997.

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 28 Polo stores (which include the 21 stores being acquired by the Company in the PRC Acquisition) operate under the Polo Ralph Lauren and Polo Sport names. The Company's 67 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 1997, exclusive of PRC sales, were $380.0 million.

In addition to its own retail operations, the Company has granted licenses to independent parties to operate 14 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 -- PRC Acquisition".

Following the PRC Acquisition, in addition to its New York flagship stores, Polo will operate 26 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 will operate 24 Polo Ralph Lauren stores, two 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, and in fiscal 1998 a new Polo store was opened in Oakbrook, Illinois. Among other locations, new stores are planned for Palm Beach, Florida 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.

Effective March 31, 1997, the Company entered into a joint venture agreement with a nonaffiliated partner to acquire real property in New York City. The Company and its partner expect to own and operate a concept store in New York City and are discussing a restaurant and other possible concepts for such location. Concurrent with the signing of the agreement, the Company made an initial contribution for its 50% interest in the joint venture in the amount of $5.0 million.

OUTLET STORES

Polo extends its reach to additional consumer groups through its 67 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 1997, the outlet stores purchased approximately 35%, 30% and 35% 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

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-shop boutiques, 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. A substantial portion of the Company's net income is derived from licensing revenue received from its licensing partners. The Company's three largest licensing partners by licensing revenue, Seibu Department Stores, Ltd., WestPoint Stevens, Inc. and L'Oreal S.A./Cosmair, Inc. accounted for 13.8%, 17.3 and 8.4%, respectively, of licensing revenues in fiscal 1997. See "Risk Factors -- Dependence on Licensing Partners for a Substantial Portion of Net Income; Risks Associated with a Lack of Operational and Financial Control over Licensed Businesses". Details of wholesale net sales of the Company's licensing partners (excluding sales of Home Collection products) are presented below.

	FISCAL YEAR				
	1993	1994	1995	1996	1997
			(IN MILLIONS)		
Product..........................	$ 570.8	$ 582.2	$ 640.8	$ 648.2	$ 929.9
International...................	685.7	667.0	796.2	867.4	870.8
Total.................	$1,256.5	$1,249.2	$1,437.0	$1,515.6	$1,800.7

PRODUCT LICENSING ALLIANCES

Polo has agreements with 19 product licensing partners relating to men's and women's 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 broad 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 approximately $70 million in fiscal 1993 to over $180 million in fiscal 1997. 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. 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. 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 1997, total U.S. wholesale net sales of men's tailored clothing by the Company's licensing partners exceeded $70 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 1997 of over $85 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 $200 million in fiscal 1997.

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 the 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 $270 million in fiscal 1997. L'Oreal S.A. and its subsidiary, Cosmair

Inc., have been the Company's fragrance and skin care 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. For example, royalty fees generally range from five to eight percent of the international licensing partner's sales and advertising expenditures range from two to four percent of sales. 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 1997 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 for a Substantial Portion of Net Income; Risks Associated with a Lack of Operational and Financial Control Over Licensed Businesses".

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 award and 1995 Womenswear Designer of the Year award, both of which were awarded by the CFDA. In addition, Mr. Lauren was honored with the CFDA Lifetime Achievement Award in 1991, 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 1997, Polo and its licensing partners collectively spent more than $130 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 160 different manufacturers worldwide. The Company contracts for the manufacture of its products and does not own or operate any production facilities. During fiscal 1997, approximately 30% (by dollar volume) of men's and women's products were produced in the United States and approximately 70% (by dollar volume) of such products were produced in Hong Kong, Saipan, Malaysia and other foreign countries. Two manufacturers engaged by the Company accounted for approximately 16% and 11%, respectively, of the Company's total production during fiscal 1997. The primary production facilities of these two manufacturers are located in Malaysia, Sri Lanka, Hong Kong and Mauritius, in the case of the manufacturer that accounted for approximately 16% of the Company's total production during fiscal 1997, and in Saipan, in the case of the manufacturer that accounted for approximately 11% of the Company's total production during fiscal 1997. No other manufacturer accounted for more than five percent of the Company's total production in fiscal 1997.

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, procedures have been implemented under Polo's vendor certification program, 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. The Company does not enter into written agreements with its independent buying agents and none of these agents represent the Company exclusively.

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 are shipped from manufacturers 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 an unaffiliated third party. This agreement provides that the warehouse distributor will perform storage, quality control and shipping services for the Company. In return, the Company must pay the warehouse distributor a per unit rate and special processing charges for services such as ticketing, bagging and steaming. The warehouse distribution agreement may be terminated by either party on 90 days prior written notice. 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 sells its merchandise primarily to major department stores across the United States and extends credit based on an evaluation of the customer's financial condition, usually without requiring collateral. The Company monitors credit levels and the financial condition of its customers on a continuing basis to minimize credit risk. 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 1997. See "Risk Factors -- Dependence on Sales to a Limited Number of Large Department Store Customers; Risks Related to Extending Credit to Customers".

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 March 29, 1997, backlog was $323.3 million and $44.1 million, as compared to $261.9 million and $30.5 million at March 30, 1996 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". In connection with the adoption of the "RRL" trademarks by the Company, pursuant to an agreement with the Company, Mr. Lauren retained the royalty-free right to use as trademarks "Ralph Lauren", "Double RL" and "RRL" in perpetuity in connection with, among other things, beef and living animals. The trademarks "Double RL" and "RRL" are currently used by the Double RL Company, an entity wholly owned by Mr. Lauren. In addition, Mr. Lauren engages in personal projects involving non-Company related film or theatrical productions through RRL Productions, Inc., a Company wholly owned by Mr. Lauren. See "Certain Relationships and Related Transactions -- Other Agreements, Transactions and Relationships".

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 as 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 March 29, 1997, the Company has paid approximately $6.6 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 was extended to June 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 $15.1 million in fiscal 1997. 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 March 29, 1997, the Company operated six Polo stores and 65 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 1997 totaled $10.7 million, and aggregate annual rent paid for retail space by PRC in fiscal 1997 totaled $7.5 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--Risks Associated with Changes in Social, Political, Economic and Other Conditions

Affecting Foreign Operations and Sourcing; Possible Adverse Impact of Changes in 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 The Magnin Company, Inc., 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 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 condition 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
Richard A. Friedman...........	39	Director

Shortly after the Offerings, the Company will add another three 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 PRC 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 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 Udell 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 1989 to 1996, and assumed responsibility for treasury functions in addition to her controller functions in 1995. Prior to that, she was Controller 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.

RICHARD A. FRIEDMAN has been a member of the Advisory Board of Enterprises since 1994 and will become a director of the Company prior to commencement of the Offerings. Mr. Friedman is a Managing Director of Goldman, Sachs & Co., and head of the Principal Investment Area. He joined Goldman, Sachs & Co. in 1981. Mr. Friedman is a member of the board of directors or advisory committee of AMF Group, Inc., Diamond Cable Communications PLC, Globe Manufacturing Co. and Marcus Cable Company, L.P.

BOARD OF DIRECTORS

The Company's Board of Directors will initially consist of six members (including the three directors to be added after completion of the Offerings). After this initial selection, four of the directors will be elected by the holders of Class B Common Stock (the "Class B Directors"), one of the directors will be elected by the holders of Class C Common Stock (the "Class C Director") and one of the directors will be 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 on the record date of any meeting of stockholders of the Company is at least 10% of the number of outstanding shares of all classes of Common Stock outstanding immediately upon the consummation of the Offerings (subject to appropriate adjustments for stock splits, reverse stock splits, stock dividends and similar transactions), if the size of the Board (exclusive of Preferred Directors(as defined)) is increased, all additional members entitled to be elected by the holders of Common Stock will be Class B Directors with the following exceptions: (i) an additional Class A Director will be added if the Board (exclusive of Preferred Directors) is increased to ten members and again if the Board (exclusive of Preferred Directors) is increased to 19 members; and (ii) an additional Class C Director will be added if the Board (exclusive of Preferred Directors) is increased to 13 members. Accordingly, while the number of outstanding shares of Class B Common Stock on the record date of any meeting of stockholders of the Company is at least 10% of the aggregate number of shares of Common Stock outstanding immediately upon the consummation of the Offerings (subject to appropriate adjustments for stock splits, reverse stock splits, stock dividends and

similar transactions), the holders of Class B Common Stock will elect at least two-thirds of the members of the Board of Directors entitled to be elected by the holders of Common Stock. If on the record date for any meeting of stockholders of the Company the number of outstanding shares of Class B Common Stock is less than 10% of the aggregate number of shares of Common Stock outstanding immediately upon the consummation of the Offerings (subject to appropriate adjustments for stock splits, reverse stock splits, stock dividends and similar transactions), 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 on the record date for any meeting of stockholders of the Company the number of outstanding shares of Class C Common Stock is less than 10% of the aggregate number of shares of Common Stock outstanding immediately upon the consummation of the Offerings (subject to appropriate adjustments for stock splits, reverse stock splits, stock dividends and similar transactions), the Class C Common Stock is automatically converted into Class A Common Stock and the director or directors 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 on the record date for any meeting of stockholders of the Company the amount of Class B Common Stock is less than 10% of the aggregate number of shares of Common Stock outstanding immediately upon the consummation of the Offerings (subject to appropriate adjustments for stock splits, reverse stock splits, stock dividends and similar transactions), 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 entitled to be elected by the holders of Common Stock when the number of outstanding shares of Class B Common Stock is less than 10% of the aggregate number of shares of Common Stock outstanding immediately upon the consummation of the Offerings (subject to appropriate adjustments for stock splits, reverse stock splits, stock dividends and similar transactions). 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 $25,000 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 $1,000 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. The Audit Committee will consist of independent directors selected by the Board of Directors. 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 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. 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. The Company anticipates that following the closing of the Offerings, its Compensation Committee will implement compensation policies that could be based on any number of a variety of factors including compensation policies of comparable companies, achievement of net earnings targets by the Company and/or by divisions and the attainment of individual performance goals. The Compensation Committee will consist of directors selected by the Board of Directors.

Transactions between the Company and Mr. Lauren on the one hand, and between the Company and the GS Group on the other hand, will be approved by the Board of Directors or a committee of directors not affiliated with Mr. Lauren or the GS Group, as applicable.

EXECUTIVE COMPENSATION

The following table sets forth, for the year ended March 29, 1997, the cash compensation paid to the Company's Chief Executive Officer and its 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	1997	$2,700,000	$ 0	$1,074,845(2)
Michael J. Newman............................. Vice Chairman and Chief Operating Officer	1997	$ 800,000	$5,167,000	$ 577,785(3)
John D. Idol.................................. Group President, Product Licensing including Home Collection	1997	$ 725,000	$ 654,300	$ 457,601(4)
Cheryl L. Sterling Udell...................... Group President, Womenswear	1997	$ 630,000	$ 630,000	$ 309,076(5)
F. Lance Isham................................ Group President, Menswear	1997	$ 500,000	$ 500,000	$ 331,706(6)

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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 fiscal 1997 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 $1,064,162. The estimated dollar value of the benefit of Company-paid premiums on such split-dollar life insurance policies in fiscal 1995 and fiscal 1996 were $1,030,372 and $1,037,085, respectively. 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 1997 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 $10,683 with respect to supplementary medical benefits. See "Certain Relationships and Related Transactions -- Other Agreements, Transactions and Relationships".

(Continued on following page)

(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 $5,805 and $2,337, respectively, (ii) $322,159 for contributions to the Company's Wealth Plan (as defined) and $246,561 for the Executive Deferred Compensation Trusts (as defined) and (iii) matching benefits of $923 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 $2,029 and $2,271, respectively, (ii) $97,882 for contributions to the Company's Wealth Plan and $352,319 for the Executive Deferred Compensation Trusts and (iii) matching benefits of $3,100 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 $4,149 and $5,956, respectively, (ii) $89,728 for contributions to the Company's Wealth Plan and $204,743 for the Executive Deferred Compensation Trusts and (iii) matching benefits of $4,500 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 $7,003 and $5,023, respectively, (ii) $78,629 for contributions to the Company's Wealth Plan and $236,551 for the Executive Deferred Compensation Trusts and (iii) matching benefits of $4,500 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 Income 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.

RALPH LAUREN'S EMPLOYMENT AGREEMENT. Prior to the commencement of the Offerings, the Company expects to enter into an employment agreement with Mr. Lauren (the "Lauren Agreement"). The Lauren Agreement provides for Mr. Lauren's employment as Chairman of the Board of Directors and Chief Executive Officer of the Company for a term of five years (the "Term"), subject to automatic, successive one-year extensions thereafter unless either party gives the other 90 days prior written notice that the Term will not be extended.

The Lauren Agreement provides for an annual base salary of $1,000,000 and annual bonus payments based upon Company performance with a range of $2,000,000 to $5,000,000, with $3,500,000 payable for achieving 100% of targeted performance goals; provided that Mr. Lauren's entitlement to receive the annual bonus during any period when compensation payable pursuant to the Lauren Agreement is subject to the deduction limitations of section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), will be subject to shareholder approval of a plan or arrangement evidencing such annual bonus opportunity that complies with the requirements of section 162(m) of the Code. Upon commencement of the Offerings, Mr. Lauren will receive an initial grant of options to purchase 500,000 shares of Class A Common Stock (the "Initial Lauren Options"), each with an exercise price equal to the initial public offering price. The Initial Lauren Options will be fully vested on the date of grant. In addition, with respect to at least each of the first three fiscal years occurring after the commencement of the Offerings, Mr. Lauren will receive options to purchase 250,000 shares of Class A Common Stock (the "Annual Lauren Options") at an exercise price per share equal to the fair market value per share of Class A Common Stock as of the date of grant. The Annual Lauren Options will vest and become exercisable ratably over three years on each of the first three anniversaries of the date of grant. Mr. Lauren will be eligible to continue to participate in all employee benefit plans and arrangements of the Company for its senior executive officers in which he currently participates and will be eligible to participate in any future employee benefit plans and arrangements established for senior officers of the Company on terms no less favorable than are provided to any other senior executive officer of the Company. In addition, the Company has agreed to maintain, and make premium contributions with respect to, certain split dollar and other life insurance arrangements between the Company and Mr. Lauren, his family and/or life insurance trusts for the benefit of any of them, that are currently maintained or contributed to by the Company. See "Management -- Executive Compensation -- Summary Compensation Table".

The Company may terminate Mr. Lauren's employment in the event of his death or disability, in which case Mr. Lauren or his estate will be entitled to a lump sum cash payment equal to the sum of: (i) his base salary through the date on which his death or termination due to disability occurred; (ii) any accrued and unpaid compensation for any prior fiscal year; and (iii) a pro-rata portion of the annual bonus he would otherwise have received for the fiscal year in which his death or termination due to disability occurred. In addition, any unvested options will vest immediately.

If Mr. Lauren resigns with "Good Reason", or if the Company terminates Mr. Lauren's employment without "Cause", or if the Company elects not to extend the Term, then Mr. Lauren is entitled to receive an immediate lump sum cash payment equal to the sum of: (i) his base salary otherwise payable through the later of (a) the fifth anniversary of the commencement of the Offerings, or (b) three years from the date of termination (the "Severance Period"); (ii) any accrued but unpaid compensation for any prior fiscal year; and (iii) bonus compensation for each full or partial fiscal year that occurs during the Severance Period equal to the average annual bonus paid to Mr. Lauren in each of the immediately preceeding two fiscal years; provided that the amount of bonus compensation for any partial fiscal year beyond the third fiscal year following the date of Mr. Lauren's termination will be pro-rated. In addition, any unvested options will continue to vest on schedule, provided that Mr. Lauren complies with certain non-competition and other restrictive covenants and during the Severance Period the Company will (i) continue to provide Mr. Lauren with office facilities and secretarial assistance; (ii) continue to maintain and make premium contributions with respect to the split dollar and life insurance arrangements described above and

(iii) continue to provide Mr. Lauren with welfare and medical plan coverage and certain other fringe benefits.

If Mr. Lauren resigns without Good Reason or if the Company terminates Mr. Lauren's employment for Cause or if Mr. Lauren elects not to renew the Term, then Mr. Lauren is entitled to an immediate lump sum cash payment equal to the sum of: (i) his base salary through the date of termination; and (ii) any accrued but unpaid compensation for any prior fiscal year. Mr. Lauren will also receive the pro-rata portion of his annual bonus for the fiscal year in which termination occurred to be paid when bonuses are normally paid. In addition, any unvested options will be forfeited.

"Good Reason", for the purposes of the Lauren Agreement and the Newman Agreement (as defined), as amended by the Newman Amendment (as defined), means: (i) a material diminution in the executive's duties or the assignment to the executive of a title or duties inconsistent with his position; (ii) a reduction in base salary or annual incentive bonus opportunity; (iii) a failure by the Company to comply with any material provision of the executive's employment agreement; or (iv) the executive's ceasing to be entitled to the payment of an annual incentive bonus as a result of the failure of the Company's shareholders to approve a plan or arrangement evidencing such annual incentive bonus in a manner that complies with the requirements of section 162(m) of the Code; provided that the events described in clauses (i), (ii) and (iii) will not constitute Good Reason unless and until such diminution, reduction or failure (as applicable) has not been cured within thirty days after notice of such noncompliance has been given to the Company. "Cause" means: (i) the willful and continued failure by the executive to substantially perform his or her duties; (ii) a conviction of or plea of nolo contendere to a crime constituting any felony; or (iii) willful gross misconduct relating to the executive's employment that is materially injurious to the Company or subjects the Company to public ridicule or embarrassment.

Pursuant to the Lauren Agreement, Mr. Lauren cannot compete with the Company during the term of his employment. In addition, if Mr. Lauren resigns his employment without Good Reason, then Mr. Lauren cannot compete with the Company in violation of the Lauren Agreement until the later of: (i) the expiration of the Term, or (ii) two years from the date of termination of employment. If Mr. Lauren resigns with Good Reason or if the Company terminates Mr. Lauren's employment without Cause, then Mr. Lauren cannot compete with the Company for two years from the date of termination of employment. If Mr. Lauren's employment is terminated for Cause, the Company may elect to prohibit Mr. Lauren from competing with the Company for up to two years in consideration for the payment of an amount equal to Mr. Lauren's base salary and bonus (equal to the average annual incentive bonus over the preceding two years) for each year that Mr. Lauren is prohibited from competing with the Company.

MICHAEL NEWMAN'S EMPLOYMENT AGREEMENT. The Company has entered into an employment agreement with Mr. Newman (the "Newman Agreement"), which provides for his employment as Vice Chairman and Chief Operating Officer of the Company. The terms of the Newman Agreement are substantially similar to the employment agreement terms for other executive officers described below under " -- Employment Agreements with other Executives." However, prior to the commencement of the Offerings, the Company expects to enter into an amendment to the Newman Agreement (the "Newman Amendment") which provides for certain modifications to the terms of the Newman Agreement, most of which will become effective only following the commencement of the Offerings. Following the commencement of the Offerings, the Newman Agreement as amended by the Newman Amendment will have a term of five years (the "Newman Term"), subject to automatic, successive one year extensions thereafter unless either party gives the other twelve months prior notice that the Newman Term will not be extended. In addition, Mr. Newman's base salary will not be less than $900,000 and Mr. Newman will be eligible to earn an annual incentive bonus calculated as a percentage of the Company's Income Before Taxes ("IBT") in excess of $75 million. For IBT of $75 million to $150 million, Mr. Newman will receive 1.75% of IBT in excess of $75 million. For IBT of $150 million to $200 million, Mr. Newman will receive 1% of IBT in excess of $150 million. For IBT over $200 million, Mr. Newman will receive 0.5% of IBT in excess of $200 million. Under the Newman Amendment, Mr. Newman's total incentive bonus may not exceed $3 million per

year and Mr. Newman's entitlement to payment of an incentive bonus during any period when the compensation payable pursuant to the Newman Agreement is subject to the deduction limitations of section 162(m) of the Code will be subject to shareholder approval of a plan or arrangement evidencing such annual incentive bonus opportunity that complies with the requirements of section 162(m) of the Code.

Upon commencement of the Offerings, Mr. Newman will be granted restricted shares of Class A Common Stock with a fair market value (based upon the initial public offering price of the Class A Common Stock) equal to $2 million. The restricted shares will vest immediately with respect to one third of the shares, and will vest ratably with respect to the remaining shares on each of the second and third anniversaries of the commencement of the Offerings, subject to Mr. Newman's continued employment with the Company. Upon commencement of the Offerings, Mr. Newman will also be granted options to acquire 350,000 shares of Class A Common Stock with an exercise price equal to the initial public offering price. In addition, with respect to at least each of the first three fiscal years occurring after the commencement of the Offerings, in each fiscal year occurring after the commencement of the Offerings, Mr. Newman will be granted options to purchase 150,000 shares of Class A Common Stock at an exercise price equal to the fair market value per share of Class A Common Stock as of the date of grant. All of Mr. Newman's options will vest ratably over three years on each of the first three anniversaries of the date of grant.

Pursuant to the Newman Amendment, if Mr. Newman resigns for Good Reason or if the Company terminates his employment without Cause, then Mr. Newman will receive a pro-rata portion of his incentive bonus for the year of termination plus an amount, payable over a three-year period, equal to the sum of: (i) the greater of (x) three and (y) five, less the number years (including fractions thereof) that shall have elapsed since the commencement of the Offerings, times his annual base salary, plus (ii) two times his average annual incentive bonus paid over the preceding two years. Any unvested restricted shares or options will continue to vest as scheduled, provided that Mr. Newman continues to comply with certain non-competition and other restrictive covenants. In addition, Mr. Newman will be entitled to (i) continued participation in the Company's health benefit plans during such three-year period, (ii) continued use of the Company automobile until the then existing lease expires and (iii) waiver of the collateral interest securing return to the Company of premiums paid for Mr. Newman's split dollar insurance policy. If a change of control of the Company occurs prior to Mr. Newman's termination of employment, then he will be entitled to elect to receive the cash severance payments described above in two equal lump sum installments payable within 30 days after the date of termination and one year after the date of termination, respectively.

If the Company elects not to extend the Newman Term, then Mr. Newman will receive an amount, payable over a one-year period, equal to the sum of (i) his annual base salary, plus (ii) his average annual incentive bonus paid over the preceding two years and any unvested restricted shares or options will continue to vest as described in the preceding paragraph. If Mr. Newman resigns without Good Reason or if the Company terminates his employment for Cause or if Mr. Newman elects not to renew the Newman Term, the Company will pay Mr. Newman his full salary through the date of termination and any unvested restricted shares and options will be forfeited. In the event of Mr. Newman's termination due to his death or disability, Mr. Newman will be entitled to any payments due to him through the date of his death or termination due to disability including a payment of a pro-rata portion of his annual incentive bonus for the year of termination. In the event of Mr. Newman's death or termination due to disability, any unvested restricted shares and options held by him will vest.

Pursuant to the Newman Amendment, Mr. Newman may not compete with the Company during the term of Mr. Newman's employment. If Mr. Newman resigns his employment without Good Reason, then he cannot compete with the Company in violation of the Newman Agreement and Newman Amendment for the later of (i) five years from the date of the commencement of the Offerings and (ii) two years after his employment ends. If Mr. Newman resigns for Good Reason or the Company terminates his employment without Cause, then he cannot compete with the Company

for two years from the date of termination of his employment. If Mr. Newman's employment is terminated for Cause, the Company may elect to prohibit Mr. Newman from competing with the Company for up to two years in consideration for the payment of an amount equal to Mr. Newman's base salary and bonus (equal to the average annual incentive bonus over the preceding two years) for each year that Mr. Newman is prohibited from competing with the Company.

EMPLOYMENT AGREEMENTS WITH OTHER EXECUTIVES. The Company has entered into employment agreements with each of Messrs. Idol and Isham and Ms. Sterling Udell as well as certain other executives of the Company (the "Employment Agreements").

The Employment Agreements provide that the Company will pay the executive an annual salary determined by the Board of Directors and a bonus or incentive compensation in any fiscal year as determined by the Board in its discretion. The Employment 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) with respect to Messrs. Idol and Isham, payments (less applicable withholdings), in the manner then in effect and through the end of the then current fiscal year, of any incentive or bonus program in effect for the executive on the date his employment was terminated, and 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/or based on prior periods, (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 insurance policy. If a change of control of the Company occurs prior to the executive's termination of employment, then the executive will be entitled to elect to receive the cash severance payments described above in two equal lump sum installments payable within 30 days after the date of termination and one year after the date of termination, respectively.

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 executive 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 executive 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

Prior to the Offerings, 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 expected, but not required, 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 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 (within the meaning of Rule 16b-3) 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 or any of its subsidiaries will be eligible to be designated a participant under the 1997 Stock Incentive Plan. It is anticipated that, other than grants made in connection with the Offerings, grants will be made under the 1997 Stock Incentive Plan only to officers and other key employees, directors and consultants of the Company or any of its subsidiaries.

As of May 21, 1997, the Company and its subsidiaries had approximately 5,000 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 10,000,000 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 fiscal year may not exceed 600,000 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 the 1997 Stock Incentive Plan) in respect of a single performance period will be 600,000 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 will 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, 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 commencement 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 approximately 4,200,000 Shares at an exercise price equal to the initial public offering price per Share will be granted, where permitted by applicable law, to all active full-time employees (including those on authorized short-term leave of absence) of the Company and its subsidiaries and all part-time employees who have been employed by the Company or its subsidiaries for at least one year at the time of commencement of the Offerings, including without limitation, the Company's Chief Executive Officer and other Executive Officers described under "-- Directors and Executive Officers". Of such option grants, it is anticipated that options to acquire 1,437,000 Shares will be granted to all executive officers as a group, including options to acquire 500,000, 350,000, 100,000, 100,000 and 100,000 Shares to Messrs. Lauren, Newman, Idol, Isham and Ms. Sterling Udell, respectively.

In addition, it is currently anticipated that pursuant to the Newman Agreement, Mr. Newman will be awarded 85,106 restricted shares under the 1997 Stock Incentive Plan simultaneous with the commencement of the Offerings, assuming an initial public offering price of $23.50 per share, the mid-point of the range set forth on the cover page of the Prospectus.

After giving effect to the grant of options and restricted shares described above, in the future the Stock Plan Committee would be authorized to grant an aggregate of approximately 5,714,894 Shares in the form of awards permitted under the 1997 Stock Incentive Plan.

1997 NON-EMPLOYEE DIRECTOR OPTION PLAN

Prior to the Offerings, 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. A maximum of 500,000 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 no Outside Directors. However, the Company expects that the three directors appointed following the completion of the Offerings will be Outside 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.

After the completion of the Offerings, 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 3,000 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 7,500 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 per share of Class A Common Stock purchasable under all 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. Payment in respect of the exercise of an option granted under the 1997 Non-Employee Director Option Plan may be made in cash, or its equivalent (or if so determined by the Board of Directors, with the proceeds of a loan advanced by the Company for the purposes of paying the exercise price) or (i) by exchanging shares owned by the Outside Director (which are not the subject of any pledge or other security interest and which have been owned by such Outside Director for at least six months) or (ii) subject to such rules as may be established by the Board of Directors, 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.

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.

EXECUTIVE INCENTIVE PLAN

The Company's executive incentive plan (the "Executive Incentive Plan") is designed to motivate officers and other key employees of the Company to achieve and exceed the Company's annual strategic goals. Approximately 125 employees are currently eligible to receive a bonus award pursuant to the Executive Incentive Plan.

Under the Executive Incentive Plan, each participant is eligible to receive three levels of incentive bonus (each expressed as a percent of such participant's annual base salary) according to his or her position in the Company, if pre-established pre-tax net income objectives of the Company and/or of the participant's operating division are met. In fiscal 1997, the bonus award of the Company's Group Presidents and Design Senior Vice Presidents pursuant to the Executive Incentive Plan was based 50% on the satisfaction of pre-tax income objectives for the Company as a whole and 50% on the satisfaction of pre-tax income objectives for each such participant's operating division. The bonus awards of most other participants working in the Company's operating divisions were based 30% on the satisfaction of pre-tax income objectives for the Company as a whole and 70% on the satisfaction of pre-tax income objectives for the participant's operating division. In addition, designated participants working in centralized Company positions had their bonus determined entirely according to overall Company performance. In addition to net income goals, each operating division and centralized group sets three to four other quantitative performance goals aimed at strengthening fundamental aspects of the business of the Company. Accomplishment of these objectives can increase the incentive payout of participants. No payments

will be made under the Executive Incentive Plan in any fiscal year in which the Company is not profitable, regardless of the performance of any particular division.

In fiscal 1997 the maximum bonus payable under the Executive Incentive Plan as a percent of salary was 100% for the Group Presidents and Design Senior Vice Presidents, 60% for the Company's Senior Vice Presidents and Divisional Presidents and 40% or less for all other participants.

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 his or her 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 (as defined in the Wealth Plan), 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.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

FORMATION OF PARTNERSHIPS AND REORGANIZATION

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. Mr. Lauren, a corporation wholly owned by Mr. Lauren, and a business associate of Mr. Lauren (collectively, the "RL Partners") 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. Effective April 1995, Mr. Lauren acquired his business associate's interests in Enterprises and a predecessor corporate entity. In October 1995, the GS Group purchased a 0.3986% limited partnership interest in Womenswear LP. In addition, Mr. Lauren purchased indirectly, through PRLW, 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. The RL Partners and PRLW received aggregate distributions of $134.1 million (including distributions from a predecessor corporate entity), $41.1 million and $47.3 million from the Operating Partnerships in fiscal 1995, fiscal 1996 and fiscal 1997, respectively.

In May 1997, a corporation wholly owned by Mr. Lauren through which he held certain interests in Enterprises and Polo LP merged into the Company, a newly formed entity also wholly owned by Mr. Lauren, in exchange for shares of Class B Common Stock. Prior to the commencement of the Offerings, the GS Group will contribute their remaining interests in the Operating Partnerships to the Company either directly or indirectly by merger into the Company in exchange for 24,920,979 shares of Class C Common Stock and the Reorganization Notes. Simultaneous with such contribution by the GS Group, Mr. Lauren, Family LP and Holding LP will contribute their remaining interests, as applicable, in the Operating Partnerships, RL Fragrances and PRLW in exchange for 19,408,079 shares of Class B Common Stock (not including 44,670,942 shares of Class B Common Stock owned prior to the Reorganization) and the Reorganization Notes. See "Reorganization and Related Transactions".

At the time of the formation of Enterprises and Polo LP, each of the GS Group and the RL Partners entered into a formation agreement and partnership agreements governing the terms of the Operating Partnerships. Upon completion of the Reorganization, those agreements will no longer be effective because Enterprises LP and Polo LP will dissolve by operation of law. Similarly, in October 1995, the GS Group, Enterprises and PRLW entered into a partnership agreement governing Womenswear LP. Upon completion of the Reorganization, that agreement will be substantially amended and restated as Womenswear LP will become wholly owned, directly or indirectly, by the Company upon completion of the Reorganization. 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 Company believes the Subordinated Notes are on terms as favorable as could have been obtained from disinterested third parties. 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 negotiated, arms-length purchase agreements with Mr. David Hare, who has since become an executive officer of the Company, Mr. William G. Merriken (an employee of PRC)

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, $1.0 million was paid in cash on May 15, 1997 and $0.3 million was paid in cash on June 3, 1997. The remaining $0.4 million will be paid concurrent with the closing of the Offerings in 17,021 shares of Class A Common Stock, assuming an initial public offering price of $23.50 per share, the mid-point of the range set forth on the cover page of this Prospectus.

Also on March 21, 1997, the Company and PRL Retail entered into a negotiated arms-length purchase agreement and three assignment and assumption agreements with third parties including Mr. John Slater (an employee of a subsidiary of PRC), to acquire a minority interest and three limited partnership interests in Perkins Shearer Polo Ltd. 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 concurrently with the closing of the Offerings in 12,766 shares of Class A Common Stock, assuming an initial public offering price of $23.50 per share, the mid-point of the range set forth on the cover page of this Prospectus.

REGISTRATION RIGHTS AGREEMENTS

Certain of 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 may make a demand once every nine months. With respect to the demand rights of the GS Group, the GS Group may make a demand once every nine months so long as the GS Group owns at least 10% of the Common Stock outstanding. Once its ownership of the Common Stock is less than 10% of the outstanding shares of Common Stock, the GS Group may make one additional demand; 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. In the case of each demand registration, at least $20 million of Class A Common Stock must be requested to be registered. 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 the shares of Class A Common Stock issuable upon conversion of their shares of Class B Common Stock and Class C Common Stock, as the case may be, under any registration statement filed by the Company, subject to certain limitations. The Offerings do not constitute a demand under the Registration Rights Agreement.

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.

TRADEMARK ACQUISITION

Simultaneous with the closing of the Reorganization, the Company will acquire certain assets from Family LP pursuant to the Trademark Acquisition. See "Reorganization and Related Transactions -- Trademark Acquisition". Mr. Lauren is the sole general partner of Family LP. The terms of the Trademark Acquisition were negotiated on an arms-length basis between the parties, including

the partners of the Operating Partnerships, and the Company believes that the terms of the Trademark Acquisition were as favorable as could have been obtained from unaffiliated third parties.

OTHER AGREEMENTS, TRANSACTIONS AND RELATIONSHIPS

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 certain provisions relating to certain tax matters with respect to the Operating Partnerships, certain restrictions on transfers of shares of Common Stock and indemnification and exculpation provisions.

Shortly following completion of the Offerings, the Company expects to enter into indemnification agreements with each of its directors and executive officers. The indemnification agreements will require, among other things, that the Company indemnify its directors and executive officers against certain liabilities and associated expenses arising from their service as directors and executive officers of the Company and reimburse certain related legal and other expenses. In the event of a change of control (as defined therein), the Company will, upon request by an indemnitee under the agreements, create and fund a trust for the benefit of such indemnitee sufficient to satisfy reasonably anticipated claims for indemnification.

Pursuant to his employment agreement with the Company, for security purposes, Mr. Lauren and his family members are required to use the Company's or other acceptable private aircraft for any travel. Mr. Lauren reimburses the Company for personal use at swap rates charged to owners of airplanes, which rates are set by an independent aircraft management company. The Company believes that swap rates generally are lower than commercial charter rates for flights to similar destinations. Amounts reimbursed to the Company by Mr. Lauren for personal use of the Company's airplane in fiscal 1995, fiscal 1996 and fiscal 1997 were approximately $296,000, $356,000 and $398,000, respectively. In addition, five employees of the Company perform services for Mr. Lauren which are non-Company related; four employees carry out domestic activities in Mr. Lauren's household and one employee works in an administrative assistant capacity. Mr. Lauren reimburses the Company for the full amount of the salary, benefits and other expenses relating to such employees. Pursuant to his employment agreement with the Company, Mr. Lauren will continue to be entitled to have such employees perform such services provided he reimburses the Company for the full amount of 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 1995, fiscal 1996 and fiscal 1997 were approximately $377,000, $326,000 and $321,000, respectively. In connection with the adoption of the "RRL" trademarks by the Company, pursuant to an agreement with the Company, Mr. Lauren retained the royalty-free right to use as trademarks "Ralph Lauren", "Double RL" and "RRL" in perpetuity in connection with, among other things, beef and living animals. The trademarks "Double RL" and "RRL" are currently used by the Double RL Company, an entity wholly owned by Mr. Lauren. In addition, Mr. Lauren engages in personal projects involving non-Company related film or theatrical productions through RRL Productions, Inc., a Company wholly owned by Mr. Lauren. The Company pays the premiums on split-dollar life insurance policies on the lives of Mr. Lauren and his spouse. See "Management -- Executive Compensation -- Summary Compensation Table".

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. The Company believes that the terms of this loan were more favorable than Ms. Sterling Udell might have obtained from disinterested third parties.

Mr. David Hare is one of three partners of Action Leasing and Development -- Cherry Creek, a Colorado general partnership ("Action Leasing") which owns a building and property located in Denver, Colorado which it previously leased to Perkins Shearer of Colorado, Inc., a subsidiary of PRC. Perkins Shearer of Colorado, Inc. is the guarantor of lease payments by the current tenant of such building to Action Leasing and is obligated to purchase the building and property from Action Leasing for approximately $900,000 on July 1, 2001.

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.

On August 4, 1995, the Company entered into a forward foreign exchange contract with Goldman, Sachs & Co. as a hedge relating to foreign licensing revenue to deliver 593 million yen on April 17, 1996 in exchange for approximately $6,719,000. On April 24, 1996, the Company entered into forward foreign exchange contracts with Goldman, Sachs & Co. as hedges relating to foreign licensing revenue to deliver 800 million yen on October 15, 1996 in exchange for $7,661,000, and to deliver 825 million yen on April 15, 1997 in exchange for approximately $8,083,000. On May 16, 1997, the Company entered into two forward foreign exchange contracts with Goldman, Sachs & Co. as a hedge relating to foreign licensing revenue to deliver 900 million yen on October 15, 1997 and 1.0 billion yen on April 15, 1998 in exchange for approximately $7,951,000 and approximately $9,070,000, respectively. Goldman, Sachs & Co. received customary fees for each of these forward foreign exchange contracts.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth, giving effect to the Reorganization and the Trademark Acquisition, 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 any class of the Company's voting securities, (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.

DIRECTORS, EXECUTIVE OFFICERS AND 5% STOCKHOLDERS	CLASS A COMMON STOCK(1)					CLASS B COMMON STOCK				
	OWNED PRIOR TO THE OFFERINGS		TO BE SOLD IN THE OFFERINGS	TO BE OWNED AFTER THE OFFERINGS		OWNED PRIOR TO THE OFFERINGS		TO BE SOLD IN THE OFFERINGS AS CLASS A COMMON STOCK(2)	TO BE OWNED AFTER THE OFFERINGS	
	NUMBER	%	NUMBER	NUMBER	%	NUMBER	%	NUMBER	NUMBER	%
Mr. Ralph Lauren(3)	--	--	--	500,000	*	50,335,021	100	4,400,000	45,935,021	100
Ralph Lauren 1997 Charitable Remainder Unitrust(4)	13,500,000	98	13,500,000	--	--	--	--	--	--	--
RL Holding, L.P.(5)	--	--	--	--	--	13,383,482	26.6	--	13,383,482	29.1
The Goldman Sachs Group, L.P.(6)	--	--	--	--	--	--	--	--	--	--
Michael J. Newman(7)	--	--	--	85,106	*	--	--	--	--	--
John D. Idol(8)	--	--	--	--	--	--	--	--	--	--
F. Lance Isham(8)	--	--	--	--	--	--	--	--	--	--
Cheryl L. Sterling Udell(8)	--	--	--	--	--	--	--	--	--	--
Richard A. Friedman(9)	--	--	--	--	--	--	--	--	--	--
All directors and executive officers as a group (11 persons)(3)(7)(8)(9)	--	--	--	585,106	--	50,335,021	100	4,400,000	45,935,021	100

DIRECTORS, EXECUTIVE OFFICERS AND 5% STOCKHOLDERS	CLASS C COMMON STOCK					TOTAL COMMON STOCK
	OWNED PRIOR TO THE OFFERINGS		TO BE SOLD IN THE OFFERINGS AS CLASS A COMMON STOCK(2)	TO BE OWNED AFTER THE OFFERINGS		VOTING POWER AFTER THE OFFERINGS
	NUMBER	%	NUMBER	NUMBER	%	%
Mr. Ralph Lauren(3)	--	--	--	--	--	89.8
Ralph Lauren 1997 Charitable Remainder Unitrust(4)	--	--	--	--	--	--
RL Holding, L.P.(5)	--	--	--	--	--	26.1
The Goldman Sachs Group, L.P.(6)	24,920,979	100	2,200,000	22,720,979	100	4.4
Michael J. Newman(7)	--	--	--	--	--	*
John D. Idol(8)	--	--	--	--	--	--
F. Lance Isham(8)	--	--	--	--	--	--
Cheryl L. Sterling Udell(8)	--	--	--	--	--	--
Richard A. Friedman(9)	--	--	--	--	--	--
All directors and executive officers as a group (11 persons)(3)(7)(8)(9)	--	--	--	--	--	89.8

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* Less than 1.0%

(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. 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) Immediately prior to the Offerings, such shares of Class B Common Stock and Class C Common Stock will be converted into an equal number of shares of Class A Common Stock for sale in the Offerings.

(3) Includes 1,557,503 shares of Class B Common Stock owned by RL Family, L.P., a partnership of which Mr. Lauren is the sole general partner and 13,383,482 shares of Class B Common Stock owned by RL Holding, L.P., a partnership controlled by Mr. Lauren. If the Underwriters' overallotment options are exercised in full, Mr. Lauren will sell an additional 2,655,000 shares of Class B Common Stock and will own 43,280,021 shares of Class B Common Stock (100%) and have 84.6% of the total voting power of the Common Stock after the Offerings. Includes options to be granted simultaneous with the Offerings to Mr. Lauren under the 1997 Stock Incentive Plan representing the right to acquire 500,000 shares of Class A Common Stock, which options vest

immediately upon the grant thereof. The address of Mr. Lauren is 650 Madison Avenue, New York, New York, 10022.

(4) The independent trustee of the Ralph Lauren 1997 Charitable Remainder Unitrust, a Lauren Family Trust, may, in his discretion as such trustee, determine to sell up to 13,500,000 shares of Class A Common Stock in the Offerings. Mr. Lauren and Robert F. Greenhill act as trustees of the Ralph Lauren 1997 Charitable Remainder Unitrust under an agreement dated June 1, 1997 (the "Trust Agreement"), and as such possess joint voting control over the 13,500,000 shares of Class A Common Stock owned by the trust prior to the Offerings. However, pursuant to the terms of the Trust Agreement, Mr. Greenhill, as independent trustee, has the sole right to sell such shares and as such he alone will determine, prior to the execution of the Underwriting Agreement, whether to sell some or all of such shares in the Offerings.

(5) RL Holding, L.P. is a partnership controlled by Mr. Lauren.

(6) Represents 24,920,979 shares owned by certain investment funds affiliated with The Goldman Sachs Group, L.P. ("Goldman Sachs"). Includes 23,536,494 shares beneficially owned by GS Capital Partners, L.P.; 708,174 shares beneficially owned by Bridge Street Fund 1994, L.P.; and 676,311 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.

(7) Does not include options representing the right to acquire 350,000 shares of Class A Common Stock to be granted upon commencement of the Offerings to Mr. Newman under the 1997 Stock Incentive Plan. Includes 85,106 restricted shares to be granted upon commencement of the Offerings to Mr. Newman under the 1997 Stock Incentive Plan. Mr. Newman's restricted shares will vest immediately with respect to one third of his shares, and will vest ratably with respect to the remaining shares on each of the second and third anniversaries of the commencement of the Offerings. All of Mr. Newman's options will vest ratably over three years on each of the first three anniversaries of the date of the grant.

(8) Does not include options to be granted simultaneous with the Offerings to Ms. Sterling Udell, and Messrs. Idol and Isham and to all directors and executive officers as a group under the 1997 Stock Incentive Plan and the 1997 Non-Employee Director Option Plan representing the right to acquire 100,000, 100,000 and 1,437,000 shares of Class A Common Stock, respectively.

(9) Mr. Friedman, who is a Managing Director of Goldman, Sachs & Co., disclaims beneficial ownership of the shares owned by the GS Group, except to the extent of his pecuniary interest therein.

DESCRIPTION OF CAPITAL STOCK

As of the date of this Prospectus, the authorized capital stock of the Company consists of 500,000,000 shares of Class A Common Stock, 100,000,000 shares of Class B Common Stock, 70,000,000 shares of Class C Common Stock and 30,000,000 shares of Preferred Stock, par value $.01 per share (the "Preferred Stock"). As of the date of this Prospectus, there are 50,335,021 shares of Class B Common Stock outstanding, all of which are held of record by the Lauren Family Members and 24,920,979 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. The number of authorized shares of any class or classes of capital stock of the Company may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of the stock of the Company entitled to vote generally in the election of directors irrespective of the provisions of Section 242(b)(2) of the General Corporation Law of the State of Delaware (the "Delaware Law") or any corresponding provision hereinafter enacted.

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 and the removal of directors as described below and as otherwise required by applicable 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 20 members plus any directors which are entitled to be elected by any series of Preferred Stock pursuant to the terms thereof (such directors, the "Preferred Directors"). Initially, the Company's Board of Directors will have six members (including the three directors to be added after completion of the Offerings). After this initial selection, four of the directors will be Class B Directors, one of the directors will be the Class C Director and one of the directors will be the Class A Director. While shares of Class A Common Stock, Class B Common Stock and Class C Common Stock are outstanding and while on the record date of any meeting of stockholders of the Company, the number of outstanding shares of Class B Common Stock is at least 10% of the number of shares of all classes of Common Stock outstanding immediately upon the consummation of the Offerings (subject to appropriate adjustment for stock splits, reverse stock splits, stock dividends and similar transactions), if the size of the Board (exclusive of Preferred Directors) is increased, all additional members entitled to be elected by the holders of Common Stock will be Class B Directors with the following exceptions: (i) an additional Class A Director will be added if the Board (exclusive of Preferred Directors) is increased to ten members and again if the Board (exclusive of Preferred Directors) is increased to 19 members; and (ii) an additional Class C Director will be added if the Board (exclusive of Preferred Directors) is increased to 13 members. Under all circumstances, so long as on the record date of any meeting of stockholders of the Company the number of outstanding shares of Class C Common Stock is equal to or greater than 10% of the aggregate number of shares of Common Stock outstanding immediately upon the consummation of the Offerings (subject to appropriate adjustment for stock splits, reverse stock splits, stock dividends and similar transactions), then the

holders of the Class C Common Stock, voting as a separate class, shall be entitled to elect one Class C Director if the Board (exclusive of Preferred Directors) consists of less than 13 directors and two Class C Directors if the Board (exclusive of Preferred Directors) consists of 13 or more directors. Accordingly, while the number of outstanding shares of Class B Common Stock on the record date of any meeting of stockholders of the Company is at least 10% of the aggregate number of shares of Common Stock outstanding immediately upon the consummation of the Offerings (subject to appropriate adjustment for stock splits, reverse stock splits, stock dividends and similar transactions), the holders of Class B Common Stock will elect at least two-thirds of the members of the Board of Directors entitled to be elected by the holders of Common Stock. If on the record date for any meeting of stockholders of the Company the number of outstanding shares of Class B Common Stock is less than 10% of the aggregate number of shares of Common Stock outstanding immediately upon the consummation of the Offerings (subject to appropriate adjustment for stock splits, reverse stock splits, stock dividends and similar transactions) 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 on the record date for any meeting of stockholders of the Company the number of outstanding shares of Class C Common Stock is less than 10% of the aggregate number of shares of Common Stock outstanding immediately upon the consummation of the Offerings (subject to appropriate adjustment for stock splits, reverse stock splits, stock dividends and similar transactions), the Class C Common Stock is automatically converted into Class A Common Stock and the director or directors 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 on the record date for any meeting of stockholders of the Company the amount of Class B Common Stock is less than 10% of the aggregate number of shares of Common Stock outstanding immediately upon the consummation of the Offerings (subject to appropriate adjustment for stock splits, reverse stock splits, stock dividends and similar transactions), 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 entitled to be elected by the holders of Common Stock when the number of outstanding shares of Class B Common Stock is less than 10% of the number of shares of all classes of Common Stock outstanding immediately upon the consummation of the Offerings (subject to appropriate adjustment for stock splits, reverse stock splits, stock dividends and similar transactions).See "Risk Factors--Control by Lauren Family Members and Anti-Takeover Effect of Multiple Classes of Stock".

Directors may be removed, with or without cause, only by the holders of the class or classes of Common Stock or series of Preferred Stock that, as of the date such removal is effected, would be entitled to elect such director at the next annual meeting of stockholders. Vacancies in a directorship may be filled only by (a) the remaining directors elected by holders of each class of Common Stock or series of Preferred Stock that (x) elected such director and (y) as of the date such vacancy is filled, would be entitled to elect such director at the next annual meeting of the stockholders or, (b) if there are no such remaining directors, then by the vote of the holders of the class or classes of Common Stock or series of Preferred Stock that, as of the date such vacancy is filled, would be entitled to elect such director at the next annual meeting of stockholders, voting as a separate class at a meeting, special or otherwise, of the holders of Common Stock of such class or classes or series of Preferred Stock.

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 commit-

tees; (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 their respective estates, guardians, conservator or committees 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. The Company may not make any dividend or distribution to any holder of any class of Common Stock unless simultaneously with such dividend or distribution the Company makes the same dividend or distribution with respect to each outstanding share of Common Stock regardless of class. In the case of a dividend or other distribution payable in shares of a class of Common Stock, including distributions pursuant to stock splits or divisions of Common Stock, only shares of Class A Common Stock may be distributed with respect to Class A Common Stock, only shares of Class B Common Stock may be distributed with respect to Class B Common Stock and only shares of Class C Common Stock may be distributed with respect to Class C Common Stock. Whenever a dividend or distribution, including distributions pursuant to stock splits or divisions of the Common Stock, is payable in shares of a class of Common Stock, the number of shares of each class of Common Stock payable per share of such class of Common Stock shall be equal in number. In the case of dividends or other distributions consisting of other voting securities of the Company or of voting securities of any corporation which is a wholly-owned subsidiary of the Company, the Company shall declare and pay such dividends in three separate classes of such voting securities, identical in all respects except that (i) the voting rights of each such security issued to the holders of Class A Common Stock and Class C Common Stock shall be one-tenth of the voting rights of each such security issued to holders of Class B Common Stock, (ii) such security issued to holders of Class B Common Stock shall convert into the security issued to the holders of Class A Common Stock upon the same terms and conditions applicable to the conversion of Class B Common Stock into Class A Common Stock and shall have the same restrictions on transfer and ownership applicable to the transfer and ownership of the Class B Common Stock, (iii) such security issued to the holders of Class C Common Stock shall convert into the security issued to holders of Class A Common Stock upon the same terms and conditions applicable to the conversion of Class C Common Stock into Class A Common Stock and shall have the same restrictions on transfer and ownership applicable to the transfer and ownership of the Class C Common Stock, and (iv) with respect only to dividends or other distributions of voting securities of any corporation which is a wholly owned subsidiary of the Company, the respective voting rights of each such security issued to holders of Class A Common Stock, Class B Common Stock and Class C Common Stock with respect to election of directors shall otherwise be as comparable as is practicable to those of the Class A Common Stock, Class B Common Stock and Class C Common Stock, respectively. In the case of dividends or other distributions consisting of securities convertible into, or exchangeable for, voting securities of the Company or of voting securities of any corporation which is a wholly owned subsidiary of the Company, the Company shall provide that such convertible or exchangeable securities and the underlying securities be identical in all respects (including, without limitation, the conversion or exchange rate) except that the underlying securities may have the same differences as they would have if the Company issued voting securities of the

Company or of a wholly owned subsidiary rather than issuing securities convertible into, or exchangeable for, such securities. 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 taxable income 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 ADDITIONAL ISSUANCES AND TRANSFER. The Company may not issue or sell (x) any shares of Class B Common Stock or any securities (including, without limitation, any rights, options, warrants or other securities) convertible into, or exchangeable or exercisable for, shares of Class B Common Stock to any person who is not a Lauren Family Member and (y) any shares of Class C Common Stock or any securities (including, without limitation, any rights, options, warrants or other securities) convertible into, or exchangeable or exercisable for, shares of Class C Common Stock to any person who is not a member of the GS Group or, until April 15, 2002, any successor thereof. Additionally, shares of Class B Common Stock may not be transferred, whether by sale, assignment, gift, bequest, appointment or otherwise, to a person other than a Lauren Family Member. Shares of Class C Common Stock may not be transferred to a person other than a member of the GS Group or, until April 15, 2002, any successor thereof. Notwithstanding the foregoing (i) any Lauren Family Member may pledge his, her or its shares of Class B Common Stock to a financial institution pursuant to a bona fide pledge of such shares as collateral security for indebtedness due to the pledgee provided that such shares remain subject to the transfer restrictions and that, in the event of foreclosure or other similar action by the pledgee, such pledged shares of Class B Common Stock may only be transferred to a Lauren Family Member or converted into shares of Class A Common Stock, as the pledgee may elect and (ii) the foregoing transfer restrictions shall not apply in the case of a merger, consolidation or business combination of the Company with or into another corporation in which all of the outstanding shares of Common Stock and Preferred Stock of the Company regardless of class are purchased by the acquiror.

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. 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 outstanding immediately upon the consummation of the Offerings (subject to appropriate adjustment for stock splits, reverse stock splits, stock dividends and similar transactions). Additionally, at such time as a person ceases to be a (i) Lauren Family Member, any share of Class B Common Stock held by such person at such time shall automatically convert into a share of Class A Common Stock, or (ii) a member of the GS Group (or, until April 15, 2002, any successor thereof), any share of Class C Common Stock held by such person at such time shall automatically convert into a share of Class A Common Stock. The Company covenants that (i) it will at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock, such number of shares of Class A Common Stock issuable upon the conversion of all outstanding shares of Class B Common Stock and Class C Common Stock, (ii) it will cause any shares of Class A Common Stock issuable upon conversion of a share of Class B Common Stock or Class C Common Stock that require registration with or approval of any governmental authority under federal or state law before such shares may be issued upon conversion to be so registered or approved and (iii) it will use its best efforts to list the shares of Class A Common Stock required to be delivered upon conversion prior to such delivery upon such national securities exchange upon which the outstanding Class A Common Stock is listed at the time of such delivery.

RECLASSIFICATION AND MERGER. In the event of a reclassification or other similar transaction as a result of which the shares of Class A Common Stock are converted into another security, then a holder of Class B Common Stock or Class C Common Stock will be entitled to receive upon conversion the amount of such other security that the holder would have received if the conversion occurred immediately prior to the record date of such reclassification or other similar transaction. No adjustments in respect of dividends will be made upon the conversion of any share of Class B Common Stock or Class C Common Stock; except if a share is converted subsequent to the record date for the payment of a dividend or other distribution on shares of Class B Common Stock or Class C Common Stock but prior to such payment, then the registered holder of such share at the close of business on such record date will be entitled to receive the dividend or other distribution payable on such date regardless of the conversion thereof or the Company's default in payment of the dividend due on such date.

In the event the Company enters into any consolidation, merger, combination or other transaction in which shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then, and in such event, the shares of each class of Common Stock will be exchanged for or changed into either (1) the same amount of stock, securities, cash and/or any other property, as the case may be, into which or for which each share of any other class of Common Stock is exchanged or changed; provided, however, that if shares of Common Stock are exchanged for or changed into shares of capital stock, such shares so exchanged for or changed into may differ to the extent and only to the extent that the Class A Common Stock, the Class B Common Stock and the Class C Common Stock differ as provided in the Company's Amended and Restated Certificate of Incorporation or (2) if holders of each class of Common Stock are to receive different distributions of stock, securities, cash and/or any other property, an amount of stock, securities, cash and/or property per share having a value, as determined by an independent investment banking firm of national reputation selected by the Board of Directors, equal to the value per share into which or for which each share of any other class of Common Stock is exchanged or changed.

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. Except as described below, 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. The Company may not make any offering of options, rights or warrants to subscribe for shares of Class B Common Stock or Class C Common Stock. If the Company makes an offering of options, rights or warrants to subscribe for shares of any other class or classes of capital stock (other than Class B Common Stock or Class C Common Stock) to all holders of a class of Common Stock, then the Company is required to simultaneously make an identical offering to all holders of the other classes of Common Stock other than to any class the holders of which, voting as a separate class, agrees that such offering need not be made to such class. All such options, rights or warrants offerings shall offer the respective holders of Class A Common Stock, Class B Common Stock and Class C Common Stock the right to subscribe at the same rate per share.

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

LISTING. The Class A Common Stock has been approved for listing, subject to notice of issuance, 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. In no event will a series of Preferred Stock be entitled to vote together with any class of Common Stock with respect to the election of directors entitled to be elected by such class of Common Stock. 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, except that meetings of stockholders of any class of Common Stock may be called by stockholders holding a majority of the shares of that class with respect to any matter as to which the class of Common Stock is entitled to vote as a separate class. Except with respect to any matter as to which a class of Common Stock is entitled to vote as a separate class, the Company's stockholders may not take any action on any matter by written consent. Certain provisions of the Company's Amended and Restated Certificate of Incorporation relating to the issuance of preferred stock, action by stockholders, calling of special stockholder meetings and such amendment provision 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. Additionally, the provisions of the Amended and Restated Certificate of Incorporation relating to certain terms of the Common Stock and the provision prohibiting preferred stockholders from voting together with any class of Common Stock for the election of directors entitled to be elected by such class of Common Stock may not be amended in any respect with respect to any affected class of Common Stock without the approval of such class of Common Stock voting as a separate class. The Board may from time to time adopt, amend or repeal the By-laws except that any By-laws adopted or amended by the Board may be amended or repealed, and any By-laws may be adopted, by the stockholders of the Company by vote of a majority of the holders of shares of stock of the Company entitled to vote in the election of directors of the Company.

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 295,000 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 29,858,893 shares of Class A Common Stock, 45,935,021 shares of Class B Common Stock and 22,720,979 shares of Class C Common Stock. Of such shares, the 29,500,000 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 45,935,021 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 22,720,979 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 executive officers and directors of the Company have agreed not to offer, sell, contract to sell or otherwise dispose of any shares of Class A Common Stock or any securities of the Company that are substantially similar to the Class A Common Stock, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, Class A Common Stock or any such substantially similar securities (other than pursuant to employee or director stock or stock option plans existing on the date of this Prospectus or in connection with the PRC Acquisition) 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, except for the shares of Class A Common Stock offered in connection with the Offerings. 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 commencement of the Offerings a registration statement on Form S-8 under the Securities Act to register approximately 10,000,000 and 500,000 shares of Class A Common Stock reserved for issuance under the 1997 Stock Incentive Plan and the 1997 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. Upon completion of the Offerings, options to purchase an aggregate of approximately 4,200,000 shares of Class A Common Stock will be outstanding under the 1997 Stock Incentive Plan and the 1997 Non-Employee Director Option Plan.

Certain 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".

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 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 March 30, 1996 and for each of the two 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.

The combined financial statements of Polo Ralph Lauren Corporation as of March 29, 1997 and for the year then ended, included in the Prospectus and the related financial statement schedule included elsewhere in the Registration Statement of which this Prospectus is a part have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports appearing herein and elsewhere in the registration statement, and are included in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

In December 1996, the Company appointed Deloitte & Touche LLP as its independent public accountants to replace Mahoney Cohen Rashba & Pokart, CPA, PC. The former accountant's report on the financial statements for the years ended March 30, 1996 and April 1, 1995 did not contain an

adverse opinion, disclaimer opinion, and was not qualified or modified as to uncertainty, audit scope, or accounting principles. In addition, there were no disagreements between the Company and its former accountants during the preceding two fiscal years or during any subsequent interim period preceding their replacement on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures during the two most recent fiscal years in the period ended March 30, 1996 and any subsequent interim period preceding such dismissal. The decision to change accountants was approved by the general partner of Enterprises.

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.

The Company is aware of a website on the internet at http://www.ralphlaurenfragrance.com which was created and is maintained solely by Cosmair, Inc., one of the Company's independent licensing partner. Cosmair, Inc. is the author of all information on such website and is solely responsible for its contents. The Company neither drafts nor approves the contents of any material on Cosmair, Inc.'s website.

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 will be subject to the periodic reporting and other informational requirements of the Exchange Act. The Company will fulfill its obligations with respect to such requirements by filing periodic reports with the Commission. In addition, the Company intends to furnish its stockholders with annual reports containing financial statements audited by independent certified accountants.

POLO RALPH LAUREN CORPORATION

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The financial statements of Polo Ralph Lauren Corporation have not been included because the registrant is a newly-formed shell company into which the operating partnerships will be reorganized.

INDEPENDENT AUDITORS' REPORT

To the Partners of
Polo Ralph Lauren Enterprises, L.P.
New York, New York

We have audited the accompanying combined balance sheet of Polo Ralph Lauren Corporation (the "Company" as defined in Note 1(a)) as of March 29, 1997, and the related combined statements of income, partners capital, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Company as of March 29, 1997, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

/s/ DELOITTE & TOUCHE LLP

DELOITTE & TOUCHE LLP
New York, New York
May 15, 1997

(June 9, 1997 as to Note 7)

INDEPENDENT AUDITOR'S REPORT

The Partners
Polo Ralph Lauren Enterprises, L.P.

We have audited the accompanying combined balance sheet of Polo Ralph Lauren Corporation (the "Company" as defined in note 1(a)) as of March 30, 1996, and the related combined statements of income, partners' capital, and cash flows for each of the two 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 March 30, 1996, and the results of its operations and its cash flows for each of the two 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)

	MARCH 30, 1996	MARCH 29, 1997	PRO FORMA MARCH 29, 1997 (UNAUDITED)
ASSETS			
Current assets			
Cash and cash equivalents	$ 13,568	$ 29,599	
Accounts receivable, net of allowances of $11,054 and $12,845, respectively	144,999	144,303	
Inventories	269,113	222,147	
Prepaid expenses and other	31,886	40,290	
Total current assets	459,566	436,339	
Property and equipment, net	48,980	83,240	
Investment in and advances to affiliate	21,710	17,977	
Other assets	33,417	39,187	
	$563,673	$ 576,743	
LIABILITIES AND PARTNERS' CAPITAL			
Current liabilities			
Notes and acceptances payable -- banks	$ 73,731	$ 26,777	
Current portion of long-term debt	11,765	22,248	
Current portion of subordinated notes	--	20,000	
Dividend and Reorganization Notes payable	--	--	$ 85,792
Accounts payable	74,244	89,417	
Accrued expenses and other	36,982	65,525	
Total current liabilities	196,722	223,967	
Long-term debt	70,149	47,875	
Other noncurrent liabilities	15,149	20,216	
Subordinated notes	44,000	24,000	
Commitments and contingent liabilities (Note 12)	--	--	
Partners' capital/stockholders' equity			
Common Stock			
Class A, par value $.01 per share; 500,000,000 shares authorized; no shares issued and outstanding			--
Class B, par value $.01 per share; 100,000,000 shares authorized; 64,079,021 shares issued and outstanding, pro forma			641
Class C, par value $.01 per share; 70,000,000 shares authorized; 24,920,979 issued and outstanding, pro forma			249
Additional paid-in-capital			199,435
Partners' capital/stockholders' equity	237,541	260,837	--
Cumulative translation adjustment	112	(152)	--
Total partners' capital/stockholders' equity	237,653	260,685	$ 200,325
	$563,673	$ 576,743	

See accompanying notes to combined financial statements.

POLO RALPH LAUREN CORPORATION

COMBINED STATEMENTS OF INCOME
(IN THOUSANDS)

	FISCAL YEAR ENDED		
	APRIL 1, 1995	MARCH 30, 1996	MARCH 29, 1997
Net sales	$746,595	$ 909,720	$1,043,330
Licensing revenue	100,040	110,153	137,113
Net revenues	846,635	1,019,873	1,180,443
Cost of goods sold	474,999	583,546	648,597
Gross profit	371,636	436,327	531,846
Selling, general and administrative expenses	261,506	309,207	374,483
Income from operations	110,130	127,120	157,363
Interest expense	16,450	16,287	13,660
Equity in net loss of affiliate	262	1,101	3,599
Income before income taxes	93,418	109,732	140,104
Provision for income taxes	13,244	10,925	22,804
Net income	$ 80,174	$ 98,807	$ 117,300
PRO FORMA (NOTE 1)--(UNAUDITED)			
Historical income before income taxes			$ 140,104
Pro forma provision for income taxes			58,844
Pro forma net income			$ 81,260
Pro forma net income per share			$ 0.87
Pro forma common shares outstanding			93,083,071

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 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			117,300		117,300
Translation adjustment				(264)	(264)
Distributions to partners			(94,004)		(94,004)
Balance at March 29, 1997	--	--	$ 260,837	$ (152)	$ 260,685

See accompanying notes to combined financial statements.

POLO RALPH LAUREN CORPORATION

COMBINED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	FISCAL YEAR ENDED		
	APRIL 1, 1995	MARCH 30, 1996	MARCH 29, 1997
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 80,174	$ 98,807	$ 117,300
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in net loss of affiliate	262	1,101	3,599
Depreciation and amortization	9,938	9,743	13,755
Provision for losses on accounts receivable	2,700	1,122	833
Other	1,244	(2,596)	(42)
Changes in assets and liabilities, net of acquisition			
Accounts receivable	15,276	(34,155)	(137)
Inventories	(61,680)	21,811	46,702
Prepaid expenses and other	10,075	(10,428)	(9,223)
Other assets	(1,740)	(6,733)	(4,323)
Accounts payable	(1,172)	9,798	15,173
Accrued expenses and other	1,134	2,855	19,943
Net cash provided by operating activities	56,211	91,325	203,580
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition	--	(39,726)	--
Purchases of property and equipment	(4,939)	(5,575)	(35,330)
Cash surrender value -- officers' life insurance	(3,473)	(3,685)	(3,230)
Net cash used in investing activities	(8,412)	(48,986)	(38,560)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from (repayments of) short-term borrowings, net	(98,408)	14,109	(46,954)
Repayments of long-term debt	(51,555)	(11,719)	(11,791)
Proceeds from long-term debt	106,290	10,000	--
Distributions paid to stockholders and partners	(134,308)	(56,284)	(90,284)
Capital contributions	128,000	10,000	--
Net cash used in financing activities	(49,981)	(33,894)	(149,029)
Net (decrease) increase in cash and cash equivalents	(2,182)	8,445	15,991
Effect of exchange rate changes on cash and cash equivalents	--	(26)	40
Cash and cash equivalents at beginning of period	7,331	5,149	13,568
Cash and cash equivalents at end of period	$ 5,149	$ 13,568	$ 29,599
SUPPLEMENTAL CASH FLOW INFORMATION			
Cash paid for interest	$ 15,457	$ 17,189	$ 16,005
Cash paid for income taxes	$ 10,592	$ 11,602	$ 22,280
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES			
Foreign tax credits distributed to stockholders/partners	$ 1,537	$ 3,617	$ 3,720
Capital obligations for completed shop-within-shop boutiques			$ 8,600
Fair value of assets acquired, excluding cash		$ 40,260	
Cash paid		(39,726)	
Payable to seller		$ 534	

See accompanying notes to combined financial statements.

POLO RALPH LAUREN CORPORATION

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

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 $128.0 million for an effective ownership interest of 28.5%.

The combined financial statements for the year ended 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) Acquisition

On October 16, 1995, Womenswear acquired the assets of Ralph Lauren Womenswear, 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.

(c) 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 flagship stores 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.

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 operate Polo 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

POLO RALPH LAUREN CORPORATION

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

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.

(d) 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 Class B Common Stock of Polo ("Trademark Acquisition").

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 29, 1997 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 March 31, 1996, based upon a pro forma effective tax rate of 42%. 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 March 29, 1997 is adjusted for: (i) the declaration of Dividend and the issuance of the Reorganization Notes to the stockholders of Polo, which through March 29, 1997 approximated $85.8 million; and (ii) the recording of a net deferred tax asset of $25.4 million, in addition to approximately $2.8 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, 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.

(e) Pro forma net income per share (Unaudited)

Pro forma net income per share is based upon (i) 89,000,000 shares of Common Stock outstanding as a result of the Reorganization and the Trademark Acquisition; increased by (ii) the sale of 3,968,178 shares of Class A Common Stock by the Company at an offering price of $23.50 per share ($21.62 net of expenses), the proceeds of which would be necessary to pay approximately $85,792 in satisfaction of the Dividend and Reorganization Notes; (iii) 29,787 shares of Class A Common Stock expected to be issued in connection with the PRC Acquisition and

POLO RALPH LAUREN CORPORATION

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

(iv) 85,106 shares of Class A Common Stock which the Company will award to an executive officer simultaneous with the commencement of the Offerings.

Supplementary pro forma net income per share of $0.83 is based upon the average number of shares of Common Stock used in the calculation of pro forma net income per Common Stock increased by (i) the sale of 1,110,083 shares of Class A Common Stock being sold by the Company, assuming an initial offering price of $23.50 ($21.62, net of expenses), the proceeds of which would be necessary to repay approximately $24,000 outstanding under the Subordinated Notes (as defined) and (ii) the sale of 4,320,351 shares of Class A Common Stock by the Company, assuming an offering price of $23.50 ($21.62, net of expenses), the proceeds of which would be necessary to repay approximately $93,406 of the Company's outstanding indebtedness.

2. SIGNIFICANT ACCOUNTING POLICIES

Fiscal Year

The Company's fiscal year ends on the Saturday nearest to March 31. All references herein to "1995," "1996" and "1997" represent the 52 week fiscal years ended April 1, 1995, March 30, 1996 and March 29, 1997, 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.

POLO RALPH LAUREN CORPORATION

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

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 $21,734 and $24,964, net of loans of $5,608 and $5,757 at March 30, 1996 and March 29, 1997, 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, usually 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 36% and 48% of trade accounts receivable outstanding at March 30, 1996 and March 29, 1997, respectively. Additionally, the Company had three licensees who in aggregate constituted approximately 45%, 43% and 39% of licensing revenue in fiscal 1995, 1996 and 1997, respectively.

The Company had one significant customer that accounted for approximately 11% of net sales in fiscal 1995, 1996 and 1997, respectively.

POLO RALPH LAUREN CORPORATION

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

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.

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 $34,028, $44,488 and $55,498 in fiscal 1995, 1996 and 1997, respectively.

Income Taxes

The entities in the combined group include principally a Subchapter S Corporation in fiscal 1995 and partnerships in fiscal 1996 and 1997 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 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.

Stock Options

In October 1995, the Financial Accounting Standards Board issued SFAS No. 123, Accounting for Stock-Based Compensation. 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

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NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)
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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.

3. INVENTORIES

	MARCH 30, 1996	MARCH 29, 1997
Raw materials	$ 52,993	$ 32,781
Work-in-process	13,302	5,788
Finished goods	202,818	183,578
	$ 269,113	$ 222,147

Inventories of $83,243 and $93,874 at March 30, 1996 and March 29, 1997, respectively, were valued utilizing the retail method and are included in finished goods.

4. PROPERTY AND EQUIPMENT

	MARCH 30, 1996	MARCH 29, 1997
Land	$ 656	$ 656
Furniture and fixtures	25,050	54,415
Machinery and equipment	18,451	18,567
Leasehold improvements	63,233	78,554
	107,390	152,192
Less: accumulated depreciation and amortization	58,410	68,952
	$ 48,980	$ 83,240

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 $2.0 million of PRC's working capital facility. (See Note 13).

Sales by the Company to PRC were $27,313, $38,879 and $40,317 in fiscal 1995, 1996 and 1997, respectively. Purchases by the Company from PRC amounted to $6,633, $5,715 and $6,709 in fiscal 1995, 1996 and 1997, respectively. At March 30, 1996 and March 29, 1997, the Company had $12,716 and $20,292 due from PRC which is included in prepaid expenses and other in the accompanying combined balance sheets.

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

6. ACCRUED EXPENSES AND OTHER

	MARCH 30, 1996	MARCH 29, 1997
Accrued operating expenses	$19,798	$26,637
Accrued payroll and benefits	11,279	25,318
Accrued shop-within-shop boutique costs	3,016	9,737
Accrued income taxes	1,469	2,417
Accrued interest	1,420	1,416
	$36,982	$65,525

7. FINANCING AGREEMENTS

Long-term debt consists of the following:

	MARCH 30, 1996	MARCH 29, 1997
Polo Partnership term loans	$70,000	$60,000
Womenswear term loan	10,000	9,000
Other	1,914	1,123
	81,914	70,123
Less: current portion	11,765	22,248
	$70,149	$47,875

On October 31, 1994, the Polo Partnership entered into a six year financing arrangement with commercial banks providing for a $125.0 million revolving credit facility and $80.0 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 ($48,224 and $103,171 at March 30, 1996 and March 29, 1997, respectively) is subject to a 3/8% commitment fee. Notes and acceptances payable under this facility amounted to $58,086 and $4,658 at March 30, 1996 and March 29, 1997, respectively, and bore interest based on either the prime rate or LIBOR plus 1.75%, as permitted by the agreement (ranging from 5.75% to 8.25% at March 30, 1996 and from 5.5% to 6.25% at March 29, 1997). The credit facility and term loans are collateralized by trade wholesale accounts receivable, retail inventories and assignments of licensing revenue and certain trademarks.

In fiscal 1996, Womenswear entered into a five year financing arrangement with a financial institution providing for a $30.0 million revolving credit facility and a $10.0 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 and $11,163 at March 30, 1996 and March 29, 1997, respectively) is subject to a 3/8% commitment fee. Notes and acceptances payable under this facility amounted to $15,645 and $22,119 at March 30, 1996 and March 29, 1997, respectively, and bore interest at the institution's reference rate (8.25% at March 30, 1996 and March 29, 1997). 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 $40.0 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 8.3%, 8.4% and 7.7% in fiscal 1995, 1996 and 1997, respectively.

The Polo Partnership term loans are repayable semi-annually in April and October in equal installments of $10.0 million through October 1999 and bear interest primarily at LIBOR plus 1.75% (ranging from 7.0% to 7.25% at March 30, 1996 and from 6.9% to 8.25% at March 29, 1997).

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 and March 29, 1997).

In connection with the Womenswear credit facility, an entity wholly owned by Mr. Lauren is required to contribute up to $3.0 million to Womenswear if Womenswear does not maintain a specified cash flow ratio. Additionally, this related entity guarantees Womenswear's debt up to $3.0 million under certain circumstances, inclusive of any payments required under the above cash flow provision.

At March 29, 1997, maturities of long-term debt were as follows:

FISCAL YEAR ENDING	
1998	$22,248
1999	22,875
2000	23,000
2001	2,000
	$70,123

On June 9, 1997, the Company entered into a new financing arrangement (the "New Credit Facility") providing for $375.0 million of revolving credit. The proceeds from the New Credit Facility were used to refinance the Polo Partnership credit facility and to repay in full approximately $56.6 million of aggregate borrowings outstanding under the Womenswear credit facility and the PRC credit facility (see Note 13). If within 30 days of the Reorganization, the Company successfully completes the Offerings, the New Credit Facility will be reduced to a $225.0 million revolving credit facility; otherwise, it will provide for a $225.0 million revolving credit facility and $150.0 million in term loans. The term loans will be repayable in semi-annual installments ranging from $10.0 million to $20.0 million. Interest is payable, at the Company's option, at the lender's Base Rate (as defined) or at the London Interbank Offered Rate plus an interest margin, as permitted by the agreement. The New Credit Facility is collateralized by trade accounts receivable and requires, among other things, the maintenance of restrictive covenants including net worth and leverage ratios, and sets limitations on indebtedness and incurrences of liens, and restrictions on sales of assets and transactions with affiliates.

8. SUBORDINATED NOTES

The subordinated notes are payable to Mr. Lauren on April 30, 1997 in the amount of $20.0 million and to Mr. Lauren and the GS Group on March 1, 2001 in the aggregate amount of $24.0 million. These notes bear interest at the prime rate (8.25% and 8.5% at March 30, 1996 and March 29, 1997, respectively) and are subordinated to the Polo Partnership's credit facility and term

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notes. Interest expense on the subordinated notes amounted to $2,514, $3,791 and $3,632 in fiscal 1995, 1996, and 1997 respectively.

9. INCOME TAXES

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

	FISCAL YEAR ENDED		
	APRIL 1, 1995	MARCH 30, 1996	MARCH 29, 1997
Current:			
Federal	$ 6,761	$ 7,644	$16,649
State and local	5,235	3,123	6,633
Foreign	252	392	460
Deferred	996	(234)	(938)
	$13,244	$10,925	$22,804

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

	FISCAL YEAR ENDED		
	APRIL 1, 1995	MARCH 30, 1996	MARCH 29, 1997
Domestic	$66,432	$ 78,445	$113,188
Foreign	26,986	31,287	26,916
	$93,418	$109,732	$140,104

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 14.2%, 10.0% and 16.3% in fiscal 1995, 1996 and 1997, respectively. The decline in the effective tax rate from fiscal 1995 to fiscal 1996 is mainly due to the full year benefit of the fiscal 1995 reorganization and formation of limited partnerships. The increase in the effective tax rate from fiscal 1996 to fiscal 1997 is primarily attributable to the increase in pre-tax income of C Corporations in relation to total pre-tax income included in the combined group and subject to Federal and state taxes.

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 1, 1995	MARCH 30, 1996	MARCH 29, 1997
Provision for income taxes at statutory Federal rate	$ 32,696	$ 38,406	$ 49,036
Increase (decrease) due to:			
Subchapter S and unincorporated entities	(24,232)	(28,575)	(29,433)
Foreign income	(1,122)	(1,009)	(2,210)
State and local income taxes, net of Federal benefit	5,637	2,072	4,126
Other	265	31	1,285
	$ 13,244	$ 10,925	$ 22,804

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

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 March 30, 1996 and March 29, 1997 amounted to $2,075 and $2,719, 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 ($60.0 million at March 29, 1997), 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 was $1,559 and $562 at March 30, 1996 and March 29, 1997, respectively. 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. (GS & Co.) to deliver 593 million yen on April 17, 1996. At March 29, 1997, the Company had a forward foreign exchange contract outstanding with GS & Co. to deliver 825 million yen on April 15, 1997 in exchange for $8,083. These contracts are hedges relating to foreign licensing revenues. The fair value of these contracts approximated carrying value due to their short-term maturities.

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.

The carrying amounts of financial instruments reported on the combined balance sheet at March 30, 1996 and March 29, 1997 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 $4,041, $4,557 and $4,990 in fiscal 1995, 1996 and 1997, 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 and $638 in fiscal 1996 and 1997, respectively.

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 $7,469 and $10,532 at March 30, 1996 and March 29, 1997, respectively. Total compensation expense recorded was $1,402, $2,094 and $3,229 in fiscal 1995, 1996 and 1997, 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 cash surrender value of the life insurance policies and trust accounts are reflected in other assets in the accompanying combined balance sheets.

12. COMMITMENTS AND CONTINGENCIES

Leases

The Company leases office, warehouse and retail space and office equipment under operating leases which expire through 2021. As of March 29, 1997, aggregate minimum annual rental payments under noncancelable operating leases were as follows:

FISCAL YEAR ENDING	
1998	$ 45,884
1999	43,658
2000	37,047
2001	33,644
2002	29,012
Thereafter	185,299
	$374,544

Rent expense charged to operations was $28,393, $34,483 and $37,091, net of sublease income of $2,129, $2,091 and $2,146, respectively, in fiscal 1995, 1996 and 1997, 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 $2,828, $3,160 and $3,707 in fiscal 1995, 1996 and 1997, respectively.

Letters of Credit

At March 29, 1997, the Company is contingently liable for unexpired bank letters of credit of $17,260 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 November 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 compensatory and punitive damages in excess of $5.0 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.

Effective March 31, 1997, the Company entered into a joint venture agreement with a nonaffiliated partner to acquire real property in New York City. The Company and its partners expect to own and operate a concept store and a restaurant in New York City and are discussing other possible concepts at the location. Concurrent with the signing of the agreement, the Company made an initial contribution for its 50% interest in the joint venture in the amount of $5.0 million. The Company will account for its 50% interest in the joint venture under the equity method from the effective date of the agreement.

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	23,500,000

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 15 days 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 Mr. Lauren have granted the U.S. Underwriters options exercisable for 30 days after the date of this Prospectus to purchase up to an aggregate of 3,525,000 additional shares of Class A Common Stock solely to cover overallotments, if any. If the U.S. Underwriters exercise their over-allotment options, 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 23,500,000 shares of Class A Common Stock offered. The Company and Mr. Lauren have granted the International Underwriters similar options to purchase up to an aggregate of 900,000 additional shares of Class A Common Stock. If the Underwriters exercise their options but not in full, the shares to be sold by Mr. Lauren pursuant to such options will be purchased by the Underwriters prior to any shares to be sold by the Company pursuant to such options.

The Company, its executive 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 Underwriting Agreement 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 shares of Class A Common Stock or any securities of the Company that are substantially similar to the Class A Common Stock, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, Class A Common Stock or any such substantially similar securities (other than pursuant to employee or director stock or stock option plans existing on the

date of this Prospectus or in connection with the PRC Acquisition) without the prior written consent of Goldman, Sachs & Co., as representative of the Underwriters, except for the shares of Class A Common Stock offered in connection with the concurrent U.S. Offering and International Offering.

The Underwriters have reserved for sale at the initial public offering price up to 2,950,000 shares which may be sold to the Company's management employees, customers and suppliers and other persons associated with the Company or affiliated with any director, officer or management employee of the Company. The number of shares available for sale to the general public will be reduced to the extent any reserved shares are purchased. Any reserved shares not so purchased will be offered by the Underwriters on the same basis as the other shares offered hereby.

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.

The Company's Class A Common Stock has been approved for listing, subject to notice of issuance, 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.

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, Morgan Stanley & Co. Incorporated, has served in

such role and has recommended a price in compliance with the requirements of Rule 2720. In connection with the Offerings, Morgan Stanley & Co. Incorporated 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.

Mr. Richard A. Friedman, a Managing Director of Goldman, Sachs & Co., will become a director of the Company prior to commencement of the Offerings.

The Chase Manhattan Bank is the agent and a lender under the New Credit Facility and will receive part of the proceeds of the Offering by reason of the repayment of amounts due under the New Credit Facility. In addition, The Chase Manhattan Bank from time to time performs general financing and banking services for the Company and receives customary compensation in connection with such services. Chase Securities Inc., an affiliate of The Chase Manhattan Bank, may be one of the Underwriters of the U.S. Offering. See "Use of Proceeds".

[POLO PLAYER ASTRIDE A HORSE LOGO FOLLOWED BY A LIST OF THE COMPANY'S BRANDS AND TRADE NAMES]

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.

Item	Amount
Securities and Exchange Commission registration fee	$ 257,008
New York Stock Exchange listing fee	$ 170,797
NASD filing fee	$ 30,500
Blue Sky fees and expenses*	$ 10,000
Legal fees and expenses*	$1,200,000
Accounting fees and expenses*	$ 700,000
Printing and engraving expenses*	$ 500,000
Registrar and transfer agent's fees*	$ 50,000
Miscellaneous*	$2,081,695
Total*	$5,000,000

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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 Six 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 Seven 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 Selling Stockholders and directors, certain officers, and controlling persons of the Company by the Underwriters against certain civil liabilities, including liabilities under the Securities Act.

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	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	Polo Ralph Lauren Corporation 1997 Long-Term Stock Incentive Plan+
10.2	Polo Ralph Lauren Corporation 1997 Stock Option Plan for Non-Employee Directors+

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS
10.3	Registration Rights Agreement dated as of June 9, 1997 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 2, 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	Amended and Restated Employment Agreement dated October 26, 1993 between Michael J. Newman and Polo Ralph Lauren Corporation, as amended and assigned October 31, 1994 to Polo Ralph Lauren, L.P. and as further amended as of June 9, 1997
10.18	Employment Agreement dated March 31, 1994 between John D. Idol and Polo Ralph Lauren Corporation, assigned October 31, 1994 to Polo Ralph Lauren, L.P.+
10.19	Employment Agreement dated April 2, 1995 between F. Lance Isham and Polo Ralph Lauren, L.P.+
10.20	Employment 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.+

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS
10.22	Stockholders Agreement dated as of June 9, 1997, 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.
10.23	Form of Reorganization Note
10.24	Form of Credit Agreement between Polo Ralph Lauren Corporation and The Chase Manhattan Bank
10.25	Form of Guarantee and Collateral Agreement made by Polo Ralph Lauren Corporation in favor of The Chase Manhattan Bank
10.26	Form of Indemnification Agreement between Polo Ralph Lauren Corporation and its Directors and Executive Officers
10.27	Employment Agreement dated June 9, 1997 between Ralph Lauren and Polo Ralph Lauren Corporation
16.1	Letter re Change in Certifying Accountant
21.1	List of Subsidiaries+
23.1	Consent of Mahoney, Cohen, Rashba & Pokart, CPA, PC
23.2	Consent of Deloitte & Touche LLP and Report on Schedule
23.3	Consent of Paul, Weiss, Rifkind, Wharton & Garrison (included in its opinion filed as Exhibit 5.1 to the Registration Statement)
23.4	Consent of Richard A. Friedman+

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+ Previously filed.

** 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

Schedule II Valuation and Qualifying Accounts

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 JUNE 10, 1997.

Polo Ralph Lauren Corporation

By: /s/ VICTOR COHEN

VICTOR COHEN
SENIOR VICE PRESIDENT,
GENERAL COUNSEL AND SECRETARY

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
* RALPH LAUREN	Chairman, Chief Executive Officer (principal executive officer) and Director	June 10, 1997
* MICHAEL J. NEWMAN	Vice-Chairman, Chief Operating Officer and Director	June 10, 1997
* NANCY A. PLATONI POLI	Vice-President and Chief Financial Officer (principal accounting and financial officer)	June 10, 1997

*By: /s/ VICTOR COHEN

VICTOR COHEN
ATTORNEY-IN-FACT

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 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
YEAR ENDED MARCH 29, 1997					
Allowance for doubtful accounts....	$ 5,554	$ 833	--	$ 98(a)	$ 6,289
Allowance for sales discounts......	5,500	27,308	--	26,252	6,556
	$ 11,054	$ 28,141	--	$26,350	$ 12,845

(a) Accounts written-off as uncollectible.

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS	SEQUENTIALLY NUMBERED PAGE
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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	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	Polo Ralph Lauren Corporation 1997 Long-Term Stock Incentive Plan+......	
10.2	Polo Ralph Lauren Corporation 1997 Stock Option Plan for Non-Employee Directors+..	
10.3	Registration Rights Agreement dated as of June 9, 1997 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 2, 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	Amended and Restated Employment Agreement dated October 26, 1993 between Michael J. Newman and Polo Ralph Lauren Corporation, as amended and assigned October 31, 1994 to Polo Ralph Lauren, L.P. and as further amended as of June 9, 1997..	
10.18	Employment Agreement dated March 31, 1994 between John D. Idol and Polo Ralph Lauren Corporation, assigned October 31, 1994 to Polo Ralph Lauren, L.P.+...	
10.19	Employment Agreement dated April 2, 1995 between F. Lance Isham and Polo Ralph Lauren, L.P.+..	
10.20	Employment 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	Stockholders Agreement dated as of June 9, 1997 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.................	
10.23	Form of Reorganization Note...	
10.24	Form of Credit Agreement between Polo Ralph Lauren Corporation and The Chase Manhattan Bank..	
10.25	Form of Guarantee and Collateral Agreement by Polo Ralph Lauren Corporation in favor of The Chase Manhattan Bank..............................	
10.26	Form of Indemnification Agreement between Polo Ralph Lauren Corporation and its Directors and Executive Officers...............................	
10.27	Employment Agreement dated June 9, 1997 between Ralph Lauren and Polo Ralph Lauren Corporation...	

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS	SEQUENTIALLY NUMBERED PAGE
16.1	Letter re Change in Certifying Accountant................................	
21.1	List of Subsidiaries+..	
23.1	Consent of Mahoney, Cohen, Rashba & Pokart, CPA, PC.....................	
23.2	Consent of Deloitte & Touche LLP and Report on Schedule.................	
23.3	Consent of Paul, Weiss, Rifkind, Wharton & Garrison (included in its opinion filed as Exhibit 5.1 to the Registration Statement).............	
23.4	Consent of Richard A. Friedman+...	

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+ Previously filed.

** 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 3.1

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

of

POLO RALPH LAUREN CORPORATION

(Originally Incorporated March 20, 1997)

POLO RALPH LAUREN CORPORATION, a corporation organized and existing under the laws of the State of Delaware (hereinafter called the "Corporation"), hereby certifies pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware (the "General Corporation Law") as follows:

FIRST: The Corporation's name is Polo Ralph Lauren Corporation and it was originally incorporated under such name.

SECOND: The Certificate of Incorporation of the Corporation was filed with the Secretary of State on March 20, 1997. An Amended and Restated Certificate of Incorporation was filed with the Secretary of State on April 1, 1997.

THIRD: This Amended and Restated Certificate of Incorporation amends and restates the Certificate of Incorporation of the Corporation, as previously amended and now in effect. This Amended and Restated Certificate of Incorporation was adopted by the Board of Directors and stockholders of the Corporation entitled to vote in respect thereof in the manner and by the vote prescribed by Section 242 of the General Corporation Law to read as follows:

1. Name. The name of the corporation is Polo Ralph Lauren Corporation (the "Corporation").

2. Address; Registered Office and Agent. The address of the Corporation's registered office is 1013 Centre Road, County of New Castle, State of Delaware; and its registered agent at such address is Corporation Service Company.

3. Purposes. The purpose of the Corporation is to engage in, carry on and conduct any lawful act or activity for which corporations may be organized under the General Corporation Law.

4. Capital Stock.

4.1 Authorized Capital Stock. The total number of shares of stock that the Corporation shall have the authority to issue is seven-hundred million (700,000,000) shares, consisting of (a) five-hundred million (500,000,000) shares of Class A Common Stock, par value $.01 per share (the "Class A Common Stock"); (b)one-hundred million (100,000,000) shares of Class B Common Stock, par value $.01 per share (the "Class B Common Stock"); (c) seventy-million (70,000,000) shares of Class C Common Stock, par value $.01 per share (the "Class C Common Stock"); and (d) thirty million (30,000,000) shares of Preferred Stock, par value $.01 per share (the "Preferred Stock"), issuable in one or more series as hereinafter provided. The Class A Common Stock, the Class B Common Stock and the Class C Common Stock shall hereinafter collectively be called the "Common Stock." The number of authorized shares of any class or classes of capital stock of the Corporation may be

increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of the stock of the Corporation entitled to vote generally in the election of directors irrespective of the provisions of Section 242(b)(2) of the General Corporation Law or any corresponding provision hereinafter enacted.

4.2 Terms of Common Stock. All shares of Common Stock will be identical in all respects and will entitle the holders thereof to the same rights and privileges, except as otherwise provided herein.

(a) Voting Rights. The holders of shares of Common Stock shall have the following voting rights:

(i) Each share of Class A Common Stock and Class C Common Stock shall entitle the holder thereof to one vote in person or by proxy on all matters submitted to a vote of the stockholders of the Corporation.

(ii) Each share of Class B Common Stock shall entitle the holder thereof to ten votes in person or by proxy on all matters submitted to a vote of the stockholders of the Corporation.

(iii) Except for the election and the removal of directors described below, and as otherwise required by applicable law, the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation (or, except for

the election or the removal of directors entitled to be elected by the holders of Common Stock described below, if any holders of shares of Preferred Stock are entitled to vote together with the holders of Common Stock, as a single class with such holders of shares of Preferred Stock).

(iv) With respect to the annual election of directors, the holders of Common Stock shall be entitled to elect directors as follows (exclusive of those directors permitted to be elected by holders of any series of Preferred Stock ("Preferred Directors")):

(1) When there are shares of Class A Common Stock, shares of Class B Common Stock and shares of Class C Common Stock outstanding, and if on the record date for any meeting of stockholders of the Corporation the number of shares of Class B Common Stock and Class C Common Stock are each equal to or greater than 10% of the greater of the aggregate number of outstanding shares of all classes of Common Stock immediately upon the consummation of the (i) Transfer Closing Date (as defined in the Assignment and Assumption Agreement made as of April 6, 1997 by and between 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., Bridge Street Fund 1994, L.P., and the Corporation) and (ii) the

offering contemplated by Registration Statement No. 333-24733 (the "IPO") (adjusted for stock splits, stock dividends, reclassifications, recapitalizations and reverse stock splits and similar transactions), (a) the holders of the Class A Common Stock, voting as a separate class, are entitled to elect one (1) director if the Board (exclusive of Preferred Directors) consists of less then ten directors, two (2) directors if the Board (exclusive of Preferred Directors) consists of at least 10 but less than 19 members and three (3) directors if the Board (exclusive of Preferred Directors) consists of 19 or more directors, (b) the holders of the Class C Common Stock, voting as a separate class, are entitled to elect one (1) director if the Board (exclusive of Preferred Directors) consists of less than 13 directors and two (2) directors if the Board (exclusive of Preferred Directors) consists of 13 or more directors and (c) the holders of the Class B Common Stock, voting as a separate class, are entitled to elect all other directors.

(2) When there are shares of Class A Common Stock and Class B Common Stock outstanding, but no shares of Class C Common Stock are outstanding, and, if on the record date for any meeting of stockholders of the Corporation the number of outstanding shares of Class B Common Stock is at least 10% of the greater of the aggregate number of outstanding shares of all classes of

Common Stock immediately upon the consummation of the (i) Transfer Closing Date and (ii) the IPO (adjusted for stock splits, stock dividends, reclassifications, recapitalizations and reverse stock splits and similar transactions), (a) the holders of the Class A Common Stock, voting as a separate class, shall be entitled to elect two (2) directors if the Board (exclusive of Preferred Directors) consists of less than ten directors, three (3) directors if the Board (exclusive of Preferred Directors) consists of at least 10 but less than 13 directors, four (4) directors if the Board (exclusive of Preferred Directors) consists of at least 13 but less than 19 members and five (5) directors if the Board (exclusive of Preferred Directors) consists of 19 or more directors and (b) the holders of Class B Common Stock, voting as a separate class, shall be entitled to elect all other directors.

(3) Under all circumstances, if on the record date for any meeting of stockholders of the Corporation the number of outstanding shares of Class B Common Stock has fallen below 10% of the greater of the aggregate number of outstanding shares of all classes of Common Stock immediately upon the consummation of (i) the Transfer Closing Date and (ii) the IPO (adjusted for stock splits, stock dividends, reclassifications, recapitalizations and reverse stock splits and similar transactions), directors that would have been elected by

a separate vote of the holders of the Class A Common Stock and Class B Common Stock (if any), respectively, will instead be elected by the holders of the Class A Common Stock and the holders of the Class B Common Stock (if any), voting together, with holders of Class A Common Stock having one vote per share and holders of Class B Common Stock (if any) having ten votes per share.

(4) Under all circumstances, so long as on the record date of any meeting of stockholders of the Corporation the number of outstanding shares of Class C Common Stock is not less than 10% of the greater of the aggregate number of outstanding shares of Common Stock immediately upon the consummation of (i) the Transfer Closing Date and (ii) the IPO (adjusted for stock splits, stock dividends, reclassifications, recapitalizations and reverse stock splits and similar transactions), then the holders of the Class C Common Stock, voting as a separate class, shall be entitled to elect one (1) director if the Board (exclusive of Preferred Directors) consists of less than 13 directors and two (2) directors if the Board (exclusive of Preferred Directors) consists of 13 or more directors.

(5) Whenever there is only one class of Common Stock outstanding, the holders of such class of Common Stock shall be entitled to elect all of the directors.

(v) Directors may be removed, with or without cause, only by the holders of the class or classes of Common Stock or series of Preferred Stock that, as of the date such removal is effected, would be entitled to elect such directorship at the next annual meeting of stockholders. Vacancies in a directorship may be filled only by (a) the remaining directors elected by holders of each class of Common Stock or series of Preferred Stock that (x) elected such directorship and (y) as of the date such vacancy is filled, would be entitled to elect such directorship at the next annual meeting of stockholders or, (b) if there are no such remaining directors, then by the vote of the holders of the class or classes of Common Stock or series of Preferred Stock that, as of the date such vacancy is filled, would be entitled to elect such directorship at the next annual meeting of stockholders, voting as a separate class at a meeting, special or otherwise, of the holders of Common Stock of such class or classes or series of Preferred Stock. Notwithstanding the above sentence, any vacancy or vacancies in existence immediately following the adoption of this Amended and Restated Certificate of Incorporation in a directorship of a class for which there are no directors elected by such class may be filled by the affirmative votes of a majority of the remaining Board members, although less than a quorum, until such time as there is a meeting, special or otherwise, of the holders of Common Stock of such class at which time such vote to elect such director or directors shall take place.

(b) Dividends and Distributions.

(i) Subject to the preferences applicable to Preferred Stock outstanding at any time, the holders of shares of Common Stock shall be entitled to receive such dividends and other distributions in cash, property or shares of stock of the Corporation as may be declared thereon by the Board of Directors from time to time out of assets or funds of the Corporation legally available therefor; provided, that, subject to the provisions of this Section 4.2(b), and except with respect to the Second Dividend (as defined below), the Corporation shall not pay dividends or make distributions to any holders of any class of Common Stock unless simultaneously with such dividend or distribution, as the case may be, the Company makes the same dividend or distribution with respect to each outstanding share of Common Stock regardless of class. In the case of dividends or other distributions payable in Class A Common Stock, Class B Common Stock or Class C Common Stock, including distributions pursuant to stock splits or divisions of Class A Common Stock, Class B Common Stock or Class C Common Stock which occur after the first date upon which the Corporation has issued shares of either Class A Common Stock, Class B Common Stock or Class C Common Stock, only shares of Class A Common Stock shall be distributed with respect to Class A Common Stock, only shares of Class B Common Stock shall be distributed with respect to Class B Common Stock, and only shares of Class C Common Stock shall be

distributed with respect to Class C Common Stock. Whenever a dividend or distribution, including distributions pursuant to stock splits or divisions of the Common Stock, is payable in shares of Class A Common Stock, Class B Common Stock or Class C Common Stock, the number of shares of each class of Common Stock payable per share of such class of Common Stock shall be equal in number. In the case of dividends or other distributions consisting of other voting securities of the Corporation or of voting securities of any corporation which is a wholly-owned subsidiary of the Corporation, the Corporation shall declare and pay such dividends in three separate classes of such voting securities, identical in all respects, except that (i) the voting rights of each such security paid to the holders of Class A Common Stock and Class C Common Stock shall be one-tenth of the voting rights of each such security paid to the holders of Class B Common Stock, (ii) such security paid to the holders of Class B Common Stock shall convert into the security paid to the holders of Class A Common Stock upon the same terms and conditions applicable to the conversion of Class B Common Stock into Class A Common Stocks and shall have the same restrictions on transfer and ownership applicable to the transfer and ownership of the Class B Common Stock, (iii) such security paid to the holders of Class C Common Stock shall convert into the security paid to the holders of Class A Common Stock upon the same terms and conditions applicable to the conversion of Class C Common Stock into Class A Common

Stock and shall have the same restrictions on transfer and ownership applicable to the transfer and ownership of the Class C Common Stock and (iv) with respect only to dividends or other distributions of voting securities of any corporation which is a wholly-owned subsidiary of the Company, the respective voting rights of each such security paid to holders of Class A Common Stock, Class B Common Stock and Class C Common Stock with respect to the election of directors shall otherwise be as comparable as is practicable to those of the Class A Common Stock, Class B Common Stock and Class C Common Stock, respectively. In the case of dividends or other distributions consisting of securities convertible into, or exchangeable for, voting securities of the Corporation or voting securities of another corporation which is a wholly-owned subsidiary of the corporation, the Corporation shall provide that such convertible or exchangeable securities and the underlying securities be identical in all respects (including, without limitation, the conversion or exchange rate), except that (i) the voting rights of each security underlying the convertible or exchangeable security paid to the holders of Class A Common Stock and Class C Common Stock shall be one-tenth of the voting rights of each security underlying the convertible or exchangeable security paid to the holders of the Class B Common Stock, (ii) such underlying securities paid to the holders of Class B Common Stock shall convert into the underlying securities paid to the holders of Class A Common Stock upon the same terms and conditions

applicable to the conversion of Class B Common Stock into Class A Common Stock and shall have the same restrictions on transfer and ownership applicable to the transfer and ownership of the Class B Common Stock and (iii) such underlying securities paid to the holders of Class C Common Stock shall convert into the underlying securities paid to holders of Class A Common Stock upon the same terms and conditions applicable to the conversion of Class C Common Stock into Class A Common Stock and shall have the same restrictions on transfer and ownership applicable to the transfer and ownership of the Class C Common Stock.

(ii) Notwithstanding anything contained in Section 4.2(b)(i) above, the holders of shares of Class B Common Stock and Class C Common Stock may be entitled, if so determined by the Board of Directors of the Corporation, to receive a one-time dividend (the "Second Dividend") in an amount equal to the aggregate previously undistributed taxable income, if any, of Polo Ralph Lauren Enterprises, L.P., Polo Ralph Lauren, L.P. and The Ralph Lauren Womenswear Company, L.P. (the "Operating Partnerships") through the date on which the Operating Partnerships became directly or indirectly wholly owned by the Corporation, with the holders of shares of Class B Common Stock and the holders of shares of Class C Common Stock entitled to receive in the aggregate 71.5% and 28.5%, respectively of such Second Dividend.

(c) Conversion of Class B Common Stock and Class C Common Stock.

(i) Each holder of Class B Common Stock or Class C Common Stock shall be entitled to convert, at any time and from time to time, any or all of the shares of such holder's Class B Common Stock or Class C Common Stock, as the case may be, on a one-for-one basis, into the same number of fully paid and non-assessable shares of Class A Common Stock. Such right shall be exercised by the surrender of the certificate or certificates representing the shares of Class B Common Stock or Class C Common Stock to be converted to the Corporation at any time during normal business hours at the principal executive offices of the Corporation or at the office of the Transfer Agent, accompanied by a written notice of the holder of such shares stating that such holder desires to convert such shares, or a stated number of the shares represented by such certificate or certificates, into an equal number of shares of the Class A Common Stock, and (if so required by the Corporation or the Transfer Agent) by instruments of transfer, in form satisfactory to the corporation and to the Transfer Agent, duly executed by such holder or such holder's duly authorized attorney, and transfer tax stamps or funds therefor, if required pursuant to Section 4.2(c)(vi).

(ii) If, on the record date for any meeting of stockholders of the Corporation, the number of shares of Class C Common

Stock outstanding constitutes less than 10% of the greater of the aggregate number of shares of Common Stock outstanding immediately upon the consummation of (i) the Transfer Closing Date and (ii) the IPO (adjusted for stock splits, stock dividends, reclassifications, recapitalizations and reverse stock splits and similar transactions), each share of Class C Common Stock then issued or outstanding shall thereupon be converted automatically as of such date into one (1) fully paid and non-assessable share of Class A Common Stock. Upon the making of such determination, notice of such automatic conversion shall be given by the Corporation by means of a press release and written notice to all holders of Class C Common Stock, and shall be given as soon as practicable, and the Secretary of the Corporation shall be instructed to, and shall promptly request from each holder of Class C Common Stock that each such holder promptly deliver, and each such holder shall promptly deliver, the certificate representing each such share of Class C Common Stock to the Corporation for exchange hereunder, together with instruments of transfer, in form satisfactory to the Corporation and Transfer agent, duly executed by such holder or such holder's duly authorized attorney, and together with transfer tax stamps or funds therefore, if required pursuant to Section 4.2(c)(vi).

(iii) As promptly as practicable following the surrender for conversion of a certificate representing shares of Class B Common Stock or Class C Common Stock in the manner provided in Section 4.2(c)(i) or

Section 4.2(c)(ii), as applicable, and the payment in cash of any amount required by the provisions of Section 4.2(c)(vi), the Corporation will deliver or cause to be delivered at the office of the Transfer Agent, a certificate or certificates representing the number of full shares of Class A Common Stock issuable upon such conversion, issued in such name or names as such holder may direct. Such conversion shall be deemed to have been effected immediately prior to the close of business on the date of the surrender of the certificate or certificates representing shares of Class B Common Stock or Class C Common Stock. Upon the date any such conversion is made or effected, all rights of the holder of such shares as such holder shall cease, and the person or persons in whose name or names the certificates or certificates representing the shares of Class A Common Stock are to be issued shall be treated for all purposes as having become the record holder or holders of such shares of Class A Common Stock; provided, however, that if any such surrender and payment occurs on any date when the stock transfer books of the Corporation shall be closed, the person or persons in whose name or names the certificate or certificates representing shares of Class A Common Stock are to be issued shall be deemed the record holder or holders thereof for all purposes immediately prior to the close of business on the next succeeding day on which the stock transfer books are open.

(iv) In the event of a reclassification or other similar transaction as a result of which the shares of Class A Common Stock are converted into another security, then a holder of Class B Common Stock or Class C Common Stock shall be entitled to receive upon conversion the amount of such security that such holder would have received if such conversion had occurred immediately prior to the record date of such reclassification or other similar transaction. No adjustments in respect of dividends shall be made upon the conversion of any share of Class B Common Stock or Class C Common Stock; provided, however, that if a share shall be converted subsequent to the record date for the payment of a dividend or other distribution on shares of Class B Common Stock or Class C Common Stock but prior to such payment, then the registered holder of such share at the close of business on such record date shall be entitled to receive the dividend or other distribution payable on such share on such date notwithstanding the conversion thereof or the Corporation's default in payment of the dividend due on such date.

(v) The Corporation covenants that it will at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock, solely for the purpose of issuance upon conversion of the outstanding shares of Class B Common Stock or Class C Common Stock, such number of shares of Class A Common Stock that shall be issuable upon the conversion of all such outstanding shares of Class B Common Stock or Class C

Common Stock; provided that, nothing contained herein shall be construed to preclude the Corporation from satisfying its obligations in respect of the conversion of the outstanding shares of Class B Common Stock or Class C Common Stock by delivery of purchased shares of Class A Common Stock which are held in the treasury of the Corporation. The Corporation covenants that if any shares of Class A Common Stock require registration with or approval of any governmental authority under any federal or state law before such shares of Class A Common stock may be issued upon conversion, the Corporation will cause such shares to be duly registered or approved, as the case may be. The Corporation will use its best efforts to list the shares of Class A Common Stock required to be delivered upon conversion prior to such delivery upon each national securities exchange upon which the outstanding Class A Common Stock is listed at the time of such delivery. The Corporation covenants that all shares of Class A Common Stock that shall be issued upon conversion of the shares of Class B Common Stock or Class C Common Stock will, upon issue, be validly issued, fully paid and non-assessable.

(vi) The issuance of certificates for shares of Class A Common Stock upon conversion of shares of Class B Common Stock or Class C Common Stock shall be made without charge to the holders of such shares for any stamp or other similar tax in respect of such issuance; provided, however, that, if any such certificate is to be issued in a name other than that of

the holder of the share or shares of Class B Common Stock or Class C Common Stock converted, then the person or persons requesting the issuance thereof shall pay to the Corporation the amount of any tax that may be payable in respect of any transfer involved in such issuance or shall establish to the satisfaction of the Corporation that such tax has been paid.

(vii) Shares of Class B Common Stock or Class C Common Stock that are converted into shares of Class A Common Stock as provided herein shall continue to be authorized shares of Class B Common Stock or Class C Common Stock and available for reissue by the Corporation; provided, however, that no shares of Class B Common Stock or Class C Common Stock shall be reissued except as expressly permitted by Sections 4.2(b) and 4.2(d) of this Amended and Restated Certificate of Incorporation.

(d) Stock Splits. The Corporation shall not in any manner subdivide (by any stock split, stock dividend, reclassification, recapitalization or otherwise) or combine (by reverse stock split, reclassification, recapitalization or otherwise) the outstanding shares of one class of Common Stock unless the outstanding shares of all classes of Common Stock shall be proportionately subdivided or combined.

(e) Options, Rights or Warrants.

(i) The Corporation shall not make any offering of options, rights or warrants to subscribe for shares of Class B Common Stock or Class C Common Stock. If the Corporation makes an offering of options, rights or warrants to subscribe for shares of any other class or classes of capital stock (other than Class B Common Stock or Class C Common Stock) to all holders of a class of Common Stock then the Corporation shall simultaneously make an identical offering to all holders of the other classes of Common Stock other than to any class of Common Stock the holders of which, voting as a separate class, determine that such offering need not be made to such class. All such options, rights or warrants offerings shall offer the respective holders of Class A Common Stock, Class B Common Stock and Class C Common Stock the right to subscribe at the same rate per share.

(ii) Subject to Section 4.2(c)(iv) and 4.2(e)(i), the Corporation shall have the power to create and issue, whether or not in connection with the issue and sale of any shares of stock or other securities of the Corporation, rights or options entitling the holders thereof to purchase from the Corporation any shares of its capital stock of any class or classes at the time authorized (other than Class B Common Stock or Class C Common Stock), such rights or options to have such terms and conditions, and to be evidenced by or

in such instrument or instruments, as shall be approved by the Board of Directors.

(f) Mergers, Consolidation, Etc. In the event that the Corporation shall enter into any consolidation, merger, combination or other transaction in which shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then, and in such event, the shares of each class of Common Stock shall be exchanged for or changed into either (1) the same amount of stock, securities, cash and/or any other property, as the case may be, into which or for which each share of any other class of Common Stock is exchanged or changed; provided, however, that if shares of Common Stock are exchanged for or changed into shares of capital stock, such shares so exchanged for or changed into may differ to the extent and only to the extent that the Class A Common Stock, the Class B Common Stock and the Class C Common Stock differ as provided herein or (2) if holders of each class of Common Stock are to receive different distributions of stock, securities, cash and/or any other property, an amount of stock, securities, cash and/or property per share having a value, as determined by an independent investment banking firm of national reputation selected by the Board of Directors, equal to the value per share into which or for which each share of any other class of Common Stock is exchanged or changed.

(g) Liquidation Rights. In the event of any dissolution, liquidation or winding up of the affairs of the Corporation, whether voluntary or involuntary, after payment or provision for payment of the debts and other

liabilities of the Corporation and after making provision for the holders of each series of Preferred Stock, if any, the remaining assets and funds of the Corporation, if any, shall be divided among and paid ratably to the holders of the shares of the Class A Common Stock, the Class B Common Stock and the Class C Common Stock treated as a single class.

(h) No Preemptive Rights. Except as provided in Section 4.2(e), the holders of shares of Common Stock are not entitled to any preemptive right to subscribe for, purchase or receive any part of any new or additional issue of stock of any class, whether now or hereafter authorized, or of bonds, debentures or other securities convertible into or exchangeable for stock.

(i) Transfer of Class B Common Stock.

(i) No person may, directly or indirectly, sell (whether by involuntary or judicial sale or otherwise), assign, transfer, grant a security interest in, pledge, encumber, hypothecate, give (by bequest, gift or appointment) or otherwise (voluntarily or by operation of law) dispose of (collectively, "Transfer") any interest in his, her or its shares of Class B Common Stock (or in any shares of Class B Common Stock held by such person for the benefit of or on the behalf of another person) (including, without limitation, the power to vote or provide a consent with respect to his, her or its shares of Class B Common Stock by proxy or otherwise, except for proxies given to any Class B Permitted Holder (as defined below) or to a person

designated by the Board of Directors of the Corporation who is soliciting proxies on behalf of the Corporation), and the Corporation and the transfer agent for the Class B Common Stock, if any (the "Class B Transfer Agent"), shall not register the Transfer of such shares of Class B Common Stock, except to the Corporation or a Class B Permitted Holder; provided, however, such restrictions on transfer shall not apply to a merger, consolidation or business combination of the Corporation with or into another corporation pursuant to which all of the outstanding shares of each class of Common Stock and Preferred Stock of the Company is being acquired. Any transfer of Class B Common Stock in violation of this Section 4.2(i) shall be null and void ab initio, and the Corporation shall not register such Transfer. For the purposes of this Article Four, a "Class B Permitted Holder" shall include 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, the spouse of Ralph Lauren and/or Lauren Descendants; (ii) any other corporation if at least a

majority of the value of its outstanding equity is owned by Class B Permitted Holders; (iii) any partnership if at least a majority of the economic interest of its partnership interests are owned by Class B Permitted Holders; and (iv) any limited liability or similar company if at least a majority of the economic interest of the Company is owned by Class B Permitted Holders. The term "Lauren Family Trust" includes trusts the primary beneficiaries of which are Mr. Lauren, the spouse of Ralph Lauren, Lauren Descendants, Mr. Lauren's siblings, spouses of Lauren Descendants and their respective estates, guardians, conservators or committees and/or charitable organizations (collectively, "Lauren Beneficiaries"), 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 Class B Permitted Holder. For purposes of this provision, the primary beneficiaries of a trust will be deemed to be Lauren Beneficiaries if, under the maximum exercise of discretion by the trustee in favor of persons who are not Lauren Beneficiaries, the value of the interests of such persons in such trust, computed actuarially, is 50% or less. The factors and methods prescribed in section 7520 of the Internal Revenue Code of 1986, as amended, for use in ascertaining the value of certain interests shall be used in determining a beneficiary's actuarial interest in a trust for purposes of applying this provision. For purposes of this provision, the actuarial value of the interest in a trust of any person in whose favor a testamentary power of appointment may be

exercised shall be deemed to be zero. For purposes of this provision, in the case of a trust created by a Lauren Descendant, the actuarial value of the interest in such trust of any person who may receive trust property only at the termination of the trust and then only in the event that, at the termination of the trust, there are no living issue of such Lauren Descendant shall be deemed to be zero.

(ii) Notwithstanding anything to the contrary set forth herein, any Class B Permitted Holder may pledge his, her or its shares of Class B Common Stock to a financial institution pursuant to a bona fide pledge of such shares as collateral security for indebtedness due to the pledgee; provided, that, such shares shall remain subject to the provisions of this Section 4.2(i). In the event of foreclosure or other similar action by the pledgee, such pledged shares of Class B Common Stock may only be transferred to a Class B Permitted Holder or converted into shares of Class A Common Stock, as the pledgee may elect.

(iii) For purposes of this Section 4.2(i) and 4.2(j):

(1) the relationship of any person that is derived by or through legal adoption shall be considered a natural relationship;

(2) a minor who is a descendant of Ralph Lauren and for whom shares of Class B Common Stock are held pursuant to a Uniform Gifts to Minors Act or similar law shall be considered a Class B Permitted Holder and the custodian who is the record holder of such shares shall not be considered the Class B Permitted Holder of such shares;

(3) an incompetent stockholder who is a Class B Permitted Holder but whose shares are owned or held by a guardian or conservator shall be considered a Class B Permitted Holder of such shares and such guardian or conservator who is the holder of such shares shall not be considered the Class B Permitted Holder of such shares;

(4) unless otherwise specified, the term "person" means and includes natural persons, corporations, partnerships, unincorporated associations, firms, joint ventures, trusts and all other entities; and

(5) except as provided in clauses (2) and (3) above, for purposes of determining whether the holder of shares of Class B Common Stock is a Class B Permitted Holder, the record holder of such share shall be considered the holder; provided, however, that if such record holder is a nominee, the holder for purposes of

determining whether the holder of shares of Class B Common Stock is a Class B Permitted Holder shall be the first person in the chain of ownership of such share of Class B Common Stock who is not holding such share solely as a nominee.

(iv) Each certificate representing shares of Class B Common Stock shall be endorsed with a legend that states that shares of Class B Common Stock are not transferable other than to certain transferees and are subject to certain restrictions as set forth in this Amended and Restated Certificate of Incorporation filed by the Corporation with the Secretary of State of the State of Delaware.

(v) Notwithstanding anything to the contrary set forth, any holder of Class B Common Stock may Transfer shares of Class B Common Stock to the underwriters of the IPO pursuant to the terms of the underwriting agreements entered into by such holder of Class B Common Stock with respect to the IPO and the ownership of shares of Class B Common Stock by such underwriters as a result of such Transfer will not result in the conversion of the transferred shares of Class B Common Stock into shares of Class A Common Stock until the closing of the IPO at which time such shares of Class B Common Stock shall automatically convert into shares of Class A Common Stock.

(j) Transfer of Class C Common Stock.

(i) No person may Transfer any interest in his, her or its shares of Class C Common Stock (or in any shares of Class C Common Stock held for the benefit of or on the behalf of another person) (including, without limitation, the power to vote or provide a consent with respect to his, her or its shares of Class C Common Stock by proxy or otherwise, except for proxies given to any Class C Permitted Holder (as defined below) or to a person designated by the Board of Directors of the Corporation who is soliciting proxies on behalf of the Corporation), and the Corporation and the transfer agent for the Class C Common Stock, if any (the "Class C Transfer Agent"), shall not register the Transfer of such shares of Class C Common Stock, except to the Corporation or a Class C Permitted Holder; provided, however, such restrictions on transfer shall not apply to a merger, consolidation or business combination of the Corporation with or into another corporation pursuant to which all of the outstanding shares of each class of Common Stock and Preferred Stock of the Company is being acquired. Any transfer of Class C Common Stock in violation of this Section 4.2(j) shall be null and void ab initio, and the Corporation shall not register such Transfer. For the purposes of this Article Four, a "Class C Permitted Holder" shall include only the following persons: GS Capital Partners, L.P., a Delaware limited partnership, Stone Street Fund 1994, L.P., a Delaware limited partnership, and Bridge Street Fund

1994, L.P., a Delaware limited partnership (collectively, the "GS Group"), and, until April 15, 2002, any Successor (as hereinafter defined) of any member of the GS Group. For purposes of the immediately preceding sentence, "a Successor" means, with respect to any member of the GS Group, an investment entity, similar in form and purpose to that of such member of the GS Group, that is controlled by the same entity that controlled such member of the GS Group immediately prior to the transfer of Class C Common Stock to such investment entity. For purposes of the previous sentence, "controls" when used with respect to any member of the GS Group means the power to direct the management and policies of such member of the GS Group directly or indirectly, whether through ownership of voting securities, by contract or otherwise; and the term "controlled" has the meaning correlative to the foregoing.

(ii) For purposes of this Section 4.2(j), for purposes of determining whether the holder of shares of Class C Common Stock is a Class C Permitted Holder, the record holder of such share shall be considered the holder; provided, however, that if such record holder is a nominee, the holder for purposes of determining whether the holder of shares of Class C Common Stock is a Class C Permitted Holder shall be the first person in the chain of ownership of such share of Class C Common Stock who is not holding such share solely as a nominee.

(iii) Notwithstanding anything to the contrary set forth, any holder of Class C Common Stock may Transfer shares of Class C Common Stock to the underwriters of the IPO pursuant to the terms of the underwriting agreements entered into by such holder of Class C Common Stock with respect to the IPO and the ownership of shares of Class C Common Stock by such underwriters as a result of such Transfer will not result in the conversion of the transferred shares of Class C Common Stock into shares of Class A Common Stock until the closing of the IPO at which time such shares of Class C Common Stock shall automatically convert into shares of Class A Common Stock.

(iv) Each certificate representing shares of Class C Common Stock shall be endorsed with a legend that states that shares of Class C Common Stock are not transferable other than to certain transferees and are subject to certain restrictions as set forth in this Amended and Restated Certificate of Incorporation filed by the Corporation with the Secretary of State of the State of Delaware.

(k) Certain Automatic Conversions of Class B Common Stock and Class C Common Stock. Subject to Section 4.2(i), at such time as a person ceases to be a Class B Permitted Holder, any and all shares of Class B Common Stock held by such person at such time shall automatically convert into shares of Class A Common Stock, provided that, no conversion shall occur upon the pledge of

a Class B Permitted Holder's share of Class B Common Stock to a financial institution as contemplated by and pursuant to Section 4.2(i)(ii). Subject to Section 4.2(j), at such time as a person ceases to be a Class C Permitted Holder, any and all shares of Class C Common Stock held by such person at such time shall automatically convert into shares of Class A Common Stock, provided that no conversion shall occur upon the Transfer of shares of Class B Common Stock or Class C Common Stock to the underwriters of the IPO as contemplated by and pursuant to Sections 4.2(i)(v) and 4.2(j)(iii), respectively.

(l) Restrictions on Issuance. The Corporation shall not issue or sell (x) any shares of Class B Common Stock or any securities (including, without limitation, any rights, options, warrants or other securities) convertible, exchangeable or exercisable into shares of Class B Common Stock to any person that is not a Class B Permitted Holder and (y) any shares of Class C Common Stock or any securities (including, without limitation, any rights, options, warrants or other securities) convertible, exchangeable or exercisable into shares of Class C Common Stock to any person that is not a Class C Permitted Holder. Any issuance or sale of shares of Class B Common Stock or Class C Common Stock (or securities convertible into, or exchangeable or exercisable for, shares of Class B Common Stock or Class C Common Stock) in violation of this Section 4.2(i) shall be null and void ab initio.

4.3 Preferred Stock. Shares of Preferred Stock may be issued from time to time in one or more series of any number of shares provided that the

aggregate number of shares issued and not canceled of any and all series shall not exceed the total number of shares of Preferred Stock hereinabove authorized. The Board of Directors is authorized, by resolution adopted and filed in accordance with law, to provide for the issue of such series of shares of Preferred Stock. Each series of shares of Preferred Stock: (a) may have such voting powers, full or limited, or may be without voting powers; provided, however, that, unless holders of at least seventy-five percent (75%) of the outstanding shares of Class B Common Stock have approved the issuance of such shares of Preferred Stock, the Board of Directors may not issue any shares of Preferred Stock that have the right (i) to vote for the election of directors under ordinary circumstances, or (ii) under any circumstances to elect fifty percent (50%) or more of the directors of the Corporation; (b) may be subject to redemption at such time or times and at such prices; (c) may be entitled to receive dividends (which may be cumulative or non-cumulative) at such rate or rates, on such conditions and at such times, and payable in preference to, or in such relation to, the dividends payable on any other class or classes or series of stock; (d) may have such rights upon the dissolution of, or upon any distribution of the assets of, the Corporation; (e) may be made convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same or any other class or classes of stock of the Corporation or such other corporation or other entity at such price or prices or at such rates of exchange and with such adjustments; (f) may be entitled to the benefit of a sinking fund to be applied to the purchase or redemption of shares of such series in such amount or

amounts; (g) may be entitled to the benefit of conditions and restrictions upon the creation of indebtedness of the Corporation or any subsidiary, upon the issue of any additional shares (including additional shares of such series or of any other series) and upon the payment of dividends or the making of other distributions on, and the purchase, redemption or other acquisition by the Corporation or any subsidiary of, any outstanding shares of the Corporation; and (h) may have such other relative, participating, optional or other special rights, qualifications, limitations or restrictions thereof, all as shall be stated in said resolution or resolutions providing for the issue of such shares of Preferred Stock. Any of the voting powers, designations, preferences, rights and qualifications, limitations or restrictions of any such series of Preferred Stock may be made depended upon facts ascertainable outside of the resolution or resolutions provided for the issue of such Preferred Stock adopted by the Board of Directors pursuant to the authority vested in it by this Section 4.3, provided that the manner in which such facts shall operate upon the voting powers, designations, preferences, rights and qualifications, limitations or restrictions of such series of Preferred Stock is clearly and expressly set forth in the resolution or resolutions provided for the issue of such Preferred Stock. The term "facts" as used in the next preceding sentence shall have the meaning given to it in Section 151(a) of the General Corporation Law. Shares of Preferred Stock of any series that have been redeemed or repurchased by the Corporation (whether through the operation of a sinking fund or otherwise) or that, if convertible or exchangeable, have been converted or exchanged in

accordance with their terms shall be retired and have the status of authorized and unissued shares of Preferred Stock of the same series and may be reissued as a part of the series of which they were originally a part or may, upon the filing of an appropriate certificate with the Delaware Secretary of State, be reissued as part of a new series of shares of Preferred Stock to be created by resolution or resolutions of the Board of Directors or as part of any other series of shares of Preferred Stock, all subject to the conditions or restrictions on issuance set forth in the resolution or resolutions adopted by the Board of Directors providing for the issue of any series of shares of Preferred Stock. Notwithstanding anything herein to the contrary, in no event shall any series of shares of Preferred Stock be entitled to vote together with any class of Common Stock with respect to the election of any directors entitled to be elected by such class of Common Stock pursuant to Section 4.2(a)(iv).

5. Board of Directors.

5.1 Number of Directors. The number of Directors shall be between six and twenty (plus any directors which are entitled to be elected by any series of Preferred Stock pursuant to the terms thereof). Initially, the number of Directors shall be set at six. The use of the phrase "Entire Board" refers to the total number of directors in office, whether or not present at a meeting of the Board, but disregarding vacancies.

5.2 Powers of the Board of Directors. The business and affairs of the Corporation shall be managed by or under the direction of the Board of

Directors selected as provided by law and this Amended and Restated Certificate of Incorporation and the By-laws of the Corporation (the "By-laws"). In furtherance, and not in limitation, of the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized to:

(a) adopt, amend, alter, change or repeal By-laws of the Corporation; provided, however, that no By-law hereafter adopted shall invalidate any prior act of the Corporation that would have been valid if such new By-laws had not been adopted;

(b) subject to the By-laws as from time to time in effect, determine the rules and procedures for the conduct of the business of the Board of Directors and the management and direction by the Board of Directors of the business and affairs of the Corporation, including the power to designate and empower committees of the Board of Directors, to elect, or authorize the appointment of, and empower officers and other agents of the Corporation, and to determine the time and place of, the notice requirements for, and the manner of conducting, Board meetings, as well as other notice requirements for, and the manner of taking, Board action; and

(c) exercise all such powers and do all such acts as may be exercised or done by the Corporation, subject to the provisions of the General Corporation Law and this Amended and Restated Certificate of Incorporation and Bylaws of the Corporation.

6. Liability of Directors.

6.1 Limitation of Liability. No director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that this provision shall not eliminate or limit the liability of a director (a) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under section 174 of the General Corporation Law or (d) for any transaction from which the director derived any improper personal benefits. If the General Corporation Law is amended after approval by the stockholders of this article to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law, as so amended.

6.2 Amendments. Any repeal or modification of Section 6.1 hereof by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

7. Indemnification.

7.1 To the extent not prohibited by law, the Corporation shall indemnify any person who is or was made, or threatened to be made, a party to any threatened, pending or completed action, suit or proceeding (a "Proceeding"), whether

civil, criminal, administrative or investigative, including, without limitation, an action by or in the right of the Corporation to procure a judgment in its favor, by reason of the fact that such person, or a person of whom such person is the legal representative, is or was a director or officer of the Corporation, or, at the request of the Corporation, is or was serving as a director or officer of any other corporation or in a capacity with comparable authority or responsibilities for any partnership, joint venture, trust, employee benefit plan or other enterprise (an "Other Entity"), against judgments, fines, penalties, excise taxes, amounts paid in settlement and costs, charges and expenses (including attorneys' fees, disbursements and other charges). Persons who are not directors or officers of the Corporation (or otherwise entitled to indemnification pursuant to the preceding sentence) may be similarly indemnified in respect of service to the Corporation or to an Other Entity at the request of the Corporation to the extent the Board at any time specifies that such persons are entitled to the benefits of this Section 7.

7.2 The Corporation shall, from time to time, reimburse or advance to any director or officer or other person entitled to indemnification hereunder the funds necessary for payment of expenses, including attorneys' fees and disbursements, incurred in connection with any Proceeding, in advance of the final disposition of such Proceeding; provided, however, that, if required by the General Corporation Law, such expenses incurred by or on behalf of any director or officer or other person may be paid in advance of the final disposition of a Proceeding only upon

receipt by the Corporation of an undertaking, by or on behalf of such director or officer (or other person indemnified hereunder), to repay any such amount so advanced if it shall ultimately be determined by final judicial decision from which there is no further right of appeal that such director, officer or other person is not entitled to be indemnified for such expenses.

7.3 The rights to indemnification and reimbursement or advancement of expenses provided by, or granted pursuant to, this Section 7 shall not be deemed exclusive of any other rights to which a person seeking indemnification or reimbursement or advancement of expenses may have or hereafter be entitled under any statute, this Certificate of Incorporation, the By-laws, any agreement, any vote of stockholders or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office.

7.4 The rights to indemnification and reimbursement or advancement of expenses provided by, or granted pursuant to, this Section 7 shall continue as to a person who has ceased to be a director or officer (or other person indemnified hereunder) and shall inure to the benefit of the executors, administrators, legatees and distributees of such person.

7.5 The Corporation shall have power to purchase and maintain insurance on behalf of any person who 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 an Other Entity, against any liability asserted

against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Section 7, the By-laws or under section 145 of the General Corporation Law or any other provision of law.

7.6 The provisions of this Section 7 shall be a contract between the Corporation, on the one hand, and each director and officer who serves in such capacity at any time while this Section 7 is in effect and any other person entitled to indemnification hereunder, on the other hand, pursuant to which the Corporation and each such director, officer, or other person intend to be, and shall be, legally bound. No repeal or modification of this Section 7 shall affect any rights or obligations with respect to any state of facts then or theretofore existing or thereafter arising or any proceeding theretofore or thereafter brought or threatened based in whole or in part upon any such state of facts.

7.7 The rights to indemnification and reimbursement or advancement of expenses provided by, or granted pursuant to, this Section 7 shall be enforceable by any person entitled to such indemnification or reimbursement or advancement of expenses in any court of competent jurisdiction. The burden of proving that such indemnification or reimbursement or advancement of expenses is not appropriate shall be on the Corporation. Neither the failure of the Corporation (including its Board, its independent legal counsel and its stockholders) to have made a

determination prior to the commencement of such action that such indemnification or reimbursement or advancement of expenses is proper in the circumstances nor an actual determination by the Corporation (including its Board, its independent legal counsel and its stockholders) that such person is not entitled to such indemnification or reimbursement or advancement of expenses shall constitute a defense to the action or create a presumption that such person is not so entitled. Such a person shall also be indemnified for any expenses incurred in connection with successfully establishing his or her right to such indemnification or reimbursement or advancement of expenses, in whole or in part, in any such proceeding.

7.8 Any director or officer of the Corporation serving in any capacity of (a) another corporation of which a majority of the shares entitled to vote in the election of its directors is held, directly or indirectly, by the Corporation or (b) any employee benefit plan of the Corporation or any corporation referred to in clause (a) shall be deemed to be doing so at the request of the Corporation.

7.9 Any person entitled to be indemnified or to reimbursement or advancement of expenses as a matter of right pursuant to this Section 7 may elect to have the right to indemnification or reimbursement or advancement of expenses interpreted on the basis of the applicable law in effect at the time of the occurrence of the event or events giving rise to the applicable Proceeding, to the extent permitted by law, or on the basis of the applicable law in effect at the time such indemnification or reimbursement or advancement of expenses is sought. Such

election shall be made, by a notice in writing to the Corporation, at the time indemnification or reimbursement or advancement of expenses is sought; provided, however, that if no such notice is given, the right to indemnification or reimbursement or advancement of expenses shall be determined by the law in effect at the time indemnification or reimbursement or advancement of expenses is sought.

8. Adoption, Amendment and/or Repeal of By-laws. The Board may from time to time adopt, amend or repeal the By-laws; provided, however, that any By-laws adopted or amended by the Board may be amended or repealed, and any By-laws may be adopted, by the stockholders of the Corporation by vote of a majority of the holders of shares of stock of the Corporation entitled to vote in the election of directors of the Corporation.

9. Action by Stockholders.

9.1 No Action by Written Consent. Except with respect to any matter with respect to which the holders of a class of Common Stock are entitled to vote as a separate class, the stockholders of the Corporation entitled to take action on any matter may not consent in writing to the taking of any such action without a meeting of stockholders duly called and held in accordance with law and this Amended and Restated Certificate of Incorporation and the By-laws.

9.2 Meetings of Stockholders. The annual meeting of stockholders for the election of directors and the transaction of such other business as may be brought before such meeting in accordance with this Amended and Restated

Certificate of Incorporation shall be held at such hour and on such business day in each year as may be determined by resolution adopted by the affirmative vote of a majority of the Entire Board. Except as otherwise required by law, or by the sentence immediately following this sentence, special meetings of stockholders may be called only at the direction of the Board of Directors by resolution adopted by the affirmative vote of a majority of the Entire Board or by the Chairman or by the Chief Executive Officer. Notwithstanding the immediately preceding sentence, meetings, special or otherwise, of holders of any class of Common Stock may be called by the holders of a majority of the shares of such class of Common Stock with respect to any matter as to which the holders of such class of Common Stock are entitled to vote as a separate class. Except as otherwise required by law or the immediately preceding sentence, stockholders of the Corporation shall not have the right to request or call a special meeting of the stockholders. Annual and special meetings of stockholders shall not be called or held otherwise than as herein provided.

10. Amendment of Certain Articles.

10.1 (a) Except as provided in Section 10.1(b), the provisions set forth in Article Ten, Article Nine and Section 4.3 may not be amended, altered, changed or repealed in any respect unless such amendment, alteration, change or repeal is approved by the affirmative vote of holders of not less than seventy-five percent (75%) of the voting power of the outstanding shares of the Corporation entitled to vote thereon, voting together as a single class.

(b) The provisions of Section 4.2 and the last sentence of Section 4.3 may not be amended, altered, changed or repealed in any respect with respect to a class of Common Stock unless such amendment, alteration, change or repeal is approved by such class of Common Stock voting as a separate class. In addition, the first sentence of Section 5.1 and this Section 10.1(b) may not be amended, altered, changed or repealed in any respect unless such amendment, alteration, change or repeal is approved by each class of Common Stock voting as a separate class.

10.2 Subject to the provisions of Section 10.1 of this Article Ten, the Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred on shareholders herein are granted subject to this reservation.

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation of the Corporation, which restates, integrates and amends the provisions of the certificate of incorporation of the Corporation, and which was duly approved pursuant to resolutions set forth in unanimous written consents adopted by the Board of Directors of the Corporation and the holders of all of the outstanding shares of stock of the Corporation in accordance with the requirements of Sections 228, 242 and 245 of the General Corporation Law, has been executed by Victor Cohen, acting in his capacity as Senior Vice President, General Counsel and Secretary for the Corporation, this 9th day of June, 1997.

POLO RALPH LAUREN CORPORATION

____

Victor Cohen
Senior Vice President, General Counsel
and Secretary

EXHIBIT 5.1

Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, New York 10019-6064

June 10, 1997

Polo Ralph Lauren Corporation
650 Madison Avenue
New York, New York 10022

Ladies and Gentlemen:

We have acted as counsel to the Polo Ralph Lauren Corporation, a Delaware corporation (the "Company"), in connection with the preparation and filing of the Registration Statement (File No. 333-24733) of the Company on Form S-1 (as amended, the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"), relating to the public offering (the "Offering") by the Company and the Selling Stockholders identified as such in the Registration Statement of an aggregate of 33,925,000 shares (including 4,425,000 shares subject to over-allotment options) of Class A Common Stock, par value $.01 per share of the Company ("Class A Common Stock").

As such counsel, we have participated in the preparation of the Registration Statement, including the Prospectus contained therein (the "Prospectus") and have reviewed certain corporate proceedings. In addition, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such corporate records, agreements, documents and other instruments, and such certificates or comparable documents of public officials and of officers and representatives, as we have deemed relevant and necessary as a basis for the opinions hereinafter set forth.

In such examination, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of such latter documents. As to all questions of fact material to this opinion that have not been independently established, we have relied upon certificates or comparable documents of officers and representatives of the Company.

Based on the foregoing, and subject to the qualifications stated herein, we are of the opinion that:

1. The Company is a corporation duly incorporated and validly existing under the laws of the State of Delaware.

2. The shares of Class A Common Stock to be registered for sale by the Company and the Selling Stockholders under the Registration Statement have been duly authorized, and the shares to be sold by the Selling Stockholders are, and the shares to be sold by the Company, when issued and paid for as contemplated by the Prospectus, will be, validly issued, fully paid and nonassessable.

The opinions expressed herein are limited to the corporate laws of the State of Delaware, and we express no opinion as to the effect on the matters covered by this letter of the laws of any other jurisdiction.

The opinions expressed herein are rendered solely for your benefit in connection with the transactions described herein. These opinions may not be used or relied upon by any other person, nor may this letter or any copies thereof be furnished to a third party, filed with a governmental agency, quoted cited or otherwise referred to without our prior written consent.

We hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement. In giving the foregoing consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

We also consent to the incorporation by reference of this opinion in a related registration statement filed by the Company pursuant to Rule 462(b) under the Securities Act.

Very truly yours,

/s/ PAUL, WEISS, RIFKIND, WHARTON & GARRISON
PAUL, WEISS, RIFKIND, WHARTON & GARRISON

EXHIBIT 10.3

REGISTRATION RIGHTS AGREEMENT

among

POLO RALPH LAUREN CORPORATION
a Delaware corporation

GS CAPITAL PARTNERS, L.P.
a Delaware limited partnership

STONE STREET FUND 1994, L.P.
a Delaware limited partnership

BRIDGE STREET FUND 1994, L.P.
a Delaware limited partnership

RALPH LAUREN

RL Family, L.P.,
a Delaware limited partnership

RL Holding, L.P.
a Delaware limited partnership
and

THE RALPH LAUREN 1997 CHARITABLE
REMAINDER UNITRUST

Dated as of June 9, 1997

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I - Addresses for Notices

REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT dated as of June 9, 1997 (this "Agreement") among Polo Ralph Lauren Corporation, a Delaware corporation (the "Company"), GS Capital Partners, L.P., a Delaware limited partnership ("GSCP"), Stone Street Fund 1994, L.P., a Delaware limited partnership ("Stone Street"), Bridge Street Fund 1994, L.P., a Delaware limited partnership ("Bridge Street"), Ralph Lauren ("Lauren"), RL Holding L.P., a Delaware limited partnership ("RL Holding"), and RL Family, L.P., a Delaware limited partnership ("RL Family") and the Ralph Lauren 1997 Charitable Remainder Unitrust (the "Trust"). GSCP, Stone Street, Bridge Street and their permitted assignees are sometimes collectively referred to herein as the "GS Parties," and Lauren, RL Holding, RL Family, the Trust and their permitted assignees are sometimes collectively referred to herein as the "Polo Parties."

WHEREAS, on the date hereof, the GS Parties and the Polo Parties have executed and delivered the Stockholders Agreement which establishes and set forth their agreement with respect to certain rights and obligations associated with ownership of shares of common stock of the Company;

WHEREAS, Section 9.8 of the Stockholders Agreement requires the parties to amend the registration rights agreement dated October 31, 1994 among Polo Ralph Lauren Enterprises, L.P., Polo Ralph Lauren, L.P., Polo Ralph Lauren Corporation, a New York corporation, the GS Parties, Lauren and Peter Strom Goldstein (the "Original Registration Rights Agreement");

WHEREAS, the parties hereto desire to enter into an agreement which establishes and sets forth their agreement with respect to certain registration rights relating to shares of common stock of the Company;

Accordingly, the parties hereto agree as follows:

1. Certain Definitions.

As used in this Agreement, the following terms shall have the meanings ascribed to them below:

1.1. "Amended RL Note" : as defined in the Formation Agreement.

1.2. "Class A Common Stock" : Class A Common Stock of the Company, par value $.01 per share, and any and all securities of any kind whatsoever of the Company which may be issued after the date hereof in respect of, or in exchange for, shares of Class A Common Stock of the Company pursuant to a merger, consolidation, stock split, stock dividend or recapitalization of the Company or otherwise.

1.3. "Class B Common Stock" : Class B Common Stock of the Company, par value $.01 per share, and any and all securities of any kind whatsoever of the Company which may be issued after the date hereof in respect of, or in exchange for, shares of Class B Common Stock of the Company pursuant to a merger, consolidation, stock split, stock dividend or recapitalization of the Company or otherwise.

1.4. "Class B Permitted Transferee" : 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, the spouse of Ralph Lauren and/or Lauren Descendants; (ii) any other corporation if at least a majority of the value of its outstanding equity is owned by Class B Permitted Transferees; (iii) any partnership if at least a majority of the economic interest of its partnership interests are owned by Class B Permitted Transferees; and (vi) any limited liability or similar company if at least a majority of the economic interest

of the Company is owned by Class B Permitted Transferees. The term "Lauren Family Trust" includes trusts the primary beneficiaries of which are Mr. Lauren, the spouse of Ralph Lauren, Lauren Descendants, Mr. Lauren's siblings, spouses of Lauren Descendants and their respective estates, guardians, conservators or committees and/or charitable organizations (collectively, "Lauren Beneficiaries"), 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 Class B Permitted Transferees. For purposes of this Agreement, the primary beneficiaries of a trust will be deemed to be Lauren Beneficiaries if, under the maximum exercise of discretion by the trustee in favor of persons who are not Lauren Beneficiaries, the value of the interests of such persons in such trust, computed actuarially, is 50% or less. The factors and methods prescribed in section 7520 of the Internal Revenue Code of 1986, as amended, for use in ascertaining the value of certain interests shall be used in determining a beneficiary's actuarial interest in a trust for purposes of applying this provision. For purposes of this Agreement, the actuarial value of the interest in a trust of any person in whose favor a testamentary power of appointment may be exercised shall be deemed to be zero. For purposes of this Agreement, in the case of a trust created by a Lauren Descendant, the actuarial value of the interest in such trust of any person who may receive trust property only at the termination of the trust and then only in the event that, at the termination of the trust, there are no living issue of such Lauren Descendant shall be deemed to be zero.

1.5. "Class C Permitted Transferee" : any Person who (i) as of the date hereof is a partner in any GS Party and who would have owned 5% or more of the shares of Common Stock outstanding immediately after consummation of the Reorganization if the GS Party of which it is a partner had liquidated and distributed its assets immediately after consummation of the Reorganization or (ii) until April 15, 2002, is a Successor of a GS Party.

1.6. "Class C Common Stock" : Class C Common Stock of the Company, par value $.01 per share, and any and all securities of any kind whatsoever of the Company which may be issued after the date hereof in respect of, or in exchange for, shares of Class C Common

Stock of the Company pursuant to a merger, consolidation, stock split, stock dividend or recapitalization of the Company or otherwise.

1.7. "Commission" : the Securities and Exchange Commission.

1.8. "Common Stock" : common stock of the Company, par value $.01 per share (including, without limitation, shares of Class A Common Stock, Class B Common Stock and Class C Common Stock), and any and all securities of any kind whatsoever of the Company which may be issued after the date hereof in respect of, or in exchange for, shares of common stock of the Company pursuant to a merger, consolidation, stock split, stock dividend or recapitalization of the Company or otherwise.

1.9. "Fair Market Value" : after the IPO, (a) if the Class A Common Stock is listed on a national securities exchange, the average of the last reported sales price of a share of Class A Common Stock for the thirty (30) consecutive business days immediately preceding the date on which any such determination is to be made, or (b) the average of the last reported bid price of a share of Class A Common Stock for the thirty (30) consecutive business days immediately preceding the date on which such determination is to be made, as reported by the NASDAQ National Market or, if the Class A Common Stock is not listed on the NASDAQ National Market, as determined in good faith by the Company's board of directors.

1.10. "Formation Agreement" : the agreement dated as of August 22, 1994, relating to the formation of Polo Ralph Lauren Enterprises, L.P. and Polo Ralph Lauren, L.P. by and among the GS Parties, Lauren and Mr. Peter Strom Goldstein.

1.11. "Holder" or "Holders" : any party who is a signatory to this Agreement and any party who shall hereafter acquire and hold Registrable Securities and to whom rights have been assigned under this Agreement pursuant to Section 4.7(a) hereof.

1.12. "IPO" : the initial underwritten offering pursuant to which shares of Class A Common Stock becomes registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

1.13. "Person" : any natural person, corporation, partnership, firm, association, trust, government, governmental agency or other entity, whether acting in an individual, fiduciary or other capacity.

1.14. "Registrable Securities" : any shares of Class A Common Stock held by any Holder and any shares of Class A Common Stock issued or issuable in respect of any shares of Common Stock or other securities held by any Holder. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when (i) a registration statement with respect to the sale of such securities shall have been declared effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, or (ii) such securities shall have been sold (other than in a privately negotiated sale) pursuant to Rule 144 (or any successor provision) under the Securities Act and in compliance with the requirements of paragraphs (c), (e), (f) and (g) of Rule 144 (notwithstanding the provisions of paragraph (k) of such Rule).

1.15. "Reorganization" : has the meaning set forth in the Assignment and Assumption Agreement, dated as of April 6, 1997, as amended to date, by and among the parties hereto other than the Trust.

1.16. "Securities Act" : the Securities Act of 1933, as amended.

1.17. "Stockholders Agreement" : the stockholders agreement dated the date hereof among the Company, the GS Parties and the Polo Parties.

1.18. "Successor" : with respect to any GS Party, means an investment entity, similar in form and purpose to that of such GS Party, that is controlled by the same entity that controlled such GS Party immediately prior to such investment entity becoming the successor of such GS Party. For purposes of the previous sentence, "controls" when used with respect to any GS Party means the power to direct the management and policies of such GS Party directly or indirectly, whether through ownership of voting securities, by contract or otherwise; and the term "controlled" has the meaning correlative to the foregoing.

2. Registration Rights.

2.1. Demand Registrations.

(a) (i) (A) At any time on or after the date hereof the Polo Parties, acting together through Lauren or his designee, shall have the right, and (B) at any time on or after December 31, 1998 the GS Parties, acting together through GSCP or its designee, shall have the right, to require the Company to file a registration statement under the Securities Act with respect to an IPO (the "IPO Demand"), by delivering a written request therefor to the Company specifying the number of Registrable Securities to be included in such registration by the GS Parties (if they made such request) or the Polo Parties (if Lauren made such request). Within three days of the receipt of a written request for an IPO Demand, the Company shall notify the GS Parties, on the one hand, or Lauren, on the other (whichever did not make the IPO Demand), of such request. In connection with an IPO Demand, the parties hereto shall consult on a good faith basis to determine whether the Company should issue and sell shares of Class A Common Stock in the IPO.

(ii) Subject to Section 2.1(b) below, at any time and from time to time after the IPO, the GS Parties, acting together through GSCP or its designee, on the one hand, and the Polo Parties, acting together through Lauren or his designee, on the other hand, shall have the right to require the Company to file a registration statement under the Securities Act covering all or part of their respective Registrable Securities, by delivering a written request therefor to the Company specifying the number of Registrable Securities to be included in such registration by the GS Parties (if they made such request) or by the Polo Parties (if Lauren made such request) and the intended method of distribution thereof. All requests pursuant to this Section 2.1(a)(ii) are referred to herein as "Demand Registration Requests," and the registrations requested are referred to herein as "Demand Registrations." As promptly as practicable, but no later than ten days after receipt of a Demand Registration Request, the Company shall give written notice of such Demand Registration Request to all Holders of record of Registrable Securities.

(iii) The Company, subject to Sections 2.3 and 2.6, shall include in the IPO Demand or a Demand Registration (x) the Registrable Securities of the Holder(s) which requested such registration and (y) the Registrable Securities of any Holder which shall have made a written request to the Company for registration thereof (which request shall specify the maximum number of Registrable Securities intended to be disposed of by such Holder) within 30 days after the receipt of written notice pursuant to clause (i) or (ii) (or, in the case of a Demand Registration only, 15 days if, at the request of the Holder(s) which requested such registration, the Company states in such written notice or gives telephonic notice to all Holders, with written confirmation to follow promptly thereafter, that such registration will be on Form S-3).

(iv) The Company shall, as expeditiously as possible following the IPO Demand or a Demand Registration Request, use its best efforts to (x) effect such registration under the Securities Act (including, without limitation, by means of a shelf registration pursuant to Rule 415 under the Securities Act if so requested and if the Company is then eligible to use such a registration) of the Registrable Securities which the Company has been so requested to register, for distribution in accordance with such intended method of distribution, and (y) if requested by the Holder(s) which requested such registration, obtain acceleration of the effective date of the registration statement relating to such registration.

(v) Notwithstanding anything contained in this Section 2.1(a) to the contrary, Lauren or his designee shall deliver a written request for an IPO Demand or a Demand Registration Request, as the case may be, to the Company promptly upon receipt of a request therefor from any Polo Party.

(b) The demand registration rights granted to the Holders in Section 2.1(a) are subject to the following limitations: (i) each IPO Demand and Demand Registration must include Registrable Securities having an aggregate market value of at least $20,000,000, which market value shall be determined by multiplying the number of Registrable Securities to be included in such IPO Demand or Demand Registration by the fair market value

determined, in the case of an IPO Demand, by the Board of Directors of the Company based on the anticipated mid-point of the filing range for the registration prepared with respect to the IPO or, in the case of a Demand Registration, by the Fair Market Value determined as of the date the Demand Registration Request in respect of such Demand Registration is made (provided that the limitations set forth in this clause (i) shall not be in effect at any time the Holders' Registrable Securities may not be sold pursuant to Rule 144 under the Securities Act because of the Company's failure to comply with the information requirements thereunder), unless at such time, the Company's outside counsel (which shall be reasonably acceptable to GSCP if such Holder is a GS Party or Lauren if such Holder is a Polo Party) delivers a written opinion of counsel to such Holder proposing to register Registrable Securities to the effect that such Holder's Registrable Securities may be publicly offered and sold without registration under the Securities Act), (ii) each of Lauren and GSCP may only make a demand for registration pursuant to Section 2.1(a)(ii) once within any nine month period, (iii) the Company shall not be required to cause a registration pursuant to Section 2.1(a)(ii) to be declared effective within a period of 180 days after the effective date of any other registration statement of the Company effected in connection with an underwritten offering by the Company; (iv) if the Board of Directors of the Company, in its good faith judgment, determines that any registration of Registrable Securities should not be made or continued because it would materially interfere with any material financing, acquisition, corporate reorganization or merger or other transaction involving the Company or any of its subsidiaries (a "Valid Business Reason"), (x) the Company may postpone filing a registration statement relating to an IPO Demand or a Demand Registration Request until such Valid Business Reason no longer exists, but in no event for more than three months, and, (y) in case a registration statement has been filed relating to an IPO Demand or a Demand Registration Request, if the Valid Business Reason has not resulted from actions taken by the Company, the Company may cause such registration statement to be withdrawn and its effectiveness terminated or may postpone amending or supplementing such registration statement; and the Company shall give written notice of its determination to

postpone or withdraw a registration statement and of the fact that the Valid Business Reason for such postponement or withdrawal no longer exists, in each case, promptly after the occurrence thereof; (v) the offering of Registrable Securities requested to be registered pursuant to this Section 2.1 shall be pursuant to a firm commitment underwritten offering unless the Company has previously sold Registrable Securities pursuant to a registration statement under the Securities Act; and (vi) from and after such time as the GS Parties beneficially own, in the aggregate, less than 10% of the Company's outstanding Common Stock, the Company shall only be required to effect one Demand Registration at the request of the GS Parties provided that any Demand Registration requested by the GS Parties at such time as the GS parties beneficially own, in the aggregate, less than 10% of the Company's outstanding Common Stock shall not count as the one Demand Registration permitted by this subclause (vi) if, immediately after giving effect to such registration, and due to the allocation provisions of Section 2.3(a), the GS Parties beneficially own, in the aggregate, 5% or more of the Company's outstanding Common Stock. If the Company shall give any notice of postponement or withdrawal of any registration statement, the Company shall not, during the period of postponement or withdrawal, register any Common Stock, other than pursuant to a registration statement on Form S-4 or S-8 (or an equivalent registration form then in effect). Each Holder of Registrable Securities agrees that, upon receipt of any notice from the Company that the Company has determined to withdraw any registration statement pursuant to clause (iv) above, such Holder will discontinue its disposition of Registrable Securities pursuant to such registration statement and, if so directed by the Company, will deliver to the Company (at the Company's expense) all copies, other than permanent file copies, then in such Holder's possession of the prospectus covering such Registrable Securities that was in effect at the time of receipt of such notice. If the Company shall have withdrawn or prematurely terminated a registration statement filed under Section 2.1(a) (whether pursuant to clause (iv) above or as a result of any stop order, injunction or other order or requirement of the Commission or any other governmental agency or court), the Company shall not be considered to have effected an effective registration for the

purposes of this Section 2.1(b) until the Company shall have filed a new registration statement covering the Registrable Securities covered by the withdrawn registration statement and such registration statement shall have been declared effective and shall not have been withdrawn. If the Company shall give any notice of withdrawal or postponement of a registration statement, the Company shall, at such time as the Valid Business Reason that caused such withdrawal or postponement no longer exists (but in no event later than three months after the date of the postponement), use its best efforts to effect the registration under the Securities Act of the Registrable Securities covered by the withdrawn or postponed registration statement in accordance with this Section 2.1 (unless the Holder(s) delivering the Demand Registration Request shall have withdrawn such request, in which case the Company shall not be considered to have effected an effective registration for the purposes of this Section 2.1(b)), and such registration shall not be withdrawn or postponed pursuant to clause (iv) above.

(c) The Company, subject to Sections 2.3 and 2.6, may elect to include in any registration statement and offering made pursuant to Section 2.1(a), authorized but unissued shares of Common Stock or shares of Common Stock held by the Company as treasury shares; provided that such inclusion shall be permitted only to the extent that it is pursuant to and subject to the terms of the underwriting agreement or arrangements, if any, entered into by the Holders exercising the demand registration rights granted to the Holders under Section 2.1(a).

(d) The lead managing underwriter for the IPO effected pursuant to an IPO Demand or any Demand Registration shall be selected by the party or parties making the demand for such registration, provided that such underwriter shall be reasonably satisfactory to the Company. It is the current intention of the parties that Goldman, Sachs & Co. ("GS&Co.") will act as managing underwriter in any registration of the Registrable Securities pursuant to an IPO Demand. If GS&Co. acts as managing underwriter in any such registered offering pursuant to an IPO Demand or any Demand Registration, to the extent required by applicable law, a Qualified Independent Underwriter (as defined in Conduct Rule

2720 of the National Association of Securities Dealers, Inc.'s By-Laws) shall be retained, and the Company shall pay all reasonable fees and expenses (other than underwriting discounts and commissions) of such Qualified Independent Underwriter.

2.2. Piggyback Registrations.

(a) If, at any time, the Company proposes or is required to register any of its equity securities (including pursuant to any registration statement which generally registers equity and debt securities without specifying the type of security or the amount) under the Securities Act (other than pursuant to (i) the IPO, unless the GS Parties (acting together as a group) and Lauren otherwise consent in writing to the inclusion of Registrable Securities pursuant to this Section 2.2 (it being acknowledged that the GS Parties and Lauren have consented to the inclusion of Registrable Securities by the GS Parties and Lauren in the offering contemplated by Registration Statement 333-24733), (ii) registrations on such form or similar form(s) solely for registration of securities in connection with an employee benefit plan or dividend reinvestment plan or a merger or consolidation, or (iii) a Demand Registration under Section 2.1) on a registration statement on Form S-1, Form S-2 or Form S-3 (or an equivalent general registration form then in effect), whether or not for its own account, the Company shall give prompt written notice of its intention to do so to each of the Holders of record of Registrable Securities. Upon the written request of any Holder, made within 15 days following the receipt of any such written notice (which request shall specify the maximum number of Registrable Securities intended to be disposed of by such Holder and the intended method of distribution thereof), the Company shall, subject to Sections 2.2(b), 2.3 and 2.6 hereof, use its best efforts to cause all such Registrable Securities, the Holders of which have so requested the registration thereof, to be registered under the Securities Act (with the securities which the Company at the time proposes to register) to permit the sale or other disposition by the Holders (in accordance with the intended method of distribution thereof) of the Registrable Securities to be so registered. No registration effected under this Section 2.2(a) shall relieve the Company of its obligations to effect registrations upon request under Section 2.1.

(b) If, at any time after giving written notice of its intention to register any equity securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register or to delay registration of such equity securities, the Company may, at its election, give written notice of such determination to all Holders of record of Registrable Securities and (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such abandoned registration, and (ii) in case of a determination to delay such registration of its equity securities, shall be permitted to delay the registration of such Registrable Securities for the same period as the delay in registering such other equity securities, in each case, without prejudice, however, to the rights of Holders under Section 2.1.

(c) Any Holder shall have the right to withdraw its request for inclusion of its Registrable Securities in any registration statement pursuant to this Section 2.2 by giving written notice to the Company of its request to withdraw; provided, however, that (i) such request must be made in writing prior to the earlier of the execution of the underwriting agreement or the execution of the custody agreement with respect to such registration and (ii) such withdrawal shall be irrevocable and, after making such withdrawal, a Holder shall no longer have any right to include Registrable Securities in the registration as to which such withdrawal was made.

2.3. Allocation of Securities Included in Registration Statement.

(a) If any requested registration pursuant to Section 2.1 involves an underwritten offering and a co-manager of such offering, which shall be a prominent investment banking firm which is unaffiliated with the Holders (the "Co-Manager"), shall advise the Company that, in its view, the number of securities requested to be included in such registration (including those securities requested by the Company to be included in such registration) exceeds the largest number (the "Section 2.1 Sale Number") that can be sold in an orderly manner in such offering within a price range acceptable to the Holders of Registrable Securities proposed to be registered, the Company shall include in such registration:

(i) all Registrable Securities requested to be included in such registration by Holders of Registrable Securities, provided, however, that if the number of such Registrable Securities exceeds the Section 2.1 Sale Number, the number of such Registrable Securities (not to exceed the Section 2.1 Sale Number) to be included in such registration shall be allocated: (x) first to the GS Parties up to that number (not to exceed the number of shares requested to be included by the GS Parties in such requested registration) of Registrable Securities (the "GS Securities") which, based upon the midpoint of the filing range for the registration (in the case of an IPO) or the then market price of the Common Stock (in all other cases) and the estimated underwriting discount for the registration, is expected to yield an amount of net proceeds to the GS Parties (the "Priority Amount") that, when added to the net proceeds of any Registrable Securities sold for the account of the GS Parties in any preceding registration (if any) pursuant to this clause (x) or clause (x) of Section 2.3(b)(ii) will aggregate an amount equal to $20,000,000, and (y) thereafter on a pro rata basis among all Holders requesting that Registrable Securities be included in such registration, based on the number of Registrable Securities then owned by each Holder requesting inclusion in relation to the number of Registrable Securities owned by all Holders requesting inclusion, provided, however, that such ratio will be calculated after giving effect to the sale of the GS Securities to the extent that the GS Parties have a first priority right in such offering; and

(ii) to the extent that the number of Registrable Securities to be included by all Holders is less than the Section 2.1 Sale Number, securities that the Company proposes to register.

If, as a result of the proration provisions of this Section 2.3(a), any Holder shall not be entitled to include all Registrable Securities in a registration that such Holder has requested to be included, such Holder may elect to withdraw his request to include Registrable Securities in such registration or may reduce the number requested to be included; provided, however, that (x) such request must be made in writing prior to the earlier of the execution of the underwriting agreement or the execution of the custody agreement with respect to such

registration and (y) such withdrawal shall be irrevocable and, after making such withdrawal, a Holder shall no longer have any right to include Registrable Securities in the registration as to which such withdrawal was made.

(b) If any registration pursuant to Section 2.2 involves an underwritten offering and the Co-Manager shall advise the Company that, in its view, the number of securities requested to be included in such registration exceeds the number (the "Section 2.2 Sale Number") that can be sold in an orderly manner in such registration within a price range acceptable to the Company, the Company shall include in such registration:

(i) all Common Stock or securities convertible into, or exchangeable or exercisable for, Common Stock that the Company proposes to register for its own account (the "Company Securities"), and

(ii) (x) to the extent that the number of Company Securities is less than the Section 2.2 Sale Number, if the GS Parties have not previously registered Registrable Securities yielding the Priority Amount, the Registrable Securities that the GS Parties propose to register up to that number (the "Priority Number") of Registrable Securities (such Priority Number, together with the Company Securities, not to exceed the Section 2.2 Sale Number) which is expected to yield an amount of net proceeds to the GS Parties equal to the Priority Amount (calculated in the same manner as set forth in Section 2.3(a)(i)) and (y) to the extent the number of Company Securities plus the Priority Number (if any) is less than the Section 2.2 Sale Number, all Registrable Securities requested to be included by all Holders; provided, however, that, if the number of such Registrable Securities exceeds the Section 2.2 Sale Number less the number of Company Securities and the Priority Number (if any), then the number of such Registrable Securities included in such registration shall be allocated on a pro rata basis, based on the number of Registrable Securities owned by each Holder requesting inclusion in relation to the number of Registrable Securities owned by all Holders requesting inclusion.

2.4. Registration Procedures . If and whenever the Company is required by the provisions of this Agreement to use its best efforts to effect or cause the registration of any Registrable Securities under the Securities Act as provided in this Agreement, the Company shall, as expeditiously as possible:

(a) prepare and file with the Commission a registration statement on an appropriate registration form of the Commission for the disposition of such Registrable Securities in accordance with the intended method of disposition thereof, which form (i) shall be selected by the Company and (ii) shall, in the case of a shelf registration, be available for the sale of the Registrable Securities by the selling Holders thereof and such registration statement shall comply as to form in all material respects with the requirements of the applicable form and include all financial statements required by the Commission to be filed therewith, and the Company shall use its best efforts to cause such registration statement to become and remain effective (provided, however, that before filing a registration statement or prospectus or any amendments or supplements thereto, or comparable statements under securities or blue sky laws of any jurisdiction, the Company will furnish to the counsel of any Holder participating in the planned offering and the underwriters, if any, copies of all such documents proposed to be filed (including all exhibits thereto), which documents will be subject to the reasonable review and reasonable comment of such counsel, and the Company shall not file any registration statement or amendment thereto or any prospectus or supplement thereto to which the holders of a majority of the Registrable Securities covered by such registration statement or the underwriters, if any, shall reasonably object in writing);

(b) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for the earlier of (a) such time as all of such Registrable Securities and other securities have been disposed of in accordance with the intended methods of disposition by the sellers thereof as set forth in such registration statement and (b) such period (which shall not be required to exceed 150 days in the case of a registration pursuant to Section 2.1 or 120 days in the case of a

registration pursuant to Section 2.2, unless reasonably requested by any underwriter pursuant to an underwritten offering) as any seller of Registrable Securities pursuant to such registration statement shall reasonably request and to comply with the provisions of the Securities Act with respect to the sale or other disposition of all Registrable Securities covered by such registration statement in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such registration statement;

(c) as soon as reasonably possible furnish, without charge, to each seller of such Registrable Securities and each underwriter, if any, of the securities covered by such registration statement such number of copies of such registration statement, each amendment and supplement thereto (in each case including all exhibits), and the prospectus included in such registration statement (including each preliminary prospectus) in conformity with the requirements of the Securities Act, and other documents, as such seller and underwriter may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities owned by such seller (the Company hereby consenting to the use in accordance with all applicable law of each such registration statement (or amendment or post-effective amendment thereto) and each such prospectus (or preliminary prospectus or supplement thereto) by each such seller of Registrable Securities and the underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by such registration statement or prospectus);

(d) use its best efforts to register or qualify the Registrable Securities covered by such registration statement under such other securities or "blue sky" laws of such jurisdictions as any sellers of Registrable Securities or any managing underwriter, if any, shall reasonably request, and do any and all other acts and things which may be reasonably necessary or advisable to enable such sellers or underwriter, if any, to consummate the disposition of the Registrable Securities in such jurisdictions, except that in no event shall the Company be required to qualify to do business as a foreign corporation in any jurisdiction where it would

not, but for the requirements of this paragraph (d), be required to be so qualified, to subject itself to taxation in any such jurisdiction or to consent to general service of process in any such jurisdiction;

(e) promptly notify each Holder selling Registrable Securities covered by such registration statement and each managing underwriter, if any: (i) when the registration statement, any pre-effective amendment, the prospectus or any prospectus supplement related thereto or post-effective amendment to the registration statement has been filed and, with respect to the registration statement or any post-effective amendment, when the same has become effective; (ii) of any request by the Commission or state securities authority for amendments or supplements to the registration statement or the prospectus related thereto or for additional information; (iii) of the issuance by the Commission of any stop order suspending the effectiveness of the registration statement or the initiation of any proceedings for that purpose; (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the securities or blue sky laws of any jurisdiction or the initiation of any proceeding for such purpose; (v) of the existence of any fact of which the Company becomes aware which results in the registration statement, the prospectus related thereto or any document incorporated therein by reference containing an untrue statement of a material fact or omitting to state a material fact required to be stated therein or necessary to make any statement therein not misleading; and (vi) if at any time the representations and warranties contemplated by Section 3 below cease to be true and correct in all material respects; and, if the notification relates to an event described in clause (v), the Company shall promptly prepare and furnish to each such seller and each underwriter, if any, a reasonable number of copies of a prospectus supplemented or amended so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein in the light of the circumstances under which they were made not misleading;

(f) comply with all applicable rules and regulations of the Commission, and make generally available to its security holders, as soon as reasonably practicable after the effective date of the registration statement (and in any event within 16 months thereafter), an earnings statement (which need not be audited) covering the period of at least twelve consecutive months beginning with the first day of the Company's first calendar quarter after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

(g) (i) cause all such Registrable Securities covered by such registration statement to be listed on the principal securities exchange on which similar securities issued by the Company are then listed (if any), if the listing of such Registrable Securities is then permitted under the rules of such exchange, or (ii) if no similar securities are then so listed, cause all such Registrable Securities to be listed on a national securities exchange or, failing that, secure inclusion of all such Registrable Securities on the NASDAQ National Market or, failing that, secure NASDAQ authorization for such shares and, without limiting the generality of the foregoing, take all actions that may be required by the Company as the issuer of such Registrable Securities in order to facilitate the managing underwriter's arranging for the registration of at least two market makers as such with respect to such shares with the National Association of Securities Dealers, Inc. (the "NASD");

(h) provide and cause to be maintained a transfer agent and registrar for all such Registrable Securities covered by such registration statement not later than the effective date of such registration statement;

(i) enter into such customary agreements (including, if applicable, an underwriting agreement) and take such other actions as the GS Parties or the Polo Parties shall reasonably request in order to expedite or facilitate the disposition of such Registrable Securities, provided that the underwriting agreement, if any, shall be reasonably satisfactory in form and substance to the Company. The Holders of the Registrable Securities which are to be distributed by such underwriters shall be parties to such underwriting agreement and may, at

their option, require that the Company make to and for the benefit of such Holders the representations, warranties and covenants of the Company which are being made to and for the benefit of such underwriters and which are of the type customarily provided to institutional investors in secondary offerings;

(j) obtain an opinion from the Company's counsel and a "cold comfort" letter from the Company's independent public accountants in customary form and covering such matters as are customarily covered by such opinions and "cold comfort" letters delivered to underwriters in underwritten public offerings, which opinion and letter shall be reasonably satisfactory to the underwriter, if any, the GS Parties and the Polo Parties, and furnish to each Holder participating in the offering and to each underwriter, if any, a copy of such opinion and letter addressed to such Holder or underwriter;

(k) deliver promptly to each Holder participating in the offering and each underwriter, if any, copies of all correspondence between the Commission and the Company, its counsel or auditors and all memoranda relating to discussions with the Commission or its staff with respect to the registration statement, other than those portions of any such correspondence and memoranda which contain information subject to attorney-client privilege with respect to the Company, and, upon receipt of such confidentiality agreements as the Company may reasonably request, make reasonably available for inspection by any seller of such Registrable Securities covered by such registration statement, by any underwriter, if any, participating in any disposition to be effected pursuant to such registration statement and by any attorney, accountant or other agent retained by any such seller or any such underwriter, all pertinent financial and other records, pertinent corporate documents and properties of the Company, and cause all of the Company's officers, directors and employees to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement;

(l) use its best efforts to obtain the withdrawal of any order suspending the effectiveness of the registration statement;

(m) provide a CUSIP number for all Registrable Securities, not later than the effective date of the registration statement;

(n) make reasonably available its employees and personnel and otherwise provide reasonable assistance to the underwriters (taking into account the needs of the Company's businesses and the requirements of the marketing process) in the marketing of Registrable Securities in any underwritten offering;

(o) promptly prior to the filing of any document which is to be incorporated by reference into the registration statement or the prospectus (after the initial filing of such registration statement) provide copies of such document to counsel to the selling holders of Registrable Securities and to the managing underwriter, if any, and make the Company's representatives reasonably available for discussion of such document and make such changes in such document prior to the filing thereof as counsel for such selling holders or underwriters may reasonably request;

(p) furnish to each Holder participating in the offering and the managing underwriter, without charge, at least one signed copy of the registration statement and any post-effective amendments thereto, including financial statements and schedules, all documents incorporated therein by reference and all exhibits (including those incorporated by reference);

(q) cooperate with the selling holders of Registrable Securities and the managing underwriter, if any, to facilitate the timely preparation and delivery of certificates not bearing any restrictive legends representing the Registrable Securities to be sold, and cause such Registrable Securities to be issued in such denominations and registered in such names in accordance with the underwriting agreement prior to any sale of Registrable Securities to the underwriters or, if not an underwritten offering, in accordance with the instructions of the selling holders of Registrable Securities at least three business days prior to any sale of Registrable Securities; and

(r) take all such other commercially reasonable actions as are necessary or advisable in order to expedite or facilitate the disposition of such Registrable Securities.

The Company may require as a condition precedent to the Company's obligations under this Section 2.4 that each seller of Registrable Securities as to which any registration is being effected furnish the Company such information regarding such seller and the distribution of such securities as the Company may from time to time reasonably request provided that such information shall be used only in connection with such registration.

Each Holder of Registrable Securities agrees that upon receipt of any notice from the Company of the happening of any event of the kind described in clause (v) of paragraph (e) of this Section 2.4, such Holder will discontinue such Holder's disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until such Holder's receipt of the copies of the supplemented or amended prospectus contemplated by paragraph (e) of this Section 2.4 and, if so directed by the Company, will deliver to the Company (at the Company's expense) all copies, other than permanent file copies, then in such Holder's possession of the prospectus covering such Registrable Securities that was in effect at the time of receipt of such notice. In the event the Company shall give any such notice, the applicable period mentioned in paragraph (b) of this Section 2.4 shall be extended by the number of days during such period from and including the date of the giving of such notice to and including the date when each seller of any Registrable Securities covered by such registration statement shall have received the copies of the supplemented or amended prospectus contemplated by paragraph (e) of this Section 2.4.

If any such registration statement or comparable statement under "blue sky" laws refers to any Holder by name or otherwise as the Holder of any securities of the Company, then such Holder shall have the right to require (i) the insertion therein of language, in form and substance satisfactory to such Holder and the Company, to the effect that the holding by such Holder of such securities is not to be construed as a recommendation by such Holder of the

investment quality of the Company's securities covered thereby and that such holding does not imply that such Holder will assist in meeting any future financial requirements of the Company, or (ii) in the event that such reference to such Holder by name or otherwise is not in the judgment of the Company, as advised by counsel, required by the Securities Act or any similar federal statute or any state "blue sky" or securities law then in force, the deletion of the reference to such Holder.

2.5. Registration Expenses . The Company shall, whether or not any registration pursuant to this Agreement becomes effective, pay all expenses incident to the Company's performance of or compliance with this Article 2, including (i) Commission, stock exchange or NASD registration and filing fees and all listing fees and fees with respect to the inclusion of securities in NASDAQ, (ii) fees and expenses of compliance with state securities or "blue sky" laws and in connection with the preparation of a "blue sky" survey, including without limitation, reasonable fees and expenses of blue sky counsel, (iii) printing expenses, (iv) messenger and delivery expenses, (v) internal expenses (including, without limitation, all salaries and expenses of the Company's officers and employees performing legal and accounting duties), (vi) fees and disbursements of counsel for the Company, (vii) with respect to each registration, the fees and disbursements of one counsel for the selling Holders (selected by the Holders making the IPO Demand or Demand Registration Request, in the case of a registration pursuant to Section 2.1, and selected by the Holders of a majority of the Registrable Securities included in such registration, in the case of a registration pursuant to Section 2.2 as well as of one local counsel (as applicable), (viii) fees and disbursements of all independent public accountants (including the expenses of any audit and/or "cold comfort" letter) and fees and expenses of other persons, including special experts, retained by the Company, (ix) fees and expenses payable to a Qualified Independent Underwriter and (x) any other fees and disbursements of underwriters, if any, customarily paid by issuers or sellers of securities. Notwithstanding the foregoing, (x) the provisions of this Section 2.5 shall be deemed amended to the extent necessary to cause these expense provisions to comply with "blue sky" laws of

each state in which the offering is made and (y) in connection with any registration hereunder, each Holder of Registrable Securities being registered shall pay all underwriting discounts and commissions and any capital gains, income or transfer taxes, if any, attributable to such Holder's Registrable Securities.

2.6. Certain Limitations on Registration Rights . In the case of any registration under Section 2.1 pursuant to an underwritten offering, or in the case of a registration under Section 2.2 if the Company has determined to enter into an underwriting agreement in connection therewith, all Registrable Securities to be included in such registration shall be subject to an underwriting agreement and no person may participate in such registration unless such person agrees to sell such person's securities on the basis provided therein and completes and/or executes all questionnaires, indemnities, lock-ups, underwriting agreements and other documents (other than powers of attorney), in each case in customary form and substance, which must be executed in connection therewith.

2.7. Limitations on Sale or Distribution of Other Securities.

(a) If requested in writing by the Company or the managing underwriter, if any, of any registration effected pursuant to Section 2.1 or 2.2, each Holder of Registrable Securities agrees not to effect any public sale or distribution, including any sale pursuant to Rule 144 under the Securities Act, of any Registrable Securities, or of any other equity security of the Company or of any security convertible into or exchangeable or exercisable for any equity security of the Company (other than as part of such underwritten public offering) during the time period reasonably requested by the managing underwriter, not to exceed 180 days (and the Company hereby also so agrees (except that the Company may effect any sale or distribution of any such securities pursuant to a registration on Form S-4 (if reasonably acceptable to the managing underwriter) or Form S-8, or any successor or similar form which is then in effect) and agrees to use its reasonable efforts to cause each holder of any equity security or of any security convertible into or exchangeable or exercisable for any equity

security of the Company purchased from the Company at any time other than in a public offering so to agree).

(b) The Company hereby agrees that if it shall previously have received a request for registration pursuant to Section 2.1 or 2.2, and if such previous registration shall not have been withdrawn or abandoned, the Company shall not, without the prior written consent of the managing underwriter of such previous registration, effect any registration of any of its securities under the Securities Act (other than a registration on Form S-4 or Form S-8 or any successor or similar form which is then in effect), whether or not for sale for its own account, until a period 180 days shall have elapsed from the effective date of such previous registration; and the Company shall so provide in any registration rights agreements hereafter entered into with respect to any of its securities.

2.8. No Required Sale . Nothing in this Agreement shall be deemed to create an independent obligation on the part of any Holder to sell any Registrable Securities pursuant to any effective registration statement.

2.9. Indemnification.

(a) In the event of any registration of any securities of the Company under the Securities Act pursuant to this Article 2, the Company will, and hereby does, indemnify and hold harmless, to the fullest extent permitted by law, the seller of any Registrable Securities covered by such registration statement, its directors, officers, fiduciaries, employees and stockholders or general and limited partners (and the directors, officers, employees and stockholders thereof), each other individual, partnership, joint venture, corporation, trust, unincorporated organization or other entity (each, a "Person") who participates as an underwriter or a Qualified Independent Underwriter, if any, in the offering or sale of such securities, each officer, director, employee, stockholder or partner of such underwriter or Qualified Independent Underwriter, and each other Person, if any, who controls such seller or any such underwriter within the meaning of the Securities Act, against any and all losses, claims, damages or liabilities, joint or several, actions or proceedings (whether

commenced or threatened) in respect thereof ("Claims") and expenses (including reasonable fees of counsel and any amounts paid in any settlement effected with the Company's consent, which consent shall not be unreasonably withheld or delayed) to which each such indemnified party may become subject under the Securities Act or otherwise, insofar as such Claims or expenses arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement under which such securities were registered under the Securities Act or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary, final or summary prospectus or any amendment or supplement thereto, together with the documents incorporated by reference therein, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or (iii) any violation by the Company of any federal, state or common law rule or regulation applicable to the Company and relating to action required of or inaction by the Company in connection with any such registration, and the Company will reimburse any such indemnified party for any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such Claim as such expenses are incurred; provided, that the Company shall not be liable to any such indemnified party in any such case to the extent such Claim or expense arises out of or is based upon any untrue statement or alleged untrue statement of a material fact or omission or alleged omission of a material fact made in such registration statement or amendment thereof or supplement thereto or in any such prospectus or any preliminary, final or summary prospectus in reliance upon and in conformity with written information furnished to the Company by or on behalf of such indemnified party specifically for use therein. Such indemnity and reimbursement of expenses shall remain in full force and effect regardless of any investigation made by or on behalf of such indemnified party and shall survive the transfer of such securities by such seller.

(b) Each Holder of Registrable Securities that are included in the securities as to which any registration under Section 2.1 or 2.2 is being effected (and, if the Company requires as a condition to including any Registrable Securities in any registration statement filed in accordance with Section 2.1 or 2.2, any underwriter and Qualified Independent Underwriter, if any) shall, severally and not jointly, indemnify and hold harmless (in the same manner and to the same extent as set forth in paragraph (a) of this Section 2.9) to the extent permitted by law the Company, its officers and directors, each Person controlling the Company within the meaning of the Securities Act and all other prospective sellers and their directors, officers, general and limited partners and respective controlling Persons with respect to any untrue statement or alleged untrue statement of any material fact in, or omission or alleged omission of any material fact from, such registration statement, any preliminary, final or summary prospectus contained therein, or any amendment or supplement thereto, if such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company or its representatives by or on behalf of such Holder or underwriter or Qualified Independent Underwriter, if any, specifically stating that it is for use in such registration statement, preliminary, final or summary prospectus or amendment or supplement or document incorporated by reference into any of the foregoing; provided, however, that the aggregate amount which any such Holder shall be required to pay pursuant to this Section 2.9(b) and Sections 2.9(c) and (e) shall be limited to the amount of the net proceeds received by such person upon the sale of the Registrable Securities pursuant to the registration statement giving rise to such claim. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such indemnified party and shall survive the transfer of such securities by such Holder.

(c) Indemnification similar to that specified in the preceding paragraphs (a) and (b) of this Section 2.9 (with appropriate modifications) shall be given by the Company and each seller of Registrable Securities with respect to any required registration or other qualification of securities under any state securities and "blue sky" laws.

(d) Any person entitled to indemnification under this Agreement shall notify promptly the indemnifying party in writing of the commencement of any action or proceeding with respect to which a claim for indemnification may be made pursuant to this Section 2.9, but the failure of any indemnified party to provide such notice shall not relieve the indemnifying party of its obligations under the preceding paragraphs of this Section 2.9, except to the extent the indemnifying party is materially prejudiced thereby and shall not relieve the indemnifying party from any liability which it may have to any indemnified party otherwise than under this Article 2. In case any action or proceeding is brought against an indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, unless in the reasonable opinion of outside counsel to the indemnified party a conflict of interest between such indemnified and indemnifying parties may exist in respect of such claim, to assume the defense thereof jointly with any other indemnifying party similarly notified, to the extent that it chooses, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party that it so chooses, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that (i) if the indemnifying party fails to take reasonable steps necessary to defend diligently the action or proceeding within 20 days after receiving notice from such indemnified party that the indemnified party believes it has failed to do so; or (ii) if such indemnified party who is a defendant in any action or proceeding which is also brought against the indemnifying party reasonably shall have concluded that there may be one or more legal defenses available to such indemnified party which are not available to the indemnifying party; or (iii) if representation of both parties by the same counsel is otherwise inappropriate under applicable standards of professional conduct, then, in any such case, the indemnified party shall have the right to assume or continue its own defense as set forth above (but with no

more than one firm of counsel for all indemnified parties in each jurisdiction, except to the extent any indemnified party or parties reasonably shall have concluded that there may be legal defenses available to such party or parties which are not available to the other indemnified parties or to the extent representation of all indemnified parties by the same counsel is otherwise inappropriate under applicable standards of professional conduct) and the indemnifying party shall be liable for any expenses therefor. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (A) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (B) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(e) If for any reason the foregoing indemnity is unavailable or is insufficient to hold harmless an indemnified party under Sections 2.9(a), (b) or (c), then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of any Claim in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party on the one hand and the indemnified party on the other from such offering of securities. If, however, the allocation provided in the immediately preceding sentence is not permitted by applicable law, or if the indemnified party failed to give the notice required by subsection (d) above and the indemnifying party is materially prejudiced thereby, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the indemnifying party, on the one hand, and the indemnified party, on the other hand, as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue

statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 2.9(e) were to be determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the preceding sentences of this Section 2.9(e). The amount paid or payable in respect of any Claim shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such Claim. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. Notwithstanding anything in this Section 2.9(e) to the contrary, no indemnifying party (other than the Company) shall be required pursuant to this Section 2.9(e) to contribute any amount in excess of the net proceeds received by such indemnifying party from the sale of Registrable Securities in the offering to which the losses, claims, damages or liabilities of the indemnified parties relate, less the amount of any indemnification payment made pursuant to Sections 2.9(b) and (c).

(f) The indemnity agreements contained herein shall be in addition to any other rights to indemnification or contribution which any indemnified party may have pursuant to law or contract and shall remain operative and in full force and effect regardless of any investigation made or omitted by or on behalf of any indemnified party and shall survive the transfer of the Registrable Securities by any such party.

(g) The indemnification and contribution required by this Section 2.9 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or expense, loss, damage or liability is incurred.

3. Underwritten Offerings.

3.1. Requested Underwritten Offerings . If requested by the underwriters for any underwritten offering by the Holders pursuant to a registration requested under Section 2.1, the Company shall enter into a customary underwriting agreement with the underwriters. Such underwriting agreement shall be satisfactory in form and substance to the Holders which requested such registration and shall contain such representations and warranties by, and such other agreements on the part of, the Company and such other terms as are generally prevailing in agreements of that type, including, without limitation, indemnities and contribution agreements. Any Holder participating in the offering shall be a party to such underwriting agreement and may, at its option, require that any or all of the representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such underwriters shall also be made to and for the benefit of such Holder and that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement be conditions precedent to the obligations of such Holder. Such underwriting agreement shall also contain such representations, warranties and indemnities by the participating Holders as are customary in agreements of that type.

3.2. Piggyback Underwritten Offerings . In the case of a registration pursuant to Section 2.2 hereof, if the Company shall have determined to enter into any underwriting agreements in connection therewith, all of the Holders' Registrable Securities to be included in such registration shall be subject to such underwriting agreements. Any Holder participating in such registration may, at its option, require that any or all of the representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such underwriters shall also be made to and for the benefit of such Holder and that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement be conditions precedent to the obligations of such Holder. Such underwriting agreement shall also contain such representations, warranties and indemnities by the participating Holders as are customary in agreements of that type.

4. General.

4.1. Adjustments Affecting Registrable Securities . The Company agrees that it shall not effect or permit to occur any combination or subdivision of shares which would adversely affect the ability of the Holder of any Registrable Securities to include such Registrable Securities in any registration contemplated by this Agreement or the marketability of such Registrable Securities in any such registration. The Company agrees that it will take all reasonable steps necessary to effect a subdivision of shares if in the reasonable judgment of (a) the Holder of Registrable Securities that makes a Demand Registration Request and (b) the managing underwriter for the offering in respect of such Demand Registration Request, such subdivision would enhance the marketability of the Registrable Securities.

4.2. Rule 144 . If the Company shall have filed a registration statement pursuant to the requirements of Section 12 of the Exchange Act or a registration statement pursuant to the requirements of the Securities Act in respect of the Common Stock or securities of the Company convertible into or exchangeable or exercisable for Common Stock, the Company covenants that it will timely file the reports required to be filed by it under the Securities Act or the Exchange Act (including, but not limited to, the reports under Sections 13 and 15(d) of the Exchange Act referred to in subparagraph (c)(1) of Rule 144 under the Securities Act), and will take such further action as any Holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (i) Rule 144 under the Securities Act, as such Rule may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the Commission. Upon the request of any Holder of Registrable Securities, the Company will deliver to such Holder a written statement as to whether it has complied with such requirements.

4.3. Preparation; Reasonable Investigation . In connection with the preparation and filing of each registration statement under the Securities Act pursuant to this Agreement, the Company will give the Holders participating in the offering, their underwriters, if any, and

their respective counsel, accountants and other representatives and agents the opportunity to participate in the preparation of such registration statement, each prospectus included therein or filed with the Commission, and, to the extent practicable, each amendment thereof or supplement thereto, and give each of them reasonable access to its books and records and properties and such opportunities to discuss the business of the Company and such other matters with the Company's directors, officers and employees and the independent public accountants who have certified its financial statements, and the Company will supply, or cause its directors, officers, employees and independent accountants to supply, all other information reasonably requested by each of them, as shall be reasonably necessary or appropriate, in the opinion of the Holders' and such underwriters' respective counsel, to conduct a reasonable investigation within the meaning of the Securities Act.

4.4. Nominees for Beneficial Owners . If Registrable Securities are held by a nominee for the beneficial owner thereof, the beneficial owner thereof may, at its option, be treated as the Holder of such Registrable Securities for purposes of any request or other action by any Holder or Holders of Registrable Securities pursuant to this Agreement (or any determination of any number or percentage of shares constituting Registrable Securities held by any Holder or Holders of Registrable Securities contemplated by this Agreement); provided that the Company shall have received assurances reasonably satisfactory to it of such beneficial ownership.

4.5. Amendments and Waivers . This Agreement may be amended, modified, supplemented or waived only upon the written agreement of the party against whom enforcement of such amendment, modification, supplement or waiver is sought provided that (a) the written agreement of the holders of a majority of the Registrable Securities held by the GS Parties shall be considered to be signed by all of the GS Parties and (b) the written agreement of the holders of a majority of the Registrable Securities held by the Polo Parties shall be considered to be signed by the Polo Parties.

4.6. Notices . Except as otherwise provided in this Agreement, notices and other communications under this Agreement shall be in writing and delivered personally, by telecopy (with confirmation sent within three business days by overnight courier) or by overnight courier, addressed to the Company and each of the Polo Parties at 650 Madison Avenue, New York, New York 10022 (telecopier 212-318-7183) (Attention: General Counsel), with a copy to Paul, Weiss, Rifkind, Wharton & Garrison at 1285 Avenue of the Americas, New York, NY 10019 (Attention: James M. Dubin) and to the other parties at the "Address for Notices" specified below its name on Schedule I hereto. Each Holder, by written notice given to the Company in accordance with this Section 4.6, may change the address to which such notice or other communications are to be sent to such Holder. All such notices and communications shall be deemed to have been received on the date of delivery thereof, if delivered by hand, on the fifth day after the mailing thereof, if mailed, on the next day after the sending thereof, if by overnight courier, when answered back if telexed and when receipt is acknowledged, if telecopied.

4.7. Miscellaneous.

(a) This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and the respective successors and assigns of the parties hereto, whether so expressed or not. No Person other than a Holder shall be entitled to any benefits under this Agreement, except as otherwise expressly provided herein. This Agreement and the rights of the parties hereunder may be assigned by any of the parties hereto to any transferee of Registrable Securities (i) prior to an IPO who acquires such securities in accordance with the provisions of the Stockholders Agreement, and (ii) from and after an IPO, (x) in the case of the GS Parties, who is a Class C Permitted Transferee or (y) in the case of the Polo Parties, who is a Class B Permitted Transferee; provided that (A) the rights of the Polo Parties under Section 2.1(a)(i) shall not be assignable without the consent of the GS Parties and (B) the rights of the GS Parties under Section 2.1(a)(i) shall not be assignable without the consent of Lauren. Notwithstanding anything herein to the contrary, upon the death of Lauren

or the entry by a court of competent jurisdiction of an order adjudicating him incompetent, (i) in the event of Lauren's death, the legal representative of Lauren's estate, or another representative of Lauren's estate if selected by beneficiaries holding a majority-in-interest of Lauren's estate's rights in the Company (it being agreed that, in the case of any trusts that are beneficiaries of Lauren's estate's rights in the Company, such trusts shall act through the trustees thereof) will be entitled to exercise the rights under this Agreement that Lauren would have been entitled to exercise if he had not died, or (ii) in the event that Lauren is so adjudicated an incompetent, the legal representative of Lauren will be entitled to exercise the rights under this Agreement that Lauren would have been entitled to exercise if he had not been so adjudicated an incompetent.

(b) This Agreement (with the documents referred to herein or delivered pursuant hereto) embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof (including the terms of the Original Registration Rights Agreement). The Original Registration Rights Agreement is hereby terminated.

(c) This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of New York without giving effect to the conflicts of law principles thereof.

(d) The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof. All section references are to this Agreement unless otherwise expressly provided.

(e) This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

(f) Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining

terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction.

(g) It is hereby agreed and acknowledged that it will be impossible to measure in money the damages that would be suffered if the parties fail to comply with any of the obligations herein imposed on them and that in the event of any such failure, an aggrieved person will be irreparably damaged and will not have an adequate remedy at law. Any such person shall, therefore, be entitled to injunctive relief, including specific performance, to enforce such obligations, without the posting of any bond and if any action should be brought in equity to enforce any of the provisions of this Agreement, none of the parties hereto shall raise the defense that there is an adequate remedy at law.

(h) Each party hereto shall do and perform or cause to be done and performed all such further acts and things and shall execute and deliver all such other agreements, certificates, instruments, and documents as any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

4.8. No Inconsistent Agreements . Without the prior written consent of (i) Lauren and (ii) GSCP, neither the Company nor any Holder will, on or after the date of this Agreement, enter into any agreement with respect to its securities which is inconsistent with the rights granted in this Agreement or otherwise conflicts with the provisions hereof, other than any lock-up agreement with the underwriters in connection with any registered offering effected hereunder, pursuant to which the Company shall agree not to register for sale, and the Company shall agree not to sell or otherwise dispose of, Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, for a specified period following the registered offering. The Company shall not grant any other Person registration rights without the written consent of the Holders holding at least a majority of the Registrable Securities held by all of the Holders. If the Company shall at any time hereafter provide to any holder of any securities of the Company rights with respect to the registration of such securities and such

rights are provided on terms or conditions more favorable to such holder than the terms or conditions applicable to the Holders herein, the Company shall provide (by way of amendment to this Agreement or otherwise) such more favorable terms or conditions to the Holders under this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date set forth above.

GS CAPITAL PARTNERS, L.P.

By: GS Advisors L.P., its general partner
By: GS Advisors, Inc., its general partner

By: /s/

STONE STREET FUND 1994, L.P.

By: Stone Street Funding Corp., its general partner

By: /s/

Name:
Title:

BRIDGE STREET FUND 1994, L.P.

By: Stone Street Funding Corp., its general partner

By: /s/

Name:
Title:

POLO RALPH LAUREN CORPORATION

By: /s/

Name:
Title:

/s/

RALPH LAUREN

RL HOLDING, L.P.

By: /s/

Name:
Title:

RL FAMILY, L.P.

By: /s/

Name:
Title:

THE RALPH LAUREN 1997 CHARITABLE
REMAINDER UNITRUST

By: /s/

Name:
Title:

SCHEDULE I
Addresses for Notices

GS Capital Partners, L.P.
Stone Street Fund 1994, L.P.
Bridge Street Fund 1994, L.P.
c/o Goldman, Sachs & Co.
85 Broad Street
New York, NY 10004
Attention: David J. Greenwald
Telephone: (212) 902-1000
Telecopy: (212) 902-3000

with a copy to:

Fried, Frank, Harris, Shriver & Jacobson
One New York Plaza
New York, New York 10004-1980
Attention: Valerie F. Jacob
Telephone: (212) 859-8000
Telecopy: (212) 859-4000

Exhibit 10.17

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the "Agreement") made effective as of the 9th day of June, 1997, among Polo Ralph Lauren, L.P. (the "Partnership"), Polo Ralph Lauren Corporation, a Delaware corporation (the "Company"), and Michael J. Newman (the "Executive").

WHEREAS, the Executive has heretofore been employed by the Partnership pursuant to an employment agreement dated as of October 23, 1993, as previously amended by Amendment No.1 dated as of October 31, 1994 (the "Prior Agreement");

WHEREAS, the Company is currently contemplating a registered initial public offering of its Class A Common Stock (the "IPO"), prior to the consummation of which the rights, duties and obligations of the Partnership under this Agreement will be assigned to and assumed by the Company;

WHEREAS, the Partnership, the Company and the Executive wish to amend and restate the Prior Agreement as evidenced by this Agreement effective as of the date hereof in order to provide for the modification of certain provisions of the Prior Agreement relating to the Executive's annual and incentive compensation, equity opportunities and restrictive covenants in the event the IPO is consummated;

NOW, THEREFORE, intending to be bound the parties hereby agree as follows with effect from the date first above written.

1. Employment/Prior Agreement. The Company hereby agrees to employ the Executive, and the Executive hereby agrees to serve the Company, on the terms and conditions set forth herein. From and after the date hereof, the terms of this Agreement shall supersede in all respects the terms of the Prior Agreement which shall cease to be of any further force and effect.

2. Term. The employment of the Executive by the Company as provided in Section 1 pursuant to this Agreement will be effective on the date hereof. The Executive will serve at the direction and pleasure of the Board. In the event a registered initial public offering of the equity securities of the Company (or any entity which shall be assigned or otherwise assume the rights, duties or obligations of the Partnership hereunder) shall be consummated on or prior to December 31, 1997 (a "Qualified Offering"), the term of the Executive's employment under this Employment Agreement shall continue until the close of business of the fifth anniversary of the consummation of the Qualified Offering, subject to earlier termination in accordance with the terms of this Agreement (the "Term"). The Term

shall be automatically extended for successive one year periods thereafter unless either party notifies the other in writing of its intention not to so extend the Term at least twelve (12) months prior to the commencement of the next scheduled one year extension.

3. Position and Duties. The Executive shall serve as Vice Chairman and Chief Operating Officer of the Company and shall have such responsibilities, duties and authority as he may have as of the date hereof (or which arise from any comparable position as a key executive officer to which he may be appointed after the date hereof) and as may from time to time be assigned to the Executive by the Board that are consistent with such responsibilities, duties and authority. The Executive shall devote substantially all his working time and efforts to the business and affairs of the Company.

4. Compensation and Related Matters.

(a) Salary and Incentive Bonus

(i) Salary. During the period of the Executive's employment hereunder, the Company shall pay to the Executive an annual salary of not less than $800,000. Such salary shall be paid in substantially equal installments on a basis consistent with the Company's payroll practices. This salary shall be subject to annual review by the Board. Notwithstanding the foregoing, in the event a Qualified Offering is consummated, the Executive's salary for the period following the Qualified Offering shall not be less than $900,000 per annum. From and after any Qualified Offering, the term "Company" as used in this Agreement shall be deemed to refer to the successor to rights, duties and obligations of the Partnership.

(ii) Incentive Bonus.

(A) During the period of the Executive's employment prior to the consummation of a Qualified Offering, the Executive's entitlement to an annual incentive bonus shall continue to be governed by the letter agreement between the Partnership and the Executive dated as of April 10, 1996 (the "1996 Bonus Letter").

(B) In the event a Qualified Offering is consummated, the 1996 Bonus Letter shall cease to be effective with respect to the then current fiscal year and with respect to such then current fiscal year and all future fiscal years that occur following the Qualified Offering the Executive's annual incentive bonus will be a percentage of Income Before Taxes ("IBT") of the Company as determined under the Bonus Schedule below; provided that in no event will the annual incentive bonus with respect to any fiscal year exceed $3 million.

Incentive Bonus Schedule

For the first $0 to $75 million of IBT:
0%;

From $75 million to $150 million of IBT:
1.75% of IBT in excess of $75 million;

From $150 million to $200 million of IBT:
1% of IBT in excess of $150 million;

For amounts of IBT over $200 million:
.5% of IBT in excess of $200 million.

(C) The annual incentive bonus, whether paid pursuant to clause (A) or (B) above, will be payable in a lump sum within thirty days after the Company's year-end financial statements have been certified by the Company's outside auditors and will not be included for any purposes under the Deferred Compensation Agreement currently in effect between the Executive and the Partnership (or any successor agreement thereto).

(D) IBT for purposes of this Agreement will mean the amount reflected on the line with that term in the Company's financial statements, prior to deducting the Executive's annual incentive bonus.

(E) Notwithstanding any provision of this Agreement to the contrary, the Executive's entitlement to payment of an annual incentive bonus during any period when the compensation payable to the Executive pursuant to this Agreement is subject to the deduction limitations of section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), shall be subject to shareholder approval of a plan or arrangement evidencing such annual incentive bonus opportunity that complies with the requirements of section 162(m) of the Code.

(b) Expenses. During the term of the Executive's employment hereunder, the Executive shall be entitled to receive prompt reimbursement for all reasonable and customary expenses incurred by the Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company.

(c) Other Benefits. During the term of the Executive's employment hereunder, the Executive shall be entitled to participate in or receive benefits under any medical, pension, profit sharing or other employee benefit plan or arrangement generally made available by the Company now or in the future to its executives and key management employees (or to their family members), subject to

and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements. Nothing paid to the Executive under any plan or arrangement presently in effect or made available in the future shall be deemed to be in lieu of the salary payable to the Executive pursuant to paragraph (a) of this Section.

(d) Vacations. The Executive shall be entitled to reasonable vacations consistent with past practice.

(e) Restricted Stock.

(i) If a Qualified Offering is consummated, then effective as of the date of commencement of the Qualified Offering, the Executive will be granted a number of restricted shares of Class A Common Stock of the issuer of securities in the Qualified Offering with a fair market value equal to $2 million (based upon the initial offering price per share in the Qualified Offering); provided that any fractional share will be paid to the Executive in cash. The restricted shares will vest with respect to one third (1/3) of the aggregate number of restricted shares so granted on each of (x) the commencement date of the Qualified Offering, (y) the second anniversary of the commencement date of the Qualified Offering and (z) the third anniversary of the commencement date of the Qualified Offering, subject to the Executive's continued employment through each vesting date.

(ii) In the event a Qualified Offering is not consummated, the Executive shall receive a special cash bonus in respect of fiscal year 1997 in the amount of $666,667.00, payable in a lump sum, no later than December 31, 1997.

(f) Options.

(i) If a Qualified Offering is consummated, then effective as of the date of commencement of the Qualified Offering, the Executive will be granted options to purchase 350,000 shares of Class A Common Stock of the issuer of securities in the Qualified Offering with an exercise price equal to the initial offering price in the Qualified Offering. In addition, with respect to at least each of the first three fiscal years occurring after the Qualified Offering, as of a date no later than each anniversary of the commencement of the Qualified Offering, the Executive will be granted options to purchase 150,000 shares of Class A Common Stock of the of the issuer of securities in the Qualified Offering with an exercise price equal to the fair market value per shares as of the date of grant.

(ii) Any options granted to the Executive pursuant to clause (i) above will vest and become exercisable ratably over three (3) years on each of the first three anniversaries of the date of grant, subject to the Executive's continued employment through each vesting date.

5. Termination.

(a) Termination by Company. The Executive's employment hereunder may be terminated by the Board at any time with or without Cause.

(b) Termination by The Executive. The Executive may terminate his employment hereunder with or without Good Reason. For purposes of this Agreement, "Good Reason" shall mean (A) a material diminution in the Executive's duties or the assignment to the Executive of a title or duties inconsistent with his position as a Vice Chairman and Chief Operating Officer of the Company, (B) a reduction in the Executive's salary or annual incentive bonus opportunity, (C) a failure of the Company to comply with any material provision of this Agreement or (D) the Executive's ceasing to be entitled to the payment of an annual incentive bonus as a result of the failure of the Company's shareholders to approve a plan or arrangement evidencing such annual incentive bonus in a manner that complies with the requirements of section 162(m) of the Internal Revenue Code of 1986; provided that the events described in clauses (A), (B) and (C) above shall not constitute Good Reason unless and until such diminution, reduction or failure (as applicable) has not been cured within thirty (30) days after notice of such noncompliance has been given by the Executive to the Company.

(c) Any termination of the Executive's employment by the Company or by the Executive (other than termination pursuant to Section 6(d)(i) hereof) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 10 hereof. If termination is pursuant to Sections 6(d)(ii)-(iii) or 5(b) hereof, the "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated.

6. Compensation Upon Termination.

(a) If the Company shall terminate the Executive's employment for any reason other than an Enumerated Reason as set forth in Section 6(d) hereof and other than due to the Company's election not to extend the Term of this Agreement as contemplated by Section 2, or if the Executive resigns for Good Reason pursuant to Section 5(b) hereof, then so long as the Executive complies with Section 8 hereof the Executive shall be entitled to the following:

(i) (x) if such termination of employment occurs prior to a Qualified Offering, continued salary payments for a period of thirty-six (36) months from the date of termination (the "Severance Period") at the rate and in the manner in effect on such date (unless employment is terminated by the Executive for Good Reason pursuant to Section 5(b) hereof as a result of a salary reduction, in which case salary payments shall continue at the rate in

effect prior to such reduction); plus a pro rata annual incentive bonus for the year of termination (based on the average annual incentive bonus paid to the Executive over the preceding two years and based upon the percentage of the calendar year in which such termination occurs that shall have elapsed through the date of termination (a "Pro Rata Annual Incentive Bonus")); or

(y) if such termination of employment occurs following a Qualified Offering, an amount equal to the greater of:

(A) the sum of (I) three (3) times the Executive's salary at the rate in effect on such date (unless employment is terminated by the Executive for Good Reason pursuant to Section 5(b) hereof as a result of a salary reduction, in which case, at the rate in effect prior to such reduction), plus (II) two (2) times the average annual incentive bonus paid to the Executive over the preceding two years; plus a Pro Rata Annual Incentive Bonus for the year of termination; and

(B) the sum of (I) (five (5) minus the number of years (including fractions thereof) that shall have elapsed since the consummation of the Qualified Offering) times the Executive's salary at the rate in effect on such date (unless employment is terminated by the Executive for Good Reason pursuant to Section 5(b) hereof as a result of a salary reduction, in which case, at the rate in effect prior to such reduction), plus (II) two (2) times the average annual incentive bonus paid to the Executive over the preceding two (2) years; plus a Pro Rata Annual Incentive Bonus for the year of termination.

Any amounts paid pursuant to either clause (A) or clause (B) above shall be paid in equal monthly installments for a period of thirty-six (36) months from the date of termination, except that the Pro Rata Annual Incentive Bonus shall be paid in a lump sum in cash within thirty (30) days following the date of the Executive's termination of employment. For purposes of clause (A) and clause (B) above, the Executive's annual incentive bonus for fiscal years 1996 and 1997 shall be deemed to be $1,000,000 and $1,500,000, respectively, irrespective of the actual bonuses paid to the Executive in respect of fiscal years 1996 and 1997.

(ii) Continued participation in the Company's health benefit plans during the Severance Period; provided that if the Executive is provided with similar coverage by a successor employer, any such coverage by the Company shall cease;

(iii) Continued use of the Company automobile until the then existing auto lease term expires;

(iv) Waiver of collateral interest securing return to the Company of premiums paid by the Company for the Executive's existing split dollar life insurance policy;

(v) Any unvested restricted shares granted to the Executive pursuant to Section 4(e) will continue to vest on their scheduled vesting dates, subject to and conditioned upon the Executive's compliance with Section 8 hereof;

(vi) Any unvested options granted to the Executive pursuant to Section 4(f) will continue to vest on their scheduled vesting dates, subject to and conditioned upon the Executive's compliance with Section 8 hereof and subject to and conditioned upon the Executive's compliance with Section 8, any vested options granted to the Executive pursuant to Section 4(f) (including any options that continue to vest as described above) will remain exercisable until the latest to occur of (x) five (5) years from the commencement of the Qualified Offering, (y) one (1) year from the date the Executive's termination of employment and (z) thirty (30) days from the date the option becomes vested and exercisable;

(vii) If a Change of Control shall have occurred prior to the date of termination, the Executive shall be entitled at his option, exercisable in writing within fifteen days of the date of termination, to receive the equivalent of the salary and bonus payments pursuant to subsection (i) above in two equal lump sum installments, the first payable within 30 days of the date of termination and the second on the first anniversary of the date of termination. As used herein, the term "Change of Control" shall mean Ralph Lauren or members of his family (or trusts or entities created for their benefit) no longer control 50% or more of the voting power of the then outstanding securities of the Company entitled to vote for the election of the Company's directors; and

(viii) Except as provided above, the Company will have no further obligations to the Executive under this Agreement following the Executive's termination of employment under the circumstances described in this Section 6(a).

(b) If the Executive's employment is terminated by his death or by the Company due to the Executive's Disability (as defined below):

(i) The Company shall pay any amounts due to the Executive through the date of his death or the date of his termination due to Disability, including a Pro Rata Annual Incentive Bonus for the year of termination;

(ii) Any unvested restricted shares granted to the Executive pursuant to Section 4(e) shall vest immediately;

(iii) Any unvested options granted to the Executive pursuant to Section 4(f) will vest and all such options held by the Executive, or his estate, will remain exercisable for three (3) years from the date of the Executive's death or termination due to disability; and

(iv) Except as provided above, the Company will have no further obligations to the Executive under this Agreement following the Executive's termination of employment under the circumstances described in this Section 6(b).

(c) If the Executive's employment shall be terminated by the Company pursuant to section 6(d) (iii) for Cause or by the Executive for other than Good Reason (including due to the Executive's election not to extend the Term as contemplated by Section 2), the Company shall pay the Executive his full salary through the date of termination at the rate in effect prior to such termination and the Company shall have no further obligations to the Executive under this Agreement but the Executive shall be bound by Section 8 hereof. Following any such termination, any then unvested restricted shares granted to the Executive pursuant to Section 4(e) shall be forfeited and any options granted to the Executive pursuant to Section 4(f) that have not theretofore been exercised shall cease to be exercisable and shall terminate as of the date of such termination of employment.

(d) The term "Enumerated Reason" with respect to termination by the Company of the Executive's employment shall mean any one of the following reasons:

(i) Death. The Executive's employment hereunder shall terminate upon his death.

(ii) Disability. If, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been absent from his duties hereunder on a full-time basis for the entire period of six consecutive months, and within thirty (30) days after written Notice of Termination is given (which may occur before or after the end of such six month period) shall not have returned to the performance of his duties hereunder on a full-time basis (a "Disability"), the Company may terminate the Executive's employment hereunder.

(iii) Cause. The Company shall have "Cause" to terminate the Executive's employment hereunder upon (1) the willful and continued failure by the Executive to substantially perform his duties hereunder after demand for substantial performance is delivered by the Company that specifically identifies the manner in which the Company believes the Executive has not substantially performed his duties, or (2) Executive's conviction of, or plea of nolo contendere to, a crime (whether or not involving the Company) constituting any felony or (3) the willful engaging by the Executive in gross misconduct relating to the Executive's employment that is materially injurious

to the Company, monetarily or otherwise (including, but not limited to, conduct that constitutes competitive activity, in violation of Section 8) or which subjects, or if generally known, would subject the Company to public ridicule or embarrassment. For purposes of this paragraph, no act, or failure to act, on the Executive's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Company. Notwithstanding the forgoing, the Executive shall not be deemed to have been terminated for Cause without (x) reasonable written notice to the Executive setting forth the reasons for the Company's intention to terminate for Cause, (y) an opportunity for the Executive, together with his counsel, to be heard before the Board, and (z) delivery to the Executive of a Notice of Termination, as defined in Section 5(c) hereof, from the Board finding that in the good faith opinion of the Board the Executive was guilty of conduct set forth above in clauses (A) through (C) hereof, and specifying the particulars thereof in detail.

(e) If the "Term" becomes effective following a Qualified Offering pursuant to Section 2, and if the Executive's employment with the Company shall terminate due to the Company's election not to extend the Term of this Agreement as contemplated by Section 2:

(i) The Executive shall be entitled to receive an amount, payable in equal monthly installments over a one year period, equal to the sum of (x) his annual salary, plus (y) his average annual incentive bonus paid over the preceding two years;

(ii) Any unvested restricted shares granted to the Executive pursuant to Section 4(e) will continue to vest on their scheduled vesting dates, subject to and conditioned upon the Executive's compliance with Section 8 hereof;

(iii) Any unvested options granted to the Executive pursuant to Section 4(f) will continue to vest on their scheduled vesting dates, subject to and conditioned upon the Executive's compliance with Section 8 hereof and subject to and conditioned upon the Executive's compliance with Section 8, any vested options granted to the Executive pursuant to Section 4(f) (including any options that continue to vest as described above) will remain exercisable until the latest to occur of (x) five (5) years from the effectiveness of the Qualified Offering, (y) one (1) year from the date the Executive's termination of employment and (z) thirty (30) days from the date the option becomes vested and exercisable; and

(iv) Except as provided above, the Company shall have no further obligations to the Executive under this Agreement following the Executive's termination of employment under the circumstances described in this Section 6(e).

7. Mitigation. The Executive shall have no duty to mitigate the payments provided for in Section 6(a) by seeking other employment or otherwise and such payment shall not be subject to reduction for any compensation received by the Executive from employment in any capacity following the termination of the Executive's employment with the Company.

8. Noncompetition.

(a) The Executive agrees that for the duration of his employment and for a period three (3) years from the date of termination thereof, he will not, on his own behalf or on behalf of any other person or entity, hire, solicit, or encourage to leave the employ of the Company or its subsidiaries or affiliates any person who is an employee of any of such companies.

(b) The Executive agrees that for the duration of his employment and for a period of three (3) years from the date of termination thereof, the Executive will take no action which is intended, or would reasonably be expected, to harm (e.g. making public derogatory statements or misusing confidential Company information, it being acknowledged that the Executive's employment with a competitor in and of itself shall not be deemed to be harmful to the Company for purposes of this Section 8(b)) the Company or any of its subsidiaries or affiliates or their reputation.

The following paragraphs (c), (d), (e) and (f) shall only apply following the consummation of a Qualified Offering:

(c) The Executive agrees that during the duration of his employment and;

(i) in the event of the Executive's termination of employment due to the Executive's resignation without Good Reason, until the later of (x) five (5) years from the commencement of a Qualified Offering and (y) two (2) years from the date of such termination of employment; and

(ii) in the event of the Executive's termination of employment by the Company without Cause or the Executive's resignation for Good Reason pursuant to Section 5(b), for two (2) years from the date of such termination of employment; and

(iii) in the event of the Executive's termination of employment by the Company for Cause, at the election of the Company in consideration for the payment to the Executive of an amount equal to the Executive's salary and annual incentive bonus (equal to the average annual incentive bonus paid to the Executive over the preceding two years) for each year within such period, for a period of up to two (2) years from the date of such termination of employment,

then, during the period specified in clause (i), (ii) or (iii) above, as applicable, the Executive shall not, directly or indirectly, (A) engage in any "Competitive Business" (as defined below) for his own account, (B) enter into the employ of, or render any services to, any person engaged in a Competitive Business, or (C) become interested in any entity engaged in a Competitive Business, directly or indirectly as an individual, partner, shareholder, officer, director, principal, agent, employee, trustee, consultant, or in any other relationship or capacity; provided that the Executive may own, solely as an investment, securities of any entity which are traded on a national securities exchange if the Executive is not a controlling person of, or a member of a group that controls such entity and does not, directly or indirectly, own 2% or more of any class of securities of such entity.

For purposes of this Agreement the term "Competitive Business" shall mean any of the brands and companies that the Company and the Executive may agree to and acknowledge in writing in the future based upon a good faith determination that such brands or companies compete with the Company or its affiliates.

(d) The Executive will not at any time (whether during or after his employment with the Company) disclose or use for his own benefit or purposes or the benefit or purposes of any other person, entity or enterprise, other than the Company or any of its affiliates, any trade secrets, information, data, or other confidential information relating to customers, development programs, costs, marketing, trading, investment, sales activities, promotion, credit and financial data, manufacturing processes, financing methods, plans or the business and affairs of the Company generally, or any affiliate of the Company; provided that the foregoing shall not apply to information which is not unique to the Company or which is generally known to the industry or the public other than as a result of the Executive's breach of this covenant. The Executive agrees that upon termination of his employment with the Company for any reason, he will return to the Company immediately all memoranda, books, papers, plans, information, letters and other data, and all copies thereof or therefrom, in any way relating to the business of the Company and its affiliates.

(e) If the Executive breaches, or threatens to commit a breach of, any of the provisions of this Section 8 (the "Restrictive Covenants"), the Company shall have the following rights and remedies, each of which rights and remedies shall be independent of the other and severally enforceable, and all of which rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to the Company under law or equity:

(i) The right and remedy to have the Restrictive Covenants specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Company and that money damages will not provide an adequate remedy to the Company;

(ii) The right and remedy to require the Executive to account for and pay over to the Company all compensation, profits, monies, accruals, increments or other benefits (collectively, "Benefits") derived or received by the Executive as the result of any transactions constituting a breach of any of the Restrictive Covenants, and the Executive shall account for and pay over such Benefits to the Company; and

(iii) The right to discontinue the payment of any amounts owing to the Executive under the Agreement.

(f) If any court determines that any of the Restrictive Covenants, or any part thereof, is invalid or unenforceable, the remainder of the Restrictive Covenants shall not thereby be affected and shall be given full effect, without regard to the invalid portion. In addition, if any court construes any of the Restrictive Covenants, or any part thereof, to be unenforceable because of the duration of such provision or the area covered thereby, such court shall have the power to reduce the duration or area of such provision and, in its reduced form, such provision shall then be enforceable and shall be enforced.

9. Successors; Binding Agreement.

(a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section 9 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

(b) This Agreement and all rights of the Executive hereunder shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amounts are payable to him hereunder all such amounts unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee, or other designee or, if there be no such designee, to the Executive's estate.

10. Notice. For the purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered with receipt acknowledged or five business days after having been mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

Mr. Michael J. Newman
40 Glenby Lane
Brookville, New York 11545

if to the Company:

Polo Ralph Lauren Corporation
650 Madison Avenue
New York, New York 10022
Attention: General Counsel

or to such other address as any party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

11. Miscellaneous. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by the Executive and such officer of the Company as may be specifically designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of New York without regard to its conflicts of law principles.

12. Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

13. 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 will constitute one and the same instrument.

14. Arbitration. Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in the City of New York before a single arbitrator in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction; provided, however, that the Company shall be entitled to seek a restraining order or injunction in any court of competent jurisdiction to prevent any continuation of any violation of the provisions of Section 8 of this Agreement and the Executive hereby consents that such restraining order or injunction may be granted without the necessity of the Company's posting any bond, and provided further that the Executive shall be entitled to seek specific performance of

his right to be paid until the date of termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. Fees and expenses payable to the American Arbitration Association and the arbitrator shall be shared equally by the Company and by the Executive, but the parties shall otherwise bear their own costs in connection with the arbitration; provided that the arbitrator shall be entitled to include as part of the award to the prevailing party the reasonable legal fees and expenses incurred by such party in an amount not to exceed $25,000.

15. Withholding. The Company may withhold from any amounts payable under this Agreement such federal, state and local taxes as may be required to be withheld pursuant to applicable law or regulation.

16. Entire Agreement. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto; and any prior agreement of the parties hereto in respect of the subject matter contained herein is hereby terminated and cancelled.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed and the Executive has hereunto set his hand, effective as of the 9th day of June, 1997.

POLO RALPH LAUREN, L.P

By: POLO RALPH LAUREN CORPORATION
General Partner

By: /s/ Victor Cohen
____

POLO RALPH LAUREN CORPORATION

By: /s/ Ralph Lauren
____

/s/ Michael J. Newman
____
Executive: Michael J. Newman

EXHIBIT 10.22

STOCKHOLDERS AGREEMENT

STOCKHOLDERS AGREEMENT, dated as of June 9, 1997, among Polo Ralph Lauren Corporation, a Delaware corporation (the "Company"), GS Capital Partners, L.P., a Delaware limited partnership ("GSCP"), Stone Street Fund 1994, L.P., a Delaware limited partnership ("Stone Street"), Bridge Street Fund 1994, L.P., a Delaware limited partnership ("Bridge Street"), and Mr. Ralph Lauren ("Lauren"), RL Holding, L.P., a Delaware limited partnership ("RL Holding"), RL Family, L.P., a Delaware limited partnership ("RL Family") and The Ralph Lauren 1997 Charitable Remainder Unitrust (the "Trust"). GSCP, Stone Street, Bridge Street, other Investors that are Affiliates of GSCP and their permitted assignees are sometimes collectively referred to herein as the "GS Parties," and Lauren, RL Holding, RL Family and the Trust and their permitted assignees are sometimes collectively referred to herein as the "Polo Parties." The parties hereto (other than the Company) are sometimes collectively referred to herein as the "Investors."

WHEREAS, (i) pursuant to the Subscription Agreement, dated as of April 6, 1997, by and among the Company, the GS Parties and the Polo Parties as amended by Amendment dated as of June 9, 1997 (as amended, the "Subscription Agreement"), the GS Parties and certain of the Polo Parties subscribed for certain promissory notes of the Company and shares of Class B Common Stock or Class C Common Stock of the Company (as such terms are hereinafter defined) as set forth on Schedule 1 to that agreement, and (ii) as consideration for the promissory notes and the shares of the Company's common stock purchased pursuant to the Subscription Agreement, each of the GS Parties and the Polo Parties assigned to the Company all of their interests in Polo Ralph Lauren Enterprises, L.P. (the "Design Studio Partnership"), Polo Ralph Lauren, L.P. (the "Polo Partnership"), The Ralph Lauren Womenswear Company, L.P. (the "Womenswear Partnership", together with the Design Studio Partnership and the Polo Partnership, the "RL Partnerships"), The Ralph Lauren Womenswear Company, Inc. and

RL Fragrances, LLC., pursuant to the Assignment and Assumption Agreement, dated as of April 6, 1997, by and among the Company, the GS Parties and certain of the Polo Parties, as amended by Amendment dated as of June 9, 1997 (as amended, the "Assignment and Assumption Agreement").

WHEREAS, Section 12 of the Assignment and Assumption Agreement requires the parties to enter into, and the parties hereto deem it to be in their best interests to enter into, an agreement establishing and setting forth their agreement with respect to certain rights and obligations associated with ownership of shares of capital stock of the Company.

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties, covenants and agreements herein set forth, the parties hereto agree as follows:

1. Definitions.

As used in this Agreement, the following terms shall have the meanings ascribed to them below:

"Advisors" means, any member of the Advisory Board of any RL Partnership.

"Affiliate" means, with respect to any specified Person, (i) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person or (ii) with respect to any natural Person, any person having a relationship with such Person by blood, marriage or adoption of spouse, grandparent, parent, child, grandchild, descendant, aunt, uncle, niece, nephew, sister, brother or first cousin. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person directly or indirectly, whether through ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" having meanings correlative to the foregoing.

"Agreement" means this stockholders agreement, as it may be amended from time to time in accordance with the terms hereof.

"Amended RL Note" shall have the meaning set forth in the Formation Agreement.

"Board of Directors" means the board of directors of the Company.

"Business" means the marketing, licensing, manufacturing, designing, sourcing, developing and selling of products directly and indirectly through licensees, Subsidiaries, partnerships and joint ventures and any other activities approved by the Board of Directors in accordance with the terms of this Agreement.

"Class A Common Stock" means Class A Common Stock, par value $ .01 per share, of the Company.

"Class B Common Stock" means Class B Common Stock, par value $ .01 per share, of the Company.

"Class C Common Stock" means Class C Common Stock, par value $ .01 per share, of the Company.

"Common Stock" means common stock of the Company (including, without limitation, Class A Common Stock, Class B Common Stock and Class C Common Stock), and any and all securities of any kind whatsoever of the Company which may be issued after the date hereof in respect of, or in exchange for, shares of common stock of the Company pursuant to a merger, consolidation, stock split, stock dividend, recapitalization of the Company or otherwise.

"Debt" means with respect to any Person, at any date, (i) all obligations of such Person for borrowed money, including, without limitation, all obligations, contingent or otherwise, of such Person in connection with any letters of credit issued under letter of credit facilities, acceptance facilities or other similar facilities, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (iv) all obligations of such Person as lessee under leases which are capitalized in accordance with generally accepted accounting principles, (v) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person, (vi) all interest rate protection agreements (including, without limitation, interest rate swaps, caps, floors, collars and similar agreements) and/or other types of interest rate hedging agreements and (vii) all Debt of others guaranteed by such Person.

"Equity Interest" with respect to any Person, means any and all shares, interests, rights to purchase, warrants, options, participations or other interests (however designated) in capital stock or other equity participations, including partnership interests, whether general or limited, in any such Person.

"Existing Airplane" means the Grumman G-1159 aircraft, Serial No. 025.

"Formation Agreement" means the agreement dated as of August 22, 1994, relating to the formation of the Design Studio Partnership and the Polo Partnership by and among the GS Parties, Lauren and Mr. Peter Strom Goldstein.

"GS Notes" shall have the meaning set forth in the Formation Agreement.

"GS Ownership Percentage" means the fraction, expressed as a percentage, equal to the number of shares of Common Stock owned, in the aggregate, by the GS Parties, divided by the total number of shares of Common Stock outstanding.

"Incurrence" means the incurrence, creation, assumption, guarantee or, in any other manner, becoming liable with respect to, responsible for, or a surety for the payment of, any Debt.

"Initial Public Offering" means the initial sale of equity securities of the Company (including any equity securities issued in connection with the exercise of any overallotment option granted in connection with such offering) pursuant to an effective registration statement under the Securities Act (other than a registration statement on Form S-8 or otherwise relating to equity securities issuable under any employee benefit plan of the Company) made (i) in accordance with the Registration Rights Agreement, (ii) with the prior written consent of Lauren and GSCP or (iii) as contemplated by the Preliminary Prospectus.

"Investment" in any Person means the acquisition of any Equity Interest issued by such Person, any security convertible into an Equity Interest issued by such Person, or any note, bond or other instrument of indebtedness issued by such Person, whether from such Person or from another Person or the making of a loan or advance to such Person; provided, however, that such

term shall not include the acquisition by operation of law or otherwise of an Equity Interest or any security convertible into an Equity Interest in satisfaction of a bona fide debt.

"Lien" means any mortgage, pledge, hypothecation, security assignment, deposit arrangement, encumbrance, lien (statutory or other), or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any capital lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction), any right of first refusal, right to call, preemptive right or similar right, or any option, warrant or similar commitment or any other similar right or interest of others therein.

"New RL Note" shall have the same meaning set forth in the Formation Agreement.

"Original GS Parties" means GSCP, Stone Street, and Bridge Street.

"Original Polo Parties" means Lauren, RL Holding, RL Family and the Trust.

"Own" or any derivation thereof means beneficial ownership as defined in 17 C.F.R. Section 240.13d-3 promulgated under the Securities Exchange Act of 1934, as amended.

"Person" means any natural person, corporation, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, estate, government, governmental agency or any other entity, whether acting in an individual, fiduciary or other capacity.

"Permitted Trust" means any trust of which the only beneficiaries are (i) (x) Lauren and/or his siblings, (y) descendants of any of the foregoing persons referenced in clause (x), and/or (iii) spouses of any of the foregoing persons referenced in clauses (x) or (y) (each an "RL Family Member") or (ii) one or more RL Family Members and one or more persons exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

"Polo Retail Transactions" means the transactions contemplated by the agreements entered into by the Company with third parties, effective as of April 3, 1997, to purchase the

remaining interests in Polo Retail Corporation and related entities that the Company did not previously own.

"Preliminary Prospectus" means the preliminary prospectus of the Company which forms part of the registration statement on file on the date hereof with the Securities and Exchange Commission relating to the initial public offering of Class A Common Stock and filed with the consent of GSCP and Lauren.

"Registration Rights Agreement" means the Registration Rights Agreement, dated as of October 31, 1994, by and among the Design Studio Partnership, the Polo Partnership, the GS Parties, Lauren and the Company (as successor to Polo Ralph Lauren Corporation, a New York Corporation) (the "Original Registration Rights Agreement") as amended pursuant to Section 9.8 of this Agreement.

"Rule 144" means 17 C.F.R. Section 230.144 (or any similar provision then in force) promulgated under the Securities Act.

"Securities Act" means the Securities Act of 1933, as amended.

"Subsidiary" means any Person of which at least 50% of the Equity Interests are at the time owned, directly or indirectly, by the Company or by one or more Subsidiaries, or by the Company and one or more Subsidiaries. The parties acknowledge that the Womenswear Partnership is a Subsidiary of the Company.

"Transfer" and any derivation thereof shall have the meaning set forth in Section 4.1 of this Agreement.

2. Board of Directors.

2.1. Number of Directors. Prior to an Initial Public Offering, the number of directors of the Company shall be six or seven, at Lauren's election.

2.2. Board of Directors. (a) Prior to an Initial Public Offering the directors of the Corporation shall be elected in accordance with the provisions of the Company's Certificate of Incorporation. As of the date hereof, pursuant to the Company's Certificate of Incorporation:

(i) the holders of the outstanding shares of Class A Common Stock, shall have the right to elect one director (each director which the holders of Class A Common Stock have the right to elect pursuant to the Company's Certificate of Incorporation, an "A Director");

(ii) the holders of the outstanding shares of Class B Common Stock, shall have the right to elect four directors (if the Board of Directors of the Company consists of six directors) or five directors (if the Board of Directors of the Company consists of seven directors); and

(iii) the holders of the outstanding shares of Class C Common Stock, shall have the right to elect one director.

The parties acknowledge that the Polo Parties currently Own all of the outstanding shares of Class A Common Stock and Class B Common Stock and will accordingly be entitled to elect five directors (if the Board of Directors of the Company consists of six directors) or six directors (if the Board of Directors of the Company consists of seven directors) as of the date hereof and that the GS Parties currently Own all of the outstanding shares of Class C Common Stock and will accordingly be entitled to elect one director. Subject to Section 2.2(b), the removal of, and filling of any vacancy of, any director shall be governed by the terms of the Company's By-Laws.

(b) If an Initial Public Offering shall not occur within thirty days after the date hereof, then (i) upon the written request of GSCP, (A) the Polo Parties shall immediately cause an A Director to, and such director shall, resign and (ii) from and after such date and until an Initial Public Offering, GSCP shall be entitled to designate a person to be elected as an A Director (the "GS A Director", and together with any director elected by the holders of Class C Common Stock, the "GS Directors") and the Polo Parties shall take such action as is necessary or desirable (including calling a special meeting of stockholders and voting their shares of Class A Common Stock) to cause the GS A Director to be elected as an A Director within five business days after GSCP provides Lauren with written notice of such person's identity. Each Polo Party agrees to

vote, in person or by proxy, all shares of Common Stock over which it may exercise voting power, at any annual or special meeting of stockholders of the Company called for the purpose of voting on the election of directors, or, if necessary, to cause its nominee or nominees on the Board of Directors, if any, to vote in favor of the election of the GS A Director and to take all other necessary and appropriate actions to cause the GS A Director to be elected in accordance with the provisions of this Section 2.2(b). The Polo Parties agree not to take any action to remove, with or without cause, the GS A Director unless so directed by GSCP in which case the Polo Parties shall take all necessary and appropriate action to remove such director. In the event of a vacancy on the Board of Directors by reason of the death, disability, removal or resignation of the GS A Director, GSCP shall be entitled to designate a new director in accordance with the first sentence of this Section 2.2(b) within twenty business days after such vacancy occurs, and the Polo Parties shall take such action as is necessary or desirable to cause any person nominated by GSCP to fill any of such vacancies to be elected as a director of the Company within five business days after GSCP provides the Company with written notice of the identity of such person.

2.3. Initial Board of Directors; Election of Directors.

(a) The Board of Directors of the Company as of the date hereof shall consist of the following individuals:

Names of Directors	
Ralph Lauren	Class B
Michael Newman	Class B
Richard Friedman	Class C
[others]	

Each such person shall hold his office until his death, resignation or removal or until his successor shall thereafter have been duly elected and qualified. Each of the parties by executing

and delivering this Agreement hereby consents to the election of the nominees to the initial Board of Directors as listed above, effective as of the date hereof.

(b) There shall be no cumulative voting in any election of directors.

2.4. Meetings of the Board of Directors.

(a) The Board of Directors shall hold regular meetings (at least semi-annually). Notice of each regular meeting of the Board of Directors shall be given at least thirty days prior to the scheduled meeting date by the Secretary of the Company. Special meetings of the Board of Directors may be called by any Director at any time on at least five business days' prior notice by the Secretary of the Company to all directors. All special and regular meetings of the Board of Directors shall be held at the principal office of the Company.

(b) A quorum for any meeting of the Board of Directors shall require the presence of a majority of the directors.

2.5. Certain Covenants.

(a) Each Investor shall vote all shares of Common Stock over which it may exercise voting power, and each Investor and the Company shall take all other actions necessary and appropriate (including, without limitation, removing any director), to ensure that the Company's Certificate of Incorporation and bylaws do not at any time conflict with the provisions of this Agreement and shall not vote to approve (or consent to the approval of) any amendment to the Certificate of Incorporation or bylaws which would be inconsistent with this Agreement.

(b) The Company shall at all times maintain at least $10 million of directors' and officers' liability insurance covering the directors against any liability asserted against any director in such individual's capacity as a director or arising out of such individual's status as director, unless otherwise consented to by the GS Director(s).

(c) The Certificate of Incorporation, By-Laws and other organizational documents of the Company and each of its Subsidiaries shall at all times, to the fullest extent permitted by law, provide for indemnification of, advancement of expenses to, and limitation of

the personal liability of, the members of the Board of Directors and such other persons, if any, who, pursuant to a provision of such Certificate of Incorporation, By-Laws or other organizational documents, exercise or perform any of the powers or duties otherwise conferred or imposed upon members of the Board of Directors or the boards of directors or other similar managing bodies of each of the Company's Subsidiaries. Such provisions may not be amended, repealed or otherwise modified in any manner adverse to any director until at least six years following the date that there are no outstanding shares of Class C Common Stock.

(d) The Company shall pay the reasonable out-of-pocket expenses incurred by each director of the Board of Directors in connection with his performing his duties as a member of the Board of Directors, including without limitation the reasonable out-of-pocket expenses incurred by such person for attending meetings of the Board of Directors or any committee thereof or meetings of any board of directors or other similar managing body (and any committee thereof) of any Subsidiary of the Company.

2.6. Termination of Designation Rights. The provisions of this Section 2, other than those contained in Sections 2.5(b) and (c) shall terminate upon an Initial Public Offering. Sections 2.5(b) and (c) shall survive any termination of this Agreement.

3. Management of the Company.

3.1. Significant Transactions.

(a) Generally. Prior to an Initial Public Offering and subject to Section 3.1(b), the Company shall not, and shall cause each Subsidiary not to, take any action regarding any of the following matters (each a "Significant Transaction") without the prior written consent of both (1) GSCP and (2) Lauren:

(i) any consolidation, combination or merger of the Company or any Subsidiary with or into any other Person (other than a consolidation, combination or merger of any wholly owned Subsidiary with another wholly owned Subsidiary) or any recapitalization of the Company or any Subsidiary;

(ii) the sale, assignment, transfer or lease of any assets of the Company or any Subsidiary with a fair market value in excess of $15 million in the aggregate in any fiscal year of the Company, other than in the ordinary course of business;

(iii) the purchase or other acquisition by the Company or any Subsidiary of another business entity (or entities) or assets during any fiscal year of the Company with a fair market value in excess of $15 million in the aggregate, other than in the ordinary course of business;

(iv) the making of Investments by the Company or any Subsidiary in any Person (other than any wholly owned Subsidiary of the Company) in excess of $5 million in the aggregate through October 31, 2004 excluding the Polo Retail Transactions;

(v) the Incurrence by the Company or any Subsidiary of Debt (other than the Incurrence of Debt, in the ordinary course of business and consistent with past practices, (x) under revolving credit facilities to which (1) Lauren and (2) GSCP have previously consented and (y) in connection with the refinancing or modification of the terms of any Debt existing on the date of this Agreement (or any subsequent refinancing thereof) , in each case, upon commercially reasonable terms) in excess of $15 million in the aggregate in any fiscal year of the Company;

(vi) (x) the issuance or sale by the Company or any Subsidiary of any of its debt or of its equity securities (or securities exercisable for, exchangeable for or convertible into such securities) or (y) the granting of registration rights in connection with securities of the Company or any Subsidiary, except to the extent provided for in the Registration Rights Agreement;

(vii) capital expenditures by the Company or any Subsidiary in excess of $15 million in the aggregate in any fiscal year of the Company and any capital expenditures by the Company or any Subsidiary that are not in the ordinary course of business;

(viii) the purchase or redemption by the Company or any Subsidiary of any securities issued by the Company or any Subsidiary (it being agreed that for purposes of this

Section 3.1(a)(viii), Lauren and GSCP shall be deemed to have consented to the Amended RL Note, the New RL Note and the GS Notes being prepaid, in whole or in part, in accordance with the terms thereof);

(ix) the adoption by the Company or any Subsidiary of any employee stock option, phantom stock, equity or profit participation or other similar plan;

(x) the involvement by the Company or any Subsidiary in any line of business other than the lines of business currently comprising the Business (it being understood that the introduction of a new name or logo to an existing line or product or the licensing of a new logo shall not constitute the involvement by any such entity in a new line of business; provided, however, that such introduction shall be subject to clause (xi));

(xi) the entry by the Company or any Subsidiary into a new line or product or the introduction of a new name or new logo to an existing line or product, in each case, with expected start-up costs and total capital requirements in excess of $15 million in the aggregate;

(xii) any transaction, agreement, understanding or arrangement (including employment and consulting arrangements) entered into by the Company or any Subsidiary with any Investor or any Affiliate of any Investor (other than (A) such transactions, agreements, understandings or arrangements between the Company and any wholly owned Subsidiary or between wholly owned Subsidiaries or (B) such transactions, agreements, understandings or arrangements that do not involve payments in any fiscal year of the Company that exceed $100,000 in the aggregate to any Investor or any Affiliate of an Investor or $500,000 in the aggregate to all Investors and their respective Affiliates);

(xiii) any agreement or arrangement which restricts or prohibits dividends or distributions by any Subsidiary to the Company or by the Company to its stockholders;

(xiv) the winding up, dissolution or liquidation of the Company or any Subsidiary;

(xv) the voluntary bankruptcy of the Company or any Subsidiary;

(xvi) pursuing any business opportunity presented to the Company pursuant to Section 5.1 or permitting any Polo Party to engage in any activity prohibited under Section 5.2 or 5.3 (it being agreed that Lauren shall be deemed to have consented to any such opportunity so presented);

(xvii) the amendment by the Company or any Subsidiary of its certificate of incorporation or bylaws (or similar constituent instruments) or the adoption by the Company or any Subsidiary of any stockholder rights plan or other antitakeover provisions;

(xviii) the acquisition by the Company or any Subsidiary of any aircraft (whether fixed wing or otherwise) other than the Existing Airplane; and

(xix) without limiting Article 5, in the event that Lauren is no longer the Chief Executive Officer of the Company (by reason of his death or otherwise), the determination to hire, replace or involuntarily terminate the Chief Executive Officer of the Company (it being agreed that GSCP's consent required pursuant to this clause (xix) shall not be unreasonably withheld).

Any consents provided by Lauren and GSCP with respect to prior transactions of the RL Partnerships shall be deemed consents under this Section 3.1. For purposes of calculating fiscal year expenditures or other amounts governed by this Section 3.1 during the fiscal year of the Company in which the date hereof occurs only (and assuming the Company adopts the same fiscal year as the RL Partnerships), expenditures or other amounts of the RL Partnerships during the portion of the fiscal year ending upon the date hereof plus the expenditures or other amounts of the Company after the date hereof shall be deemed expenditures or other amounts of the Company during the fiscal year of the Company in which the date hereof occurs. The dollar amounts in subsections (ii), (iii), (iv), (v), (vii), (xi) and (xii) shall be adjusted annually as of January 1 of each year (beginning with the January 1 following the date hereof) to reflect inflation in the immediately preceding year as measured by the Consumer Price Index (with the year in which this agreement is executed being treated as the base year). No later than

January 31 of each year, the Company shall deliver to all of the Investors a statement, certified as to correctness by the chief financial officer of the Company, that sets forth (A) the amount, if any, by which the dollar amounts in subsections (ii), (iii), (iv), (v), (vii), (xi) and (xii) shall be adjusted pursuant to the preceding sentence, (B) the adjustment factor used to calculate any such adjustment and (C) the calculation of the adjustment factor and the amounts set forth in such statement pursuant to clause (A). Notwithstanding anything herein to the contrary, Lauren and GSCP shall be deemed to have consented to the transactions expressly contemplated by the Subscription Agreement, the Assignment and Assumption Agreement and the Preliminary Prospectus.

Lauren and GSCP hereby provide their good faith commitment, if the Initial Public Offering has not been consummated by August 31, 1997, to negotiate with the Company appropriate revisions, if any, to the dollar thresholds contained in Section 3.1(a).

(b) Annual Budget. Notwithstanding anything to the contrary contained in this Agreement, no consent to any Significant Transaction shall be required pursuant to Section 3.1(a) if such action is expressly provided for, and disclosed in, the annual budget of the Company that has been approved in writing by both (i) Lauren and (ii) GSCP.

(c) Termination of Right of Consent. Notwithstanding anything to the contrary contained herein, no consent to any Significant Transaction shall be required pursuant to Section 3.1: (i) by Lauren, if at any time prior to an Initial Public Offering, Lauren Owns less than ten percent of the outstanding Common Stock, (ii) by GSCP, if at any time prior to an Initial Public Offering, the GSCP Parties (in the aggregate) Own less than ten percent of the outstanding Common Stock or (iii) from and after consummation of an Initial Public Offering.

3.2. Conduct of Business. Prior to an Initial Public Offering, the Company shall not, and shall not permit any of its Subsidiaries to, enter into a transaction (including, without limitation, the purchase, sale, lease, licensing or exchange of property or the rendering of any service or the making of any loan or advance) or series of related transactions with any Person (other than between the Company and any wholly owned Subsidiary or between wholly owned

Subsidiaries) on terms which are not arm's length. For purposes of this Section 3.2, the affiliated transactions described in the Preliminary Prospectus and the transactions contemplated by the Registration Rights Agreement shall be deemed arm's length transactions.

3.3. Officers of the Company. Prior to an Initial Public Offering, the Board of Directors shall cause the Company to employ qualified and experienced senior management of the Company. The Company may have employees and agents who may be designated as officers or authorized representatives of the Company and who shall (a) serve at the pleasure of the Board of Directors, (b) have such powers as are vested in them by the Board of Directors and (c) have the power to bind the Company through the exercise of such powers. Clause (a) of this Section 3.3 shall not be construed as limiting the Company's right to retain employees for the Company pursuant to employment contracts for a term of years in accordance with Section 3.1.

4. Restriction on Disposition of Common Stock.

4.1. No Transfer. (a) Prior to an Initial Public Offering, no Investor shall, directly or indirectly, sell (whether by involuntary or judicial sale or otherwise), assign, transfer, grant a security interest in, pledge, encumber, hypothecate, give (by bequest, gift or appointment) or otherwise (voluntarily or by operation of law) dispose of (any of the foregoing is herein referred to as a "Transfer") any shares of Common Stock, except in accordance with the provisions of Sections 4.1(b), 4.2, 4.3, 4.4 and 4.6. Any Transfer or attempted Transfer of shares of Common Stock not in accordance with the provisions of this Agreement shall be null and void, and the Company shall not record such Transfer on its books or treat any purported transferee of such shares as the owner of such shares for any purpose.

(b) In addition to the limitations set forth in Section 4.1(a), until October 1, 1998, (i) no Polo Party shall (A) Transfer any shares of Class B Common Stock, or (B) convert any shares of Class B Common Stock into shares of another class of Common Stock, if, after giving effect to such Transfer or conversion of Class B Common Stock (whether as a result of such Transfer, conversion or otherwise), the Original Polo Parties hold (in the aggregate) Class B Common Stock constituting less than 25% of the outstanding shares of all Common Stock on the date

hereof subject to appropriate adjustment for stock splits, reverse stock splits, stock dividends and similar transactions (for purposes of this Section 4.1(b)(i), (w) from and after an Initial Public Offering, any shares of Common Stock issued and sold by the Company to the public in the Initial Public Offering shall be treated as having been outstanding on the date hereof and (x) from and after consummation of the Polo Retail Transactions, any shares of Common Stock issued in connection therewith shall be treated as having been outstanding on the date hereof), (ii) Lauren shall not Transfer or otherwise convert into shares of another class of Common Stock any of the shares of Class B Common Stock purchased by him pursuant to the Subscription Agreement and identified on Schedule 1 to that agreement as the 5.0192% acquired by him pursuant to the Reorganization (as defined therein), (iii) no GS Party shall Transfer any shares of Common Stock if, after giving effect to such Transfer of Common Stock (whether as a result of such Transfer or otherwise), the Original GS Parties hold (in the aggregate) Class C Common Stock constituting less than 11% of the outstanding shares of all Common Stock on the date hereof subject to appropriate adjustment for stock splits, reverse stock splits, stock dividends and similar transactions (for purposes of this Section 4.1(b)(iii), (I) from and after an Initial Public Offering, any shares of Common Stock issued and sold by the Company to the public in the Initial Public Offering shall be treated as having been outstanding on the date hereof and (II) from and after consummation of the Polo Retail Transactions, any shares of Common Stock issued in connection therewith shall be treated as having been outstanding on the date hereof) and (iv) no Transfer other than by gift, bequest or appointment of Class B Common Stock or Class C Common Stock in a transaction in which the transferred shares do not convert into Class A Common Stock shall be made without delivery to all the parties hereto of an opinion from counsel to the transferor to the effect that the Transfer should not adversely affect the qualification of the acquisition of shares of the Common Stock pursuant to Paragraph 1 of the Subscription Agreement under Section 351 of the Internal Revenue Code of 1986, as amended. For purposes of Sections 4.1(b) (i) and (iii), with respect to any shares of any class of Common Stock transferred by gift, bequest or appointment by an Original Polo Party or an Original GS

Party, as the case may be, to any Permitted Transferee that has executed and delivered to the Company an instrument or instruments in form and substance reasonably satisfactory to the Company confirming that such Permitted Transferee agrees to be bound by the terms of this Agreement as if it were a Polo Party signatory hereto, the transferring Original Polo Party or Original GS Party shall be treated as holding (i) all of such transferred shares held by the Permitted Transferee if the Permitted Transferee is a natural person and (ii) the portion of each class of transferred shares held by the Permitted Transferee equal to the percentage of the equity or economic interests of the Permitted Transferee held by the Original Polo Party or Original GS Party, as the case may be, as of the date of such transfer or as subsequently reduced if the Permitted Transferee is not a natural person. For purposes of this Section 4.1(b), a Transfer shall be deemed to occur if any transfer of any partnership interest in any partnership results in a termination of such partnership within the meaning of Section 708 of the Internal Revenue Code of 1986, as amended, and in all other events any such transfer shall not be deemed to constitute a Transfer. Notwithstanding anything herein to the contrary, in no event shall the provisions of this Section 4.1(b) prohibit the Transfer of shares of Common Stock (i) by Lauren's estate in order to fund estate taxes or (ii) by any Polo Party or any GS Party in connection with any business combination transaction or other acquisition of the Company as a result of which no party to this Agreement or any of its Affiliates holds any outstanding shares of Common Stock.

4.2. Permitted Transfers. Prior to an Initial Public Offering and subject to compliance with Section 4.1(b) and 4.3, an Investor may Transfer shares of Common Stock to an Affiliate (and, in the case of the Polo Parties, to a Permitted Trust) (such Affiliate or Permitted Trust, a "Permitted Transferee"), provided that:

(a) such Permitted Transferee agrees that, notwithstanding the terms of this Section 4.2, such Permitted Transferee shall not thereafter Transfer such Common Stock to any Person to whom the transferor Investor would not be permitted to Transfer such Common Stock pursuant to the terms of this Agreement;

(b) such Permitted Transferee shall have executed and delivered to the Company, as a condition precedent to the Transfer, an instrument or instruments in form and substance reasonably satisfactory to the Company confirming that such Permitted Transferee agrees to be bound by the terms of this Agreement;

(c) the certificates issued to the Permitted Transferee which represent the Common Stock so Transferred shall bear the legends provided in Section 7; and

(d) the transferor Investor shall have delivered to the Company an opinion of counsel, which opinion and counsel shall be reasonably satisfactory to the Company, to the effect that such Transfer is exempt from registration under the Securities Act.

4.3. Ownership of Common Stock by Lauren. At all times prior to an Initial Public Offering, (i) Lauren must Own, directly or indirectly, at least a majority of the outstanding Common Stock, free and clear of any Liens and (ii) Lauren, his spouse, his children and his siblings must hold, directly or indirectly, at least a majority of the outstanding Common Stock, free and clear of any Liens. For purposes of this Section 4.3(ii), any shares of Common Stock which are held by a Permitted Trust free and clear of any Liens shall be treated as held by Lauren.

4.4. Private Sale Rights. Prior to an Initial Public Offering and in addition to the rights contained in Section 4.2, notwithstanding anything contained in Section 4.3 to the contrary, but subject to Section 4.1(b), each Polo Party may, from and after the first anniversary of the date hereof, Transfer shares of Common Stock to any Person who is not a Permitted Transferee (any such Transfer, a "Section 4.4 Transfer"), only if such Transfer is made in accordance with the following procedures:

(a) The transferring Polo Party shall first deliver to GSCP a written notice (the "Participation Notice"), which shall specifically identify the identity of the proposed transferee (the "Proposed Transferee"), the amount of Common Stock being Transferred (the "Participation Stock"), the purchase price therefor, and a summary of the other material terms and conditions of the proposed transaction, and shall contain an offer (the "Participation Offer")

by the Proposed Transferee to each GS Party, which shall be irrevocable for a period of 30 days after the Participation Notice is received (the "Participation Period"), to purchase from each GS Party an amount of Common Stock equal to its Pro Rata Portion of the Participation Stock at a price per share equal to the Per Share Price and upon all such other terms offered by the Proposed Transferee to the transferring Polo Party including, without limitation, those set forth in the Participation Notice. A copy of the Participation Notice shall promptly be sent to the Company. The Participation Offer may be accepted in whole or in part at the option of each of the GS Parties. Notice of a GS Party's intention to accept a Participation Offer, in whole or in part, shall be evidenced by a writing signed by such GS Party and delivered to the transferring Polo Party, the Proposed Transferee and the Company prior to the end of the Participation Period, setting forth the amount of Common Stock that such GS Party elects to Transfer. Any failure by a GS Party to respond to a Participation Offer within the Participation Period shall mean that such GS Party does not wish to participate in the Section 4.4 Transfer. To the extent any GS Party does not participate in a Section 4.4 Transfer, the transferring Polo Party shall be permitted to transfer to the Proposed Transferee such number of shares that such GS Party otherwise would have been able to transfer to the Proposed Transferee.

(b) All Transfers of Common Stock to the Proposed Transferee shall be consummated contemporaneously at the offices of the Company on the later of (i) a mutually satisfactory business day as soon as practicable, but in no event more than 15 days after the expiration of the Participation Period and (ii) the fifth business day following the expiration or termination of all waiting periods under HSR applicable to such Transfers, or at such other time and/or place as the parties to such Transfers may agree. The delivery of certificates or other instruments evidencing such Common Stock duly endorsed for transfer shall be made on such date against payment of the purchase price for such Common Stock.

(c) Anything contained herein to the contrary notwithstanding, simultaneously with, and as a condition to, any Transfer of Common Stock pursuant to this Section 4.4, the Proposed Transferee must execute and deliver to the Company and the GS

Parties an instrument or instruments in form and substance reasonably satisfactory to the Company and the GS Parties confirming that such transferee agrees to be bound by the terms of this Agreement.

"Pro Rata Portion of the Participation Stock" means, as to each GS Party, the product (rounded up to the nearest whole number) of (i) the Participation Stock multiplied by (ii) the quotient obtained by dividing (a) the number of shares of Common Stock owned by such Person on the first day of the Participation Period (as defined in Section 4.4(a) below) by (b) the aggregate number of shares of Common Stock owned on the first day of the Participation Period by the transferring Polo Party and the GS Parties.

"Per Share Price" shall mean, with respect to any Section 4.4 Sale, an amount per share equal to the sum of (a) the consideration per share of Common Stock proposed to be received by the transferring Polo Party in such Section 4.4 Sale as set forth in the Participation Notice and (b) the quotient of (I) any other compensation or benefits to be received by the transferring Polo Party in such Section 4.4 Sale or in connection with any agreement or transaction entered into by the transferring Polo Party in connection with such Section 4.4 Sale (a "Related Transaction") divided by (II) the actual number of shares of Common Stock to be sold by the transferring Polo Party in such Section 4.4 Sale after giving effect to any participation rights of the GS Parties. It is the intention of the parties that the Per Share Price shall reflect, and that the GS Parties shall receive in any Section 4.4 Sale, the same economic value per share of Common Stock as the transferring Polo Party receives in the Section 4.4 Transfer and in all Related Transactions.

4.5. Termination of Transfer Restrictions. Notwithstanding anything herein to the contrary, the provisions of Sections 4.1(a), 4.2, 4.3, 4.4 and 4.6 shall terminate upon consummation of an Initial Public Offering.

4.6. Transfers to Underwriters. Notwithstanding anything in this Agreement to the contrary, any holder of Class B Common Stock or Class C Common Stock may Transfer shares of Class B Common Stock or Class C Common Stock, as the case may be, to the underwriters of

the Initial Public Offering pursuant to the terms of the underwriting agreement entered into by such holder of Common Stock with respect to the Initial Public Offering and in the event the Initial Public Offering does not occur such underwriters may Transfer such shares of Class B Common Stock and Class C Common Stock back to their original holders.

5. Business Opportunities.

5.1. First Opportunity. No Polo Party shall, directly or indirectly, in any capacity, invest, engage, manage, operate, control or otherwise participate for his own account or for the account of any other Person in any business opportunity that may exploit, market or otherwise use the names "Ralph", "Lauren", "Polo" or "Ralph Lauren", the symbol of the polo player astride a horse or any name or symbol based on, or derivative of, those names or such symbol, anywhere in the world (including, without limitation, any business opportunity that markets any product or service by using any such names or symbols), regardless of how such opportunity arose, was developed or otherwise came to the attention of such Polo Entity, without first permitting the Company to exploit such business opportunity on the terms and conditions provided herein. If a Polo Party intends, directly or indirectly, in any capacity, to invest, engage, manage, operate, control or otherwise participate for its own account or for the account of any other Person in any such business opportunity, such Polo Party shall first offer to the Company the right to exploit such business opportunity by delivering written notice thereof to the Company and GSCP (including specifying, in reasonable detail, in such written notice, the material terms and conditions of such business opportunity). If within 30 days after receipt of such written notice, GSCP does not consent to the Company pursuing such business opportunity, the Polo Party may, subject to Sections 5.2 and 5.3, pursue such business opportunity outside the Company, provided that the Polo Party gives prior notice to GSCP (or a GS Director) of its decision to do so. Without limiting the foregoing or Sections 5.2 and 5.3, in the event that a Polo Party decides, directly or indirectly, in any capacity, to invest, engage, manage, operate, control or otherwise participate in any other business activities for its own account, the Polo Party shall first notify GSCP (or a GS Director) of its decision to do so; provided that this sentence shall not

apply to passive investments by the Polo Parties in securities of any publicly traded corporation which constitute, in the aggregate, less than 5% of the outstanding shares of such entity entitled to vote generally in the election of directors or similar persons. Notwithstanding Section 5, Lauren may use as trademarks "Ralph Lauren", "Double RL" and "RRL" in connection with beef and other agricultural and food products.

5.2. Protection of Business. Notwithstanding Section 5.1, each Polo Party hereby agrees that during the term of this Agreement it shall not, directly or indirectly, as a proprietor, partner, stockholder, director, officer, employee, consultant, joint venture, investor, lender or in any other capacity, invest, engage in, or manage, operate or control or participate in the ownership, management, operation or control of any entity which engages in any of the businesses or activities that the Company or any of its Subsidiaries engages in anywhere in the world; provided that this Section 5.2 shall not apply to passive investments by a Polo Party in securities of any publicly traded corporation which constitute, in the aggregate, less than 5% of the outstanding shares of such entity entitled to vote generally in the election of directors or similar persons. During the term of this Agreement, no Polo Party shall use, license, or grant to any Person (other than the Company and the Subsidiaries) any right to use the names "Ralph," "Lauren" or "Ralph Lauren" or any name or symbol based on, or derivative of, those names or such symbols, in any manner which would reasonably be expected to be detrimental to the Business.

5.3. Participation in Business. Lauren shall devote substantially all of his business time, attention, efforts and skill to the Business and the furtherance of the purposes of the Company and the Subsidiaries, and Lauren shall use his best efforts to promote the interests of the Company and the Subsidiaries. Prior to an Initial Public Offering, Lauren shall provide the foregoing services without any compensation, except for compensation currently being paid and previously approved by GSCP or for other compensation as expressly agreed to in writing by GSCP. After an Initial Public Offering, Lauren shall provide such services and will be compensated as determined by the Board of Directors. Lauren will not, without the prior

written approval of GSCP, engage in any other activity which would interfere with his devoting substantially all of his business time, attention, efforts and skill to the Business and the furtherance of the purposes of the Company and the Subsidiaries (it being agreed that Lauren may continue to engage in the beef and ranch business, automobile business and charitable activities to the same extent that Lauren engages in such businesses and activities on the date hereof).

The agreements of each of the Polo Parties set forth in this Section 5 are in consideration of the continuing investment of the GS Parties in the Company.

5.4. Termination. The provisions of this Section 5 shall terminate on the later of (i) the consummation of an Initial Public Offering and (ii) such date as Lauren enters into an employment agreement with the Company containing provisions which are substantially similar to those contained in this Section 5 or which are acceptable to GSCP (which approval will not be unreasonably withheld).

6. Financial Information.

(a) Prior to an Initial Public Offering, as soon as practicable following the end of each fiscal year of the Company, but in any event within 90 days after the end of such fiscal year, the Company shall cause to be prepared and delivered to each Investor consolidated and consolidating statements of income and cash flows for the Company for such fiscal year, and a balance sheet of the Company as of the end of such fiscal year, in each case setting forth comparative figures for the preceding fiscal year, and certified by Mahoney, Cohen, Rashba & Pokart, CPA, PC, Deloitte & Touche or such other independent certified public accountants of recognized national standing as shall be designated by the Company (with the prior consent of GSCP) as to fairness of presentation, preparation in accordance with generally accepted accounting principles and consistency of application.

(b) Prior to an Initial Public Offering, as soon as practicable following the end of each fiscal quarter of the Company but in any event within 45 days after the end of such fiscal quarter, the Company shall cause to be prepared and delivered to each Investor consolidated

and consolidating statements of income and cash flows for the Company for such fiscal quarter and for the fiscal year to date and an unaudited balance sheet for the Company as of the end of such fiscal quarter, in each case setting forth comparative figures for the preceding periods in the prior fiscal year and, subject to normal year-end adjustments and the absence of footnotes, certified by the chief financial officer of the Company as to fairness of presentation, preparation in accordance with generally accepted accounting principles and consistency of application.

(c) Prior to an Initial Public Offering, as promptly as practicable and in any event within 45 days following the end of each fiscal month of the Company (other than the third, sixth, ninth and twelfth fiscal months of each fiscal year of the Company), the Company shall prepare and deliver to each Investor statements of income and cash flows of the Company for such month and for the year to date and an unaudited balance sheet of the Company as of the end of such month, in each case setting forth comparative figures for the related periods in the prior fiscal year of the Company and, subject to normal year-end adjustments and the absence of footnotes, certified by the chief financial officer of the Company as to fairness of presentation, preparation in accordance with generally accepted accounting principles and consistency of application.

7. Legend.

(a) A copy of this Agreement, and any amendments hereto, shall be filed with the Secretary of the Company and kept on file at the offices of the Company. So long as this Agreement shall be in effect, this Agreement and any amendments hereto shall be made available for inspection by any Investor at the principal offices of the Company.

(b) Prior to an Initial Public Offering, each certificate representing shares of Common Stock and each certificate issued in exchange for or upon the transfer of any shares of Common Stock (if after such transfer such shares remain subject to this Agreement) shall be stamped or otherwise imprinted with a legend substantially in the following form:

(i) THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED, ENCUMBERED OR OTHERWISE DISPOSED OF EXCEPT IN COMPLIANCE WITH THE PROVISIONS OF A STOCKHOLDERS AGREEMENT DATED AS OF JUNE 9, 1997, A COPY OF WHICH MAY BE OBTAINED FROM THE COMPANY. NO TRANSFER OF SUCH SECURITIES WILL BE MADE ON THE BOOKS OF THE COMPANY UNLESS ACCOMPANIED BY EVIDENCE OF COMPLIANCE WITH THE TERMS OF SUCH AGREEMENT.

(ii) THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS THEY HAVE BEEN REGISTERED UNDER THAT ACT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT, OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE AND THE COMPANY HAS RECEIVED THE PRIOR WRITTEN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED.

(iii) THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO PROVISIONS RELATING TO VOTING CONTAINED IN THE STOCKHOLDERS AGREEMENT REFERRED TO ABOVE.

After an Initial Public Offering, each certificate representing shares of Common Stock owned on the date hereof by an Investor and each certificate issued in exchange for or upon the transfer of any shares of Common Stock (if after such transfer such shares remain subject to this Agreement) shall be stamped or otherwise imprinted with a legend substantially similar to legends (i) and (ii) above.

8. Term.

Except as otherwise expressly provided for herein, this Agreement shall terminate on the earlier of (a) the tenth anniversary of the date hereof or (b) the date that the GS Parties (in the aggregate) Own less than five percent of all outstanding Common Stock. Upon such termination, there shall be no liability on the part of any party hereto, except that nothing in this Section 8 shall in any way relieve any party from liability for any breach of the provisions set forth herein or the period prior to the termination of this Agreement. Notwithstanding the foregoing, the parties hereto acknowledge that only Sections 2.5(b) and (c), 4.1(b), 5, 7, 8 and 9 (other than 9.5 and 9.7) and related definitions shall survive the consummation of the Initial Public Offering except that certain portions of those provisions as specified therein shall terminate upon the Initial Public Offering.

9. Miscellaneous.

9.1. Representations and Warranties. Each party hereto represents and warrants to the other parties hereto as follows:

(a) It has full power and authority to execute, deliver and perform its obligations under this Agreement.

(b) This Agreement has been duly and validly authorized, executed and delivered by it, and constitutes a valid and binding obligation of it, enforceable against it in accordance with its terms except to the extent that enforceability may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally.

(c) The execution, delivery and performance of this Agreement by it does not (x) violate, conflict with, or constitute a breach of or default under its organizational documents, if any, or any material agreement to which it is a party or by which it is bound or (y) violate any law, regulation, order, writ, judgment, injunction or decree applicable to it.

(d) No consent or approval of, or filing with, any governmental or regulatory body is required to be obtained or made by it in connection with the transactions contemplated hereby.

(e) It is not a party to any agreement which is inconsistent with the rights of any party hereunder or otherwise conflicts with the provisions hereof.

(f) As of the date hereof it has no present plan, intention or arrangement to sell, exchange, Transfer, distribute, pledge or otherwise dispose of any Common Stock owned by it including stock purchased under the Subscription Agreement or acquired under the Merger Agreements (as defined in the Subscription Agreement) other than subject to Section 4.1(b), (i) to sell Common Stock in an Initial Public Offering as contemplated by and described in the Preliminary Prospectus and (ii) in the case of Lauren, to transfer by gift, bequest or appointment certain shares of Class A Common Stock (including, without limitation, transfers by gift, bequest or appointment to one or more charitable remainder trusts).

9.2. Continuing Partnership Provisions. Notwithstanding the consummation of the transaction contemplated by the Assignment and Assumption Agreement and/or the dissolution of any RL Partnership (and any termination of any partnership agreement relating thereto) which may occur by operation of law or otherwise on or after the date hereof, the Company agrees to be bound by and to comply with (and the Investors and the Advisors retain their rights and obligations under) the following provisions of the partnership agreement governing each RL Partnership with respect to periods prior to the date hereof to the same extent as the Company would be bound by (and the Investors would have rights and obligations under) the terms thereof if (i) such RL Partnership and its governing partnership agreement were still in existence, (ii) the Company was such RL Partnership and the general partner of such RL Partnership and the Investors were limited partners in such RL Partnership holding the partnership interests set forth on Schedule 1 to the Assignment and Assumption Agreement: (x) in the case of the Design Studio Partnership and the Polo Partnership - Section 8.5 (Indemnification of Advisors to the Advisory Board), Section 15.1 (Books of Account), Section 15.2 (Taxable Year), Section 15.3 (Financial Statement; Tax Matters Partner), Section 15.4 (Tax Elections), Section 15.5 (Tax Information), Section 16.1 to the extent arising from any action occurring prior to the date hereof of such RL Partnership (Indemnification) and Section 16.2 (Exculpation) and (y) in the case of

the Womenswear Partnership - Section 8.5 (Indemnification of Advisors to the Advisory Board), Section 14.1 (Books of Account), Section 14.2 (Taxable Year), Section 14.3 (Financial Statement; Tax Matters Partner), Section 14.4 (Tax Elections), Section 14.5 (Tax Information), Section 15.1 to the extent arising from any action occurring prior to the date hereof of such RL Partnership (Indemnification) and Section 15.2 (Exculpation). The parties agree (i) that appropriate adjustment shall be made in the application of the provisions set forth in Section 16.1 (or 15.1 in the case of the Womenswear Partnership) of the partnership agreement governing each RL Partnership in order to effectuate the intent of such section recognizing that the Company will satisfy any obligation of an RL Partnership thereunder and (ii) that the indemnification obligations under such Section 16.1 (or 15.1 in the case of the Womenswear Partnership) shall terminate upon the consummation of the Initial Public Offering. The Company shall take all necessary or desirable actions to effectuate the provisions of this Section 9.2.

9.3. Use of Proceeds. The Company shall use the proceeds from an Initial Public Offering to repay all amounts, if any, outstanding under the Amended RL Note, the GS Notes and the New RL Note.

9.4. No Inconsistent Agreements.

(a) Without the prior written consent of (i) Lauren and (ii) GSCP, the Company will not, on or after the date of this Agreement, enter into any agreement with respect to its securities which is inconsistent with this Agreement or otherwise conflicts with the provisions hereof. The Company will not circumvent this Agreement by taking any action through an Affiliate that would be prohibited under this Agreement.

(b) Each Investor agrees that it will not, on or after the date of this Agreement, enter into any agreement or take any action with respect to its Common Stock which is inconsistent with this Agreement or otherwise conflicts with the provisions hereof. No Investor will grant any proxy or become a party to any voting trust or other agreement, in each case which is inconsistent with or conflicts with this Agreement or otherwise conflicts with the provisions

hereof, and no Investor will circumvent this Agreement by taking any action that would be prohibited under this Agreement through an Affiliate.

9.5. Confidentiality.

(a) Each party hereto agrees not to disclose any non-public, confidential, proprietary information ("Confidential Information") regarding the Business or the parties hereto, which has been or is received prior to or after the date hereof to any Person who is not (i) a partner (including partners of The Goldman Sachs Group, L.P.), director, officer or employee or an Affiliate of such party (such persons and Affiliates of each party are hereinafter collectively referred to as "Related Persons") or (ii) a Person acting as an advisor to or representative of such party in connection with the transactions contemplated by this Agreement, except (x) with the consent of the other parties hereto, (y) pursuant to a subpoena, civil investigative demand (or similar process), order, statute, rule or other legal requirement promulgated or imposed by a court or by a judicial, regulatory, self-regulatory or legislative body, organization, agency or committee or otherwise in connection with any judicial or administrative proceeding (including, in response to oral questions, interrogatories or requests for information or documents) in which a party hereto or any of its Related Persons is involved or (z) in furtherance of the purposes of the Company. Notwithstanding the foregoing, each of the GS Parties may disclose to their investors in accordance with past practice summary (x) nonfinancial information relating to the condition, progress (e.g., business growth) and prospects of the Business and (y) financial information relating to the Business. Each party assumes responsibility for any breach by its Related Persons, advisors or representatives of their obligations concerning confidentiality obligations hereunder only to the extent such party would be responsible therefor under principles of agency law.

(b) If any party is to disclose Confidential Information pursuant to clause (y) of the first sentence of subsection (a) of this Section 9.5, such party will, to the extent practicable, promptly notify the other parties thereof and cooperate with the other parties to the extent legally permissible if such other parties should seek to obtain an order or other reliable

assurance that confidential treatment will be accorded to designated portions of the Confidential Information, and such party shall be entitled to reimbursement from the Company for expenses incurred by it or any of its Related Persons, including the fees and expenses of counsel, in connection with any action taken pursuant to this subsection (b).

(c) Information will not be deemed Confidential Information if it (i) was already available to, or in the possession of, the recipient prior to its disclosure by, or at the direction of, the discloser, to the recipient, (ii) is or becomes available in the public domain (other than as a result of a disclosure by the recipient or any of its Related Persons, advisors or representatives), or (iii) is not acquired from a Person known by the recipient to be in breach of an obligation of confidentiality to a party to this Agreement.

(d) The provisions of this Section 9.5 shall terminate upon an Initial Public Offering.

9.6. Expenses. Except as expressly provided herein, the Company shall bear all reasonable costs and expenses of the Investors, including the fees and expenses of counsel, in connection with this Agreement.

9.7. Investment Banking Services. Prior to an Initial Public Offering, Goldman, Sachs & Co. will be the preferred provider of investment banking services for the Company and its Subsidiaries and will provide those services for customary compensation and on other terms consistent with an arm's length transaction. In any instance in which Goldman, Sachs & Co. is unable during such period to provide a particular type of services or has a conflict, the Company may use another investment banking firm.

9.8. Registration Rights Agreement. In connection with the execution of this agreement, the parties shall amend the Original Registration Rights Agreement to reflect (i) the registration rights described in the Preliminary Prospectus, (ii) that the parties are entering into the Assignment and Assumption Agreement, the Subscription Agreement and this Agreement; (iii) (x) that Lauren shall have the right to require the Company to file a registration statement with respect to an Initial Public Offering from and after the date hereof and (y) that GSCP shall

have the right to require the Company to file a registration statement with respect to an Initial Public Offering from and after December 31, 1998, (iv) that in connection with an IPO Demand under Section 2.1(a) of the Original Registration Rights Agreement, no party shall have the right to make a Primary Election (as such terms are defined in the Original Registration Rights Agreement) but rather the parties shall consult on a good faith basis to determine whether the Company should sell shares in the Initial Public Offering, and (v) such other changes as the parties in good faith determine are appropriate.

9.9. Remedies. The parties hereto agree that money damages or other remedy at law would not be sufficient or adequate remedy for any breach or violation of, or a default under, this Agreement by them and that in addition to all other remedies available to them, each of them shall be entitled to an injunction restraining such breach, violation or default or threatened breach, violation or default and to any other equitable relief, including without limitation specific performance, without bond or other security being required.

9.10. Amendments and Waivers. Except as otherwise provided herein, this Agreement may be amended, modified, supplemented or waived only by a written agreement executed by all parties to this Agreement.

9.11. Successors and Affiliates; Assignment.

(a) This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective heirs, legal representatives, successors and Affiliates, so long as they hold shares of Common Stock. If any Investor shall acquire additional shares of Common Stock in any manner (including pursuant to the exercise of any option granted under a stock option plan of the Company or pursuant to any benefit plan of the Company) (or any Affiliate of an Investor shall acquire shares of Common Stock in any manner), whether by operation of law or otherwise, such shares of Common Stock shall be held subject to all of the terms of this Agreement, and by taking and holding such shares of Common Stock such Person shall be conclusively deemed to have agreed to be bound by and to comply with all of the terms and provisions of this Agreement.

(b) From and after an Initial Public Offering, shares of Common Stock which have been distributed in a registered public offering or pursuant to Rule 144 or otherwise Transferred by any party hereto shall no longer be subject to this Agreement unless acquired by an Investor or an Affiliate of an Investor. The transferees of such shares of Common Stock shall have no rights or obligations under this Agreement as a result of such purchase of such shares, unless such purchasers are Investors or Affiliates of Investors. Without limiting the immediately preceding two sentences, no Person other than the Investors shall be entitled to any benefits under this Agreement, except as otherwise expressly provided herein.

(c) Neither this Agreement nor any of the rights hereunder may be assigned by any of the parties hereto without the consent of the other parties.

(d) Notwithstanding anything herein to the contrary, upon Lauren's death, (i) the Person designated by Lauren from time to time in a written notice to the other parties hereto, or (ii) if no such Person shall have been designated or be available to serve in such capacity as provided above, the Person designated to serve in such capacity in Lauren's will, or (iii) if no such Person shall have been designated in Lauren's will or be available to serve in such capacity as provided above, the executor of Lauren's estate, or (iv) if the assets of Lauren's estate shall have been distributed, then, notwithstanding any designation by Lauren in his will or otherwise, the Person designated in writing by the holders of a majority-in-interest of the Common Stock owned by Lauren at the time of his death, shall in each such case be entitled to exercise the rights under this Agreement that Lauren would have been entitled to exercise if he had not died. Notwithstanding anything herein to the contrary, but subject to the preceding sentence of this Section 9.11(d), upon the entry by a court of competent jurisdiction of an order adjudicating Lauren incompetent, the Person designated by Lauren from time to time in a written notice to the parties hereto, or if no such Person shall have been designated and be available to serve in such capacity, Lauren's judicially appointed representative, shall in each such case be entitled to exercise the rights under this Agreement that Lauren would have been entitled to exercise if he had not been adjudicated an incompetent.

9.12. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and which together shall constitute one and the same instrument.

9.13. Descriptive Headings; Plurals. The headings and captions contained herein are inserted for convenience only and shall not control or affect the meaning or construction of any provision hereof. As used herein, the plural form of any noun shall include the singular and the singular shall include the plural, unless the context requires otherwise. Each of the masculine, neuter and feminine forms of any pronoun shall include all such forms unless the context requires otherwise.

9.14. Notices. All notices and other communications hereunder shall be in writing and delivered personally, by telecopy (with confirmation sent within three business days by overnight courier) or sent by overnight courier to the party to whom such notice or communication is to be given at its address set forth on Schedule I, or such other address for the party as shall be specified by notice given pursuant hereto.

9.15. Governing Law. This Agreement and the rights and obligations of parties hereto shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to any principles of conflicts of law thereof, except that with respect to internal corporate matters of the Company, the laws of the State of Delaware shall govern, without giving effect to the principles of conflicts of law thereof.

9.16. Invalidity of Provision. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of this Agreement, including that provision, in any other jurisdiction. If any restriction or provision of this Agreement is held unreasonable, unlawful or unenforceable in any respect, such restriction or provision shall be interpreted, revised or applied in the manner that renders it lawful and enforceable to the fullest extent possible under law.

9.17. Further Assurances. Each party hereto shall do and perform or cause to be done and performed all further acts and things and shall execute and deliver all other agreements, certificates, instruments and documents as any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

9.18. Entire Agreement. This Agreement constitutes the entire agreement, and supersedes all prior agreements and understandings, oral and written, between the parties hereto with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

POLO RALPH LAUREN CORPORATION

By: /s/
____
Name:
Title:

GS CAPITAL PARTNERS, L.P.
By: GS Advisors, L.P., its general partner
By: GS Advisors, Inc., its general partner

By: /s/
____
Name:
Title:

STONE STREET FUND 1994, L.P.
By: Stone Street Funding Corp., its general partner

By: /s/
____
Name:
Title:

BRIDGE STREET FUND 1994, L.P.
By: Stone Street Funding Corp., its general partner

By: /s/
____
Name:
Title:

/s/
____
Ralph Lauren

RL HOLDING, L.P.

By: /s/
____
Name:
Title:

RL FAMILY, L.P.

By: /s/
____
Name:
Title:

THE RALPH LAUREN 1997 CHARITABLE
REMAINDER UNITRUST

By: /s/
____
Name:
Title:

SCHEDULE I

Addresses for Notices: With a Copy to:

Polo Ralph Lauren Corporation
650 Madison Avenue
New York, New York 10022
Attention: General Counsel
Telephone: (212) 318-7000
Telecopy: (212) 318-7183

GS Capital Partners, L.P.
Stone Street Funding 1994, L.P.
Bridge Street Fund 1994, L.P.
c/o Goldman, Sachs & Co.
85 Broad Street
New York, New York 10004
Attention: Carla H. Skodinski
Telephone: (212) 902-1000
Telecopy: (212) 902-3000

Mr. Ralph Lauren.
RL Holding, L.P.
RL Family, L.P.
The Ralph Lauren 1997 Charitable Remainder Unitrust
c/o Polo Ralph Lauren Enterprises, L.P.
650 Madison Avenue
New York, New York 10022
Attention: Chairman
Telephone: (212) 318-7000
Telecopy: (212) 318-7183

EXHIBIT 10.23

PROMISSORY NOTE

$___,___,___.__ New York, New York
June 9, 1997

FOR VALUE RECEIVED, the undersigned, POLO RALPH LAUREN CORPORATION, a Delaware Corporation (the "Corporation"), promises to pay to the order of __________________, a __________________, or its successors or assigns (the "Holder"), the principal amount of __________________________ ($___,___,___.__). The principal amount of this Note shall be due and payable at such time as set forth in Section 4 hereof.

1. Note

This Note is one of a series of "Notes" referred to in, and issued pursuant to, (i) the Subscription Agreement dated as of April 6, 1997, as amended on June 9, 1997 (as amended, the "Subscription Agreement"), by and among Mr. Ralph Lauren, an individual residing in the State of New York, RL Holding, L.P., a Delaware limited partnership, RL Family, L.P., a Delaware limited partnership, GS Capital Partners, L.P., a Delaware limited partnership, GS Capital Partners PRL Holding I, L.P., a Delaware limited partnership, GS Capital Partners PRL Holding II, L.P., a Delaware limited partnership, Stone Street Fund 1994, L.P., a Delaware limited partnership, Stone Street 1994 Subsidiary Corp., a Delaware corporation and wholly owned subsidiary of Stone Street, and Bridge Street Fund 1994, L.P., a Delaware limited partnership and the Corporation, (ii) the Agreement of Merger, dated as of June 9, 1997, among the Corporation, GS Capital Partners PRL Holding I, Inc., a Delaware corporation, and GS Capital Partners, L.P., a Delaware limited partnership ("GSCP"), (iii) the Agreement of Merger, dated as of June 9, 1997, among the Corporation, GS Capital Partners PRL Holding II, Inc., a Delaware corporation, and GSCP, or (iv) the Agreement of Merger, dated as of June 9, 1997, among the Corporation, Stone Street 1994 Subsidiary Corp., a Delaware corporation and GSCP.

2. Principal

The principal amount of this Note is ______________________.

3. Interest

The principal amount of this Note shall not bear interest.

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4. Payment

This Note shall be payable on the Maturity Date (as hereinafter defined). The Maturity Date shall be the same date as is the Deferred Dividend (as defined in the Subscription Agreement) but in any event no later than the earlier of (i) the date of completion of the underwritten public offering of the shares of Class A Common Stock, $.01 par value per share, of the Corporation under a registration statement on Form S-1 under the Securities Act of 1933, as amended and (ii) the sixtieth day following the declaration date of the Deferred Dividend. Payment pursuant to this Note shall be made in lawful money of the United States by wire transfer of immediately available funds to an account designated by the Holder.

5. Defaults and Remedies.

5.1. An "Event of Default" with respect to this Note occurs if:

(a) the Corporation defaults in the payment of the principal amount of this Note when the same becomes due and payable.

(b)(i) the Corporation shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to the Corporation or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for the Corporation or for all or any substantial part of the Corporation's assets, or the Corporation shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Corporation any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 30 days; or (iii) there shall be commenced against the Corporation any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 30 days from the entry thereof, or (iv) the Corporation shall take any action in furtherance of, or indicating his consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) the Corporation shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(c) this Note shall cease for any reason to be in full force and effect, or the Corporation shall so assert in writing.

If an Event of Default occurs then, (in addition to any other rights or remedies the Holder may have hereunder), (i) if such event is an Event of

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Default specified in paragraph (a) or (b) above, automatically all the amounts outstanding under this Note shall immediately become due and payable without any declaration or other act on the part of the Holder, and (ii) if such event is any other Event of Default, so long as any such Event of Default shall be continuing, the Holder may by notice of default to the Corporation declare all or a portion of the amounts outstanding under this Note as due and payable forthwith.

5.2. If an Event of Default occurs and is continuing, the Holder may pursue any available remedy by proceeding at law or in equity to collect the payment of principal of this Note or to enforce the performance of any provisions of this Note. A delay or omission by the Holder in exercising any right or remedy arising upon an Event of Default shall not impair the right or remedy or constitute a waiver of, or acquiescence in, the Event of Default. No remedy is exclusive of any other remedy.
All available remedies are cumulative.

5.3. The Holder may waive an existing Event of Default and its consequences. When an Event of Default is waived, it is cured and ceases to exist for all purposes of this Note.

5.4. Notwithstanding any other provision of this Note, but subject to the provisions of Section 4, the right of the Holder to receive payment of principal on this Note, on or after the Maturity Date or to bring suit for the enforcement of any such payment on or after such Maturity Date shall not be impaired or affected without the consent of the Holder.

6. Expenses. If an Event of Default occurs, the Corporation shall pay on demand all reasonable out-of-pocket expenses incurred or sustained by the Holder in connection with the enforcement or protection of rights of the Holder under this Note, including all costs of collection and the fees and disbursements of counsel.

7. Waiver.

7.1. The Corporation hereby waives to the fullest extent permitted by applicable law, presentment, demand, notice, protest, and all other demands and notice in connection with the delivery, acceptance, performance, default or enforcement of this Note, and hereby consents to any extensions of time, renewals, releases of any party to this Note, waivers or modifications that may be granted or consented to by the holder of this Note in respect of the time of payment or any other provisions of this Note.

7.2. The Corporation further waives, to the extent permitted by applicable law, trial by jury and the right to interpose and counterclaim (other than a compulsory counterclaim) or setoffs of any kind in any litigation relating to this Note or any such other liabilities.

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7.3. No failure or delay on the part of the Holder in exercising any of its rights, powers or privileges hereunder shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The remedies provided herein are cumulative and are not exclusive of any remedies provided by law.

7.4. Neither this Note nor any term hereof may be amended, waived or discharged except with the written consent of the Holder.

8. No Set-Off, Etc. The Corporation agrees that it shall not assert any right of set-off or counterclaim that it might have against the Holder in connection with the enforcement by the Holder of its rights hereunder.

9. Loss, Theft, Destruction, Etc. Upon receipt by the Corporation of evidence reasonably satisfactory to the Corporation of the loss, theft, destruction or mutilation of this Note, and, in the case of loss, theft or destruction, of indemnity or security reasonably satisfactory to the Corporation, and upon reimbursement to the Corporation of all reasonable expenses incidental thereto, or, in the case of mutilation or transfer of this Note, upon surrender and cancellation of this Note, the Corporation will make and deliver a new Note of like tenor (payable, in the case of transfer, in the name of the new holder or its order), in lieu of this Note.

10. Governing Law.

10.1 This Note shall be deemed made and delivered and shall be construed in accordance with and governed by the laws of the State of New York, without giving effect to the conflicts of law principles thereof.

10.2. Any legal action or proceeding arising out of relating to this Note shall be instituted in the courts of the State of New York or of the United States of America for the Southern District of New York, and all endorsers and guarantors submit to the jurisdiction of each such court in any action or proceeding.

11. Severability. Whenever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by, or invalid under, applicable law,

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such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remaining of such provision or the remaining provisions of this Note.

POLO RALPH LAUREN CORPORATION

By: ______________________
Name:
Title:

Schedule I

Party	Amount of Note
Mr. Ralph Lauren	$ 2,197,922.20
RL Holding, L.P.	$ 6,585,008.56
GS Capital Partners, L.P.	$11,580,544.93
Stone Street Fund 1994, L.P.	$ 332,761.96
Bridge Street Fund 1994, L.P.	$ 348,439.36

Exhibit 10.24

CREDIT AGREEMENT

Dated as of June __, 1997

Among

POLO RALPH LAUREN CORPORATION,
as Borrower

THE LENDERS AND OTHER FINANCIAL
INSTITUTIONS PARTIES HERETO

and

THE CHASE MANHATTAN BANK,
as Agent

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EXHIBIT C	-	Form of Standby Letter of Credit Application
EXHIBIT D	-	Form of Opinion of Paul, Weiss, Rifkind, Wharton & Garrison
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EXHIBIT F	-	Form of Company Officer's Certificate
EXHIBIT G	-	Form of Guarantor Officer's Certificate

CREDIT AGREEMENT, dated as of June __, 1997, among POLO RALPH LAUREN CORPORATION, a Delaware corporation (the "Company"), the banks and other financial institutions from time to time parties hereto (the "Lenders") and THE CHASE MANHATTAN BANK ("Chase"), a New York banking corporation, as agent for the Lenders hereunder.

W I T N E S S E T H :

The parties hereto hereby agree as follows:

SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"ABR": for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greatest of (a) the Prime Rate in effect on such day, and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. For purposes hereof: "Prime Rate" shall mean the rate of interest per annum publicly announced from time to time by Chase as its prime rate in effect at its principal office in New York City (the Prime Rate not being intended to be the lowest rate of interest charged by Chase in connection with extensions of credit to debtors); "Federal Funds Effective Rate" shall mean, for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Agent from three federal funds brokers of recognized standing selected by it. If for any reason the Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, including the inability or failure of the Agent to obtain sufficient quotations in accordance with the terms thereof, the ABR shall be determined without regard to clause (b) of the first sentence of this definition until the circumstances giving rise to such inability no longer exist. Any change in the ABR due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"ABR Loans": Loans the rate of interest applicable to which is based upon the ABR.

"Acceptance": as defined in subsection 5.1.

"Acceptance Commission": as defined in subsection 6.5(a).

"Acceptance Discount Rate": with respect to any Acceptance at any particular time, the bid rate in effect at the principal office of the Issuing Lender in New York City at such time for discount by the Issuing Lender of commercial drafts or bills in the same face amount, with the same maturity, and of the same type as such Acceptance.

"Acceptance Documents": the collective reference to the Drafts, the Acceptances and any other documents arising out of or in connection with the creation of Acceptances hereunder.

"Acceptance Obligations": at any particular time, all liabilities of the Company on or with respect to Acceptances, whether for reimbursement obligations due or to become due to the Issuing Lender or payments of Acceptances and whether or not such liability is contingent or unmatured, including the sum of (a) the then outstanding Acceptance Reimbursement Loans plus (b) the aggregate face amount of all unmatured Acceptances then outstanding.

"Acceptance Participating Interest": with respect to any Acceptance, (a) in the case of the Issuing Lender, its undivided interest in such Acceptance after giving effect to the granting of any participating interests therein and (b) in the case of any Participating Lender, its undivided participating interest in such Acceptance.

"Acceptance Reimbursement Loan": as defined in subsection 5.3(b).

"Acceptance Reimbursement Obligation": the obligation of the Company to pay the Issuing Lender in accordance with subsection 5.3(a) in respect of any Acceptances created by the Issuing Lender for the account of the Company or any of its Subsidiaries.

"Accountants": as defined in subsection 9.1(a).

"Accounts": as to any Person, all rights to receive payment for goods sold or leased by such Person or for services rendered in the ordinary course of business of such Person to the extent not evidenced by an instrument or chattel paper, together with all interest, finance charges and other amounts payable by an account debtor in respect thereof.

"Adjustment Date": the fifth Business Day following receipt by the Agent of both (i) the financial statements required to be delivered pursuant to subsection 9.1(a) or 9.1(b), as the case may be, for the most recently completed fiscal period and (ii) the certificate required to be delivered pursuant to subsection 9.1(e) with respect to such fiscal period.

"Affiliate": with respect to any Person, any other Person which directly or indirectly controls, or is under common control with, or is controlled by, such Person. As used in this definition, "control" (including, with correlative meanings, "controlled by" and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of Voting Stock, by contract or otherwise), provided that, in any event, any Person which owns directly or indirectly Voting Stock having 10% or more of the ordinary voting power for the election of directors or other governing body of a Person (other than as a limited partner of such other Person) shall be deemed to control such other Person. Notwithstanding the foregoing, no individual shall be deemed to be an Affiliate of a Person solely by reason of his or her being an officer or director of such Person.

"Agent": Chase, together with its affiliates, as the arranger of the Term Loan Commitments and the Revolving Credit Commitments and as the agent for the Lenders under this Agreement and the other Credit Documents.

"Aggregate Revolving Credit Extensions of Credit": on any date of determination thereof, the sum of (a) the aggregate principal amount of the Revolving Credit Loans outstanding on such date, (b) the aggregate amount of the Letter of Credit Obligations on such date and (c) the aggregate amount of the Acceptance Obligations on such date.

"Agreement": this Credit Agreement, as amended, supplemented or otherwise modified from time to time.

"Annual Increase": for any Fiscal Year, an amount equal to 50% of the Net Income of the Company and its Subsidiaries for such Fiscal Year less the amount of any Restricted Payments during such Fiscal Year.

"Applicable Commitment Rate Percentage": shall mean .125% (or .175% for the period commencing October 1, 1997 and ending on December 30, 1997 in the event that the Initial Public Offering is not consummated on or before the thirtieth day following the Closing Date); provided that the Applicable Commitment Rate Percentage will be adjusted, on December 31, 1997 and on each Adjustment Date to occur thereafter, to the Applicable Commitment Rate Percentage set forth on Annex A opposite the column titled "Margin Level Status of the Company" which is in effect on such Adjustment Date (or, in the case of the adjustment to occur on December 31, 1997, in effect on the last Adjustment Date to occur prior to December 31, 1997), and provided, further, that in the event that the financial statements required to be delivered pursuant to subsection 9.1(a) or 9.1(b), as applicable, and the related certificate required to be delivered pursuant to subsection 9.1(e), are not delivered when due, then during the period commencing five Business Days after the date upon which such financial statements were required to be

delivered (or, if later, December 31, 1997) until five Business Days following the date upon which they are actually delivered, the Applicable Commitment Rate Percentage shall be .25%.

"Applicable Margin": shall mean .30% (or .40% for the period commencing October 1, 1997 and ending on December 30, 1997 in the event that the Initial Public Offering is not consummated on or before the thirtieth day following the Closing Date); provided that the Applicable Margin for Eurodollar Loans will be adjusted, on the first Adjustment Date to occur after December 31, 1997 and on each Adjustment Date to occur thereafter, to the Applicable Margin for Eurodollar Loans set forth on Annex A opposite the column titled "Margin Level Status of the Company" which is in effect on such Adjustment Date, and provided, further, that in the event that the financial statements required to be delivered pursuant to subsection 9.1(a) or 9.1(b), as applicable, and the related certificate required to be delivered pursuant to subsection 9.1(e), are not delivered when due, then during the period commencing five Business Days after the date upon which such financial statements were required to be delivered until five Business Days following the date upon which they are actually delivered, the Applicable Margin shall be .75%.

"Applicable Sight Draft Fee Percentage": shall mean .0625%; provided that the Applicable Sight Draft Fee Percentage shall be adjusted, on the first Adjustment Date to occur after December 31, 1997 and on each Adjustment Date to occur thereafter to the Applicable Sight Draft Fee Percentage set forth on Annex A opposite the column titled "Margin Level Status of the Company" which is in effect on such Adjustment Date, and provided, further, that in the event that the financial statements required to be delivered pursuant to subsection 9.1(a) or 9.1(b), as applicable, and the related certificate required to be delivered pursuant to subsection 9.1(e), are not delivered when due, then during the period commencing five Business Days after the date upon which such financial statements were required to be delivered until five Business Days following the date upon which they are actually delivered, the Applicable Sight Draft Fee Percentage shall be .125%.

"Approved Foreign Currency": as defined in subsection 4.2(b).

"Assignee": as defined in subsection 13.6(c).

"Available Revolving Credit Commitments": on any date of determination thereof, the excess, if any, of the Revolving Credit Commitments over the Aggregate Revolving Credit Extensions of Credit on such date.

"Board": the Board of Governors of the Federal Reserve System or any successor thereof.

"Borrowing Date": any Business Day specified in a notice pursuant to subsection 2.3, 4.2 or 4.3 as a date on which the Company requests the Lenders to make Loans or requests the Issuing Lender to issue Letters of Credit hereunder.

"Business": as defined in subsection 8.20.

"Business Day": a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close.

"Capital Expenditures": with respect to any Person for any period, the sum of the aggregate of all expenditures (whether paid in cash or accrued as a liability) by such Person and its Subsidiaries during that period which, in accordance with GAAP, are or should be included in "additions to property, plant or equipment" or similar items reflected in the consolidated statement of cash flows of such Person. For purposes of this definition, the purchase price of equipment which is purchased simultaneously with the trade-in of existing equipment owned by the Company or any Subsidiary or with insurance proceeds (as permitted hereunder) shall be included in Capital Expenditures only to the extent of the gross amount of such purchase price less any credit granted by the seller of such equipment for the equipment being traded in at such time or the amount of such proceeds, as the case may be.

"Capital Stock": any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants or options to purchase any of the foregoing.

"Capitalized Lease": shall mean any lease which is required to be capitalized on the balance sheet of the lessee pursuant to GAAP.

"Cash Equivalents": (a) securities issued or directly and fully guaranteed or insured by the United States Government or any agency or instrumentality thereof, (b) time deposits and certificates of deposit of any of the Lenders or any domestic commercial bank having capital and surplus of at least $100,000,000, (c) commercial paper of any Person organized under the laws of the United States or any State thereof that is not a Subsidiary or an Affiliate of the Company rated at least A-2 by Standard & Poor's Ratings Group or at least P-2 by Moody's Investors Service, Inc., (d) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States or by any political subdivision, taxing authority or foreign government (as the case may be) that are rated at least A by Standard & Poor's Rating Group or A by Moody's Investors Service, Inc., (e) securities with maturities of one year or less from the date of acquisition backed by standby letters of credit issued by

any Lender or any commercial bank satisfying the requirements of clause (b) of this definition, (f) shares of money market mutual or similar funds having assets in excess of $250,000,000 and which invest exclusively in assets satisfying the requirements of clause (a) of this definition or (g) shares of money market mutual or similar funds having assets in excess of $500,000,000 and which invest exclusively in assets satisfying the requirements of clauses (b) through (e) of this definition.

"CIT Agreements": means (i) that certain Financing Agreement, dated as of October 17, 1995, by and between The Ralph Lauren Womenswear Company, L.P. and The CIT Group/Commercial Services, Inc. and (ii) that certain Financing Agreement, dated as of October 7, 1996, by and between Polo Retail Corporation and The CIT Group/Commercial Services, Inc., each as heretofore mended, supplemented or otherwise modified.

"CIT Indemnity": the obligations of the Agent to The CIT Group/Commercial Services, Inc., in connection with the repayment and termination of the CIT Agreements, to indemnify The CIT Group/Commercial Services, Inc. for uncollected checks and other obligations arising under lockbox arrangements related to the CIT Agreements.

"Closing Date": the date on which the conditions precedent set forth in subsection 7.1 shall be satisfied.

"Code": the Internal Revenue Code of 1986, as amended from time to time.

"Collateral": shall mean all assets of the Credit Parties, now owned or hereafter acquired, upon which a Lien is purported to be created by any Security Document.

"Combined Loan Percentage": as to any Lender at any time, the percentage which (a) the sum of (i) such Lender's Revolving Credit Commitment plus (ii) such Lender's Term Loans then outstanding, then constitutes of (x) the sum of (1) the aggregate Revolving Credit Commitments of all Lenders plus (2) the aggregate principal amount of Term Loans of all the Lenders then outstanding.

"Commercial Letter of Credit": a commercial documentary letter of credit issued by the Issuing Lender for the account of the Company or any of its Subsidiaries for the purchase of goods in the ordinary course of business.

"Commercial Letter of Credit Application": as defined in subsection 4.2(a).

"Commitment Period": the period from and including the Closing Date to but not including the Termination Date or such earlier date as the Revolving Credit Commitments shall terminate as provided herein.

"Commonly Controlled Entity": an entity, whether or not incorporated, which is under common control with the Company within the meaning of Section 4001 of ERISA or is part of a group which includes the Company or any Guarantor and which is treated as a single employer under Section 414 of the Code.

"Consolidated Fixed Charges": with respect to the Company and its Subsidiaries for any period, the sum of Fixed Charges for such period.

"Consolidated Fixed Charges Coverage Ratio": with respect to any period, the ratio of (a) Income Available for Fixed Charges for such period minus Capital Expenditures of the Company and its Subsidiaries during such period to (b) Consolidated Fixed Charges for such period.

"Consolidated Indebtedness": as of the date of any determination thereof, the aggregate of all Indebtedness of the Company and its Subsidiaries, on a consolidated basis after eliminating all inter-company items, in accordance with GAAP.

"Consolidated Indebtedness Ratio": for any period, the ratio of (a) the average of Consolidated Indebtedness outstanding on the last day of each Fiscal Quarter ending during such period to (b) Net Income of the Company and its Subsidiaries for such period plus depreciation, amortization, federal and state income taxes and Interest Expense deducted in determining such Net Income.

"Consolidated Net Worth": as of any date of determination thereof, the excess of (a) the aggregate consolidated net book value of the assets of the Company and its Subsidiaries (other than patents, patent rights, trademarks, trade names, franchises, copyrights, licenses, permits, goodwill and other similar intangible assets properly classified as such in accordance with GAAP) after all appropriate adjustments in accordance with GAAP (including, without limitation, reserves for doubtful receivables, obsolescence, depreciation and amortization and excluding the amount of any write-up or revaluation of any asset) over (b) all of the aggregate liabilities of the Company and its Subsidiaries, including all items which, in accordance with GAAP, would be included on the liability side of the balance sheet (other than Capital Stock, treasury stock, capital surplus and retained earnings) in each case consolidated (after eliminating all inter-company items) in accordance with GAAP.

"Consummation Date": the date on which the Company receives the net cash proceeds from the Initial Public Offering.

"Contractual Obligation": as to any Person, any provision of any security issued by such Person or of any agreement, instrument or undertaking to which such Person is a party or by which it or any of its property is bound.

"Credit Documents": the collective reference to this Agreement, the Notes, the Security Documents, the PRLE $24,000,000 Subordination Agreement, the Letter of Credit Documents and the Acceptance Documents.

"Credit Parties": the collective reference to the Company and the Guarantors.

"Default": any of the events specified in Section 11, whether or not any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

"Dollar Equivalent": (a) with respect to any calculation involving the face amount of any Letter of Credit issued in an Approved Foreign Currency, the amount in Dollars into which the relevant amount in such Approved Foreign Currency would be converted based upon the relevant Exchange Rate in effect at 10:00 A.M., New York City time, on the date of issuance of such Letter of Credit and (b) with respect to any calculation involving the amount of any drawing under any Letter of Credit, the amount in Dollars into which the relevant amount in such Approved Foreign Currency would be converted based upon the relevant Exchange Rate in effect at the time the Issuing Lender makes payment under such Letter of Credit.

"Dollars" and "$": dollars in lawful currency of the United States of America.

"Domestic Subsidiary": any Subsidiary of the Company organized under the laws of any jurisdiction within the United States.

"Drafts": as defined in subsection 5.1.

"Environmental Laws": any and all foreign, Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority or other Requirements of Law (including common law) regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment, as now or may at any time hereafter be in effect.

"ERISA": the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Eurocurrency Reserve Requirements": for any day as applied to a Eurodollar Loan, the aggregate (without duplication) of the rates (expressed as

a decimal fraction) of reserve requirements in effect on such day (including, without limitation, basic, supplemental, marginal and emergency reserves under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto) dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board) maintained by a member bank of the Federal Reserve System.

"Eurodollar Base Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, the rate per annum equal to the rate at which Chase is offered Dollar deposits at or about 10:00 A.M., New York City time, two Business Days prior to the beginning of such Interest Period in the interbank Eurodollar market where the Eurodollar and foreign currency and exchange operations in respect of its Eurodollar Loans are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein and in an amount comparable to the amount of its Eurodollar Loan to be outstanding during such Interest Period.

"Eurodollar Loans": Loans the rate of interest applicable to which is based upon the Eurodollar Rate.

"Eurodollar Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, a rate per annum determined for such day in accordance with the following formula (rounded upward to the nearest 1/100th of 1%):

$$\frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurocurrency Reserve Requirements}}$$

"Event of Default": any of the events specified in Section 11, provided that any requirement for the giving of notice, the lapse of time, or both, or any other condition, event or act has been satisfied.

"Exchange Rate": with respect to any Approved Foreign Currency, the arithmetic mean of the spot exchange rates for the purchase of such Approved Foreign Currency with Dollars as listed on the WRLD screen of the Reuters News Service, and if the Reuters spot exchange rates are unavailable, the Telerate equivalent shall be used.

"Existing Credit Agreement": the Amended and Restated Credit Agreement, dated as of October 31, 1994, among Polo Ralph Lauren L.P., the several banks parties thereto and Chase, as agent for such banks, as heretofore amended, supplemented or otherwise modified.

"Federal Funds Effective Rate": as defined in the definition of "ABR" set forth above.

"Fiscal Quarter": with respect to the Company and its Subsidiaries, and with respect to any Fiscal Year, (a) each of the quarterly periods ending 13 calendar weeks, 26 calendar weeks, 39 calendar weeks and 52 or 53 calendar weeks, as the case may be, after the end of the prior Fiscal Year or (b) such other quarterly periods as the Company shall adopt after giving prior written notice thereof to the Lenders.

"Fiscal Year": with respect to the Company and its Subsidiaries, (a) the 52- or 53-week annual period, as the case may be, ending on the Saturday nearest to March 31 of each calendar year or (b) such other fiscal year as the Company shall adopt with the prior written consent of the Required Lenders (which consent shall not be unreasonably withheld). Any designation of a particular Fiscal Year by reference to a calendar year shall mean the Fiscal Year ending during such calendar year.

"Fixed Charges": with respect to the Company and its Subsidiaries for any period, the sum of (a) all fixed rent paid during the period by the Company and its Subsidiaries under all leases of real and personal property, (b) Interest Expense for such period and (c) aggregate payments, other than Interest Payments, for such period in respect of Indebtedness of the Company and its Subsidiaries, excluding, however, (i) any prepayments of Indebtedness outstanding under the Existing Credit Agreement or the CIT Agreements, (ii) any prepayments of the Indebtedness of the Company under the Subordinated Note, dated as of October 31, 1994 in the original principal amount of $24,000,000 payable to Lauren, GS Capital Partners, L.P., GS Capital Partners PRL Holding I, L.P., GS Capital Partners PRL Holding II, L.P., Bridge Street Fund 1994, L.P., Store Street Fund 1994, L.P. and Stone Street 1994 Subsidiary Corp., (iii) any payments of Indebtedness outstanding under the Reorganization Notes and (iv) any voluntary prepayments of the Revolving Credit Loans or the Term Loans.

"Foreign Subsidiary": any Subsidiary of the Company organized under the laws of any jurisdiction outside of the United States of America.

"Form S-1": the Registration Statement on Form S-1 (Registration No. 333-24733) filed by the Company with the SEC on April 8, 1997, as amended on May 21, 1997, as the same may hereafter be amended, supplemented or modified.

"GAAP": generally accepted accounting principles in the United States of America in effect from time to time.

"Governmental Authority": any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Guarantee and Collateral Agreement": the Guarantee and Collateral Agreement to be executed and delivered by the Company and each Domestic Subsidiary of the Company listed on the signature pages thereto, substantially in the form of Exhibit B, as the same may be amended, supplemented or otherwise modified from time to time.

"Guarantee Obligation": as to any Person (the "guaranteeing person"), any obligation of (a) the guaranteeing person or (b) another Person (including, without limitation, any bank under any letter of credit) to induce the creation of which the guaranteeing person has issued a reimbursement, counterindemnity or similar obligation, in either case guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of the guaranteeing person, whether or not contingent (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (A) for the purchase or payment of any such primary obligation or (B) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assume or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (x) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (y) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Company in good faith.

"Guarantor": each of Fashions Outlet of America, Inc., Polo Retail Corporation, The Polo/Lauren Company, L.P., The Ralph Lauren Womenswear Company, L.P., RL Fragrances LLC and each other Person which is or will become a guarantor under the Guarantee and Collateral Agreement pursuant to the terms of this Agreement.

"Income Available for Fixed Charges": with respect to the Company and its Subsidiaries for any period, Net Income of the Company and its Subsidiaries for such period plus (a) depreciation, amortization, federal and

state income taxes deducted in determining such Net Income and (b) the amount of Fixed Charges for such period.

"Indebtedness": with respect to any Person, as of the date of any determination thereof, (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (other than current trade liabilities or employment or consulting compensation incurred in the ordinary course of business and payable in accordance with customary practices), (b) all indebtedness for borrowed money secured by any Lien on any property owned by such Person to the extent of such Person's interest in such property, even though such Person has not assumed or become liable for the payment thereof, (c) any other indebtedness of such Person which is evidenced by a note, bond, debenture or similar instrument, (d) all obligations of such Person as lessee under Capitalized Leases, (e) all obligations of such Person in respect of acceptances issued or created for the account of such Person, and (f) all Guarantee Obligations of such Person in respect of Indebtedness of any other Person. For purposes of all calculations provided for in this Agreement, there shall be disregarded any Guarantee Obligations of any Person in respect of any Indebtedness of any other Person with which the accounts of such first Person are then required to be consolidated in accordance with GAAP.

"Initial Public Offering": the sale of the Company's Capital Stock as described in the Form S-1.

"Insolvency": with respect to any Multiemployer Plan the condition that such plan is insolvent within the meaning of Section 4245 of ERISA.

"Insolvent": pertaining to a condition of Insolvency.

"Interest Expense": for any period, net interest expense in respect of Indebtedness of the Company and its Subsidiaries (including, without duplication, all interest capitalized or to be capitalized on the books of the Company and its Subsidiaries properly charged or chargeable to income for such period in accordance with GAAP) for such period.

"Interest Payment Date": (a) as to any ABR Loan, the last day of each March, June, September and December to occur while such Loan is outstanding, (b) as to any Eurodollar Loan having an Interest Period of three months or less, the last day of such Interest Period, and (c) as to any Eurodollar Loan having an Interest Period longer than three months, each day which is three months, or a whole multiple thereof, after the first day of such Interest Period and the last day of such Interest Period.

"Interest Period": with respect to any Eurodollar Loan:

(a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending one, two, three or six months thereafter, or, if available, four, five or nine months or one year thereafter, as selected by the Company in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto; and

(b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending one, two, three or six months thereafter, or, if available, four, five or nine months or one year thereafter, as selected by the Company by irrevocable notice to the Agent not less than three Business Days prior to the last day of the then current Interest Period with respect thereto;

provided that, all of the foregoing provisions relating to Interest Periods are subject to the following:

(1) if any Interest Period pertaining to a Eurodollar Loan would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(2) any Interest Period that would otherwise extend beyond the Termination Date shall end on the Termination Date or the final date of maturity of the Term Loans, in the case of interest payable on the Term Loans;

(3) any Interest Period pertaining to a Eurodollar Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month; and

(4) the Company shall select Interest Periods so as not to require a payment or prepayment of any Eurodollar Loan during an Interest Period for such Loan.

"Investment": as applied to any Person, any direct or indirect purchase or other acquisition by such Person of Capital Stock or other securities of, or any assets constituting a business unit of, any other Person, or any direct or indirect loan, advance or capital contribution by such Person to any other

Person. In computing the amount involved in any Investment at the time outstanding, (a) undistributed earnings of, and unpaid interest accrued in respect of Indebtedness owing by, such other Person shall not be included, (b) there shall not be deducted from the amounts invested in such other Person any amounts received as earnings (in the form of dividends, interest or otherwise) on such Investment or as loans from such other Person and (c) unrealized increases or decreases in value, or write-ups, write-downs or write-offs, of Investments in such other Person shall be disregarded.

"Issuing Lender": Chase, in its capacity as issuer of the Letters of Credit and as creator of Acceptances.

"Lauren": Ralph Lauren, an individual.

"Letter of Credit Applications": the collective reference to Commercial Letter of Credit Applications and Standby Letter of Credit Applications.

"Letter of Credit Documents": the collective reference to the Letter of Credit Applications, and the Letters of Credit and any other documents arising out of or in connection with the issuance of and participation in Letters of Credit hereunder.

"Letter of Credit Obligations": at any particular time, all liabilities of the Company with respect to Letters of Credit, whether or not such liabilities are contingent or unmatured, including, without limitation, the sum of (a) the then outstanding Letter of Credit Reimbursement Loans plus (b) the then aggregate undrawn face amount of all then outstanding Letters of Credit.

"Letter of Credit Participating Interest": with respect to any Letter of Credit, (a) in the case of the Issuing Lender, its undivided interest in such Letter of Credit, the related Letter of Credit Application, after giving effect to the granting of any participating interests therein and (b) in the case of any Participating Lender, its undivided participating interest in such Letter of Credit and the related Letter of Credit Application.

"Letter of Credit Reimbursement Loan": as defined in subsection 4.6(b).

"Letter of Credit Reimbursement Obligation": the obligation of the Company to reimburse the Issuing Lender in accordance with subsection 4.6(a) for any payment made by the Issuing Lender under any Letter of Credit issued for the account of the Company or any of its Subsidiaries.

"Letters of Credit": the collective reference to Commercial Letters of Credit and Standby Letters of Credit.

"Lien": any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement and any Capitalized Lease having substantially the same economic effect as any of the foregoing).

"Loans": the collective reference to the Revolving Credit Loans and the Term Loans and any other loans and extensions of credit made by the Lenders from time to time in accordance with the terms of this Agreement.

"Margin Level I Status": shall exist on an Adjustment Date if the Consolidated Indebtedness Ratio as of the last day of the period covered by the financial statements relating to such Adjustment Date is greater than or equal to 2.0 to 1.

"Margin Level II Status": shall exist on an Adjustment Date if the Consolidated Indebtedness Ratio as of the last day of the period covered by the financial statements relating to such Adjustment Date is less than 2.0 to 1 but greater than or equal to 1.50 to 1.

"Margin Level III Status": shall exist on an Adjustment Date if the Consolidated Indebtedness Ratio as of the last day of the period covered by the financial statements relating to such Adjustment Date is less than 1.5 to 1 but greater than or equal to 1.25 to 1.

"Margin Level IV Status": shall exist on an Adjustment Date if the Consolidated Indebtedness Ratio as of the last day of the period covered by the financial statements relating to such Adjustment Date is less than 1.25 to 1 but greater than or equal to 1.0 to 1.

"Margin Level V Status": shall exist on an Adjustment Date if the Consolidated Indebtedness Ratio as of the last day of the period covered by the financial statements relating to such Adjustment Date is less than 1.0 to 1.

"Material Adverse Effect": a material adverse effect on (a) the business, operations, property or condition (financial or otherwise) of the Company and its Subsidiaries taken as a whole or (b) the validity or enforceability of this Agreement or any of the other Credit Documents or the rights or remedies of the Agent or the Lenders hereunder or thereunder.

"Materials of Environmental Concern": any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products or any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including, without limitation, asbestos, polychlorinated biphenyls and urea-formaldehyde insulation.

"Multiemployer Plan": a Plan which is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Income" ("Net Loss"): with respect to any Person or group of Persons, as the case may be, for any fiscal period, the difference between (a) gross revenues of such Person or group of Persons and (b) all costs, expenses and other charges incurred in connection with the generation of such revenue (including, without limitation, taxes on income), determined on a consolidated or combined basis, as the case may be, and in accordance with GAAP.

"Non-Consummation Date": the earlier of (a) the date that is 30 days following the Closing Date if the Consummation Date has not occurred on or before such date, and (b) the date on which a Responsible Officer of the Company delivers a certificate to the Agent stating that the Initial Public Offering will not be consummated within the period of 30 days following the Closing Date.

"Non-Excluded Taxes": as defined in subsection 6.16(a).

"Notes": the collective reference to the Revolving Credit Notes and the Term Notes; each, individually, a 'Note'.

"Participants": as defined in subsection 13.6(b).

"Participating Lender": any Lender (other than the Issuing Lender), in its capacity as an acquiror of Letter of Credit Participating Interests in Letters of Credit and as an acquiror of Acceptance Participating Interests in Acceptances.

"PBGC": the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA.

"Permitted Acquisition": any acquisition by the Company or any Subsidiary, on or after the Closing Date, (whether effected through a purchase of Capital Stock or assets or through a merger, consolidation or amalgamation), of (i) another Person or (ii) the assets constituting an entire business or operating business unit of another Person, provided that:

(a) the assets so acquired or, as the case may be, the assets of the Person so acquired shall be in a Related Line of Business;

(b) no Default or Event of Default shall have occurred and be continuing at the time thereof or would result therefrom;

(c) the Company shall have delivered to the Agent, as soon as available but in no event later than the date of disclosure by the Company to the public, a copy of the executed purchase agreement with respect thereto (without exhibits, except to the extent available and requested by the Agent); and

(d) such acquisition shall be effected in such manner so that the acquired Capital Stock or assets are owned either by the Company or a Subsidiary and, if effected by merger, consolidation or amalgamation, the Company or a Subsidiary shall be the continuing, surviving or resulting entity.

"Person": an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan": at any particular time, any employee benefit plan other than a Multiemployer Plan which is covered by ERISA and in respect of which the Company or a Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Pre-Consummation Revolving Credit Commitment" as to any Lender, an amount equal to such Lender's Revolving Credit Commitment at the opening of business in New York City on the Consummation Date (without giving effect to any rearrangement of the Revolving Credit Commitments contemplated by subsection 6.19(b)).

"PRLE $24,000,000 Subordination Agreement": the Subordination Agreement, dated as of June __, 1997, executed and delivered by Lauren, GS Capital Partners, L.P., GS Capital Partners PRL Holding I, L.P., GS Capital Partners PRL Holding II, L.P., Bridge Street Fund 1994, L.P., Stone Street Fund 1994, L.P. and Stone Street 1994 Subsidiary Corp., and the Company to the Agent, for the benefit of the Lenders, as amended by the First Amendment thereto, dated as of the date hereof, substantially in the form of Exhibit E hereto, and as may be further amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"Properties": as defined in subsection 8.19(a).

"Register": as defined in subsection 13.6(d).

"Regulation U": Regulation U of the Board as in effect from time to time.

"Related Line of Business": (a) any line of business in which the Company or any of its Subsidiaries is engaged as of, or immediately prior to, the Closing Date, (b) any wholesale, retail or other distribution of products or services under any Trademark or any derivative thereof or (c) any similar business and any business which provides a service and/or supplies products in connection with any business described in clause (a) or (b) above.

"Reorganization": with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

"Reorganization Notes": means those certain promissory notes, dated of even date herewith, in the aggregate initial principal amount of $___________, issued in connection with the reorganization occurring on the date hereof and described in the Form S-1.

"Reportable Event": any of the events set forth in Section 4043(b) of ERISA, other than those events as to which the thirty day notice period is waived under subsections .13, .14, .16, .18, .19 or .20 of PBGC Reg. Section 2615.

"Required Lenders": at a particular time, Lenders the Combined Loan Percentages of which aggregate at least 51%.

"Requirement of Law": as to any Person, the Articles or Certificate of Incorporation and By-Laws or Certificate of Partnership or partnership agreement or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Reserve Determination": as defined in subsection 5.4.

"Responsible Officer": with respect to the Company, the chief executive officer, the chief operating officer, the president or any vice president of the Company, and with respect to financial matters, the chief financial officer or the Vice President-Controller or the Vice President-Treasurer of the Company.

"Restricted Payment": with respect to the Company and any of its Subsidiaries, (a) any declaration or payment of any dividend on, or the making of or provision for any distribution on account of, shares of any class of Capital Stock of such Person (other than to the Company or another Subsidiary of the Company), now or hereafter outstanding, whether in cash or property or in obligations of the Company or any of its Subsidiaries, (b) any purchase, redemption or other acquisition or retirement for value of any shares of any class of Capital Stock of such Person (other than from the Company or another

Subsidiary of the Company), or any warrants, rights or options to acquire any such shares, now or hereafter outstanding and (c) if the Consummation Date shall not occur prior to the date which is 30 days following the Closing Date, compensation paid to direct or indirect holders of Capital Stock of the Company or any of its Subsidiaries for employment, consulting, management fees or other similar personal services performed for the Company or such Subsidiary to the extent that such compensation to all such holders exceeds $10,000,000 in the aggregate in any Fiscal Year.

"Revolving Credit Commitment": at any time, with respect to each Lender, the amount set forth opposite such Lender's name on Schedule 1.1 in the section entitled "Revolving Credit Commitments", as such amount may be reduced from time to time in accordance with the provisions of this Agreement or increased as contemplated by subsection 6.19(c).

"Revolving Credit Commitment Percentage": as to any Lender at any particular time, the percentage of the aggregate Revolving Credit Commitments then constituted by such Lender's Revolving Credit Commitment (or, at any time after the Revolving Credit Commitments shall have expired or terminated, the percentage which such Lender's portion of the Aggregate Revolving Credit Extensions of Credit constitutes of the Aggregate Revolving Credit Extensions of Credit).

"Revolving Credit Loans": as defined in subsection 2.1.

"Revolving Credit Note": as defined in subsection 2.2.

"Security Documents": the collective reference to the Guarantee and Collateral Agreement and all other security documents hereafter delivered to the Agent granting a Lien on any asset or assets of any Person to secure the obligations and liabilities of the Company hereunder and under any of the other Credit Documents or to secure any guarantee of any such obligations and liabilities.

"SEC": the Securities and Exchange Commission.

"Sight Draft Letter of Credit": a Commercial Letter of Credit providing for payment of sight drafts when presented for honor thereunder in accordance with the terms thereof and when accompanied by documents complying with the terms thereof.

"Single Employer Plan": any Plan which is covered by Title IV of ERISA, but which is not a Multiemployer Plan.

"Standby Letter of Credit": an irrevocable letter of credit pursuant to which the Issuing Lender agrees to make payments in Dollars for the account

of the Company or any of its Subsidiaries in respect of obligations of the Company or any of its Subsidiaries incurred pursuant to contracts made or performances undertaken or to be undertaken or like matters relating to contracts to which the Company or any of its Subsidiaries is or proposes to become a party in the ordinary course of the Company's or any of its Subsidiaries' business, including, without limiting the foregoing, for insurance purposes and in connection with lease transactions.

"Standby Letter of Credit Application": as defined in subsection 4.3(a).

"Subordinated Indebtedness": (a) the Indebtedness of the Company in the principal amount of $24,000,000, evidenced by the Subordinated Notes dated October 31, 1994, payable to Lauren, GS Capital Partners, L.P., GS Capital Partners PRL Holding I, L.P., GS Capital Partners PRL Holding II, L.P., Bridge Street Fund 1994, L.P., Stone Street Fund 1994, L.P., and Stone Street 1994 Subsidiary Corp., and (b) any other Indebtedness of the Company, provided that with respect to any such other Indebtedness (i) no part of the principal of such Indebtedness is stated to be payable or is required to be paid (whether by way of mandatory sinking fund, mandatory redemption, mandatory prepayment or otherwise) prior to the Termination Date and the payment of principal of which and (subject to clause (ii) below) any other obligations of the Company in respect thereof are subordinated to the prior payment in full of principal of and interest (including post-petition interest) on the Notes, the Letter of Credit Obligations, the Acceptance Obligations and all other obligations and liabilities of the Company to the Agent and the Lenders hereunder on terms and conditions first approved in writing by the Required Lenders, (ii) no part of the interest accruing on such Indebtedness (other than interest payable solely in kind which shall be similarly subordinated) is payable after a Default or Event of Default has occurred and is continuing, and (iii) such Indebtedness otherwise contains terms, covenants and conditions in form and substance reasonably satisfactory to the Required Lenders, as evidenced by their prior written approval thereof.

"Subsidiary": as to any Person, a corporation, partnership or other entity of which shares of stock or other ownership interests having voting power (other than stock having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries (including a wholly owned Subsidiary of such Person), or both, by such Person. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Company.

"Term Loan": as defined in subsection 3.1.

"Term Loan Commitment": as to any Lender, the obligation of such Lender to make a Term Loan in the amount provided for in subsection 3.1."

"Term Loan Percentage": as to any Lender at any time, the percentage of the aggregate Term Loans then constituted by such Lender's Term Loan.

"Term Note": as defined in subsection 3.2.

"Termination Date": December 31, 2002.

"Time Draft Letter of Credit": a Commercial Letter of Credit providing for acceptance by the Issuing Lender of time drafts when presented for honor thereunder in accordance with the terms thereof, provided that no such draft shall be payable more than 180 days after sight or later than 90 days after the Termination Date, and provided, further, that each such draft is accompanied by documents complying with the terms of such Letter of Credit.

"Time Draft and Standby Fee Percentage:" at any time, a percentage equal to the Applicable Margin then in effect.

"Trademarks": as defined in subsection 9.5.

"Tranche": the collective reference to Eurodollar Loans the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Type": as to any Loan, its nature as an ABR Loan or a Eurodollar Loan.

"Uniform Customs": the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, as the same may be amended from time to time.

"Voting Stock": stock of any class or classes (however designated), or other equity ownership interests, of any Person, the holders of which are at the time entitled, as such holders, to vote for the election of the directors or other governing body of the Person involved, whether or not the right so to vote exists by reason of the happening of a contingency.

1.2 Other Definitional Provisions. (a) Unless otherwise defined therein, all terms defined in this Agreement shall have the defined meanings when used in the Notes and the other Credit Documents or any certificate or other document made or delivered pursuant hereto or in connection herewith.

(b) As used herein and in the Notes, the other Credit Documents and any certificate or other document made or delivered pursuant hereto or in connection herewith, accounting terms relating to the Company and its Subsidiaries not defined in subsection 1.1, and accounting terms partly defined in subsection 1.1 to the extent not defined, shall have the respective meanings given to them under GAAP.

(c) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, subsection, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

SECTION 2. AMOUNT AND TERMS OF REVOLVING CREDIT COMMITMENTS

2.1 Revolving Credit Commitments. Subject to the terms and conditions hereof, each Lender severally agrees to make revolving credit loans ("Revolving Credit Loans") to the Company from time to time during the Commitment Period in an aggregate principal amount at any one time outstanding not to exceed the amount of such Lender's Revolving Credit Commitment; provided, that no Revolving Credit Loan shall be made if, after giving effect thereto, the Available Revolving Credit Commitments would be less than zero. During the Commitment Period the Company may use the Revolving Credit Commitments by borrowing, prepaying the Revolving Credit Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. The Revolving Credit Loans may from time to time be (i) Eurodollar Loans, (ii) ABR Loans, or (iii) a combination thereof, as determined by the Company and notified to the Agent in accordance with subsections 2.3 and 6.10, provided that no Revolving Credit Loan shall be made as a Eurodollar Loan after the day that is one month prior to the Termination Date.

2.2 Revolving Credit Notes. The Revolving Credit Loans made by each Lender shall be evidenced by a promissory note of the Company, substantially in the form of Exhibit A-1 hereto, with appropriate insertions as to payee, date and principal amount (individually, a "Revolving Credit Note"; collectively, the "Revolving Credit Notes"), payable to the order of such Lender and in a principal amount equal to the lesser of (a) the amount set forth opposite each Lender's name on Schedule 1.1 in the section entitled "Revolving Credit Commitments" and (b) the aggregate unpaid principal amount of all Revolving Credit Loans made by such Lender. Each Lender is hereby authorized to record the date and amount of each such Revolving Credit Loan made by such Lender, each continuation thereof and the date and amount of each payment or prepayment of principal thereof, on the schedule annexed to and constituting a part of its Revolving Credit Note, and any such recordation shall constitute prima facie evidence of the accuracy of the information so recorded. Each Revolving Credit Note shall (i) be dated the Closing Date, (ii) be stated to mature on the

Termination Date, and (iii) provide for the payment of interest in accordance with subsection 6.1.

2.3 Procedure for Revolving Credit Borrowing. The Company may borrow under the Revolving Credit Commitments during the Commitment Period on any Business Day, provided that the Company shall give the Agent irrevocable telephonic notice (which notice must be received by the Agent prior to 11:00 A.M., New York City time, (a) three Business Days prior to the requested Borrowing Date, if all or any part of the requested Revolving Credit Loans are to be initially Eurodollar Loans or (b) on the requested Borrowing Date, otherwise), specifying (i) the amount to be borrowed, (ii) the requested Borrowing Date, (iii) whether the borrowing is to be of Eurodollar Loans, ABR Loans or a combination thereof and (iv) if the borrowing is to be entirely or partly of Eurodollar Loans, the amounts of such Type of Loan and the lengths of the initial Interest Periods therefor. Each borrowing under the Revolving Credit Commitments shall be in an amount equal to (x) in the case of ABR Loans, $500,000 or a whole multiple thereof (or, if the then Available Revolving Credit Commitments are less than $500,000, such lesser amount) and (y) in the case of Eurodollar Loans, $5,000,000, or a whole multiple of $500,000 in excess thereof. Upon receipt of any such notice from the Company, the Agent shall promptly notify each Lender thereof. Each Lender will make the amount of its pro rata share of each borrowing available to the Agent for the account of the Company at the office of the Agent specified in subsection 13.2 prior to 1:00 P.M., New York City time, on the Borrowing Date requested by the Company in funds immediately available to the Agent. Such borrowing will then be made available to the Company by the Agent crediting the account of the Company on the books of such office with the aggregate of the amounts made available to the Agent by the Lenders and in like funds as received by the Agent.

2.4 Use of Proceeds. The proceeds of the Revolving Credit Loans shall be used by the Company for general corporate purposes, including to finance the operations of the Company and its Subsidiaries in the ordinary course of their businesses, to finance capital expenditures and to refinance existing Indebtedness (including, without limitation, the Existing Credit Agreement and the CIT Agreements).

SECTION 3. AMOUNT AND TERMS OF TERM LOANS

3.1 Term Loan. Subject to the terms and conditions hereof, each Lender agrees to make a term loan (a "Term Loan") to the Company on the Non-Consummation Date pursuant to a conversion of Revolving Credit Loans to Term Loans in accordance with subsection 6.19(c) in an amount equal to such Lender's Revolving Credit Commitment Percentage (after giving effect to the increase in Chase's Revolving Credit Commitment as provided in clause (i) of subsection 6.19(c)) of the amount provided for in such relevant subsection to be so converted. The Company shall give the Agent irrevocable notice (which notice must be received by the Agent prior to 11:00 A.M., New York City time) three Business Days prior to the date Revolving Credit Loans are converted to Term Loans as provided above, specifying (i) whether such Term Loans are to be initially Eurodollar Loans, ABR Loans, or a combination thereof, and (ii) if such Term Loans are to be entirely or partly

Eurodollar Loans, the respective lengths of the initial Interest Periods therefor. If the Company fails to give such notice, the Term Loans shall be initially ABR Loans.

3.2 Term Notes. The Term Loan made by each Lender shall be evidenced by a promissory note of the Company, substantially in the form of Exhibit A-2 hereto, with appropriate insertions as to payee, date and principal amount (individually, a "Term Note; collectively, the "Term Notes"), payable to the order of each Lender and in a principal amount equal to the amount of the Term Loan of such Lender. The Term Note of each Lender shall be dated the Non-Consummation Date and shall be stated to mature in installments on the last day of each of the Fiscal Quarters set forth in the relevant amortization schedule below in the amounts equal to such Lender's Term Loan Percentage of the amounts set forth opposite such Fiscal Quarter:

FISCAL QUARTER/FISCAL YEAR	AMOUNT
1st Quarter/1999	$10,000,000
3rd Quarter/1999	$10,000,000
1st Quarter/2000	$15,000,000
3rd Quarter/2000	$15,000,000
1st Quarter/2001	$20,000,000
3rd Quarter/2001	$20,000,000
1st Quarter/2002	$20,000,000
3rd Quarter/2002	$20,000,000
1st Quarter/2003	$20,000,000

On the date that the last installment of principal on the Term Loans is due, the principal amount of all Term Loans then outstanding shall be due and payable together with all accrued but unpaid interest, fees and other amounts due and payable hereunder. The Term Notes shall bear interest on the unpaid principal amount thereof and on any overdue interest at the applicable interest rate per annum specified in subsection 6.1. Interest on the Term Notes shall be payable as specified in subsection 6.1.

SECTION 4. AMOUNT AND TERMS OF LETTERS OF CREDIT

4.1 Letters of Credit. Subject to the terms and conditions hereof, the Issuing Lender and each Participating Lender agree to extend credit by the Issuing Lender's issuing Letters of Credit in the form of Commercial Letters of Credit or Standby Letters of Credit for the account of the Company and its Subsidiaries, and by each Participating Lender's acquiring its Letter of Credit Participating Interest in each such Letter of Credit issued by the Issuing Lender, from time to time during the Commitment Period in an aggregate face amount at any

one time outstanding not to exceed in the case of Standby Letters of Credit, $30,000,000, provided, that no Letter of Credit shall be issued hereunder if, after giving effect thereto, the Available Revolving Credit Commitments would be less than zero. During the Commitment Period, the Company may use the Revolving Credit Commitments in this manner by having the Issuing Lender issue Letters of Credit, having such Letters of Credit expire undrawn upon or, if drawn upon, reimbursing the Issuing Lender for such drawing, and having the Issuing Lender issue new Letters of Credit, all in accordance with the terms and conditions hereof. From and after the Closing Date, all outstanding Letters of Credit issued under, and as defined in, the Existing Credit Agreement shall be deemed for all, if any, purposes hereunder to be Letters of Credit issued under this Agreement on the Closing Date.

4.2 Issuance of Commercial Letters of Credit. (a) Subject to the terms and conditions hereof (including, without limitation, subsection 4.1), the Company may request the Issuing Lender to issue a Commercial Letter of Credit in favor of sellers of goods to the Company and its Subsidiaries on any Business Day during the Commitment Period by delivering to the Agent at its address specified in subsection 13.2 (or such other lending office of the Agent as the Agent shall request) a commercial letter of credit application (executed by the Company and, in the case of any Letter of Credit to be issued for the account of any Subsidiary of the Company, such Subsidiary) by a transmission in accordance with past practice (a "Commercial Letter of Credit Application"), completed to the satisfaction of the Issuing Lender, together with such other certificates, documents and other papers and information as the Issuing Lender may reasonably request. Subject to the provisions of the last sentence of subsection 4.8, the Company hereby agrees to observe and perform its covenants, duties and obligations under each Commercial Letter of Credit Application.

(b) Each Commercial Letter of Credit issued hereunder shall, among other things, (i) be either a Sight Draft Letter of Credit or a Time Draft Letter of Credit, (ii) have an expiry date occurring not later than one year after the date of issuance of such Commercial Letter of Credit and in no event later than 90 days after the Termination Date, and (iii) be denominated in Dollars (except for Commercial Letters of Credit denominated in foreign currencies acceptable to the Issuing Lender in its sole discretion (each an "Approved Foreign Currency"; provided that the aggregate undrawn face amount of all such Commercial Letters of Credit issued in an Approved Foreign Currency shall not exceed the Dollar Equivalent of $10,000,000 at any time outstanding). Each Commercial Letter of Credit Application and each Commercial Letter of Credit shall be subject to the Uniform Customs and, to the extent not inconsistent therewith, the laws of the State of New York.

(c) The Issuing Lender shall not at any time be obligated to issue any Commercial Letter of Credit hereunder if such issuance would conflict with, or cause the Issuing Lender or any Participating Lender to exceed any limits imposed by, any applicable Requirements of Law.

4.3 Issuance of Standby Letters of Credit. (a) Subject to the terms and conditions hereof (including, without limitation, subsection 4.1), the Company may request the Issuing Lender to issue a Standby Letter of Credit for the account of the Company or any of its Subsidiaries, on any Business Day during the Commitment Period by delivering to the

Agent at its address specified in subsection 13.2 (or such other lending office of the Agent as the Agent shall request) a standby letter of credit application (executed by the Company and, in the case of any Letter of Credit issued for the account of any Subsidiary of the Company, such Subsidiary) substantially in the form of Exhibit D hereto (a "Standby Letter of Credit Application"), completed to the satisfaction of the Issuing Lender, together with such other certificates, documents and other papers and information as the Issuing Lender may reasonably request. Subject to the provisions of the last sentence of subsection 4.8, the Company hereby agrees to observe and perform its covenants, duties and obligations under each Standby Letter of Credit Application.

(b) Each Standby Letter of Credit issued hereunder shall, among other things, (i) be in such form and for such purposes requested by the Company as shall be acceptable to the Issuing Lender in its sole discretion, (ii) have an expiry date occurring not later than one year after the date of issuance of such Standby Letter of Credit and in no event occurring later than 90 days after the Termination Date and (iii) be denominated in Dollars and have a minimum face amount of $25,000. Each Standby Letter of Credit Application and each Standby Letter of Credit shall be subject to the Uniform Customs and, to the extent not inconsistent therewith, the laws of the State of New York.

(c) The Issuing Lender shall not at any time be obligated to issue any Standby Letter of Credit hereunder if such issuance would conflict with, or cause the Issuing Lender or any Participating Lender to exceed any limits imposed by, any applicable Requirements of Law.

4.4 Participating Interests. Effective in the case of each Letter of Credit as of the date of the issuance thereof, the Issuing Lender agrees to allot and does allot, to itself and each Participating Lender, and each Participating Lender irrevocably agrees to take and does take, a Letter of Credit Participating Interest in each Letter of Credit, the related Letter of Credit Application and all obligations of the Company with respect thereto (other than fees payable to the Issuing Lender pursuant to subsections 6.3(b) and 6.4(b)) in a percentage equal to such Lender's Revolving Credit Commitment Percentage. Each Participating Lender hereby agrees that its participation obligations described in the immediately preceding sentence shall be irrevocable and unconditional.

4.5 Procedure for Opening Letters of Credit. Upon receipt of any Letter of Credit Application from the Company, the Issuing Lender will process such Letter of Credit Application and the other certificates, documents and other papers delivered to the Issuing Lender in connection therewith, in accordance with its customary procedures and shall promptly open such Letter of Credit by issuing the original of such Letter of Credit to the beneficiary thereof and by furnishing a copy thereof to the Company. The Issuing Lender will send monthly reports to each Participating Lender and the Company, on the third Business Day of each calendar month, indicating the Letters of Credit opened during the previous month.

4.6 Payments. (a) The Company agrees to reimburse the Issuing Lender in Dollars and in immediately available funds, forthwith on the date the Issuing Lender is

presented with a draft under any Letter of Credit (whether issued for the account of the Company or any Subsidiary of the Company) and otherwise in accordance with the terms of the Letter of Credit Application relating thereto, for any payment made by the Issuing Lender under any Sight Draft Letter of Credit and any Standby Letter of Credit issued for its account. In the case of any Letter of Credit issued in an Approved Foreign Currency, such reimbursement obligation with respect to any payment thereunder made in an Approved Foreign Currency shall be in an amount equal to the Dollar Equivalent of the amount of such payment. The Issuing Lender is hereby authorized to charge the account(s) maintained by the Company at Chase for all amounts payable pursuant to this subsection 4.6(a).

(b) The failure by the Company on any day to have sufficient aggregate Dollar funds on deposit in its account(s) maintained at Chase to pay all Letter of Credit Reimbursement Obligations due on such day in accordance with subsection 4.6(a) (such deficiency being hereinafter referred to as a "Letter of Credit Reimbursement Deficiency") shall constitute the making by the Issuing Lender of a loan to the Company (a "Letter of Credit Reimbursement Loan") in a principal amount equal to the amount of the Letter of Credit Reimbursement Deficiency as of such day. Each Letter of Credit Reimbursement Loan shall (i) be payable on demand, (ii) be evidenced by a loan account maintained on the books and records of the Issuing Lender (the "Letter of Credit Reimbursement Loan Account") and (iii) bear interest from the date of the creation of the applicable Letter of Credit Reimbursement Obligation until paid in full at a rate per annum equal to (x) for the Business Day on which such Letter of Credit Reimbursement Loan is created, the ABR and (y) thereafter, the ABR plus 2%. Interest on each Letter of Credit Reimbursement Loan shall be payable on demand. The entries in the Letter of Credit Reimbursement Loan Account shall constitute prima facie evidence of the accuracy of the information set forth therein.

(c) In the event that the Issuing Lender makes a Letter of Credit Reimbursement Loan in accordance with subsection 4.6(b), the Issuing Lender will promptly notify each Participating Lender. Forthwith upon its receipt of any such notice, each Participating Lender will transfer to the Issuing Lender, in Dollars and in immediately available funds, an amount equal to such Participating Lender's Revolving Credit Commitment Percentage of such Letter of Credit Reimbursement Loan plus interest thereon calculated from the date of such notice at the Federal Funds Effective Rate.

(d) Whenever, at any time after the Issuing Lender has made payment under any Sight Draft Letter of Credit or Standby Letter of Credit and has received from each Participating Lender its Revolving Credit Commitment Percentage of any Letter of Credit Reimbursement Loan in accordance with subsection 4.6(c), the Issuing Lender receives any payments related to such Letter of Credit Reimbursement Loan (whether received directly from the Company or otherwise, including proceeds of collateral applied thereto by the Issuing Lender), or any payment of interest on account thereof, the Issuing Lender will distribute to each Participating Lender its pro rata share thereof; provided, however, that in the event that the receipt by the Issuing Lender of such payments or such payment of interest (as the case may be) is required to be returned, each Participating Lender will return to the Issuing Lender any portion thereof previously distributed by the Issuing Lender to it.

(e) Within fifteen days after the end of each calendar quarter, the Issuing Lender will notify each Participating Lender (with copies to the Company) of (i) each payment made by the Issuing Lender during such calendar quarter under any Sight Draft Letter of Credit or Standby Letter of Credit and (ii) each payment made by the Company during such calendar quarter to the Issuing Lender in reimbursement of amounts paid by the Issuing Lender under any such Letter of Credit.

4.7 Further Assurances. The Company hereby agrees to do and perform, from time to time, any and all acts and to execute any and all further instruments reasonably requested by the Issuing Lender more fully to effect the purposes of this Agreement and the issuance of the Letters of Credit opened hereunder for its account.

4.8 Letter of Credit Applications. The provisions of this Section 4 in respect of any Letters of Credit are supplemental to, and not in derogation of, any rights and remedies of the Issuing Lender and the Lenders under the Letter of Credit Applications related to such Letters of Credit and under the Uniform Customs and other applicable laws. In the event of any conflict between the terms of this Agreement and the terms of the Letter of Credit Applications, the terms set forth in this Agreement shall control.

4.9 Use of Letters of Credit. The Commercial Letters of Credit opened for the account of the Company and its Subsidiaries shall be used solely to finance purchases of inventory by such Persons in the ordinary course of their business, and the Standby Letters of Credit shall be used solely for the purposes described in the definition of such term in subsection 1.1.

SECTION 5. ACCEPTANCES

5.1 Acceptances. The Issuing Lender and each Participating Lender confirm that the Issuing Lender's issuance of Time Draft Letters of Credit and each Participating Lender's acquisition of Letter of Credit Participating Interests therein constitutes an agreement by the Issuing Lender and the Participating Lenders to extend credit by the Issuing Lender's accepting drafts ("Drafts") for the account of the Company that are presented for honor under Time Draft Letters of Credit in compliance with the terms thereof (each such accepted Draft, an "Acceptance") and each Participating Lender's acquiring its Acceptance Participating Interest in such Acceptance created by the Issuing Lender, from time to time during the period from the Closing Date to and including the Termination Date, provided, that each Draft shall be denominated in Dollars and shall be stated to mature on a Business Day which is 30, 60, 90 or 180 days after the date thereof, at the option of the Company. From and after the Closing Date, all then outstanding Acceptances, if any, created under, and as defined in, the Existing Credit Agreement shall be deemed for all purposes hereunder to be Acceptances created under this Agreement on the Closing Date.

5.2 Participating Interests. Effective in the case of each Acceptance as of the date of the creation thereof, the Issuing Lender agrees to allot and does allot, to itself and each Participating Lender, and each Participating Lender irrevocably agrees to take and does

take, an Acceptance Participating Interest in each Acceptance, the related Draft and all obligations of the Company with respect thereto (other than fees payable to the Issuing Lender pursuant to subsection 6.5(b)) in a percentage equal to such Lender's Revolving Credit Commitment Percentage. Each Participating Lender hereby agrees that its participation obligations described in the immediately preceding sentence shall be irrevocable and unconditional.

5.3 Payments. (a) The Company shall be obligated, and hereby unconditionally agrees, to pay to the Issuing Lender the face amount of each Acceptance created by the Issuing Lender hereunder on the maturity thereof, or such earlier date on which the obligations of the Company under this Agreement become due and payable. The Issuing Lender is hereby authorized to charge the account(s) maintained by the Company at Chase for all amounts payable pursuant to this subsection 5.3(a).

(b) The failure by the Company on any day to have sufficient aggregate Dollar funds on deposit in its account(s) maintained at Chase to pay all Acceptance Reimbursement Obligations due on such day in accordance with subsection 5.3(a) (such deficiency being hereinafter referred to as an "Acceptance Reimbursement Deficiency") shall constitute the making by the Issuing Lender of a loan to the Company (an "Acceptance Reimbursement Loan") in a principal amount equal to the amount of the Acceptance Reimbursement Deficiency as of such day. Each Acceptance Reimbursement Loan shall (i) be payable on demand, (ii) be evidenced by a loan account maintained on the books and records of the Issuing Lender (the "Acceptance Reimbursement Loan Account"), and (iii) bear interest from the date of the creation of the applicable Acceptance Reimbursement Obligation until paid in full at a rate per annum equal to (x) for the Business Day on which such Acceptance Reimbursement Loan is created, the ABR and (y) thereafter, the ABR plus 2%. Interest on each Acceptance Reimbursement Loan shall be payable on demand. The entries in the Acceptance Reimbursement Loan Account shall constitute prima facie evidence of the accuracy of the information set forth therein.

(c) If the Issuing Lender makes an Acceptance Reimbursement Loan in accordance with subsection 5.3(b), the Issuing Lender will promptly notify each Participating Lender. Forthwith upon receipt of such notice, each Participating Lender will transfer to the Issuing Lender, in Dollars and in immediately available funds, an amount equal to such Participating Lender's Revolving Credit Commitment Percentage of such Acceptance Reimbursement Loan plus interest thereon calculated from the date of such notice at the Federal Funds Effective Rate.

(d) Upon each Participating Lender's payment in full to the Issuing Lender of its Revolving Credit Commitment Percentage of any Acceptance Reimbursement Loan in accordance with subsection 5.3(b), such Participating Lender shall acquire the Issuing Lender's claim against the Company in respect of such Acceptance Reimbursement Loan to the extent of the amount paid by such Participating Lender. Each Participating Lender agrees that the Issuing Lender shall have full authority and responsibility for enforcing all claims against the Company with respect to Acceptances and Acceptance Reimbursement Loans and exercising all rights and remedies with respect thereto.

(e) Whenever, at any time after the Issuing Lender has received from each Participating Lender its pro rata share of any Acceptance Reimbursement Loan in accordance with subsection 5.3(c), the Issuing Lender receives any payments related to such Acceptance Reimbursement Loan (whether received directly from the Company or otherwise, including proceeds of collateral applied thereto by the Issuing Lender), or any payment of interest on account thereof, the Issuing Lender will distribute to each Participating Lender its pro rata share thereof; provided, however, that in the event that the receipt by the Issuing Lender of such payments or such payment of interest (as the case may be) is required to be returned, each Participating Lender will return to the Issuing Lender any portion thereof previously distributed by the Issuing Lender to it.

(f) Within fifteen days after the end of each calendar quarter, the Issuing Lender will notify each Participating Lender and the Company of (i) each creation of an Acceptance by the Issuing Lender during such calendar quarter and (ii) each payment made by the Company to the Issuing Lender during such calendar quarter on account of any Acceptance Reimbursement Obligation.

5.4 Termination of Acceptance Commitments. In the event that (a) there is a determination made by any regulatory body or instrumentality thereof (including, without limitation, any Federal Reserve Lender or any bank examiner), or there is a change in, or change in interpretation of, any applicable law, rule or regulation (such determination or such change, a "Reserve Determination"), in either case to the effect that bankers' acceptances created hereunder or in connection with a substantially similar facility (whether or not the Company or any Lender is directly involved as parties) will be ineligible for reserve-free treatment (or if already discounted, should have been ineligible for reserve-free treatment) with Federal Reserve Banks, and as a result any Lender is required to maintain, or determines as a matter of prudent banking that it is appropriate for it to maintain, additional reserves, or (b) any restriction is imposed on any Lender (including, without limitation, any change in acceptance limits imposed on any Lender) which would prevent such Lender from creating or purchasing participating interests in bankers' acceptances, as the case may be, or otherwise performing its obligations in respect of Acceptances, then, with the consent of the Participating Lenders, the Issuing Lender may, or upon the direction of any Participating Lender, the Issuing Lender shall, by notice to the Company in accordance with subsection 13.2 terminate the obligation of the Issuing Lender to issue Time Draft Letters of Credit and to create Acceptances in whole, effective on the date on which the Issuing Lender gives such notice, and the Issuing Lender shall have no further obligation to issue Time Draft Letters of Credit.

5.5 Mandatory Prepayment. The Company shall, within one Business Day of its receipt of a notice of termination from the Issuing Lender pursuant to subsection 5.4, prepay the Acceptance Obligations with respect to each Acceptance then outstanding by paying to the Issuing Lender the face amount of each Acceptance less a prepayment discount calculated by the Issuing Lender based upon the then prevailing rate for U.S. Treasury Bills maturing on or about the maturity date of such Acceptance (and communicated to the Company in its notice of termination pursuant to subsection 5.4); provided that in the event the Company fails to make such prepayment as provided in this subsection 5.5, each Lender's

pro rata share of the Acceptance Obligation with respect to each Acceptance then outstanding shall be deemed to be a Revolving Credit Loan made on the Business Day on which such prepayment was due in a principal amount equal to such Lender's pro rata share of the face amount of such Acceptance and subject to the terms and conditions of Section 2 and Section 6 hereof.

SECTION 6. GENERAL PROVISIONS APPLICABLE TO LOANS

6.1 Interest Rates and Payment Dates. (a) Each Eurodollar Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurodollar Rate determined for such day plus the Applicable Margin.

(b) Each ABR Loan shall bear interest at a rate per annum equal to the ABR.

(c) If all or a portion of (i) the principal amount of any Loan, (ii) any interest payable thereon or (iii) any commitment fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum which is (x) in the case of overdue principal, the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this subsection plus 2% or (y) in the case of overdue interest, commitment fee or other amount, the rate described in paragraph (b) of this subsection plus 2%, in each case from the date of such non-payment until such amount is paid in full (as well after as before judgment).

(d) Interest shall be payable in arrears on each Interest Payment Date, provided that interest accruing pursuant to paragraph (c) of this subsection shall be payable from time to time on demand.

6.2 Commitment and Other Fees. (a) The Company agrees to pay to the Agent, for the account of the Lenders, a commitment fee for the period from and including the first day of the Commitment Period to the Termination Date, computed at the rate per annum equal to the Applicable Commitment Rate Percentage on the average daily amount of the Available Revolving Credit Commitments during the period for which payment is made, payable quarterly in arrears on the last day of each March, June, September and December and on the Termination Date, commencing on the first of such dates to occur after the date hereof.

(b) The Company agrees to pay to the Agent, for the account of the Agent, an agent's fee and the other fees described in the fee letter dated May 22, 1997 between the Company and the Agent.

6.3 Commercial Letter of Credit Fees. (a) The Company agrees that on the date of each drawing under a Commercial Letter of Credit, it will pay to the Agent, for the account of the Issuing Lender, a Commercial Letter of Credit fee. In the case of a Sight Draft Letter of Credit, such fee shall be equal to the higher of (i) $50 and (ii) the Applicable Sight Draft Fee Percentage then in effect of the amount of such drawing (calculated on the

basis of the Dollar Equivalent thereof in the case of any Letter of Credit issued in an Approved Foreign Currency). In the case of a Time Draft Letter of Credit, such fee shall equal the higher of (i) $120 and (ii) a percentage of the amount of such drawing equal to the Applicable Margin then in effect (calculated on the basis of the Dollar Equivalent thereof in the case of any Letter of Credit issued in an Approved Foreign Currency). On the last day of each March, June, September and December, the Issuing Lender will allocate and pay to each Participating Lender a fee equal to such Participating Lender's pro rata share of the amount of such fees received from the Company during the immediately preceding three-month period calculated on the basis of the Applicable Sight Draft Fee Percentage or the Applicable Margin.

(b) The Company agrees to pay to the Issuing Lender for its own account the customary fees (including, without limitation, issuing fees, amendment fees and processing fees) charged by the Issuing Lender in connection with its issuance and administration of commercial letters of credit.

6.4 Standby Letter of Credit Fees. (a) The Company agrees to pay the Agent, for the account of the Issuing Lender and the Participating Lenders, a Standby Letter of Credit fee calculated at the rate per annum equal to the Applicable Margin from time to time in effect of the amount available to be drawn under each Standby Letter of Credit issued for its account (and in no event less than $500 with respect to each such Standby Letter of Credit), payable to the Issuing Lender semi-annually in advance on the date of issue of any Standby Letter of Credit and, thereafter, on each six-month anniversary of such date of issue. The Issuing Lender will promptly pay to the Participating Lenders their pro rata shares of any amounts received from the Company in respect of any such fees.

(b) The Company agrees to pay to the Issuing Lender for its own account the customary fees (including, without limitation, issuing fees and processing fees) charged by the Issuing Lender in connection with its issuance and administration of standby letters of credit.

6.5 Acceptance Fees. (a) The Company agrees to pay the Issuing Lender an acceptance commission (an "Acceptance Commission") on the face amount of each Acceptance created by the Issuing Lender hereunder for the period from the date of such Acceptance to the date of its maturity at a rate per annum equal to the Acceptance Discount Rate in effect on the date of creation of such Acceptance plus the Applicable Margin, payable in full on the date of creation of such Acceptance; provided that such Acceptance Commission shall be an amount equal to at least $120. On the last day of each March, June, September and December, the Issuing Lender will allocate and pay to each Participating Lender such Participating Lender's pro rata share of the Applicable Margin portion of the Acceptance Commissions paid during the immediately preceding three-month period.

(b) The Company agrees to pay to the Issuing Lender for its own account the customary fees (including, without limitation, processing fees) charged by the Issuing Lender in connection with its creation and administration of bankers' acceptances.

6.6 Computation of Interest and Fees. (a) Interest on ABR Loans, Letter of Credit Reimbursement Loans, Acceptance Reimbursement Loans, Letter of Credit Reimbursement Obligations and Acceptance Reimbursement Obligations, and per annum fees shall be calculated on the basis of a 365- (or 366, as the case may be) day year for the actual days elapsed; otherwise interest shall be calculated on the basis of a 360-day year for the actual days elapsed. The Agent shall as soon as practicable notify the Company and the Lenders of each determination of a Eurodollar Rate. Any change in the interest rate on a Loan (or on any other obligation accruing interest under the terms hereof) resulting from a change in the ABR or the Eurocurrency Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Agent shall as soon as practicable notify the Company and the Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Company and the Lenders in the absence of manifest error.

6.7 Optional Prepayments. The Company may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty, upon irrevocable notice to the Agent prior to 11:00 A.M. on such date of prepayment, specifying the date and amount of prepayment and whether the prepayment is of Eurodollar Loans, ABR Loans or a combination thereof, and, if of a combination thereof, the amount allocable to each. Upon receipt of any such notice the Agent shall promptly notify each Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with any amounts payable pursuant to subsection 6.14 and, in the case of prepayments of the Term Loans only, accrued interest to such date on the amount prepaid. Partial prepayments of the Term Loans shall be applied to the installments of principal thereof in the inverse order of their scheduled maturities. Amounts prepaid on account of the Term Loans may not be reborrowed. Partial prepayments shall be in an aggregate principal amount of $500,000 or a whole multiple of $100,000 in excess thereof. In the event any prepayment pursuant to this subsection 6.7 of Eurodollar Loans is not made on the last day of an Interest Period, the Company shall be obligated to reimburse the Lenders in respect thereof pursuant to subsection 6.14.

6.8 Termination or Reduction of Revolving Credit Commitments; Extension of Revolving Credit Commitments. The Company shall have the right, upon not less than five Business Days' notice to the Agent, to terminate the Revolving Credit Commitments or, from time to time, to reduce the amount of the Revolving Credit Commitments, provided that no such termination or reduction shall be permitted (i) to the extent that, after giving effect thereto and to any prepayments of the Loans made on the effective date thereof, the Aggregate Revolving Credit Extensions of Credit then outstanding would exceed the Revolving Credit Commitments then in effect or (ii) prior to the Consummation Date. Any such reduction shall be in an amount equal to $1,000,000 or a whole multiple of $100,000 in excess thereof and shall reduce permanently the Revolving Credit Commitments then in effect.

6.9 Pro Rata Treatment and Payments. (a) Each borrowing by the Company from the Lenders under the Revolving Credit Commitments, each payment by the Company on account of any commitment fee hereunder and any reduction of the Revolving Credit Commitments of the Lenders shall be made pro rata according to the respective Revolving Credit Commitment Percentages of the Lenders. Each payment (including each prepayment) by the Company on account of principal of and interest on the Loans shall be made pro rata according to the respective outstanding principal amounts of the Loans then held by the Lenders. All payments (including prepayments) to be made by the Company hereunder and under the Notes, whether on account of principal, interest, fees or otherwise, shall be made without set off or counterclaim and shall be made prior to 12:00 Noon, New York City time, on the due date thereof to the Agent at the Agent's office specified in subsection 13.2, in Dollars and in immediately available funds. The Agent shall distribute such payments to the Lenders promptly upon receipt in like funds as received. If any payment hereunder becomes due and payable on a day other than a Business Day, such payment shall be due on the next succeeding Business Day, and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension.

(b) Unless the Agent shall have been notified in writing by any Lender prior to a Borrowing Date that such Lender will not make the amount that would constitute its Revolving Credit Commitment Percentage of the borrowing on such date available to the Agent, the Agent may assume that such Lender has made such amount available to the Agent on such Borrowing Date, and the Agent may, in reliance upon such assumption, make available to the Company a corresponding amount. If such amount is made available to the Agent on a date after such Borrowing Date, such Lender shall pay to the Agent on demand an amount equal to the product of (i) the daily average Federal Funds Effective Rate during such period as quoted by the Agent, times (ii) the amount of such Lender's Revolving Credit Commitment Percentage of such borrowing, times (iii) a fraction the numerator of which is the number of days that have elapsed from and including such Borrowing Date to the date on which such Lender's Revolving Credit Commitment Percentage of such borrowing shall have become immediately available to the Agent and the denominator of which is 360. A certificate of the Agent submitted to any Lender with respect to any amounts owing under this subsection shall be conclusive in the absence of manifest error. If such Lender's Revolving Credit Commitment Percentage of such borrowing is not in fact made available to the Agent by such Lender within three Business Days of such Borrowing Date, the Agent shall be entitled to recover (without duplication) such amount with interest thereon at the rate per annum applicable to ABR Loans hereunder, on demand, from the Company.

6.10 Conversion and Continuation Options. (a) The Company may elect from time to time to convert Eurodollar Loans to ABR Loans by giving the Agent at least two Business Days' prior irrevocable notice of such election, provided that in the event any such conversion of Eurodollar Loans is not made on the last day of an Interest Period, the Company shall be obligated to reimburse the Lenders in respect thereof pursuant to Section 6.14. The Company may elect from time to time to convert ABR Loans to Eurodollar Loans by giving the Agent at least three Business Days' prior irrevocable notice of such election. Any such notice of conversion to Eurodollar Loans shall specify the length of the initial Interest Period or Interest Periods therefor. Upon receipt of any such notice the Agent shall

promptly notify each Lender thereof. All or any part of outstanding Eurodollar Loans and ABR Loans may be converted as provided herein, provided that (i) no Loan may be converted into a Eurodollar Loan when any Event of Default has occurred and is continuing and the Agent has or the Required Lenders have determined that such a conversion is not appropriate and (ii) no Loan may be converted into a Eurodollar Loan after the date that is one month prior to the Termination Date or the date final payment is due on the Term Loans.

(b) Any Eurodollar Loans may be continued as such upon the expiration of the then current Interest Period with respect thereto by the Company giving notice to the Agent, in accordance with the applicable provisions of the term "Interest Period" set forth in subsection 1.1, of the length of the next Interest Period to be applicable to such Loans, provided that no Eurodollar Loan may be continued as such (i) when any Event of Default has occurred and is continuing and the Agent has or the Required Lenders have determined that such a continuation is not appropriate or (ii) after the date that is one month prior to the Termination Date and provided, further, that if the Company shall fail to give such notice or if such continuation is not permitted such Loans shall be automatically converted to ABR Loans on the last day of such then expiring Interest Period.

6.11 Minimum Amounts and Maximum Number of Tranches. All borrowings, conversions and continuations of Loans hereunder and all selections of Interest Periods hereunder shall be in such amounts and be made pursuant to such elections so that, after giving effect thereto, the aggregate principal amount of the Loans comprising each Eurodollar Tranche shall be equal to $5,000,000 or a whole multiple of $500,000 in excess thereof. In no event shall there be more than 15 Eurodollar Tranches outstanding at any time.

6.12 Inability to Determine Interest Rate. If prior to the first day of any Interest Period:

(a) the Agent shall have determined (which determination shall be conclusive and binding upon the Company) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, or

(b) the Agent shall have received notice from the Required Lenders that the Eurodollar Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as conclusively certified by such Lenders) of making or maintaining their affected Loans during such Interest Period,

the Agent shall give telecopy or telephonic notice thereof to the Company and the Lenders as soon as practicable thereafter. Unless the Company shall have notified the Agent promptly upon receipt of such notice that if it wishes to rescind or modify its request (x) any Eurodollar Loans requested to be made on the first day of such Interest Period shall be made as ABR Loans and (y) any Loans that were to have been converted on the first day of such Interest Period to Eurodollar Loans shall be converted to or continued as ABR Loans. In addition, in the case any such notice is given, any outstanding Eurodollar Loans shall be converted, on the first day of such Interest Period, to ABR Loans. Until such notice has been

withdrawn by the Agent, no further Eurodollar Loans shall be made or continued as such, nor shall the Company have the right to convert Loans to Eurodollar Loans.

6.13 Illegality. Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof shall make it unlawful for any Lender to make or maintain Eurodollar Loans as contemplated by this Agreement, (a) the commitment of such Lender hereunder to make Eurodollar Loans, continue Eurodollar Loans as such and convert ABR Loans to Eurodollar Loans shall forthwith be cancelled and (b) such Lender's Loans then outstanding as Eurodollar Loans, if any, shall be converted automatically to ABR Loans on the respective last days of the then current Interest Periods with respect to such Loans or within such earlier period as required by law. If any such conversion of a Eurodollar Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, the Company shall pay to such Lender such amounts, if any, as may be required pursuant to subsection 6.14.

6.14 Indemnity. The Company agrees to indemnify each Lender and to hold each Lender harmless from any loss or expense which such Lender may sustain or incur as a consequence of (a) default by the Company in making a borrowing of, conversion into or continuation of Eurodollar Loans after the Company has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Company in making any prepayment of Eurodollar Loans after the Company has given notice thereof in accordance with the provisions of this Agreement or (c) the making of a prepayment of Eurodollar Loans on a day which is not the last day of an Interest Period with respect thereto. Such indemnification may include an amount equal to the excess, if any, of (i) the amount of interest which would have accrued on the amount so prepaid, or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein (excluding, however, the Applicable Margin included therein, if any) over (ii) the amount of interest (as reasonably determined by such Lender) which would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurodollar market. A certificate setting forth the calculations as to any additional amounts payable pursuant to this subsection 6.14 shall be submitted by an officer of a Lender, through the Agent, to the Company and shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans, the Notes, the Acceptance Obligations, the Letter of Credit Obligations and all other amounts payable hereunder.

6.15 Change of Lending Office. Each Lender agrees that if it makes any demand for payment under subsection 6.16 or 6.17, or if any adoption or change of the type described in subsection 6.13 shall occur with respect to it, it will use reasonable efforts (consistent with its internal policy and legal and regulatory restrictions and so long as such efforts would not be disadvantageous to it, as determined in its sole discretion) to designate a different lending office if the making of such a designation would reduce or obviate the need

for the Company to make payments under subsection 6.16 or 6.17, or would eliminate or reduce the effect of any adoption or change described in subsection 6.13.

6.16 Taxes. (a) All payments shall be made by the Company under this Agreement and the Notes free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding, in the case of the Agent and each Lender, net income and franchise taxes (imposed in lieu of net income taxes) imposed on the Agent or such Lender, as the case may be, as a result of a present or former connection between the Agent or such Lender and the jurisdiction of the Governmental Authority imposing such tax, or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Agent or such Lender having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any Note). If any such non-excluded taxes, levies, imposts, duties, charges, fees, deductions and withholdings ("Non-Excluded Taxes") are required to be withheld from any amounts payable to the Agent or any Lender hereunder or under the Notes, the amounts so payable to the Agent or such Lender shall be increased to the extent necessary to yield to the Agent or such Lender (after payment of all Non-Excluded Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement and the Notes, provided, however, that the Company shall not be required to increase any such amounts payable to any Lender that is not organized under the laws of the United States of America or a state thereof (a "Non-U.S. Lender") with respect to any taxes that are attributable to such Non-U.S. Lender's failure to comply with the requirements of paragraph (b) of this subsection. Whenever any Non-Excluded Taxes specified in the preceding sentence are payable by the Company, as promptly as possible thereafter the Company shall send to the Agent for its own account or for the account of such Lender, as the case may be, a certified copy of an original official receipt received by the Company showing payment thereof. If the Company fails to pay any Non-Excluded Taxes when due to the appropriate taxing authority or fails to remit to the Agent the required receipts or other required documentary evidence, the Company shall indemnify the Agent and the Lenders for any incremental taxes, interest or penalties that may become payable by the Agent or any Lender as a result of any such failure. The agreements in this subsection shall survive the termination of this Agreement and the payment of the outstanding Notes, Acceptance Obligations, Letter of Credit Obligations and all other amounts payable hereunder.

(b) Each Non-U.S. Lender agrees that prior to the first Interest Payment Date it will deliver to the Company and the Agent (i) two duly completed copies of United States Internal Revenue Service Form 1001 or 4224 or successor applicable form, as the case may be, and (ii) an Internal Revenue Service Form W-8 or W-9 or successor applicable form. Each such Lender also agrees to deliver to the Company and the Agent two new, duly completed copies of the said Form 1001 or 4224 and Form W-8 or W-9, or successor applicable forms or other manner of certification, as the case may be, on or before the date that any such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Company, and such extensions or renewals thereof as may reasonably be requested by the Company or the Agent.

Such Lender shall certify (i) in the case of a Form 1001 or 4224, that it is entitled to receive payments under the Agreement without deduction or withholding of any United States federal income taxes, unless in any such case an event (including, without limitation, any change in treaty, law or regulations) has occurred after the Closing Date and prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such form with respect to it and such Lender advises the Company that it is not capable of so receiving payments without any deduction or withholding, and (ii) in the case of a Form W-8 or W-9, that it is entitled to a complete exemption from United States backup withholding tax. Each Person that shall become a Lender or a Participant pursuant to subsection 13.6 shall, upon the effectiveness of the related transfer, be required to provide all of the forms and statements required pursuant to this subsection, provided that in the case of a Participant, such Participant shall furnish all such required forms and statements to the Lender from which the related participation shall have been purchased.

(c) Each Lender agrees to use reasonable efforts (including reasonable efforts to change the office in which it is booking its Loans) consistent with its internal policy and legal and regulatory restrictions and so long as such efforts would not be disadvantageous to it, as determined in its sole discretion, to avoid or minimize any amounts which might otherwise be payable pursuant to this subsection 6.16.

(d) If the Agent or any Lender receives a refund which in the good faith judgment of such Lender is allocable to Non-Excluded Taxes paid by the Company, it shall promptly pay such refund, together with any other amounts paid by the Company in connection with such refunded Non-Excluded Taxes, to the Company, net of all out-of-pocket expenses of such Lender incurred in obtaining such refund, provided, however, that the Company agrees to promptly return such refund to the Agent or the applicable Lender, as the case may be, if it receives notice from the Agent or applicable Lender that such Agent or Lender is required to repay such refund.

6.17 Requirements of Law. (a) If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the dates hereof:

(i) does or shall subject any Lender to any tax of any kind whatsoever with respect to this Agreement, any Note, any Eurodollar Loan, any Letter of Credit Document or any Acceptance Document, or change the basis of taxation of payments to such Lender in respect thereof (except for Non-Excluded Taxes covered by subsection 6.16 and changes in the rate of tax on the overall net income of such Lender);

(ii) does or shall impose, modify or hold applicable any reserve, special deposit, compulsory loan, assessment or similar requirement against Letters of Credit issued by the Issuing Lender or participated in by the Participating Lender or against assets held by, deposits or other liabilities in or for the account of, advances, loans or

other extensions of credit by, or any other acquisition of funds by, any office of such Lender which is not otherwise included in the determination of the Eurodollar Rate hereunder; or

(iii) does or shall impose on such Lender any other condition;

and the result of any of the foregoing is to increase the cost to such Lender of making, converting into, continuing or maintaining Eurodollar Loans, issuing, maintaining or participating in any Letter of Credit or creating or participating in any Acceptance, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Company shall promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender for such additional increased cost or reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this subsection, it shall promptly notify the Company, through the Agent, of the event by reason of which it has become so entitled. A certificate as to any additional amounts payable pursuant to this paragraph, submitted by such Lender, through the Agent, to the Company shall be conclusive in the absence of manifest error.

(b) In the event that any Acceptance created hereunder is not, for any reason, a bankers' acceptance with respect to which no reserves are required to be maintained by the Issuing Lender or any Participating Lender under Regulation D of the Board in effect from time to time or under any other law or regulation (an "Eligible Acceptance"), the Company shall, upon demand by the Agent, pay to the Agent for the account of the Lenders, such additional amounts as are sufficient to indemnify each Lender against any additional costs, as determined by the Lenders and notified in writing to the Agent, incurred by the Lenders (including, without limitation, costs resulting from any Reserve Determination, or reserve requirements, or premium liability to the Federal Deposit Insurance Corporation, or a higher discount rate) resulting from such Acceptance not constituting an Eligible Acceptance hereunder.

(c) In the event that after the date hereof, any Lender shall determine that the adoption of any Requirement of Law, rule, regulation or guideline regarding capital adequacy or any change in any Requirement of Law, rule, regulation or guideline regarding capital adequacy or in the interpretation or application thereof or compliance by such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority, including, without limitation, the issuance of any final rule, regulation or guideline, does or shall have the effect of reducing the rate of return on such Lender's capital as a consequence of its obligations hereunder (including, without limitation, the issuance of any Letters of Credit and the creation and discount of Acceptances) to a level below that which such Lender could have achieved but for such Requirement of Law, rule, regulation or guideline, change or compliance (taking into consideration such Lender's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, after submission by such Lender to the Company (with a copy to the Agent) of a written request therefor, the Company shall pay to such Lender such additional amount or amounts as will compensate such Lender for such reduction.

(d) The agreements in this subsection 6.17 shall survive the termination of this Agreement and payment of the outstanding Notes, Acceptance Obligations, Letter of Credit Obligations and all other amounts payable hereunder.

6.18 Obligations Absolute. (a) The Company's payment obligations under this Agreement shall be unconditional and irrevocable and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including, without limitation, the existence of any claim, set-off, defense or other right which the Company may have at any time against the Issuing Lender, any Participating Lender, any Lender or the Agent, or against any beneficiary of any Letter of Credit or any holder of any Acceptance, or any transferee from any such beneficiary or holder (or any Person for whom any such beneficiary, holder or transferee may be acting), or against any other Person, whether in connection with this Agreement, the transactions contemplated hereby, or any unrelated transaction; provided, however, that this provision shall be deemed a waiver by the Company of the assertion of a compulsory counterclaim only to the extent permitted by applicable law. The Company assumes all risks of the acts or omissions of the users of the Letters of Credit and Acceptances and all risks of the misuse of the Letters of Credit and Acceptances. Neither the Issuing Lender, nor any of its correspondents, nor any Participating Lender, nor the Agent shall be responsible: (i) for the form, validity, sufficiency, accuracy, genuineness or legal effect of any document specified in any of the Letter of Credit Documents, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any of the Letters of Credit or any of the rights or benefits thereunder or proceeds thereof in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) for failure of any draft to bear any reference or adequate reference to any of the Letters of Credit, or failure of anyone to note the amount of any draft on the reverse of any of the Letters of Credit or to surrender or to take up any of the Letters of Credit or to send forward any such document apart from drafts as required by the terms of any of the Letters of Credit, each of which provisions, if contained in a Letter of Credit itself, it is agreed, may be waived by the Issuing Lender; (iv) for errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they be in cipher; (v) for any error, neglect, default, suspension or insolvency of any correspondents of the Issuing Lender; (vi) for errors in translation or for errors in interpretation of technical terms; (vii) for any loss or delay, in the transmission or otherwise, of any such document or draft or of proceeds thereof; or (viii) for any other circumstances whatsoever in making or failing to make payment under a Letter of Credit, except only that the Company shall have a claim against the Issuing Lender, and the Issuing Lender shall be liable to the Company, to the extent, but only to the extent, of any direct, as opposed to consequential, damages suffered by the Company which the Company proves were caused by the Issuing Lender's willful misconduct or gross negligence in determining whether documents presented under a Letter of Credit comply with the terms of such Letter of Credit. None of the foregoing shall affect, impair or prevent the vesting of any of the rights or powers of the Issuing Lender, the Agent or any of the Participating Lenders. The Issuing Lender or the Agent shall have the right to transmit the terms of the Letter of Credit involved without translating them.

(b) In furtherance and extension and not in limitation of the specific provisions in subsection 6.18(a), (i) any action taken or omitted by the Issuing Lender, the Agent or by any of their respective correspondents under or in connection with any of the Letters of Credit, if taken or omitted in good faith, shall be binding upon the Company and shall not put the Issuing Lender, the Agent or their respective correspondents under any resulting liability to the Company and (ii) the Issuing Lender may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary; provided that if the Issuing Lender shall receive written notification from both the beneficiary of a Letter of Credit and the Company that sufficiently identifies (in the opinion of the Issuing Lender) documents to be presented to the Issuing Lender which are not to be honored, the Issuing Lender agrees that it will not honor such documents.

6.19 Mandatory Prepayments and Commitment Reductions. (a) If, at any time during the Commitment Period, the Aggregate Revolving Credit Extensions of Credit exceed the aggregate Revolving Credit Commitments then in effect, the Company shall, without notice or demand, immediately prepay the Revolving Credit Loans in an aggregate principal amount equal to such excess, together with interest accrued to the date of such payment or prepayment and any amounts payable under subsection 6.14. Prepayments shall be applied, first to ABR Loans and second, to Eurodollar Loans. To the extent that after giving effect to any prepayment of the Revolving Credit Loans required by the first sentence of this paragraph (a), the Aggregate Revolving Credit Extensions of Credit exceed the aggregate Revolving Credit Commitments then in effect, the Company shall, without notice or demand, immediately deposit in a cash collateral account with the Agent, having terms and conditions satisfactory to the Agent, as cash collateral security for the liability of the Issuing Lender (whether direct or contingent) under any Letters of Credit or Acceptances then outstanding, an aggregate amount equal to the amount by which the Aggregate Revolving Credit Extensions of Credit exceed the aggregate Revolving Credit Commitments then in effect.

(b) On the Consummation Date, (i) the aggregate Revolving Credit Commitments shall be automatically reduced to an amount equal to $225,000,000, (ii) in connection with such reduction the amounts of the respective Revolving Credit Commitments of each Lender shall be rearranged such that after giving effect to clause (i) above each Lender's (other than Chase's) Revolving Credit Commitment shall equal the lesser of (x) such Lender's Pre-Consummation Revolving Credit Commitment and (y) the product of (1) $175,000,000 multiplied by (2) a fraction the numerator of which is such Lender's Pre-Consummation Revolving Credit Commitment and the denominator of which is the aggregate amount of the Pre-Consummation Revolving Credit Commitments of all Lenders other than Chase and Chase's Revolving Credit Commitment shall equal the greater of (x) $50,000,000 and (y) the excess, if any, of $225,000,000 over the aggregate amount of Pre-Consummation Revolving Credit Commitments of all Lenders other than Chase and (iii) the Company shall prepay all then outstanding Revolving Credit Loans and simultaneously reborrow from all Lenders, ratably according to their respective Revolving Credit Commitments after giving effect to the rearrangements thereof effected pursuant to clause (ii) above, an amount equal to

the lesser of (x) $225,000,000 and (y) the aggregate amount of the Revolving Credit Loans so prepaid.

(c) On the Non-Consummation Date (i) Chase's Revolving Credit Commitment shall automatically increase by $75,000,000, (ii) the Company shall prepay all the outstanding Revolving Credit Loans and simultaneously reborrow from all Lenders ratably according to their respective Revolving Credit Commitments (after giving effect to Chase's increase pursuant to clause (i) above) an amount equal to the lesser of (x) $225,000,000 and (y) the aggregate amount of the Revolving Credit Loans so prepaid, and (iii) that portion of the outstanding principal amount of the Revolving Credit Loans (after giving effect to clause (ii) above) that does not exceed $150,000,000 shall be converted to Term Loans in accordance with subsection 3.1.

6.20 Cash Collateralization of Letter of Credit Obligations and Acceptance Obligations. With respect to all Letters of Credit and Acceptances that shall not have matured or been paid or with respect to which presentment for honor shall not have occurred on or prior to the Termination Date, the Company shall, on the Termination Date, deposit in a cash collateral account maintained by the Agent (and under the exclusive dominion and control of the Agent) an amount equal to the aggregate amount of the Letter of Credit Obligations plus the aggregate amount of Acceptance Obligations for application to payments of drafts drawn under Letters of Credit and to payment of Acceptances at maturity, and the unused portion thereof after such application, if any, shall be applied to repay other obligations of the Company hereunder or under the Notes or any of the other Credit Documents, and after all Letters of Credit have expired, all drafts and Acceptances have matured and been repaid and all other obligations of the Company hereunder or any of the other Credit Documents are paid in full, the balance, if any, shall be returned to the Company.

SECTION 7. CONDITIONS PRECEDENT

7.1 Conditions to Effectiveness. The agreement of each Lender to make the initial Loan requested to be made by it is subject to the satisfaction, immediately prior to or concurrently with the making of such Loan, on the Closing Date of the following conditions precedent:

(a) Notes. The Agent shall have received a Revolving Credit Note for each Lender, each conforming to the requirements hereof and executed by a duly authorized officer of the Company.

(b) Legal Opinions. The Agent shall have received, with a counterpart for each Lender, an opinion of Paul, Weiss, Rifkind, Wharton & Garrison, counsel to the Company and the Guarantors, substantially in the form of Exhibit F, and covering such other matters incident to the transactions contemplated by this Agreement, the Notes and the other Credit Documents as the Agent or any Lender may reasonably request.

(c) Collateral Security, Guarantees and Subordination Agreements.

(i) The Agent shall have received, with a counterpart for each Lender, each of the following Credit Documents satisfactory to the Agent, duly executed and delivered by the parties thereto and each of which shall be in full force and effect:

(A) the Guarantee and Collateral Agreement; and

(B) the PRLE $24,000,000 Subordination Agreement.

(d) Closing Certificates. The Agent shall have received, with a counterpart for each Lender, (i) a closing certificate of the Company, dated the Closing Date, substantially in the form of Exhibit G, executed by a duly authorized officer of the Company and (ii) a closing certificate of each Guarantor, dated the Closing Date, substantially in the form of Exhibit H, executed by a duly authorized officer of such Guarantor, in each case with appropriate attachments thereto.

(e) Evidence of Insurance. The Agent shall have received evidence, satisfactory to it, that the Company has obtained the policies of insurance required pursuant to subsection 9.4 and by the Security Documents.

(f) Recordings and Filings. Any documents (including, without limitation, financing statements and termination statements) required to be filed, registered or recorded under any of the Security Documents in order to create, in favor of the Agent for the benefit of the Lenders, a perfected first-priority security interest in the collateral thereunder with respect to which a security interest may be perfected by a filing under the Uniform Commercial Code or other applicable law shall be duly executed and in form to be properly filed, registered or recorded in each office in each jurisdiction (other than Puerto Rico) required in order to create in favor of the Agent for the benefit of the Lenders, a perfected Lien on the respective collateral described in any Security Document in the jurisdictions listed on Schedule 7.1.

(g) Lien Searches. The Agent shall have received the results of a recent search, by a Person satisfactory to the Agent, of the Uniform Commercial Code filings which may have been filed with respect to personal property of the Company and its Subsidiaries in the state and local filing offices in each of the states indicated on Schedule 7.1.

(h) Other Documents. The Agent shall have received, with a copy for each Lender, such other certificates, opinions, documents and instruments relating to the transactions contemplated hereby as may have been reasonably requested by any Lender.

(i) Corporate Proceedings of the Company. The Agent shall have received a copy of the resolutions, in form and substance satisfactory to the Agent, of the Board of Directors of the Company authorizing (i) the execution, delivery and performance of the Credit Documents to which the Company is a party and (ii) the granting by it of

the Liens created pursuant to the Security Documents to which the Company is a party, certified by the Secretary or an Assistant Secretary of the Company as of the Closing Date, which certificate shall be in form and substance satisfactory to the Agent and shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded.

(j) Corporate Documents. The Agent shall have received true and complete copies of the certificate of incorporation and by-laws of the Company, certified as of the Closing Date as complete and correct copies thereof by the Secretary or an Assistant Secretary of the Company.

(k) Additional Matters. All corporate and other proceedings and all other documents (including, without limitation, all documents referred to herein and not appearing as exhibits hereto) and legal matters in connection with the transactions contemplated by this Agreement, the Notes and the other Credit Documents shall be satisfactory in form and substance to the Agent.

(l) Fees. The Agent shall have received the fees required to be paid on the Closing Date pursuant to the fee letter referred to in subsection 6.2 hereof and the fees and disbursements of Simpson Thacher & Bartlett, counsel to the Agent.

(m) Consolidated Net Worth. The Agent shall have received a certificate of a Responsible Officer of the Company (together with supporting financial statements) certifying that the Consolidated Net Worth of the Company as of the Closing Date is at least $150,000,000.

(n) Reorganization. The Agent shall have received evidence in form and substance reasonably satisfactory to it that the reorganization described in Form S-1 shall have occurred.

7.2 Conditions to All Extensions of Credit. The obligation of each Lender to make any Loan and the obligation of the Issuing Lender to issue any Letter of Credit or create any Acceptance (including the Revolving Credit Loan made or initial Letter of Credit or Acceptance issued hereunder) is subject to the satisfaction of the following conditions precedent on the date such Loan is made or such Letter of Credit or Acceptance is issued or created:

(a) Payments. All applicable fees and commissions and any other amounts payable pursuant to this Agreement shall have been paid in full.

(b) Representations and Warranties. The respective representations and warranties made by each of the Company and the other Credit Parties in the Credit Documents to which each is a party or which are contained in any certificate, document or financial or other statement furnished at any time under or in connection herewith shall be true and correct in all material respects on and as of such date as if made on and as of such date (other than (i) such

representations as are made as of a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date and (ii) as previously notified to the Agent and waived by the Required Lenders).

(c) No Default or Event of Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the Loans to be made, the Letters of Credit to be issued or the Acceptances to be created and discounted, on such date.

(d) Delivery of Documents. All documents required or otherwise requested in connection with the issuance of any Letters of Credit or the creation of any Acceptances hereunder shall have been delivered to the Issuing Lender, the Participating Lenders, the Lenders or the Agent, as the case may be, completed in a manner in form and substance satisfactory to the party to whom such documents are delivered.

Each borrowing by the Company hereunder and each issuance of a Letter of Credit or creation of an Acceptance shall constitute a representation and warranty by the Company as of the date of such borrowing or issuance that the conditions in clauses (b) and (c) of this subsection 7.2 have been satisfied.

SECTION 8. REPRESENTATIONS AND WARRANTIES

To induce the Agent, the Issuing Lender and the Lenders to enter into this Agreement and to make the Loans, issue and participate in the Letters of Credit and create and participate in the Acceptances as herein provided, the Company hereby represents and warrants to the Agent, the Issuing Lender and to each Lender that:

8.1 Financial Condition. (a) The combined balance sheets of Polo Ralph Lauren L.P. and its Subsidiaries, Polo Ralph Lauren Enterprises, L.P., The Ralph Lauren Womenswear Company, L.P. and its Subsidiary and Polo Retail Corporation and its Subsidiaries (all of the foregoing, collectively, the "Polo Company") as at March 29, 1997 and the related combined statements of income and retained earnings and of changes in financial position for the fiscal year ended on such date, reported on by Deloitte & Touche LLP, copies of which have heretofore been furnished to each Lender, are complete and correct and present fairly the financial condition of the Polo Company as at such date, and the results of Polo Company's operations and changes in financial position for the fiscal year then ended. All such financial statements, including the related schedules and notes to all such financial statements, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as concurred in by such accountants or Responsible Officers, as the case may be, and as disclosed therein). No Polo Company had, at the date of the most recent balance sheet referred to above, any material Guarantee Obligation, contingent liabilities or liability for taxes, long-term lease or unusual forward or long-term commitment, which is not reflected in the foregoing statements or in the notes thereto (and, in the case of such lease or

commitment, which is required in accordance with GAAP to be reflected in such statements or notes) or which has not otherwise been disclosed to the Lenders in writing.

(b) The consolidated pro forma balance sheet of the Polo Company and its Subsidiaries as at March 29, 1997, a copy of which is set forth in the Form S-1, adjusted to give effect to the Initial Public Offering, is complete and correct and presents fairly on a pro forma basis the financial condition of the Company and its Subsidiaries as at such date.

8.2 No Change. Since March 29, 1997 (a) there has been no development or event which has had or could reasonably be expected to have a Material Adverse Effect and (until the Closing Date) there has been no material adverse change in the business, operations, property or financial or other condition of the Polo Company, taken as a whole; and (b) prior to the Closing Date, except as described in the Form S-1 no dividends or other distributions have been declared, paid or made upon any shares of Capital Stock of the Company or any of its Subsidiaries or any of the Polo Companies and neither the Company nor any of its Subsidiaries nor any of the Polo Companies has redeemed, retired, purchased or otherwise acquired for value any of its own Capital Stock.

8.3 Existence; Compliance with Law. Each Credit Party (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has the corporate or partnership, as the case may be, power and authority and the legal right to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged and in which it proposes to be engaged after the Closing Date, (c) is duly qualified as a foreign corporation or partnership, as the case may be, and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to so qualify could not have a Material Adverse Effect and (d) is in compliance with all Requirements of Law, except to the extent that the failure to comply therewith could not, in the aggregate, have a Material Adverse Effect.

8.4 Power; Authorization; Enforceable Obligations. (a) The Company has the corporate power and authority and the legal right to execute, deliver and perform the Credit Documents to which it is a party and to borrow hereunder and has taken all necessary action to authorize the borrowings on the terms and conditions of this Agreement and the Notes and to authorize the execution, delivery and performance of the Credit Documents to which it is a party. Each other Credit Party has the power and authority and the legal right to execute, deliver and perform the Credit Documents to which it is a party and has taken all necessary action to authorize the execution, delivery and performance of the Credit Documents to which it is a party.

(b) No consent or authorization of, filing with or other act by or in respect of any Governmental Authority or any other Person is required in connection with the borrowings hereunder or with the execution, delivery, performance, validity or enforceability of the Credit Documents, except for those which have been duly obtained or made and are in full force and effect.

(c) This Agreement has been and each other Credit Document has been or will be (as the case may be) duly executed and delivered on behalf of each Credit Party thereto, and each constitutes or will constitute (as the case may be) a legal, valid and binding obligation of such Credit Party enforceable against such Credit Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally.

8.5 No Legal Bar. The execution, delivery and performance of the Credit Documents, the borrowings hereunder and the use of the proceeds thereof will not violate any applicable usury laws or any other Requirement of Law applicable to, or any Contractual Obligation of, any Credit Party, and will not result in, or require, the creation or imposition of any Lien on any of its or their respective properties or revenues pursuant to any such Requirement of Law or Contractual Obligation, other than the Liens created by the Security Documents.

8.6 No Material Litigation. No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the best knowledge of the Company, threatened by or against any Credit Party or any of its Subsidiaries or against any of its or their respective properties or revenues (i) with respect to any of the Credit Documents to which any of them is a party or any of the transactions contemplated hereby or thereby, or (ii) which could reasonably be expected to have a Material Adverse Effect. Schedule 8.6 lists all litigation pending on the date hereof against the Company or any of its Subsidiaries in which the amount in controversy or potential liability of the Company or any of its Subsidiaries exceeds $5,000,000 and is not covered by insurance.

8.7 No Default. Neither the Company nor any other Credit Party is in default under or with respect to any Contractual Obligation or any order, award or decree of any Governmental Authority or arbitrator binding upon it or its properties in any respect which could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

8.8 Ownership of Property; Liens. Except as set forth in Schedule 8.8, each Credit Party has good record and marketable title in fee simple to or valid leasehold interests in all its real property that is material to the operation of its business, and good title to all its other property, and none of such property is subject to any Lien, except as permitted by subsection 10.5.

8.9 No Burdensome Restrictions. No Contractual Obligation of the Company or any other Credit Party and no Requirement of Law could reasonably be expected to have a Material Adverse Effect.

8.10 Taxes. Each Credit Party has filed or caused to be filed all material tax returns which to the knowledge the Company are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other material taxes, fees or other charges imposed on it or any of its

property by any Governmental Authority (other than those the amount or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of such Credit Party), and no material tax Liens have been filed and, to the knowledge of the Company, no material claims are being asserted with respect to any such taxes, fees or other charges.

8.11 Federal Regulations. No part of the proceeds of any Loans hereunder will be used, directly or indirectly, for "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation G or Regulation U of the Board as now and from time to time hereafter in effect or for any purpose which violates, or which would be inconsistent with, the provisions of the Regulations of such Board. If requested by the Agent or any Lender, the Company will furnish to the Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-1 or FR Form U-1 referred to in said Regulation G or Regulation U, as the case may be.

8.12 ERISA. Neither a Reportable Event nor an "accumulated funding deficiency" (within the meaning of Section 412 of the Code or Section 302 or ERISA) has occurred during the five-year period prior to the date on which this representation is made or deemed made with respect to any Single Employer Plan, and each Plan and, to the Company's knowledge, Multiemployer Plan, has complied, and has been administered in compliance, in all material respects with the applicable provisions of ERISA and the Code. No termination of a Single Employer Plan has occurred, and no Lien in favor of the PBGC or a Plan has arisen, during such five-year period. The present value of all accrued benefits under each Single Employer Plan maintained by the Company or any Commonly Controlled Entity (based on those assumptions used to fund such Plan) did not, as of the last annual valuation date applicable thereto, exceed the value of the assets of such Plan allocable to such accrued benefits. Except as disclosed on Schedule 8.12, neither the Company nor any Commonly Controlled Entity has had a complete or partial withdrawal from any Multiemployer Plan, and the liability to which the Company or any Commonly Controlled Entity would become subject under ERISA if the Company or any such Commonly Controlled Entity were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made or deemed made is not in excess of $5,000,000. To the knowledge of the Company, no such Multiemployer Plan is in Reorganization or Insolvent. The present value (determined using actuarial and other assumptions which are reasonable in respect of the benefits provided and the employees participating) of the liability of the Company and each Commonly Controlled Entity for post retirement benefits to be provided to their current and former employees under Plans which are welfare benefit plans (as defined in Section 3(1) of ERISA) does not in the aggregate, exceed the assets under all such Plans allocable to such benefits by an amount in excess of $5,000,000.

8.13 Investment Company Act; Other Regulations. No Credit Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. The Company is not subject to regulation under any Federal or state statute or regulation (other than Regulation X of the Board) which limits its ability to incur Indebtedness.

8.14 Subsidiaries. Schedule 8.14 sets forth as of the date hereof the name, and, where applicable, the jurisdiction of organization, number of authorized and issued shares and ownership of each Subsidiary of the Company and each general partner of each Credit Party which is a partnership.

8.15 Chief Executive Office. The Company's chief executive office on the date hereof is located at 650 Madison Avenue, New York, New York 10022.

8.16 General Partners' Existence; Compliance with Law. The corporate general partner of each Credit Party that is a partnership (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, (b) has the power and authority and the legal right to own and operate its property, to lease the property it operates and to conduct the business in which it is currently engaged and in which it proposes to be engaged after the Closing Date, (c) is duly qualified as a foreign corporation or partnership, as the case may be, and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to so qualify could not have a Material Adverse Effect, and (d) is in compliance with all Requirements of Law except to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

8.17 General Partners' Power; Authorization; Enforceable Obligations. The general partner of any Credit Party that is a partnership has the power and authority and the legal right to make, deliver and perform on behalf of the Credit Party of which it is a general partner, and thereby legally bind such Credit Party to perform, (a) in the case of the Company, this Agreement, and has taken all necessary action to authorize the borrowings by the Company on the terms and conditions of this Agreement and any Notes and (b) in the case of each such Credit Party (including the Company), the Credit Documents to which it is a party and has taken all necessary action to authorize the execution and delivery on behalf of such Credit Party of, and thereby legally bind such Credit Party to perform, this Agreement, the Notes and the other Credit Documents to which such Credit Party is a party. This Agreement has been, and each of the other Credit Documents has been or will be (as the case may be), duly executed and delivered by each such general partner on behalf of each Credit Party which is a party thereto.

8.18 Accuracy of Information. All factual information heretofore or contemporaneously furnished by or on behalf of any Credit Party or any of its Affiliates to the Agent or any Lender for purposes of or in connection with this Agreement or any transaction contemplated hereby is, and all other such factual information hereafter furnished by or on behalf of any Credit Party or any of its Affiliates to the Agent or any Lender will be, true and accurate in all material respects, taken as a whole, on the date as of which such information is dated or certified and not incomplete by omitting to state any material fact necessary to make such information not misleading at such time.

8.19 Environmental Matters.

(a) To the best knowledge of the Company, the facilities and properties owned, leased or operated by the Company or any of its Subsidiaries (the "Properties") do not contain any Materials of Environmental Concern in amounts or concentrations which (i) constitute a violation of, or (ii) could reasonably be expected to give rise to liability to the Company or any of its Subsidiaries under, any Environmental Law which would have a Material Adverse Effect.

(b) To the best knowledge of the Company, the Properties and all operations at the Properties are in compliance, and have in the last five years been in compliance, in all material respects with all applicable Environmental Laws, and there is no contamination at, under or about the Properties or violation of any Environmental Law with respect to the Properties or the business operated by the Company or any of its Subsidiaries (the "Business") which could materially interfere with the continued operation of the Properties.

(c) To the best knowledge of the Company, neither the Company nor any of its Subsidiaries has received any notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Properties or the Business, nor does the Company have knowledge or reason to believe that any such notice will be received or is being threatened except insofar as such notice or threatened notice, or any aggregation thereof, does not involve a matter or matters that could reasonably be expected to have a Material Adverse Effect.

(d) To the best knowledge of the Company, Materials of Environmental Concern have not been transported or disposed of from the Properties in violation of, or in a manner or to a location which could reasonably be expected to give rise to liability under, any Environmental Law, nor have any Materials of Environmental Concern been generated, treated, stored or disposed of at, on or under any of the Properties in violation of, or in a manner that could reasonably be expected to give rise to liability under, any applicable Environmental Law except insofar as any such violation or liability referred to in this paragraph, or any aggregation thereof, could not reasonably be expected to have a Material Adverse Effect.

(e) To the best knowledge of the Company, no judicial proceeding or governmental or administrative action is pending or, to the knowledge of the Company, threatened, under any Environmental Law to which the Company or any Subsidiary is or will be named as a party with respect to the Properties or the Business, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Properties or the Business except insofar as such proceeding, action, decree, order or other requirement, or any aggregation thereof, could not reasonably be expected to have a Material Adverse Effect.

(f) To the best knowledge of the Company, there has been no release or threat of release of Materials of Environmental Concern at or from the Properties, or arising from or related to the operations of the Company or any Subsidiary in connection with the Properties or otherwise in connection with the Business, in violation of or in amounts or in a manner that could reasonably give rise to liability under Environmental Laws except insofar as any such violation or liability referred to in this paragraph, or any aggregation thereof, could not reasonably be expected to have a Material Adverse Effect.

8.20 Material Contracts. The Exhibit Index to the Form S-1 (as amended through the date hereof) sets forth, as of the date hereof, all material contracts of the Company and its Subsidiaries required to be filed pursuant to item 601 of Regulation S-K.

SECTION 9. AFFIRMATIVE COVENANTS

The Company hereby agrees that, so long as the Revolving Credit Commitments remain in effect, any Note, any Letter of Credit Obligation or any Acceptance Obligation remains outstanding and unpaid or any other amount is owing to any Lender or the Agent hereunder, the Company shall and shall cause each of its Subsidiaries to:

9.1 Financial Statements and Information. Deliver to each Lender:

(a) as soon as available and, in any event, within 90 days following the end of each Fiscal Year, (i) for any Fiscal Year ending prior to the Consummation Date, consolidated and consolidating balance sheets of the Company and its Subsidiaries, as of the end of such Fiscal Year, and the related consolidated (and, as to statements of income, consolidating) statements of income and retained earnings and statements of cash flows for such Fiscal Year, in each case setting forth in comparative form the figures for the previous comparable period, all in reasonable detail and as reported to the holders of Capital Stock of the Company, and reported upon by Deloitte & Touche LLP or other independent certified public accountants of national standing approved by the Required Lenders (which approval shall not be unreasonably withheld) (the "Accountants"), which report shall state that such financial statements have been prepared in accordance with GAAP applied consistently with prior periods; and (ii) for any Fiscal Year ending after the Consummation Date, the Annual Report of the Company on Form 10-K for such Fiscal Year signed by a Responsible Officer of the Company;

(b) as soon as available and, in any event, within 75 days after the end of each Fiscal Quarter of the Company, (i) for any Fiscal Quarter of the Company ending prior to the Consummation Date, (x) consolidated and consolidating balance sheets of the Company and its Subsidiaries as of the end of such Fiscal Quarter and the related consolidated (and, as to statements of income, consolidating) statements of income, retained earnings and cash flows for the portion of the Company's Fiscal Year ended at the end of such Fiscal Quarter, and (y) the information described in Section II of Schedule 9.1, all in reasonable detail and certified by a Responsible Officer of the

Company as presenting fairly, in accordance with GAAP applied (except as specifically set forth therein and approved by such Responsible Officer) consistently with such prior periods, the information contained therein, subject to changes resulting from normal year-end audit adjustments and setting forth comparable figures for the same accounting period in the preceding Fiscal Year; and (ii) for any Fiscal Quarter of the Company ending after the Consummation Date, the Quarterly Report of the Company on Form 10-Q for the relevant Fiscal Quarter signed by a Responsible Officer of the Company;

(c) prior to the Consummation Date, promptly upon receipt thereof, copies of all reports submitted to the Company, any Guarantor or any other Credit Party by the Accountants in connection with each annual, interim or special audit of the books of the Company, any Guarantor or any such Credit Party made by the Accountants, including, without limitation, the comment letter submitted by the Accountants to management in connection with their annual audit;

(d) concurrently with the delivery of each set of the financial statements referred to in paragraph (a) above, a certificate of the Accountants certifying such financial statements, stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default (except as specified in such certificate);

(e) concurrently with the delivery of each set of the financial statements referred to in paragraphs (a) and (b) above, a certificate of a Responsible Officer of the Company (i) stating that such Officer has obtained no knowledge of any Default or Event of Default (except as specified in such certificate) and (ii) showing in reasonable detail the calculations supporting such statement in respect of subsections 10.1, 10.2, 10.3, 10.4, 10.5, 10.8, 10.10 and 10.11 and (iii) for each fiscal period ending prior to the Consummation Date, describing any litigation or proceeding affecting the Company, the Guarantors or any other Credit Party in which the amount involved is $2,000,000 or more and not covered by insurance or in which injunctive or similar relief is sought involving potential damages of $2,000,000 or more;

(f) forthwith upon the occurrence of any Default or Event of Default, a certificate of a Responsible Officer of the Company setting forth the details thereof and the action which the Company is taking or proposes to take with respect thereto;

(g) immediately upon any authorized officer of the Company or any Guarantor or of any Commonly Controlled Entity obtaining knowledge of the occurrence of any (i) "reportable event", as such term is defined in Section 4043 of ERISA, or (ii) "prohibited transaction", as such term is defined in Section 4975 of the Code, in connection with any Plan or any trust created thereunder, a written notice specifying the nature thereof, what action the Company or such Guarantor has taken, is taking or proposes to take with respect thereto, and, when known, any action taken or threatened by the Internal Revenue Service or the PBGC with respect thereto, provided that, with respect to the occurrence of any "reportable event" as to which the PBGC has waived

the 30-day reporting requirement, such written notice need be given only at the time notice is given to the PBGC;

(h) from time to time, such additional information regarding the business, affairs or financial or other position of the Company, any Guarantor and any other Credit Party as any Lender may reasonably request, such information to be provided as soon as practicable after such request;

(i) for each Fiscal Year ending prior to the Consummation Date, promptly upon completion but, in any event within 45 days after the end of such Fiscal Year, a copy of the operating budget and projections by the Company of cash flow of the Company and its Subsidiaries taken as a whole and of the Company and each Subsidiary individually for the next succeeding Fiscal Year of the Company, such operating budget and projections of cash flow to be accompanied by a certificate of a Responsible Officer to the effect that such operating budget and projections of cash flow have been prepared on the basis of sound financial planning practice and that such Responsible Officer has no reason to believe they are incorrect or misleading in any material respect;

(j) within five days after the same are sent, copies of all financial statements and reports which the Company and/or its Subsidiaries sends to its public holders of Capital Stock or debtholders, and within five days after the same are filed, copies of all financial statements and reports which the Company may make to, or file with, the SEC or any successor or analogous Governmental Authority; and

(k) for any fiscal month of the Company ending prior to the Consummation Date, as soon as available, but in any event within 30 days following the end of such fiscal month of the Company, a certificate of a Responsible Officer setting forth the information described in Section I of Schedule 9.1 and certifying that such information is, to the best knowledge of such Responsible Officer, true and correct in all respects.

9.2 Corporate Existence; Nature of Business. Except as otherwise permitted under this Agreement, preserve and maintain its partnership or corporate or other (as the case may be) existence and all of its material rights, privileges and franchises; comply with all Requirements of Law, except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect; and pay and discharge all taxes, assessments and governmental charges or levies imposed on it or on its income or profits or on any of its property prior to the date on which penalties attach thereto, unless the failure to pay and discharge any such taxes, assessments or governmental charges or levies could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, except for any such tax, assessment, charge or levy the payment of which is being contested in good faith and by proper proceedings and against which adequate reserves are being maintained; not discontinue, and will actively engage in and continue to pursue, the current business of the Company and its Subsidiaries, taken as a whole, and no other business which is not a Related Line of Business, provided that nothing in this subsection shall be deemed to prevent the Company or any Subsidiary from making an Investment permitted by

subsection 10.8(g) in the Capital Stock of, or any assets constituting a business unit of, any other Person (including the Company or any of its Subsidiaries) which is engaged in a business that is not a Related Line of Business.

9.3 Payment of Obligations. Pay, discharge or otherwise satisfy when the same shall become due, all its obligations of whatever nature, except when the amount or validity thereof is currently being contested in good faith by appropriate proceedings and adequate reserves with respect thereto are maintained on the books of the Company or the appropriate Subsidiary, as the case may be, in accordance with GAAP and, except to the extent that failure to comply with this subsection 9.3 results from a good faith error (which shall be corrected promptly following the Company becoming aware of such error) and such failure could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.4 Maintenance of Properties; Insurance. Maintain or cause to be maintained in good working order and condition, ordinary wear and tear excepted, all material properties used in the businesses of the Company and its Subsidiaries, provided that the Company and its Subsidiaries, may in accordance with good business practices, make determinations with respect to the timeliness of necessary repairs. The Company and its Subsidiaries will maintain or cause to be maintained such insurance with respect to their respective properties and businesses as a prudent Person engaged in the same or similar business of a similar size and otherwise similarly situated would maintain.

9.5 Maintain Trademarks. Take all action reasonably necessary or desirable in accordance with good business practices to (a) maintain in full force and effect such domestic and foreign patents, trademarks, service marks, trade names, copyrights and licenses and such material rights with respect to the foregoing, in each case necessary for the conduct of its business as now conducted (collectively, the "Trademarks") and (b) protect all domestic and foreign Trademarks against infringement by third parties.

9.6 Inspection; Books and Records. Keep proper books of records and accounts in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities. The Company and each other Credit Party will permit on an annual basis at the request of the Agent (or at any time and from time to time after the occurrence and during the continuance of a Default or Event of Default) any authorized representatives designated by the Lenders to visit and inspect any of the properties of the Company and such Credit Party, all during reasonable business hours, including their respective books of accounts, and to make copies and take extracts therefrom, and to analyze such data of the Company and such Credit Party, and to discuss their respective affairs, finances and accounts with their respective officers and the Accountants (and by this provision the Company and each Credit Party authorize the Accountants to discuss with such representatives the affairs, finances and accounts of the Company and any such Credit Party, whether or not a representative of the Company or such Credit Party is present). The Company shall reimburse the Lenders for all reasonable costs and expenses incurred by such Lenders in connection with the audit and verification activities contemplated by the immediately preceding sentence. So long as no Default or Event of Default shall have occurred and be continuing, the Agent shall, prior to

commencing any such verification activities, provide an estimate to the Company of the costs thereof, but any failure to give such an estimate shall not impair any of the rights of the Agent and the Lenders under this subsection.

9.7 Notices. Promptly give notice to the Agent and each Lender:

(a) of the occurrence of any Default or Event of Default (including, without limitation, any event referred to in Section 11(j));

(b) of any (i) default or event of default under any Contractual Obligation of the Company or any other Credit Party or (ii) litigation, investigation (known to the Company) or proceeding which may exist at any time between the Company or any other Credit Party and any Governmental Authority or Person, which in either case, if not cured or if adversely determined, as the case may be, would have a Material Adverse Effect;

(c) as soon as possible and in any event within five days after the Company knows or has reason to know of the following events: (i) the occurrence of any Reportable Event with respect to any Plan, or any withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan or (ii) the institution of proceedings or the taking of any other action by PBGC, the Company or any Commonly Controlled Entity, or any Multiemployer Plan with respect to the withdrawal from, Reorganization or Insolvency of, any Multiemployer Plan, or the terminating of any Plan; and

(d) of a material adverse change in the business, operations, property or financial or other condition of the Company and its Subsidiaries taken as a whole.

Each notice pursuant to this subsection 9.7 shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the Company proposes to take with respect thereto.

9.8 Maintenance of Liens of the Security Documents. Promptly, upon the reasonable request of any Lender, at the Company's expense, execute, acknowledge and deliver, or cause the execution, acknowledgement and delivery of, and thereafter register, file or record, or cause to be registered, filed or recorded, in an appropriate governmental office, any document or instrument supplemental to or confirmatory of the Security Documents or otherwise necessary or desirable for the continued validity, perfection and priority of the Liens on the collateral covered thereby.

9.9 Guarantee and Collateral Agreement Supplement. Each Domestic Subsidiary that is or becomes a "significant subsidiary" (as that term is defined in Regulation S-X (part 210 of the Code of Federal Regulations)) shall promptly execute and deliver to the Agent (with a counterpart for each Lender) a supplement to the Guarantee and Collateral Agreement pursuant to which such Subsidiary shall become a party thereto as a Guarantor, together with such other documents and opinions as the Lenders shall reasonably request.

9.10 Use of Proceeds. The proceeds of the Loans shall be used by the Company solely for the purposes set forth in subsection 2.4. No portion of the proceeds of any Loan shall be used by the Company in any manner which might cause the borrowing or the application of such proceeds to violate Regulation G, T, U or X of the Board or any other regulation of such Board.

9.11 Observance of Agreements. Observe and perform all the terms and conditions of all material agreements to which any of them or any other Credit Party is party and shall diligently protect and enforce their respective rights under all such agreements in a manner consistent with prudent business judgment.

SECTION 10. NEGATIVE COVENANTS

The Company hereby agrees that, so long as the Revolving Credit Commitments remain in effect, any Note, any Letter of Credit Obligation or any Acceptance Obligation remains outstanding and unpaid or any other amount is owing hereunder to any Lender or the Agent:

10.1 Consolidated Net Worth. (a) The Company will not permit Consolidated Net Worth as at the end of any Fiscal Quarter ending after the Closing Date and after the consummation of the Initial Public Offering to be less than $300,000,000.

(b) Prior to the consummation of the Initial Public Offering or in the event that the Initial Public Offering is not consummated on or before the thirtieth day following the Closing Date, the Company will not (i) permit Consolidated Net Worth as of the last day of the second Fiscal Quarter of Fiscal Year 1998 to be less than $165,000,000, (ii) commencing with the last day of the third Fiscal Quarter of Fiscal Year 1998, and any Fiscal Quarter thereafter, permit Consolidated Net Worth to be less than the sum of (a) $165,000,000 and (b) the aggregate of the Annual Increases for each Fiscal Year that shall have ended during the period from the Closing Date through the date as at which compliance with this covenant is being determined.

10.2 Fixed Charge Coverage Ratio. If the Initial Public Offering is not consummated on or before the thirtieth day following the Closing Date, the Company will not permit, for the period of three consecutive fiscal quarters ending September 30, 1997 and for any period of four consecutive Fiscal Quarters ending thereafter, the Consolidated Fixed Charges Coverage Ratio to be less than 1.25 : 1.00.

10.3 Consolidated Indebtedness Ratio. The Company will not permit (a) for the period of three consecutive Fiscal Quarters ending September 30, 1997, the Consolidated Indebtedness Ratio to be greater than 2.75 : 1.00, and (b) for any period of four consecutive Fiscal Quarters ending during any Test Period set forth below after September 30, 1997, the Consolidated Indebtedness Ratio to be greater than the ratio set forth opposite such Test Period:

Test Period	Ratio
October 1, 1997 through December 31, 1997	2.75 : 1
January 1, 1998 through March 30, 1999	2.50 : 1
March 31, 1999 to Termination Date	2.25 : 1

10.4 Limitation on Indebtedness. The Company will not, nor will it permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Indebtedness except:

(a) Indebtedness not secured by any Lien in an aggregate principal amount not to exceed $200,000,000, provided that (i) no part of the principal of such Indebtedness (except in the case of any such Indebtedness in an aggregate principal amount, when added to the aggregate principal amount of Indebtedness then outstanding as permitted by subsection 10.4(g), not greater than $50,000,000) is stated to be payable or is required to be paid (whether by way of mandatory sinking fund, mandatory redemption, mandatory prepayment or otherwise) prior to the Termination Date, (ii) the material terms, conditions and restrictive covenants contained in the instrument governing such Indebtedness, taken as a whole, are no less favorable to the Company or any of its Subsidiaries, as the case may be, than the terms, conditions and restrictive covenants contained in this Agreement and (iii) no Default or Event of Default shall have occurred after giving effect to the incurrence of such Indebtedness;

(b) Indebtedness secured by Liens permitted by subsection 10.5(g) in an aggregate amount at any one time outstanding not in excess of the amount set forth in said subsection;

(c) Indebtedness existing on the Closing Date, not otherwise permitted under this Agreement, described in Schedule 10.4 hereto, and any refinancings, refundings, renewals or extensions thereof on terms no less favorable (taken as a whole) to the Company or such Subsidiary, as the case may be, provided that the principal amount of such Indebtedness is not increased;

(d) Subordinated Indebtedness;

(e) Indebtedness incurred under this Agreement;

(f) Indebtedness of the Company to its Subsidiaries or Indebtedness of any Subsidiary of the Company to the Company or any of its Subsidiaries; and

(g) Indebtedness of any Person which becomes a Subsidiary of the Company after the date hereof (provided that (i) such Indebtedness was in existence on the date such Person became a Subsidiary, (ii) such Indebtedness was not created, incurred or assumed in anticipation thereof, and (iii) the aggregate principal amount of such Indebtedness at any one time outstanding, when added to the aggregate principal amount of Indebtedness then outstanding as permitted by the parenthetical phrase included in clause (i) of the proviso to subsection 10.4(a), shall not be in excess of

$50,000,000) and any Indebtedness resulting from the refinancing of any such Indebtedness.

For purposes of this subsection 10.4, any Person becoming a Subsidiary of the Company after the date of this Agreement shall be deemed to have incurred all of its then outstanding Indebtedness at the time it becomes a Subsidiary.

10.5 Limitation on Liens. The Company will not, nor will it permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Lien upon any of its property or assets, whether now owned or hereafter acquired, or upon any income or profits therefrom, or acquire any property pursuant to any conditional sale, lease purchase or other title retention agreement, except:

(a) Liens created pursuant to the Security Documents or securing the Notes, the Letter of Credit Obligations, the Acceptance Obligations and all amendments, extensions, renewals and substitutions thereof;

(b) Liens existing on the Closing Date, not otherwise permitted under this Agreement, described in Schedule 10.5 hereto, securing the Indebtedness described in such Schedule, and extensions, renewals and substitutions thereof, provided that the principal amount so secured is not increased and the Lien is not extended to any other property;

(c) Liens for taxes and duties, assessments, governmental charges or levies not yet due or which are being contested in good faith and by appropriate proceedings promptly initiated and diligently conducted, if adequate reserves with respect thereto are maintained on the books of the Company and its Subsidiaries in accordance with GAAP;

(d) Liens incurred in the ordinary course of and incidental to the conduct of the business of the Company and its Subsidiaries or the ownership of its property, including, without limitation, Liens incurred in connection with the sale, lease, transfer or other disposition of any credit card receivable of the Company or any of its Subsidiaries and Liens for workmen's compensation, bids, tenders, lessors, vendors, bank deposits, trade letters of credit and trust receipts, which were not incurred in connection with the borrowing of money and which do not in the aggregate materially detract from the value of the property of the Company and its Subsidiaries, taken as a whole, or materially impair the use thereof in the operation of the business of the Company and its Subsidiaries;

(e) Liens imposed by law in favor of mechanics, repairmen, carriers or warehousemen for sums not yet due or which are being contested in good faith and by appropriate proceedings promptly initiated and diligently conducted, if adequate reserves with respect thereto are maintained on the books of the Company and its Subsidiaries in accordance with GAAP;

(f) Liens existing on property or assets of a Person immediately prior to its becoming a Subsidiary of the Company and which Lien was not created, incurred or assumed in anticipation thereof, provided that such Lien shall at all times be confined solely to the property subject thereto at the time such Person becomes a Subsidiary of the Company;

(g) Liens securing Indebtedness of the Company and its Subsidiaries (and any refinancings, refundings, renewals or extensions thereof on terms no less favorable (taken as a whole) to the Company or such Subsidiary, as the case may be, provided that the principal amount of such Indebtedness is not increased) incurred after the Closing Date solely for the purpose of financing the acquisition by the Company or any of its Subsidiaries of real or personal property or solely for the purpose of financing the cost of construction or improvements to or on real or personal property, or Liens existing on such property so acquired at the time of acquisition thereof, provided that:

(i) each such Lien shall at all times be confined solely to the property so acquired;

(ii) the principal amount of Indebtedness secured by each such Lien shall at no time exceed the lesser of (A) the cost to such Person of the property subject thereto or (B) the fair value of such property (as determined in good faith by the Board of Directors of such Person) at the time of the acquisition thereof or completion of construction thereon.

(h) Liens solely constituting the right of any other Person to a share of any licensing royalties (pursuant to a licensing agreement or other related agreement entered into by the Company or any of its Subsidiaries with such Person in the ordinary course of the Company's or such Subsidiary's business) otherwise payable to the Company or any of its Subsidiaries, provided that such right shall have been conveyed to such Person for consideration received by the Company or such Subsidiary on an arm's-length basis; and

(i) in the case of real property owned by the Company or any of its Subsidiaries, easements, rights of way, restrictive covenants, encroachments and other non-monetary Liens which Liens would not have, individually or in the aggregate, a Material Adverse Effect.

For purposes of this subsection 10.5, any Person becoming a Subsidiary of the Company after the date hereof shall be deemed to have incurred all of its then outstanding Liens at the time it becomes a Subsidiary of the Company, and any Person extending, renewing or refunding any Indebtedness secured by any Lien shall be deemed to have incurred such Lien at the time of such extension, renewal or refunding.

10.6 Sale of Assets. Except in the ordinary course of business (including the sale, lease, transfer or other disposition of any credit card receivable of the Company or any

of its Subsidiaries), the Company will not, nor will it permit any of its Subsidiaries to, sell, lease, transfer or otherwise dispose of any of its assets or sell, transfer or otherwise dispose of any of the Capital Stock of any of its Subsidiaries, provided that, so long as no Default or Event of Default shall have occurred and be continuing or would result therefrom, no such disposition of assets or Capital Stock out of the ordinary course of business shall constitute a violation of this subsection 10.6 so long as (i) the aggregate fair market value of the assets or Capital Stock so disposed of during any Fiscal Year of the Company shall not exceed 10% of Consolidated Net Worth as at the end of the preceding Fiscal Year, or (ii) the net cash proceeds are used within 180 days after the receipt thereof to purchase assets to be utilized by the Company in any Related Line of Business and if not so used within such time period, such proceeds shall be applied to the prepayment of principal of any outstanding Term Loans in inverse order of maturity and thereafter, 50% of such proceeds shall, if Margin Level I Status then exists, be applied to the mandatory reduction of the Revolving Credit Commitments. Notwithstanding anything contained in this subsection 10.6 to the contrary, neither the Company nor any of its Subsidiaries shall dispose of any of its right, title or interest in any Collateral or any material Trademark, except for (i) licensing of Trademarks and sales of inventory in the ordinary course of business and (ii) sales, leases, transfers or other dispositions of Trademarks by the Company to any of its Subsidiaries which is a Guarantor or by any Subsidiary to any other Subsidiary which is a Guarantor or to the Company.

10.7 Limitation on Fundamental Changes. The Company will not, nor will it permit any of its Subsidiaries to, enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease, assign, transfer or otherwise dispose of, all or substantially all of its property, business or assets, except:

(a) any Subsidiary of the Company may be merged or consolidated with or into the Company (provided that the Company shall be the continuing or surviving entity) or with or into any one or more wholly owned Subsidiaries of the Company (provided that the wholly owned Subsidiary or Subsidiaries shall be the continuing or surviving entity);

(b) any wholly owned Subsidiary may sell, lease, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or otherwise) to the Company or any other wholly owned Subsidiary of the Company;

(c) the Company or any Subsidiary may effect any Investment permitted by subsections 10.8(h), (i) or (j) by means of a merger of the Person that is the subject of such acquisition with the Company or any of its Subsidiaries (provided that, in the case of a merger with the Company, the Company is the survivor); and

(d) the Company may, and may permit any of its Subsidiaries to, enter into any transaction otherwise permitted pursuant to subsection 10.6.

10.8 Limitation on Loans, Advances and Other Investments. The Company will not, nor will it permit any of its Subsidiaries to, make any Investment other than:

(a) advances or loans made in the ordinary course of business to employees of the Company or any of its Subsidiaries;

(b) Investments in Cash Equivalents;

(c) Investments by the Company in and to its Domestic Subsidiaries and any Foreign Subsidiary that becomes a party to the Guarantee and Collateral Agreement as a Guarantor or of which 66% of such Foreign Subsidiary's Capital Stock is pledged to the Lenders pursuant to a pledge agreement in form and substance reasonably satisfactory to the Agent;

(d) Investments by any Subsidiaries of the Company in and to the Company and any of its Domestic Subsidiaries that becomes a party to the Guarantee and Collateral Agreement as a Guarantor;

(e) Investments in Foreign Subsidiaries in an aggregate amount not in excess of $75,000,000;

(f) existing Investments not otherwise permitted under this Agreement and described in Schedule 10.8 hereto;

(g) Investments received in connection with the bona fide settlement of any defaulted Indebtedness or other liability owed to the Company or any Subsidiary;

(h) Investments in Permitted Acquisitions provided that if, as a result of Permitted Acquisition, a new Domestic Subsidiary shall be created, such Domestic Subsidiary shall become a party to the Guarantee and Collateral Agreement as a Guarantor;

(i) Investments in Permitted Acquisitions in Persons organized under the laws of a jurisdiction outside of the United States in an aggregate amount not in excess of the sum of (x) $200,000,000 plus (y) the Annual Increase for each full Fiscal Year which shall have been completed and for which financial statements and the related compliance certificate shall have been delivered pursuant to subsections 9.1(a) and (e) hereof, during the period from the Closing Date through the date at which compliance with this paragraph is being determined (as reflected in such financial statements and compliance certificate) less an amount equal to the aggregate amount of Investments, if any, made pursuant to clause (j) of this subsection 10.8 in excess of $100,000,000; and

(j) additional Investments in an amount not in excess of an amount equal to the sum of (x) $100,000,000, and (y) the Annual Increase for each full Fiscal Year which shall have been completed, and for which financial statements and the related compliance certificate shall have been delivered pursuant to subsections 9.1(a) and (e)

hereof, during the period from the Closing Date through the date as at which compliance with this paragraph is being determined (as reflected in such financial statements and compliance certificate) less an amount equal to the aggregate amount of Investments, if any, made pursuant to clause (i) of this subsection 10.8 in excess of $200,000,000; provided that the Investments under this subsection 10.8(j) shall in no event exceed $175,000,000.

10.9 Compliance with ERISA. The Company and its Subsidiaries will not:

(a) knowingly engage in any transaction in connection with which the Company or any Subsidiary might reasonably be likely to be subject to either a civil penalty assessed pursuant to Section 502(i) of ERISA or a tax imposed by Section 4975 of the Code, terminate any Plan in a manner, or take any other action with respect to any such Plan, which is likely to result in any liability of the Company or any Subsidiary to the PBGC, fail to make full payment when due of all amounts which, under the provisions of any Plan, the Company or any Subsidiary is required to pay as contributions thereto, or permit to exist any accumulated funding deficiency, whether or not waived, with respect to any Plan (other than a Multiemployer Plan), if, in any such case, such penalty or tax or such liability, or the failure to make such payment, or the existence of such deficiency, as the case may be, would have a Material Adverse Effect; or

(b) permit at any time the aggregate complete or partial withdrawal liability of the Company and its Subsidiaries under Title IV of ERISA with respect to Multiemployer Plans to exceed 5% of Consolidated Net Worth as at the end of the then most recently ended Fiscal Quarter.

For purposes of subdivision (b) of this subsection 10.9, the amount of the withdrawal liability of the Company or its Subsidiaries at any date shall be the aggregate present value of the amount claimed to have been incurred less any portion thereof as to which the Company or its Subsidiaries reasonably believes, after appropriate consideration of possible adjustments arising under Sections 4219 and 4221 of ERISA, it and its Subsidiaries will have no liability, provided that the Company and its Subsidiaries shall obtain prompt written advice from independent actuarial consultants supporting such determination. The Company and its Subsidiaries shall, promptly upon request by any Lender, transmit a copy of any current statement of withdrawal liability from each Multiemployer Plan, if and when available, after the Company or any Subsidiary receives the same. As used in this subsection 10.9, the term "accumulated funding deficiency" has the meaning specified in Section 301 of ERISA and Section 412 of the Code, and the terms "accrued benefit" and "current value" have the meanings specified in Section 3 of ERISA.

10.10 Transactions with Affiliates. The Company will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into any transactions, including, without limitation, the purchase, sale or exchange of property, the making of any Investment or the rendering of any service, with any Affiliate of the Company or a spouse or any relative (by blood, adoption or marriage) within the third degree of any such Affiliate or any other Person

which is an Affiliate of any such spouse or relative, except (a) in the ordinary course of business and pursuant to the reasonable requirements of the Company's or such Subsidiary's business and upon reasonable terms no less favorable to the Company or such Subsidiary than would obtain in a comparable arm's-length transaction with a Person which is not an Affiliate of the Company, (b) any transaction listed in Schedule 10.10 hereto and (c) any transaction between the Company and any Subsidiary of the Company or between any Subsidiary and any other Subsidiary.

10.11 Additional Liens. If at any time subsequent to the Closing Date any Domestic Subsidiary shall distribute menswear products being distributed by the Company on the date hereof under the Polo by Ralph Lauren, Polo Sport, Ralph Lauren/Purple Label Collection and Polo Golf brands, the Company will cause such Subsidiary to become a party to the Guarantee and Collateral Agreement as a Grantor of Liens on the Collateral described therein and will deliver to the Lenders such legal opinions with respect thereto as the Agent may reasonably request.

SECTION 11. EVENTS OF DEFAULT

Upon the occurrence of any of the following events:

(a) (i) The Company shall fail to pay any principal of any Note, any Letter of Credit Obligation or any Acceptance Obligation, in each case within two days after such principal or Obligation becomes due or (ii) the Company shall fail to pay any interest on any Note, any Letter of Credit Obligation or any Acceptance Obligation, or any fee, commission or other amount owing hereunder, in each case within five days after such interest, fee or other amount is due; or

(b) Any representation or warranty made or deemed made by the Company herein or by the Company or any other Credit Party in any other Credit Document or which is contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Agreement shall prove to have been incorrect in any material respect on or as of the date made or deemed made; or

(c) The Company shall default in the observance or performance of any covenant or agreement contained in Section 10 or subsection 6.19; or

(d) The Company shall default in the observance or performance of any covenant or agreement contained in this Agreement (other than in Section 10 or subsection 6.19 hereof) or in any Security Document to which it is a party; or any other Credit Party shall default in the observance or performance of any covenant or agreement contained in any Credit Document to which it is a party, and, in each case, such default is not remediable or, if remediable, continues unremedied for a period of 30 days after the earlier to occur of (i) the date on which such default is known or reasonably should have become known to any officer of the Company or such other Credit Party and (ii) the date on which the Agent or any Lender shall have notified the Company or such other Credit Party of such default; or

(e) Any Security Document shall for any reason cease to be in full force and effect; the Liens on the collateral described therein purported to be created thereby shall cease to be or are not valid and perfected first Liens to the extent contemplated thereby; any Guarantor shall assert that it has no liability under the Guarantee to which it is a party; or any Guarantee shall cease, for any reason, to be in full force and effect; or

(f) The Company, any other Credit Party or any Foreign Subsidiary shall (A) default in any payment of principal of or interest on any Indebtedness (other than the Notes, the Acceptance Obligations or the Letter of Credit Obligations) or in the payment of any Guarantee Obligation in respect of Indebtedness (other than the Guarantee and Collateral Agreement), the aggregate principal amount of which exceeds $5,000,000 in the case of the Company or any Subsidiary, beyond the period (without giving effect to any extensions, waivers, amendments or other modifications of or to such period) of grace, if any, provided in the instrument or agreement under which such Indebtedness or Guarantee Obligation was created; or (B) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or Guarantee Obligation or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Indebtedness or beneficiary or beneficiaries of such Guarantee Obligation (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice or the lapse of time, or both, if required, such Indebtedness to become due prior to its stated maturity or such Guarantee Obligation to become payable; or

(g) (i) The Company, any other Credit Party or any Foreign Subsidiary shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Company, any other Credit Party or any Foreign Subsidiary shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Company, any other Credit Party or any Foreign Subsidiary any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 45 days; or (iii) there shall be commenced against the Company, any other Credit Party or any Foreign Subsidiary any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 45 days from the entry thereof; or (iv) the Company, any other Credit Party or any Foreign

Subsidiary shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) the Company, any other Credit Party or any Foreign Subsidiary shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; provided, however, that the occurrence of any of the events specified in this paragraph (g) with respect to any Person other than the Company shall not be deemed to be an Event of Default unless (x) the net assets of such Person, determined in accordance with GAAP, shall have exceeded $3,000,000 as of the date of the most recent audited financial statements delivered to the Lenders pursuant to subsection 9.1 or on the date of occurrence of any such event and/or (y) the aggregate net assets of all Credit Parties and Foreign Subsidiaries in respect of which any of the events specified in this paragraph (g) shall have occurred shall have exceeded $5,000,000 as of the date of the most recent audited financial statements delivered to the Lenders pursuant to subsection 9.1 or on the date of occurrence of any such event; or

(h) (i) Any Person shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan or any Lien in favor of the PBGC or a Plan shall arise on the assets of the Company or any Commonly Controlled Entity, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Required Lenders, likely to result in the termination of such Plan for purposes of Title IV of ERISA, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (v) the Company or any Commonly Controlled Entity shall, or in the reasonable opinion of the Required Lenders is likely to, incur any liability (except as set forth in Schedule 8.12) in connection with a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan or (vi) any other event or condition shall occur or exist with respect to a Plan; and in each case in clauses (i) through (vi) above, such event or condition, together with all other such events or conditions, if any, could subject the Company or any other Credit Party to any tax, penalty or other liabilities in the aggregate material in relation to the business, operations, property or financial or other condition of the Company and its Subsidiaries taken as a whole; or

(i) One or more judgments or decrees shall be entered against the Company, any other Credit Party or any Foreign Subsidiary involving in the aggregate a liability (not paid or fully covered by insurance) of $5,000,000 or more and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 60 days from the entry thereof; or

(j) Lauren, his estate or Persons related to him by blood, adoption or marriage and/or trusts or other entities principally for the benefit of any of the foregoing (the "Lauren Interests") shall cease to own in the aggregate, directly or indirectly (i) at any time before the consummation of the Initial Public Offering, Voting Stock of the

Company having more than 50% of the voting power for the election of the board of directors of the Company or (ii) at any time after the consummation of the Initial Public Offering, either (x) Voting Stock of the Company having the voting power to elect a majority of the Board of Directors of the Company or (y) Voting Stock representing more than 25% of the voting power of the Company's Capital Stock; or

(k) Prior to the consummation of the Initial Public Offering, Lauren shall cease to be the principal manager of the Company by reason of death, disability, retirement or otherwise, and the Company shall fail within 360 days after such event to (i) find a replacement chief executive officer for Lauren acceptable to the Required Lenders and (ii) have presented a business plan acceptable to the Required Lenders; or

(l) The PRLE $24,000,000 Subordination Agreement shall be amended without the prior written consent of the Required Lenders;

then, and in any such event, (A) if such event is an Event of Default in respect of the Company specified in clause (i) or (ii) of paragraph (g) above, automatically the Revolving Credit Commitments shall immediately terminate and the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement (including, without limitation, all amounts of Letter of Credit Obligations whether or not the beneficiaries thereof shall have presented the documents required thereunder and all amounts of Acceptance Obligations whether or not matured) and the Notes shall immediately become due and payable, and (B) if such event is any other Event of Default, any or all of the following actions may be taken: the Agent may, or upon the direction of the Required Lenders, the Agent shall, (i) declare the Revolving Credit Commitments to be terminated forthwith, whereupon the Revolving Credit Commitments shall immediately terminate; (ii) declare the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement (including, without limitation, all amounts of Letter of Credit Obligations whether or not the beneficiaries thereof shall have presented the documents required thereunder and all amounts of Acceptance Obligations whether or not matured) and the Notes to be due and payable forthwith, whereupon the same shall immediately become due and payable; and (iii) exercise any and all remedies and other rights provided pursuant to this Agreement and/or the other Credit Documents.

With respect to all Letters of Credit and Acceptances that shall not have matured or been paid or with respect to which presentment for honor shall not have occurred, upon the occurrence of an Event of Default, the Company shall deposit in an interest bearing cash collateral account opened by the Agent (and under the exclusive dominion and control of the Agent) an amount equal to the aggregate amount of the Letter of Credit Obligations plus the aggregate outstanding amount of Acceptance Obligations for application to payments of drafts drawn under Letters of Credit and to payment of Acceptances at maturity, and the unused portion thereof after such application, if any, shall be applied to repay other obligations of the Company hereunder or under the Notes or any of the other Credit Documents, and after all Letters of Credit have expired, all drafts and Acceptances have matured and been repaid and all other obligations of the Company hereunder or any of the other Credit Documents are paid in full, the balance, if any, shall be returned to the Company.

Except as expressly provided above in this Section 11, presentment, demand, protest and all other notices of any kind are hereby expressly waived.

SECTION 12. THE AGENT AND ISSUING LENDER

12.1 Appointment; Authorization. Each Lender hereby irrevocably designates and appoints Chase as the Agent of such Lender under this Agreement and each of the other Credit Documents, and each such Lender irrevocably authorizes (a) Chase, as the Agent for such Lender, to take such action on its behalf under the provisions of this Agreement and each of the other Credit Documents and to exercise such powers and perform such duties as are expressly delegated to the Agent by the terms of this Agreement and the other Credit Documents, together with such other powers as are reasonably incidental thereto and (b) Chase, in its capacity as Issuing Lender, to issue the Letters of Credit, subject to the terms and conditions hereof, to pay the amount of any draft presented under any Letter of Credit upon presentation of documents which, upon their face, conform to the terms of such Letter of Credit, to create Acceptances, to receive from the Company reimbursement for the amount of each draft paid under each Letter of Credit and each Acceptance and payment of all commissions, charges and interest in respect of the Letters of Credit and the Acceptances, and to take such action on behalf of such Lender under this Agreement, the Letter of Credit Documents and the Acceptance Documents and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of the Issuing Lender by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, neither the Agent nor the Issuing Lender shall have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or the other Credit Documents or otherwise exist against the Agent or the Issuing Lender.

12.2 Delegation of Duties. Each of the Agent and the Issuing Lender may execute any of its duties under this Agreement or the other Credit Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Neither the Agent nor the Issuing Lender shall be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

12.3 Exculpatory Provisions. Neither the Agent nor the Issuing Lender nor any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any Credit Document (except for its or such Person's own gross negligence or willful misconduct), or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by the Company, any other Credit Party or any officer thereof contained in this Agreement or any other Credit Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Agent or the Issuing Lender under or in connection with,

this Agreement or any other Credit Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement, any other Credit Document or the Notes or for any failure of the Company or any other Credit Party to perform its or his obligations hereunder or thereunder. Neither the Agent nor the Issuing Lender shall be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Credit Document, or to inspect the properties, books or records of the Company or any other Credit Party.

12.4 Reliance by Agent and Issuing Lender. Each of the Agent and the Issuing Lender shall be entitled to rely, and shall be fully protected in relying, upon any Note, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Company), independent accountants and other experts selected by the Agent or the Issuing Lender, as the case may be. The Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Agent. Each of the Agent and the Issuing Lender shall be fully justified in failing or refusing to take any action under this Agreement or any other Credit Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Each of the Agent and the Issuing Lender shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement, the Credit Documents and the Notes in accordance with a request of the Required Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Notes.

12.5 Notice of Default. Neither the Agent nor the Issuing Lender shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Agent has received written notice from a Lender or the Company referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Agent receives such a notice, the Agent shall give notice thereof to the Lenders. The Agent shall take such action with respect to any Default or Event of Default as shall be reasonably directed by the Required Lenders, provided that unless and until the Agent shall have received such directions, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

12.6 Non-Reliance on Agent, Issuing Lender or Other Lenders. Each Lender expressly acknowledges that neither the Agent nor the Issuing Lender nor any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by the Agent or the Issuing Lender hereinafter taken, including any review of the affairs of the Company or any other Credit Party, shall be deemed to constitute any representation or warranty by the Agent or the

Issuing Lender to any Lender. Each Lender represents to the Agent and the Issuing Lender that it has, independently and without reliance upon the Agent, the Issuing Lender or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Company and the other Credit Parties and made its own decision to make its Loans, to purchase Acceptance Participating Interests, to purchase Letter of Credit Participating Interests and to enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Agent, the Issuing Lender or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Company and the other Credit Parties. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Agent or the Issuing Lender hereunder, neither the Agent nor the Issuing Lender shall have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, financial and other condition or creditworthiness of the Company or any other Credit Party, which may come into the possession of the Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

12.7 Indemnification. The Lenders agree to indemnify the Agent and the Issuing Lender in their capacities as such (to the extent not reimbursed by the Company and without limiting the obligation of the Company to do so), ratably according to their respective Combined Loan Percentages in effect on the date on which indemnification is sought under this subsection (or, if indemnification is sought after the date upon which the Revolving Credit Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with their Combined Loan Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including, without limitation, at any time following the payment of the Notes and all other amounts payable hereunder) be imposed on, incurred by or asserted against the Agent or the Issuing Lender, as the case may be, in any way relating to or arising out of this Agreement, the Notes, the other Credit Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Agent or the Issuing Lender, as the case may be, under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from the Agent's or Issuing Lender's gross negligence or willful misconduct. The agreements in this subsection shall survive the payment of the Notes and all other amounts payable hereunder.

12.8 Agent in Its Individual Capacity. The Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Company and the other Credit Parties as though the Agent were not the Agent hereunder. With respect to Loans made or renewed by it, Acceptances created by it, Letters of Credit issued by it, and any Note issued to it, Chase shall have the same rights and powers under this Agreement as

any Lender (as well as those of the Issuing Lender) and may exercise the same as though it were not the Agent, and the terms "Lender" and "Lenders" shall include Chase in its individual capacity.

12.9 Successor Agent. The Agent may resign as Agent upon 10 days' notice to the Lenders. If the Agent shall resign as Agent under this Agreement and the other Credit Documents, then the Required Lenders shall appoint a successor agent for the Lenders (and if no successor agent shall have been so appointed within 10 days of the retiring Agent's having given notice of its resignation, then the retiring Agent shall, on behalf of the Lenders, appoint a successor agent), which successor agent shall be approved by the Company (which approval shall not be unreasonably withheld), whereupon such successor agent shall succeed to the rights, powers and duties of the Agent, and the term "Agent" shall mean such successor agent effective upon its appointment, and the former Agent's rights, powers and duties as Agent shall be terminated, without any other or further act or deed on the part of such former Agent or any of the parties to this Agreement or any holders of the Notes. After any retiring Agent's resignation hereunder as Agent, the provisions of this Section 12 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement.

SECTION 13. MISCELLANEOUS

13.1 Amendments and Waivers. Neither this Agreement, any Note, any other Credit Document nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this subsection 13.1. Upon the written consent of the Required Lenders, the Agent (or, in the case of the Letter of Credit Documents and the Acceptance Documents, the Issuing Lender) and the Company may, from time to time, enter into written amendments, supplements or modifications for the purpose of adding, deleting or changing any provisions to this Agreement, the Notes or the other Credit Documents or changing in any manner the rights of the Lenders or of the Company hereunder or thereunder or waiving, on such terms and conditions as the Agent (or the Issuing Lender, as the case may be) may specify in such instrument, any of the requirements of this Agreement or the Notes or the other Credit Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (a) extend the Termination Date or the maturity of any Note or any installment thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any fee payable to the Lenders hereunder, or reduce the principal amount of any Note, or change the amount of any Lender's Revolving Credit Commitment, or amend, modify or waive any provision of this subsection 13.1, or amend or modify the definition of Required Lenders, or consent to the release of all or substantially all of the Collateral, or consent to the assignment or transfer by the Company of any of its rights and obligations under this Agreement, in each case without the written consent of all the Lenders, or (b) amend, modify or waive any provision of Section 12 without the written consent of the then Agent and Issuing Lender. Any such waiver and any such amendment, supplement or modification shall apply to each of the Lenders equally and shall be binding upon the Company, the Lenders, the Issuing Lender, the Agent and all future holders of the Notes. In the case of any waiver, the Company, the

Lenders and the Agent shall be restored to their former position and rights hereunder and under the outstanding Notes, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

13.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telegraph or facsimile), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or five days after being deposited in the United States mail, postage prepaid and return receipt requested, or, in the case of telegraphic notice, when delivered to the telegraph company, or, in the case of facsimile, when sent, telephonic confirmation received, addressed as follows, or to such other address as may be hereafter notified by the respective parties hereto and any future holders of the Notes:

The Company: Polo Ralph Lauren Corporation
650 Madison Avenue
New York, New York 10022
Attention: Michael Newman,
Vice Chairman and C.O.O.
and Victor Cohen, Esq.,
Senior Vice President,
General Counsel and Secretary

Telecopier: (212) 318-7183
Telephonic Confirmation: (212) 318-7351

with a copy to:

Polo Ralph Lauren Corporation
9 Polito Avenue
Lyndhurst, New Jersey 07071
Attention: Nancy Platoni Poli
Vice President-Chief Financial Officer

Facsimile No: (201) 531-6766
Telephonic Confirmation: (201) 531-6250

The Agent and
the Issuing
Lender: The Chase Manhattan Bank
1411 Broadway
New York, New York 10018
Attention: John Murphy
Vice President

Facsimile: (212) 391-7118
Telephonic Confirmation: (212) 391-6073

The Lenders: To the addresses set forth on Schedule 1.1 hereto

provided that any notice, request or demand to or upon the Agent, the Issuing Lender or the Lenders pursuant to subsections 2.3, 3.1, 4.2, 4.3, 6.7 and 6.8 shall not be effective until received.

13.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Credit Documents, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided or provided in the other Credit Documents are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

13.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Credit Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the Notes.

13.5 Payment of Expenses and Taxes. The Company agrees (a) to pay or reimburse the Agent for all its out-of-pocket costs and expenses incurred in connection with the negotiation, preparation and execution of, and any amendment, supplement or modification to, this Agreement, the Notes, the other Credit Documents and any other documents prepared in connection herewith or therewith, and the consummation of the transactions contemplated hereby and thereby, including, without limitation, the disbursements and reasonable fees of counsel to the Agent, (b) to pay or reimburse each Lender and the Agent for all their costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the Notes, the other Credit Documents and any such other documents, including, without limitation, disbursements and reasonable fees of counsel to the Agent and to the several Lenders, (c) to pay, indemnify, and hold each Lender and the Agent harmless from, any and all recording and filing fees, and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of, or consummation of any of the transactions contemplated by, or any amendment,

supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the Notes, the other Credit Documents and any such other documents, (d) to pay or reimburse the Agent on demand for any amounts paid by it under the CIT Indemnity and (e) to pay, indemnify, and hold each Lender and the Agent harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the Notes, the other Credit Documents and any such other documents (all the foregoing, collectively, the "indemnified liabilities"), provided that the Company shall have no obligation hereunder to the Agent or any Lender with respect to indemnified liabilities arising from (i) the gross negligence or willful misconduct of the Agent or any such Lender, or (ii) legal proceedings commenced against the Agent or any such Lender by any other Lender or by any Participant. The agreements in this subsection 13.5 shall survive repayment of the Notes and all other amounts payable hereunder.

13.6 Successors and Assigns; Participations. (a) This Agreement shall be binding upon and inure to the benefit of the Company, the Lenders, the Agent, all future holders of the Notes and their respective successors and assigns, except that the Company may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of each Lender. Assignments by any Lender of its rights and obligations hereunder may be either in whole or in part.

(b) Any Lender may, in the ordinary course of its commercial banking business and in accordance with applicable law, at any time sell to one or more banks or other entities ("Participants") participating interests in any Loan owing to such Lender, any Note held by such Lender, the Revolving Credit Commitment of such Lender, any Acceptance Participating Interest, any Letter of Credit Participating Interest or any other interest of such Lender hereunder. In the event of any such sale by a Lender of participating interests to a Participant, such Lender's obligations under this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Note for all purposes under this Agreement, and the Company, the Agent and the Issuing Lender shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Each participation agreement entered into between any Lender and any Participant shall provide that such Lender shall not be required to seek the consent of such Participant before agreeing to amend, waive or otherwise modify any Credit Document or taking any other action with respect thereto, except that such participation agreement may provide that the selling Lender thereunder must obtain the prior written consent of the Participant thereunder to extend the Termination Date or the maturity of any Note or any installment thereof or reduce the rate or extend the time of payment of interest thereon, or reduce the principal amount of any Note. The Company agrees that if amounts outstanding under this Agreement and the Notes are due or unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement and any Note to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement or any Note, provided that such right of setoff shall be subject

to the obligation of such Participant to share with the Lenders, and the Lenders agree to share with such Participant, as provided in subsection 13.7. The Company also agrees that each Participant shall be entitled to the benefits of subsections 6.14, 6.16 and 6.17 with respect to its participation in the Commitments, the Acceptances, the Letters of Credit and the Loans outstanding from time to time; provided that no Participant shall be entitled to receive any greater amount pursuant to such subsections than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred by such transferor Lender to such Participant had no such transfer occurred.

(c) Any Lender may, in the ordinary course of its commercial lending business and in accordance with applicable law, at any time and from time to time assign to any Lender or any affiliate thereof or, with the consent of the Company and the Agent (which in each case shall not be unreasonably withheld), to any additional bank, financial institution or other lending entity (each an "Assignee"), all or any part of its rights and obligations under this Agreement and the Notes pursuant to an Assignment and Acceptance Agreement, in form and substance satisfactory to the Agent (each an "Assignment and Acceptance"), executed by such Assignee, such assigning Lender (and, in the case of an Assignee that is not then a Lender or an affiliate thereof, by the Agent and the Company) and delivered to the Agent for its acceptance and recording in the Register (as defined in paragraph (d) below); [provided that any such assignment shall, in the case of Revolving Credit Commitments and Term Loans, be in an amount at least equal to $________________ in the case of any such assignment by Chase occurring within 90 days from the Closing Date (except in the case where the original syndication hereof is oversubscribed), or $______________] [will be set based on size of Syndication] in the case of any other assignment; and provided, further, that any assignment by any Lender of all or any part of its Revolving Credit Commitment and Term Loans must be made ratably in accordance with the respective amounts of such Revolving Credit Commitment and Term Loans then held by such Lender immediately prior to such assignment. Upon such execution, delivery, acceptance and recording, from and after the effective date determined pursuant to such Assignment and Acceptance, (x) the Assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder with a Revolving Credit Commitment and Term Loans as set forth therein, and (y) the assigning Lender thereunder shall, to the extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such assigning Lender shall cease to be a party hereto).

(d) The Agent shall maintain at its address referred to in subsection 13.2 a copy of each Assignment and Acceptance delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders and the Revolving Credit Commitment and Term Loans of, and principal amount of the Loans owing to, each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Company, the Agent and the Lenders may treat each Person whose name is recorded in the Register as the owner of the Loan recorded therein for all purposes of this Agreement. The Register shall be available for inspection by the Company or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an Assignee (and, in the case of an Assignee that is not then a Lender or an affiliate thereof, by the Agent and the Company) together with payment to the Agent of a registration and processing fee of $4,000 (or $1,500 in the case of an Assignment to a Lender or affiliate thereof), the Agent shall (i) promptly accept such Assignment and Acceptance and (ii) on the effective date determined pursuant thereto record the information contained therein in the Register and give notice of such acceptance and recordation to the Lenders and the Company. On or prior to such effective date, the Company, at its own expense, shall execute and deliver to the Agent (in exchange for the Notes of the assigning Lender) new Notes to the order of such Assignee in an amount equal to the Revolving Credit Commitment and Term Loan assumed by it pursuant to such Assignment and Acceptance and, if the assigning Lender has retained a Revolving Credit Commitment and a Term Loan hereunder, new Notes to the order of the assigning Lender in an amount equal to the Revolving Credit Commitment and Term Loan retained by it hereunder. Such new Notes shall be dated the Closing Date and shall otherwise be in the form of the Notes replaced thereby.

(f) The Company authorizes each Lender to disclose to any Participant, Assignee and any prospective Participant or Assignee any and all financial information in such Lender's possession concerning the Company and its affiliates which has been delivered to such Lender by or on behalf of the Company pursuant to this Agreement or which has been delivered to such Lender by or on behalf of the Company in connection with such Lender's credit evaluation of the Company and its affiliates prior to becoming a party to this Agreement; provided that any prospective Participant or Assignee shall have acknowledged in writing that it is receiving such information subject to the provisions of subsection 13.8.

(g) For avoidance of doubt, the parties to this Agreement acknowledge that the provisions of this subsection concerning assignments of Loans and Notes relate only to absolute assignments and that such provisions do not prohibit assignments creating security interests, including, without limitation, any pledge or assignment by a Lender of any Loan or Note to any Federal Reserve Bank in accordance with applicable law.

13.7 Adjustments; Set-Off. (a) If any Lender (a "Benefitted Lender") shall at any time receive any payment of all or part of its Loans, or interest thereon, or any other amount payable to it hereunder, or receive any collateral in respect thereof or any amount under any guarantee in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in paragraph (g) of Section 11, or otherwise) in a greater proportion than any such payment to and collateral received by any other Lender, if any, in respect of such other Lender's Loans, or interest thereon, or any other amount payable to it hereunder, such Benefitted Lender shall purchase for cash from the other Lender such portion of such other Lender's Loans, or shall provide such other Lender with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but

without interest. The Company agrees that each Lender so purchasing a portion of another Lender's Loans may exercise all rights of payment (including, without limitation, rights of set-off) with respect to such portion as fully as if such Lender were the direct holder of such portion.

(b) In addition to any rights and remedies of the Lenders provided by law, upon the occurrence of an Event of Default and acceleration of the obligations owing in connection with this Agreement, each Lender shall have the right, without prior notice to the Company, any such notice being expressly waived by the Company to the extent permitted by applicable law, to set-off and apply against any indebtedness, whether matured or unmatured, of the Company to such Lender, any amount owing from such Lender to the Company, at or at any time after, the happening of any of the above-mentioned events, and the aforesaid right of set-off may be exercised by such Lender against the Company or against any trustee in bankruptcy, debtor in possession, assignee for the benefit of creditors, receiver or executor, judgment or attachment creditor of the Company, or against anyone else claiming through or against the Company or such trustee in bankruptcy, debtor in possession, assignee for the benefit of creditors, receiver or executor, judgment or attachment creditor, notwithstanding the fact that such right of set-off shall not have been exercised by such Lender prior to the making, filing or issuance, or service upon such Lender of, or of notice of, any such petition, assignment for the benefit of creditors, appointment or application for the appointment of a receiver, or issuance of execution, subpoena, order or warrant. Each Lender agrees promptly to notify the Company and the Agent after any such set-off and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such set-off and application.

13.8 Confidentiality. Each Lender agrees that it will not disclose Confidential Information (as hereinafter defined) to any Person other than (a) as may be consented to by the Company, (b) as may be required by law or pursuant to legal process and (c) to prospective Participants and Assignees and those of such Lender's directors, officers, employees, examiners and professional advisors who have a need to know the Confidential Information in accordance with customary banking practices and who receive the Confidential Information having been made aware of the restrictions of this subsection 13.8. As used herein, the term "Confidential Information" means all information contained in materials relating to the Company and its Subsidiaries provided to the Lenders by the Company or its representatives or agents other than (i) information which is at the time so provided or thereafter becomes generally available to the public other than as a result of a disclosure by one or more Lenders, (ii) information which was available to any Lender prior to its disclosure to the Lenders by the Company, its representatives or agents and (iii) information which becomes available to one or more Lenders from a source other than the Company, its representatives or agents.

13.9 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

13.10 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Company and the Agent.

13.11 No Third Party Beneficiaries. This Agreement is solely for the benefit of the Agent, the Lenders (and Participants and Assignees to the extent provided in subsection 13.6) and the Company, and nothing expressed in, or to be implied from, this Agreement shall or shall be deemed to confer upon anyone other than the Company, the Agent and the Lenders (and such Participants and Assignees) any benefit, or legal or equitable right, remedy or claim under or by virtue of this Agreement or any provision hereof, including, without limitation, the right to insist upon or to enforce the performance or observance of any of the obligations contained herein. All conditions to the obligations of the Lenders to make the Loans, the Issuing Lender and the Participating Lenders to issue and participate in the Letters of Credit and the Lenders to create and participate in the Acceptances are imposed solely and exclusively for the benefit of the Lenders, and no other Person shall have standing to require satisfaction of such conditions in accordance with their terms or be entitled to assume that the Lenders will not refuse to make such extensions of credit in the absence of strict compliance with any or all thereof and no other Person shall under any circumstances be deemed to be a beneficiary of such conditions, any or all of which may be freely waived in whole or in part by the Lenders at any time if, in their sole discretion, the Lenders deem it advisable or desirable to do so.

13.12 SUBMISSION TO JURISDICTION; WAIVERS. (a) EACH OF THE COMPANY, THE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY:

(i) SUBMITS FOR ITSELF AND ITS PROPERTY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT TO WHICH IT IS A PARTY, OR FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, TO THE NON-EXCLUSIVE GENERAL JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK, THE COURTS OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, AND APPELLATE COURTS FROM ANY THEREOF;

(ii) CONSENTS THAT ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN SUCH COURTS, WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT COURT AND AGREES NOT TO PLEAD OR CLAIM THE SAME;

(iii) AGREES THAT SERVICE OF PROCESS IN ANY SUCH ACTION OR PROCEEDING MAY BE EFFECTED BY MAILING A COPY THEREOF BY REGISTERED OR CERTIFIED MAIL (OR ANY

SUBSTANTIALLY SIMILAR FORM OF MAIL), POSTAGE PREPAID, TO IT AT ITS ADDRESS SET FORTH IN SUBSECTION 13.2 OR AT SUCH OTHER ADDRESS OF WHICH THE AGENT SHALL HAVE BEEN NOTIFIED PURSUANT THERETO; AND

(iv) AGREES THAT NOTHING HEREIN SHALL AFFECT THE RIGHT TO EFFECT SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT TO SUE IN ANY OTHER JURISDICTION.

(b) EACH OF THE COMPANY, THE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING REFERRED TO IN PARAGRAPH (a) ABOVE.

13.13 GOVERNING LAW. THIS AGREEMENT, THE NOTES AND THE OTHER CREDIT DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT, THE NOTES AND THE OTHER CREDIT DOCUMENTS SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

13.14 Integration. This Agreement and the other Credit Documents represent the agreement of the Company, the Agent and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by the Agent or any Lender relative to the subject matter hereof not expressly set forth herein or in the other Credit Documents.

13.15 Acknowledgements. The Company hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement, the Notes and the other Credit Documents;

(b) neither the Agent nor any Lender has any fiduciary relationship with or duty to the Company arising out of or in connection with this Agreement or any of the other Credit Documents, and the relationship between the Agent and the Lenders, on one hand, and the Company, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Company and the Lenders.

13.16 Satisfaction in Dollars. The obligation of the Company hereunder, under the Notes and in respect of Letter of Credit Obligations and Acceptance Obligations to make payments in Dollars shall not be discharged or satisfied by any tender or recovery

pursuant to any judgment expressed in or converted into any currency other than Dollars or any other realization in such currency, whether as proceeds of set-off, security, guarantee, distributions, or otherwise, except to the extent to which such tender, recovery or realization shall result in the effective receipt by the Agent and the Lenders of the full amount of Dollars expressed to be payable hereunder, under the Notes and in respect of Letter of Credit Obligations and Acceptance Obligations and the Company shall indemnify the Agent and each Lender (as an alternative or additional cause of action) for the amount (if any) by which such effective receipt shall fall short of the full amount of Dollars expressed to be payable hereunder, under the Notes and in respect of Letter of Credit Obligations and Acceptance Obligations and such obligation to indemnify shall not be affected by judgment being obtained for any other sums due under this Agreement, the Notes and in respect of Letter of Credit Obligations and Acceptance Obligations.

POLO RALPH LAUREN CORPORATION

By: ______________________________
Name:
Title:

THE CHASE MANHATTAN BANK, as Agent,
Issuing Lender and a Lender

By: __________________________
Name: John Murphy
Title: Vice President

ANNEX A

PRICING GRID

STATUS	APPLICABLE MARGIN FOR EURODOLLAR LOANS	APPLICABLE COMMITMENT RATE PERCENTAGE	APPLICABLE SIGHT DRAFT FEE PERCENTAGE
MARGIN LEVEL STATUS I	0.75%	0.2500%	0.1250%
MARGIN LEVEL STATUS II	0.50%	0.1875%	0.1250%
MARGIN LEVEL STATUS III	0.40%	0.1750%	0.0625%
MARGIN LEVEL STATUS IV	0.35%	0.1500%	0.0625%
MARGIN LEVEL STATUS V	0.30%	0.1250%	0.0625%

Exhibit 10.25

GUARANTEE AND COLLATERAL AGREEMENT

made by

POLO RALPH LAUREN CORPORATION

and certain of its Subsidiaries

in favor of

THE CHASE MANHATTAN BANK,
as Agent

Dated as of June ___, 1997

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GUARANTEE AND COLLATERAL AGREEMENT

GUARANTEE AND COLLATERAL AGREEMENT, dated as of June 9, 1997, made by Polo Ralph Lauren Corporation (the "Company") and each of the other signatories hereto (together with any other entity that may become a party hereto as provided herein but excluding the Company, the "Guarantors"), in favor of THE CHASE MANHATTAN BANK, as agent (in such capacity, the "Agent") for the banks and other financial institutions (the "Lenders") from time to time parties to the Credit Agreement, dated as of June 9, 1997 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Company, the Lenders and the Agent.

W I T N E S S E T H:

WHEREAS, pursuant to the Credit Agreement, the Lenders have severally agreed to make extensions of credit to the Company upon the terms and subject to the conditions set forth therein;

WHEREAS, the Company is a member of an affiliated group of companies that includes each Guarantor;

WHEREAS, the proceeds of the extensions of credit under the Credit Agreement will be used in part to enable the Company to make valuable transfers to one or more of the other Guarantors in connection with the operation of their respective businesses;

WHEREAS, the Company and the Guarantors are engaged in related businesses, and the Company and each Guarantor will derive substantial direct and indirect benefit from the making of the extensions of credit under the Credit Agreement; and

WHEREAS, it is a condition precedent to the obligation of the Lenders to make their respective extensions of credit to the Company under the Credit Agreement that the Company and the Guarantors shall have executed and delivered this Agreement to the Agent for the ratable benefit of the Lenders;

NOW, THEREFORE, in consideration of the premises and to induce the Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Company thereunder, the Company and each Guarantor hereby agrees with the Agent, for the ratable benefit of the Lenders, as follows:

SECTION 1. DEFINED TERMS

1.1 Definitions. (a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement, and the following terms which are defined in the Uniform Commercial Code in effect in the State of New York on the date hereof are used herein as so defined: Accounts, Chattel Paper, Farm Products, Instruments and Proceeds.

(b) The following terms shall have the following meanings:

"Agreement": this Guarantee and Collateral Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Borrower Obligations": the collective reference to the unpaid principal of and interest on the Loans, the Acceptance Reimbursement Obligations, the Letter of Credit Reimbursement Obligations and all other obligations and liabilities of the Company (including, without limitation, interest accruing at the then applicable rate provided in the Credit Agreement after the maturity of the Loans, the Acceptance Reimbursement Obligations, the Letter of Credit Reimbursement Obligations and interest accruing at the then applicable rate provided in the Credit Agreement after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Company, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) to the Agent or any Lender (or, in the case of any Hedge Agreement referred to below, any Affiliate of any Lender), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Credit Agreement, this Agreement, the other Credit Documents, any Letter of Credit, any Acceptance or any Hedge Agreement entered into by the Company with any Lender (or any Affiliate of any Lender) or any other document made, delivered or given in connection therewith, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Agent or to the Lenders that are required to be paid by the Company pursuant to the terms of any of the foregoing agreements).

"Collateral": as defined in Section 3.

"Collateral Account": any collateral account established by the Agent as provided in Section 6.1 or 6.4.

"Fully Satisfied": shall mean, with respect to the Obligations as of any date, that, on or before such date, (a) the principal of and interest accrued to such date on such Obligations (other than Letters of Credit and Acceptances that have been cash collateralized in accordance with Section 6.20 of the Credit Agreement) shall have been paid in full in cash, (b) all fees, expenses and other amounts then due and payable which constituted Obligations (other than Letters of Credit and Acceptances that have been cash collateralized in accordance with Section 6.20 of the Credit Agreement) shall have been paid in full in cash, (c) the Revolving Credit Obligations shall have expired or irrevocably been terminated and (d) any Letters of Credit or Acceptance outstanding on the Termination Date shall have been cash collateralized in accordance with Section 6.20 of the Credit Agreement; provided, however, that, on such date, none of the Agent or the Lenders shall have made any claims in respect of

Obligations against the Company or any Guarantor under any provision of any of the Credit Documents that has not been cash collateralized by an amount sufficient in the reasonable judgment of the Agent and such Lender to secure such claim.

"Grantors": the collective reference to the Company and each Guarantor that executes and delivers a Grantor Assumption Agreement in the form of Annex 2 hereto.

"Guarantor Obligations": with respect to any Guarantor, the collective reference to (i) the Borrower Obligations and (ii) all obligations and liabilities of such Guarantor which may arise under or in connection with this Agreement or any other Credit Document to which such Guarantor is a party, in each case whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Agent or to the Lenders that are required to be paid by such Guarantor pursuant to the terms of this Agreement or any other Credit Document).

"Hedge Agreements": as to any Person, all interest rate protection agreements, interest rate futures, interest rate options, interest rate swaps, caps or collar agreements or other interest rate hedge arrangements or other similar agreements or arrangements entered into by such Person providing for protection against fluctuations in interest rates or currency exchange rates or the exchange of nominal interest obligations, either generally or under specific contingencies.

"New York UCC": the Uniform Commercial Code as from time to time in effect in the State of New York.

"Obligations": (i) in the case of the Company, the Borrower Obligations, and (ii) in the case of each Guarantor, its Guarantor Obligations.

"Receivable": any right to payment for goods sold or leased or for services rendered, whether or not such right is evidenced by an Instrument or Chattel Paper and whether or not it has been earned by performance (including, without limitation, any Account); provided that "Receivables" shall exclude any right to payment for goods sold at retail to individuals for personal use; provided, further, that Receivables of any Grantor other than the Company shall be limited to Receivables solely in respect of menswear distributed under the Polo by Ralph Lauren, Polo Sport, Ralph Lauren/Purple Label Collection and Polo Golf brands.

"Securities Act": the Securities Act of 1933, as amended.

1.2 Other Definitional Provisions. (a) The words "hereof," "herein", "hereto" and "hereunder" and words of similar import when used in this Agreement shall refer to this

Agreement as a whole and not to any particular provision of this Agreement, and Section and Schedule references are to this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

SECTION 2. GUARANTEE

2.1 Guarantee. (a) Each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Agent, for the ratable benefit of the Lenders and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Company when due (whether at the stated maturity, by acceleration or otherwise) of the Borrower Obligations.

(b) Anything herein or in any other Credit Document to the contrary notwithstanding, the maximum liability of each Guarantor hereunder and under the other Credit Documents shall in no event exceed the amount which can be guaranteed by such Guarantor under applicable federal and state laws relating to the insolvency of debtors (after giving effect to the right of contribution established in Section 2.2).

(c) Each Guarantor agrees that the Borrower Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing the guarantee contained in this Section 2 or affecting the rights and remedies of the Agent or any Lender hereunder.

(d) The guarantee contained in this Section 2 shall remain in full force and effect until all the Guarantor Obligations shall have been Fully Satisfied, notwithstanding that from time to time during the term of the Credit Agreement the Company may be free from any Borrower Obligations.

(e) No payment made by the Company, any of the Guarantors, any other guarantor or any other Person or received or collected by the Agent or any Lender from the Company, any of the Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Borrower Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Borrower Obligations or any payment received or collected from such Guarantor in respect of the Borrower Obligations), remain liable for the Borrower Obligations up to the maximum liability of such Guarantor hereunder until the Borrower Obligations are paid in full, no Letter of Credit or Acceptance shall be outstanding and the Revolving Credit Commitments are terminated.

2.2 Right of Contribution. Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 2.3. The provisions of this Section 2.2 shall in no respect limit the obligations and liabilities of any Guarantor to the Agent and the Lenders, and each Guarantor shall remain liable to the Agent and the Lenders for the full amount guaranteed by such Guarantor hereunder.

2.3 No Subrogation. Notwithstanding any payment made by any Guarantor hereunder or any set-off or application of funds of any Guarantor by the Agent or any Lender, no Guarantor shall be entitled to be subrogated to any of the rights of the Agent or any Lender against the Company or any other Guarantor or any collateral security or guarantee or right of offset held by the Agent or any Lender for the payment of the Borrower Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Company or any other Guarantor in respect of payments made by such Guarantor hereunder, until all amounts owing to the Agent and the Lenders by the Company on account of the Borrower Obligations are paid in full, no Letter of Credit or Acceptance shall be outstanding and the Revolving Credit Commitments are terminated. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Borrower Obligations shall not have been paid in full, such amount shall be held by such Guarantor in trust for the Agent and the Lenders, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Agent in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Agent, if required), to be applied against the Borrower Obligations, whether matured or unmatured, in such order as the Agent may determine.

2.4 Amendments, etc. with respect to the Borrower Obligations. Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Borrower Obligations made by the Agent or any Lender may be rescinded by the Agent or such Lender and any of the Borrower Obligations continued, and the Borrower Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Agent or any Lender, and the Credit Agreement and the other Credit Documents and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Agent (or the Required Lenders or all Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Agent or any Lender for the payment of the Borrower Obligations may be sold, exchanged, waived, surrendered or released. Neither the Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any Lien at any time

held by it as security for the Borrower Obligations or for the guarantee contained in this Section 2 or any property subject thereto.

2.5 Guarantee Absolute and Unconditional. Each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Borrower Obligations and notice of or proof of reliance by the Agent or any Lender upon the guarantee contained in this Section 2 or acceptance of the guarantee contained in this Section 2; the Borrower Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 2; and all dealings between the Company and any of the Guarantors, on the one hand, and the Agent and the Lenders, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 2. Each Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Company or any of the Guarantors with respect to the Borrower Obligations. Each Guarantor understands and agrees that the guarantee contained in this Section 2 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of the Credit Agreement or any other Credit Document, any of the Borrower Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Agent or any Lender, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Company or any other Person against the Agent or any Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Company or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Company for the Borrower Obligations, or of such Guarantor under the guarantee contained in this Section 2, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, the Agent or any Lender may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Company, any other Guarantor or any other Person or against any collateral security or guarantee for the Borrower Obligations or any right of offset with respect thereto, and any failure by the Agent or any Lender to make any such demand, to pursue such other rights or remedies or to collect any payments from the Company, any other Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Company, any other Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Agent or any Lender against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

2.6 Reinstatement. The guarantee contained in this Section 2 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Borrower Obligations is rescinded or must otherwise be restored or returned by

the Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Company or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Company or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

2.7 Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the Agent without set-off or counterclaim in Dollars at the office of the Agent located at 270 Park Avenue, New York, New York 10017.

SECTION 3. GRANT OF SECURITY INTEREST

Each Grantor hereby assigns and transfers to the Agent, and hereby grants to the Agent, for the ratable benefit of the Lenders, a security interest in, all of the following property now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of such Grantor's Obligations,:

(a) all Receivables;

(b) all books and records pertaining to the Collateral; and

(c) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing.

SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Agent and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Company thereunder, the Company and each Guarantor hereby represents and warrants to the Agent and each Lender that:

4.1 Representations in Credit Agreement. In the case of each Guarantor, the representations and warranties set forth in subsection 8 of the Credit Agreement as they relate to such Guarantor or to the Credit Documents to which such Guarantor is a party, each of which is hereby incorporated herein by reference, are true and correct, and the Agent and each Lender shall be entitled to rely on each of them as if they were fully set forth herein, provided that each reference in each such representation and warranty to the Company's

knowledge shall, for the purposes of this Section 4.1, be deemed to be a reference to such Guarantor's knowledge.

4.2 Title; No Other Liens. Except for the security interest granted to the Agent for the ratable benefit of the Lenders pursuant to this Agreement and the other Liens permitted to exist on the Collateral by the Credit Agreement, each Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others. No financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as have been filed in favor of the Agent, for the ratable benefit of the Lenders, pursuant to this Agreement or as are permitted by the Credit Agreement.

4.3 Perfected First Priority Liens. In the case of each Grantor, the security interests granted pursuant to this Agreement (a) upon completion of the filings and other actions specified on Schedule 2 (which, in the case of all filings and other documents referred to on said Schedule, have been delivered to the Agent in completed and duly executed form) will constitute valid perfected security interests in all of the Collateral in favor of the Agent, for the ratable benefit of the Lenders, as collateral security for such Grantor's Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor and any Persons purporting to purchase any Collateral from such Grantor (except as to the ability of the Agent, for the ratable benefit of the Lenders, to have the U.S. federal government make payments directly to the Agent, for the ratable benefit of the Lenders, in respect of Receivables arising under contracts with the U.S. federal government as to which no filing has been or will be made under the Federal Assignment of Claims Act) and (b) are prior to all other Liens on the Collateral in existence on the date hereof except for (i) unrecorded Liens permitted by the Credit Agreement which have priority over the Liens on the Collateral created hereby by operation of law and (ii) Liens permitted under subsection 10.5 of the Credit Agreement which have priority over the Liens on the Collateral created hereby by operation of law.

4.4 Chief Executive Office. In the case of each Grantor, on the date hereof, such Grantor's jurisdiction of organization and the location of such Grantor's chief executive office or sole place of business are specified on Schedule 3.

4.5 Farm Products. None of the Collateral constitutes, or is the Proceeds of, Farm Products.

4.6 Receivables. (a) In the case of each Grantor, no amount payable to such Grantor under or in connection with any Receivable is evidenced by any Instrument or Chattel Paper which has not been delivered to the Agent.

(b) In the case of each Grantor, the amounts represented by such Grantor to the Lenders from time to time as owing to such Grantor in respect of the Receivables will at such times be accurate.

SECTION 5. COVENANTS

The Company and each Guarantor covenants and agrees with the Agent and the Lenders that, from and after the date of this Agreement until the Obligations shall have been Fully Satisfied:

5.1 Covenants in Credit Agreement. In the case of each Guarantor, such Guarantor shall take, or shall refrain from taking, as the case may be, each action that is necessary to be taken or not taken, as the case may be, so that no Default or Event of Default is caused by the failure to take such action or to refrain from taking such action by such Guarantor or any of its Subsidiaries.

5.2 Delivery of Instruments and Chattel Paper. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any Instrument or Chattel Paper, such Instrument or Chattel Paper shall be immediately delivered to the Agent, duly indorsed in a manner satisfactory to the Agent, to be held as Collateral pursuant to this Agreement.

5.3 Payment of Obligations. In the case of each Grantor, such Grantor will pay and discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all taxes, assessments and governmental charges or levies imposed upon the Collateral or in respect of income or profits therefrom, as well as all claims of any kind (including, without limitation, claims for labor, materials and supplies) against or with respect to the Collateral, except that no such charge need be paid if the amount or validity thereof is currently being contested in good faith by appropriate proceedings, reserves in conformity with GAAP with respect thereto have been provided on the books of such Grantor and such proceedings could not reasonably be expected to result in the sale, forfeiture or loss of any material portion of the Collateral or any interest therein.

5.4 Maintenance of Perfected Security Interest; Further Documentation. (a) In the case of each Grantor, such Grantor shall maintain the security interest created by this Agreement as a perfected security interest having at least the priority described in Section 4.3 and shall defend such security interest against the claims and demands of all Persons whomsoever.

(b) Such Grantor will furnish to the Agent and the Lenders from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Agent may reasonably request, all in reasonable detail.

(c) At any time and from time to time, upon the written request of the Agent, and at the sole expense of each Grantor, such Grantor, will promptly and duly execute and deliver, and have recorded, such further instruments and documents and take such further actions as the Agent may reasonably request for the purpose of obtaining or preserving the

full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby.

5.5 Changes in Locations, Name, etc. In the case of each Grantor, such Grantor will not, except upon 15 days' prior written notice to the Agent and delivery to the Agent of all additional executed financing statements and other documents reasonably requested by the Agent to maintain the validity, perfection and priority of the security interests provided for herein:

(i) change the location of its chief executive office or sole place of business from that referred to in Section 4.4; or

(ii) change its name, identity or corporate structure to such an extent that any financing statement filed by the Agent in connection with this Agreement would become misleading.

5.6 Notices. In the case of each Grantor, such Grantor will advise the Agent and the Lenders promptly, in reasonable detail, of:

(a) any Lien (other than security interests created hereby or Liens permitted under the Credit Agreement) on any of the Collateral which would adversely affect the ability of the Agent to exercise any of its remedies hereunder; and

(b) of the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the Collateral or on the security interests created hereby.

5.7 Receivables. (a) In the case of each Grantor, other than in the ordinary course of business consistent with its past practice, such Grantor will not (i) grant any extension of the time of payment of any Receivable, (ii) compromise or settle any Receivable for less than the full amount thereof, (iii) release, wholly or partially, any Person liable for the payment of any Receivable, (iv) allow any credit or discount whatsoever on any Receivable or (v) amend, supplement or modify any Receivable in any manner that could adversely affect the value thereof.

(b) Such Grantor will deliver to the Agent a copy of each material demand, notice or document received by it that questions or calls into doubt the validity or enforceability of more than 5% of the aggregate amount of the then outstanding Receivables.

SECTION 6. REMEDIAL PROVISIONS

6.1 Certain Matters Relating to Receivables. (a) The Agent shall have the right to make test verifications of the Receivables in any manner and through any medium that it reasonably considers advisable, and each Grantor shall furnish all such assistance and information as the Agent may require in connection with such test verifications. At any time and from time to time, upon the Agent's request and at the expense of the relevant Grantor, such Grantor shall cause independent public accountants or others satisfactory to the Agent to furnish to the Agent reports showing reconciliations, aging and test verifications of, and trial balances for, the Receivables.

(b) The Agent hereby authorizes each Grantor to collect such Grantor's Receivables, subject to the Agent's direction and control, and the Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default. If required by the Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Receivables, when collected by any Grantor, (i) shall be forthwith (and, in any event, within two Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Agent if required, in a Collateral Account maintained under the sole dominion and control of the Agent, subject to withdrawal by the Agent for the account of the Lenders only as provided in Section 6.4, and (ii) until so turned over, shall be held by such Grantor in trust for the Agent and the Lenders, segregated from other funds of such Grantor. Each such deposit of Proceeds of Receivables shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(c) At the Agent's request, each Grantor shall deliver to the Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Receivables, including, without limitation, all original orders, invoices and shipping receipts.

6.2 Communications with Obligors; Grantors Remain Liable. (a) The Agent in its own name or in the name of others may at any time after the occurrence and during the continuance of an Event of Default communicate with obligors under the Receivables to verify with them to the Agent's satisfaction the existence, amount and terms of any Receivables.

(b) Upon the request of the Agent at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall notify obligors on the Receivables that the Receivables have been assigned to the Agent for the ratable benefit of the Lenders and that payments in respect thereof shall be made directly to the Agent.

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Receivables to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. Neither the Agent nor any Lender shall have any obligation or liability under any Receivable (or any agreement giving rise thereto) by reason of or arising

out of this Agreement or the receipt by the Agent or any Lender of any payment relating thereto, nor shall the Agent or any Lender be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Receivable (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

6.3 Proceeds to be Turned Over To Agent. In addition to the rights of the Agent and the Lenders specified in Section 6.1 with respect to payments of Receivables, if an Event of Default shall occur and be continuing, all Proceeds received by any Grantor consisting of cash, checks and other near-cash items shall be held by such Grantor in trust for the Agent and the Lenders, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Agent in the exact form received by such Guarantor (duly indorsed by such Grantor to the Agent, if required). All Proceeds received by the Agent hereunder shall be held by the Agent in a Collateral Account maintained under its sole dominion and control. All Proceeds while held by the Agent in a Collateral Account (or by such Grantor in trust for the Agent and the Lenders) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 6.4.

6.4 Application of Proceeds. If an Event of Default shall have occurred and be continuing, at any time at the Agent's election, the Agent may apply all or any part of Proceeds held in any Collateral Account in payment of the Obligations in such order as the Agent may elect, and any part of such funds which the Agent elects not so to apply and deems not required as collateral security for the Obligations shall be paid over from time to time by the Agent to the Company or to whomsoever may be lawfully entitled to receive the same. Any balance of such Proceeds remaining after the Obligations shall have been Fully Satisfied shall be paid over to the Company or to whomsoever may be lawfully entitled to receive the same.

6.5 Code and Other Remedies. If an Event of Default shall occur and be continuing, the Agent, on behalf of the Lenders, may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the New York UCC or any other applicable law. Without limiting the generality of the foregoing, the Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels

at public or private sale or sales, at any exchange, broker's board or office of the Agent or any Lender or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Agent or any Lender shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Grantor, which right or equity is hereby waived and released. Each Grantor further agrees, at the Agent's request, to assemble the Collateral and make it available to the Agent at places which the Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Agent shall apply the net proceeds of any action taken by it pursuant to this Section 6.5, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Agent and the Lenders hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as the Agent may elect, and only after such application and after the payment by the Agent of any other amount required by any provision of law, including, without limitation, Section 9-504(1)(c) of the New York UCC, need the Agent account for the surplus, if any, to any Grantor. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against the Agent or any Lender arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

6.6 Waiver; Deficiency. Each Grantor waives and agrees not to assert any rights or privileges which it may acquire under Section 9-112 of the New York UCC. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations and the fees and disbursements of any attorneys employed by the Agent or any Lender to collect such deficiency.

SECTION 7. THE AGENT

7.1 Agent's Appointment as Attorney-in-Fact, etc. (a) Each Grantor hereby irrevocably constitutes and appoints the Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Agent the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do any or all of the following:

(i) in the name of such Grantor or its own name, or otherwise, take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Receivable or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Agent for the purpose of collecting any and all such moneys due under any Receivable or with respect to any other Collateral whenever payable;

(ii) upon such Grantor's failure to do so, pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repairs or any insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;

(iii) execute, in connection with any sale provided for in Section 6.5, any indorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(iv) (1) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Agent or as the Agent shall direct; (2) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (3) sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (4) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral; (5) defend any suit, action or proceeding brought against such Guarantor with respect to any Collateral; (6) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Agent may deem appropriate; and (7) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Agent were the absolute owner thereof for all purposes, and do, at the Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Agent deems necessary to protect, preserve or realize upon the Collateral and the Agent's and the Lenders' security interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

Anything in this Section 7.1(a) to the contrary notwithstanding, the Agent agrees that it will not exercise any rights under the power of attorney provided for in this Section 7.1(a) unless an Event of Default shall have occurred and be continuing.

(b) If any Grantor fails to perform or comply with any of its agreements contained herein, the Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement. The Agent shall use its best efforts to notify each Grantor if the Agent shall itself perform or comply, or otherwise, cause performance or compliance, with any of such Grantor's agreements hereunder, but failure of the Agent to so notify such Grantor should not effect the obligations of such Grantor.

(c) The expenses of the Agent incurred in connection with actions undertaken as provided in this Section 7.1, together with interest thereon at a rate per annum equal to the rate per annum at which interest would then be payable on past due ABR Loans under the Credit Agreement, from the date of payment by the Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Agent on demand.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

7.2 Duty of Agent. The Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the New York UCC or otherwise, shall be to deal with it in the same manner as the Agent deals with similar property for its own account. Neither the Agent, any Lender nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Agent and the Lenders hereunder are solely to protect the Agent's and the Lenders' interests in the Collateral and shall not impose any duty upon the Agent or any Lender to exercise any such powers. The Agent and the Lenders shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

7.3 Execution of Financing Statements. Pursuant to Section 9-402 of the New York UCC and any other applicable law, each Grantor authorizes the Agent to file or record financing statements and other filing or recording documents or instruments with respect to the Collateral without the signature of such Grantor in such form and in such offices as the Agent reasonably determines appropriate to perfect the security interests of the Agent under this Agreement. A photographic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction.

7.4 Authority of Agent. The Company and each Guarantor acknowledges that the rights and responsibilities of the Agent under this Agreement with respect to any action taken by the Agent or the exercise or non-exercise by the Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Agent and the Lenders, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Agent and the Company and the Guarantors, the Agent shall be conclusively presumed to be acting as agent for the Lenders with full and valid authority so to act or refrain from acting, and neither the Company nor any Guarantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

SECTION 8. MISCELLANEOUS

8.1 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with subsection 13.1 of the Credit Agreement.

8.2 Notices. All notices, requests and demands to or upon the Agent or the Company or any Guarantor hereunder shall be effected in the manner provided for in subsection 13.2 of the Credit Agreement; provided that any such notice, request or demand to or upon any Guarantor shall be addressed to such Guarantor at its notice address set forth on Schedule 1.

8.3 No Waiver by Course of Conduct; Cumulative Remedies. Neither the Agent nor any Lender shall by any act (except by a written instrument pursuant to Section 8.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of the Agent or any Lender, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Agent or any Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Agent or such Lender would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

8.4 Enforcement Expenses; Indemnification. (a) Each Guarantor agrees to pay or reimburse each Lender and the Agent for all its costs and expenses incurred in collecting against such Guarantor under the guarantee contained in Section 2 or otherwise enforcing or preserving any rights under this Agreement and the other Credit Documents to which such Guarantor is a party, including, without limitation, the fees and disbursements of counsel to each Lender and of counsel to the Agent.

(b) The Company and each Guarantor agrees to pay, and to save the Agent and the Lenders harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) The Company and each Guarantor agrees to pay, and to save the Agent and the Lenders harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement to the extent the Company would be required to do so pursuant to subsection 13.5 of the Credit Agreement.

(d) The agreements in this Section 8.4 shall survive repayment of the Obligations and all other amounts payable under the Credit Agreement and the other Credit Documents.

8.5 Successors and Assigns. This Agreement shall be binding upon the successors and assigns of the Company and each Guarantor and shall inure to the benefit of the Agent and the Lenders and their successors and assigns; provided that neither the Company nor any Guarantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Agent.

8.6 Set-Off. The Company and each Guarantor hereby irrevocably authorizes the Agent and each Lender at any time and from time to time following the occurrence of and during the continuation of a Default or an Event of Default, without notice to the Company or such Guarantor or any other Guarantor, any such notice being expressly waived by the Company and each Guarantor, to set-off and appropriate and apply any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by the Agent or such Lender to or for the credit or the account of such Person, or any part thereof in such amounts as the Agent or such Lender may elect, against and on account of the obligations and liabilities of such Person to the Agent or such Lender hereunder and claims of every nature and description of the Agent or such Lender against such Person, in any currency, whether arising hereunder, under the Credit Agreement, any other Credit Document or otherwise, as the Agent or such Lender may elect, whether or not the Agent or any Lender has made any demand for payment and although such obligations, liabilities and claims may be contingent or unmatured. The Agent and each Lender shall notify such Person promptly of any such set-off and the application made by the Agent or such Lender of the proceeds thereof, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Agent and each Lender under this Section 8.6 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Agent or such Lender may have.

8.7 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

8.8 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.9 Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

8.10 Integration. This Agreement and the other Credit Documents represent the agreement of the Company, the Guarantors, the Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Agent or any Lender relative to subject matter hereof and thereof not expressly set forth or referred to herein or in the other Credit Documents.

8.11 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

8.12 Submission To Jurisdiction; Waivers. The Company and each Guarantor hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Credit Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Company or such Guarantor, as the case

may be, at its address referred to in Section 8.2 or at such other address of which the Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

8.13 Acknowledgements. The Company and each Guarantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Credit Documents to which it is a party;

(b) neither the Agent nor any Lender has any fiduciary relationship with or duty to the Company or any Guarantor arising out of or in connection with this Agreement or any of the other Credit Documents, and the relationship between the Company and the Guarantors, on the one hand, and the Agent and Lenders, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Company or the Guarantors and the Lenders.

8.14 WAIVER OF JURY TRIAL. THE COMPANY AND EACH GUARANTOR AND, BY ACCEPTANCE OF THE BENEFITS HEREOF, EACH OF THE LENDERS AND THE AGENT, HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

8.15 Additional Guarantors; Additional Grantors. (a) Each Subsidiary of the Company that is required to become a party to this Agreement pursuant to subsection 9.9, 10.8(c) or 10.11 of the Credit Agreement shall become a Guarantor for all purposes of this Agreement upon execution and delivery by such Subsidiary of a Guarantor Assumption Agreement in the form of Annex 1 hereto.

(b) Each Domestic Subsidiary of the Company that is required to become a Grantor pursuant to subsection 10.11 of the Credit Agreement shall become a Grantor for all

purposes of this Agreement upon execution and delivery by such Subsidiary of a Grantor Assumption Agreement in the form of Annex 2 hereto.

8.16 Releases. (a) At such time as Obligations have been Fully Satisfied, the Collateral shall be released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Agent, the Company and each Guarantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, the Agent shall deliver to such Grantor any Collateral held by the Agent hereunder, and execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

(b) If any of the Collateral shall be sold, transferred or otherwise disposed of by any Grantor in a transaction permitted by the Credit Agreement, then the Agent, at the request and sole expense of such Grantor, shall execute and deliver to such Grantor all releases or other documents reasonably necessary or desirable for the release of the Liens created hereby on such Collateral. At the request and sole expense of the Company, a Guarantor shall be released from its obligations hereunder in the event that all the Capital Stock of such Guarantor shall be sold, transferred or otherwise disposed of in a transaction permitted by the Credit Agreement.

IN WITNESS WHEREOF, each of the undersigned has caused this Guarantee and Collateral Agreement to be duly executed and delivered as of the date first above written.

POLO RALPH LAUREN CORPORATION

By:

Title:

RL FRAGRANCES LLC
By: POLO RALPH LAUREN CORPORATION, its Managing Member

By:

Title:

THE RALPH LAUREN WOMENSWEAR COMPANY, L.P.
By: POLO RALPH LAUREN WOMENSWEAR, INC., its General Partner

By:

Title:

POLO RETAIL CORPORATION

By:

Title:

FASHIONS OUTLET OF AMERICA, INC.

By:

Title:

THE POLO/LAUREN COMPANY, L.P.
By: POLO RALPH LAUREN
CORPORATION, its General
Partner

By:

Title:

Schedule 1

NOTICE ADDRESSES OF GUARANTORS

Schedule 2

FILINGS AND OTHER ACTIONS
REQUIRED TO PERFECT SECURITY INTERESTS

Uniform Commercial Code Filings

[List each office where a financing statement is to be filed]

Other Actions

[Describe other actions to be taken]

Schedule 3

LOCATION OF JURISDICTION OF ORGANIZATION AND CHIEF EXECUTIVE OFFICE

Name	Location

Annex 1 to
Guarantee and Collateral Agreement

GUARANTOR ASSUMPTION AGREEMENT, dated as of ________________, 199_, made by ______________________________, a ______________ corporation (the "Additional Guarantor"), in favor of THE CHASE MANHATTAN BANK, as agent (in such capacity, the "Agent") for the banks and other financial institutions (the "Lenders") parties to the Credit Agreement referred to below. All capitalized terms not defined herein shall have the meaning ascribed to them in such Credit Agreement.

W I T N E S S E T H :

WHEREAS, Polo Ralph Lauren Corporation, a Delaware corporation (the "Company"), the Lenders and the Agent have entered into a Credit Agreement, dated as of June ___, 1997 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement");

WHEREAS, in connection with the Credit Agreement, the Company and certain of its Subsidiaries (other than the Additional Guarantor) have entered into the Guarantee and Collateral Agreement, dated as of June ___, 1997 (as amended, supplemented or otherwise modified from time to time, the "Guarantee and Collateral Agreement") in favor of the Agent for the benefit of the Lenders;

WHEREAS, the Credit Agreement requires the Additional Guarantor to become a party to the Guarantee and Collateral Agreement; and

WHEREAS, the Additional Guarantor has agreed to execute and deliver this Assumption Agreement in order to become a party to the Guarantee and Collateral Agreement;

NOW, THEREFORE, IT IS AGREED:

1. Guarantee and Collateral Agreement. By executing and delivering this Assumption Agreement, the Additional Guarantor, as provided in Section 8.15(a) of the Guarantee and Collateral Agreement, hereby becomes a party to the Guarantee and Collateral Agreement as a Guarantor thereunder with the same force and effect as if originally named therein as a Guarantor and, without limiting the generality of the foregoing, hereby expressly assumes all obligations and liabilities of a Guarantor thereunder. The information set forth in Annex 1-A hereto is hereby added to the information set forth in Schedules ____________* to the Guarantee and Collateral Agreement. The Additional Guarantor hereby represents and warrants that each of the representations and warranties contained in Section 4 of the

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* Refer to each Schedule which needs to be supplemented.

Guarantee and Collateral Agreement is true and correct on and as the date hereof (after giving effect to this Assumption Agreement) as if made on and as of such date.

2. GOVERNING LAW. THIS ASSUMPTION AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the undersigned has caused this Assumption Agreement to be duly executed and delivered as of the date first above written.

[ADDITIONAL GUARANTOR]

By:

Name:
Title:

Annex 2 to
Guarantee and Collateral Agreement

GRANTOR ASSUMPTION AGREEMENT, dated as of ________________, 199_, made by ______________________________, a ______________ corporation (the "Additional Grantor"), in favor of THE CHASE MANHATTAN BANK, as agent (in such capacity, the "Agent") for the banks and other financial institutions (the "Lenders") parties to the Credit Agreement referred to below. All capitalized terms not defined herein shall have the meaning ascribed to them in such Credit Agreement.

W I T N E S S E T H :

WHEREAS, Polo Ralph Lauren Corporation, a Delaware corporation (the "Company"), the Lenders and the Agent have entered into a Credit Agreement, dated as of June ___, 1997 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement");

WHEREAS, in connection with the Credit Agreement, the Company and certain of its Subsidiaries have entered into the Guarantee and Collateral Agreement, dated as of June ___, 1997 (as amended, supplemented or otherwise modified from time to time, the "Guarantee and Collateral Agreement") in favor of the Agent for the benefit of the Lenders;

WHEREAS, subsection 10.11 of the Credit Agreement requires the Additional Grantor to become a "Grantor" under the Guarantee and Collateral Agreement; and

WHEREAS, the Additional Grantor has agreed to execute and deliver this Assumption Agreement in order to become a "Grantor" under the Guarantee and Collateral Agreement;

NOW, THEREFORE, IT IS AGREED:

1. Guarantee and Collateral Agreement. By executing and delivering this Assumption Agreement, the Additional Grantor, as provided in Section 8.15(b) of the Guarantee and Collateral Agreement, hereby becomes a Grantor under the Guarantee and Collateral Agreement with the same force and effect as if originally named therein as a Grantor and, without limiting the generality of the foregoing, hereby expressly assumes all obligations and liabilities of a Grantor thereunder. The information set forth in Annex 2-A hereto is hereby added to the information set forth in Schedules ____________** to the Guarantee and Collateral Agreement. The Additional Grantor hereby represents and warrants that each of the representations and warranties contained in Section 4 of the Guarantee and

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** Refer to each Schedule which needs to be supplemented.

Collateral Agreement is true and correct on and as the date hereof (after giving effect to this Assumption Agreement) as if made on and as of such date.

2. GOVERNING LAW. THIS ASSUMPTION AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the undersigned has caused this Assumption Agreement to be duly executed and delivered as of the date first above written.

[ADDITIONAL GRANTOR]

By:

Name:
Title:

Exhibit 10.26

FORM OF INDEMNIFICATION AGREEMENT

AGREEMENT, made this day of , between Polo Ralph Lauren Corporation, a Delaware corporation (the "Company"), and (the "Indemnitee").

WHEREAS, it is essential to the Company and its stockholders to attract and retain qualified and capable directors, officers, employees, agents and fiduciaries; and

WHEREAS, the Amended and Restated Certificate of Incorporation of the Company (the "Restated Certificate of Incorporation") requires the Company to indemnify and advance expenses to its directors and officers to the fullest extent authorized by law and allows the Company to indemnify employees and agents to the fullest extent authorized by law; and

WHEREAS, it is the policy of the Company to indemnify its directors and officers so as to provide them with the maximum possible protection permitted by law; and

WHEREAS, in recognition of Indemnitee's need for protection against personal liability in order to induce Indemnitee to serve or continue to serve the Company in an effective manner, and, in the case of directors and officers, to supplement or replace the Company's directors' and officers' liability insurance coverage, and in part to provide Indemnitee with specific contractual assurance that the protection promised by the Restated Certificate of Incorporation will be available to Indemnitee (regardless of, among other things, any amendment to or revocation of the Restated Certificate of Incorporation or any change in the composition of the Company's Board of Directors or any acquisition transaction relating to the Company), the Company, with the prior approval of the Company's stockholders, wishes to provide the Indemnitee with the benefits contemplated by this Agreement; and

WHEREAS, as a result of the provision of such benefits Indemnitee has agreed to serve or to continue to serve the Company;

NOW, THEREFORE, the parties hereto do hereby agree as follows:

1. Definitions. The following terms, as used herein, shall have the following respective meanings:

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(a) An Affiliate: of a specified Person is a Person who directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Person specified. The term Associate used to indicate a relationship with any Person shall mean (i) any corporation or organization (other than the Company or a Subsidiary) of which such Person is an officer or partner or is, directly, or indirectly, the Beneficial Owner of ten (10) percent or more of any class of Equity Securities, (ii) any trust or other estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity (other than an Employee Plan Trustee), (iii) any Relative of such Person, or (iv) any officer or director of any corporation controlling or controlled by such Person.

(b) Beneficial Ownership: shall be determined, and a Person shall be the Beneficial Owner of all securities which such Person is deemed to own beneficially, pursuant to Rule 13d-3 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (or any successor rule or statutory provision), or, if said Rule 13d-3 shall be rescinded and there shall be no successor rule or statutory provision thereto, pursuant to said Rule 13d-3 as in effect on the date hereof; provided, however, that a Person shall, in any event, also be deemed to be the Beneficial Owner of any Voting Shares: (A) of which such Person or any of its Affiliates or Associates is, directly or indirectly, the Beneficial Owner, or (B) of which such Person or any of its Affiliates or Associates has (i) the right to acquire (whether such right is exercisable immediately or only after the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants, or options, or otherwise, or (ii) sole or shared voting or investment power with respect thereto pursuant to any agreement, arrangement, understanding, relationship or otherwise (but shall not be deemed to be the Beneficial Owner of any Voting Shares solely by reason of a revocable proxy granted for a particular meeting of stockholders, pursuant to a public solicitation of proxies for such meeting, with respect to shares of which neither such Person nor any such Affiliate or Associate is otherwise deemed the Beneficial Owner), or (C) of which any other Person is, directly or indirectly, the Beneficial Owner if such first mentioned Person or any of its Affiliates or Associates acts with such other Person as a partnership, syndicate or other group pursuant to any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any shares of capital stock of the Company; and provided further, however, that (i) no director or officer of the Company, nor any Associate or Affiliate of any such director or officer, shall, solely by reason of any or all of such directors and officers acting in their capacities as such, be deemed for any purposes hereof, to be the Beneficial Owner of any Voting Shares of which any other such director or officer (or any Associate or Affiliate thereof) is the Beneficial Owner and (ii) no trustee of an employee stock ownership or similar plan of the Company or any Subsidiary ("Employee Plan Trustee") or any Associate or Affiliate of any such Trustee, shall,

solely by reason of being an Employee Plan Trustee or Associate or Affiliate of an Employee Plan Trustee, be deemed for any purposes hereof to be the Beneficial Owner of any Voting Shares held by or under any such plan.

(c) A Change in Control: shall be deemed to have occurred if (A) any Person (other than (i) the Company or any Subsidiary, (ii) any pension, profit sharing, employee stock ownership or other employee benefit plan of the Company or any Subsidiary or any trustee of or fiduciary with respect to any such plan when acting in such capacity, or (iii) any Person who is as of [ ](1), 1997 the Beneficial Owner of 20% or more of the total voting power of the Voting Shares) is or becomes, after the date of this Agreement, the Beneficial Owner of 20% or more of the total voting power of the Voting Shares, (B) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors of the Company and any new director whose election or appointment by the Board of Directors or nomination or recommendation for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof, (C) the stockholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the Voting Shares of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into Voting Shares of the surviving entity) at least 80% of the total voting power represented by the Voting Shares of the Company or such surviving entity outstanding, or the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, or (D) a change in control of a nature that would be required to be reported in response to Item 5(f) of Schedule 14A of Regulation 14 promulgated under the Securities Act of 1934, as amended, as in effect on the date hereof.

(d) Claim: means any threatened, pending or completed action, suit, arbitration or proceeding, or any inquiry or investigation, whether brought by or in the right of the Company or otherwise, that Indemnitee in good faith believes might lead to the institution of any such action, suit, arbitration or proceeding, whether civil, criminal, administrative, investigative or other, or any appeal therefrom.

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(1) Use date immediately following date of restructuring.

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(e) Equity Security: shall have the meaning given to such term under Rule 3a11-1 of the General Rules and Regulations under the Securities Exchange Act of 1934, as in effect on the date hereof.

(f) D&O Insurance: means any valid directors' and officers' liability insurance policy maintained by the Company for the benefit of the Indemnitee, if any.

(g) Determination: means a determination, and "Determined" means a matter which has been determined based on the facts known at the time, by: (i) a majority vote of a quorum of disinterested directors, or (ii) if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or, in the event there has been a Change in Control, by the Special Independent Counsel (in a written opinion) selected by Indemnitee as set forth in Section 6, or (iii) a majority of the disinterested stockholders of the Company, or (iv) a final adjudication by a court of competent jurisdiction.

(h) Excluded Claim: means any payment for Losses or Expenses in connection with any Claim: (i) based upon or attributable to Indemnitee gaining in fact any personal profit or advantage to which Indemnitee is not entitled; or (ii) for the return by Indemnitee of any remuneration paid to Indemnitee without the previous approval of the stockholders of the Company which is illegal; or (iii) for an accounting of profits in fact made from the purchase or sale by Indemnitee of securities of the Company within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended, or similar provisions of any state law; or (iv) resulting from Indemnitee's knowingly fraudulent, dishonest or willful misconduct; or (v) the payment of which by the Company under this Agreement is not permitted by applicable law.

(i) Expenses: means any reasonable expenses incurred by Indemnitee as a result of a Claim or Claims made against Indemnitee for Indemnifiable Events including, without limitation, attorneys' fees and all other costs, expenses and obligations paid or incurred in connection with investigating, defending, being a witness in or participating in (including on appeal), or preparing to defend, be a witness in or participate in any Claim relating to any Indemnifiable Event.

(j) Fines: means any fine, penalty or, with respect to an employee benefit plan, any excise tax or penalty assessed with respect thereto.

(k) Indemnifiable Event: means any event or occurrence, occurring prior to or after the date of this Agreement, related to the fact that Indemnitee is or was a director, officer, employee, trustee, agent or fiduciary of the

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Company or its Predecessor Entities, or is or was serving at the request of the Company or its Predecessor Entities as a director, officer, employee, trustee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other enterprise, or by reason of anything done or not done by Indemnitee, including, but not limited to, any breach of duty, neglect, error, misstatement, misleading statement, omission, or other act done or wrongfully attempted by Indemnitee, or any of the foregoing alleged by any claimant, in any such capacity.

(l) Losses: means any amounts or sums which Indemnitee is legally obligated to pay as a result of a Claim or Claims made against Indemnitee for Indemnifiable Events including, without limitation, damages, judgments and sums or amounts paid in settlement of a Claim or Claims, and Fines.

(m) Person: means any individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

(n) Potential Change in Control: shall be deemed to have occurred if (A) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control; (B) any Person (including the Company) publicly announces an intention to take or to consider taking actions which if consummated would constitute a Change in Control; (C) any Person (other than (i) the Company or any Subsidiary, (ii) any pension, profit sharing, employee stock ownership or other employee benefit plan of the Company or any Subsidiary or any trustee of or fiduciary with respect to any such plan when acting in such capacity, or (iii) any Person who is as of [ ], 1997 the Beneficial Owner of 20% or more of the total voting power of the Voting Shares), who is or becomes the Beneficial Owner of 9.5% or more of the total voting power of the Voting Shares, increases his Beneficial Ownership of such voting power by 5% or more over the percentage so owned by such Person on the date hereof; or (D) the Board of Directors adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control has occurred.

(o) Predecessor Entities: includes: Polo Ralph Lauren Corporation, Polo Ralph Lauren Womenswear, Inc., Polo Ralph Lauren, L.P., Polo Ralph Lauren Enterprises, L.P., The Polo/Lauren Company, L.P., The Ralph Lauren Womenswear Company, L.P. and all of their Affiliates.

(p) Relative: means a Person's spouse, parents, children, siblings, mothers- and father-in-law, sons- and daughters-in-law, and brothers- and sisters-in-law.

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(q) Reviewing Party: means any appropriate person or body consisting of a member or members of the Company's Board of Directors or any other person or body appointed by the Board (including the Special Independent Counsel referred to in Section 6) who is not a party to the particular Claim for which Indemnitee is seeking indemnification.

(r) Subsidiary: means any corporation of which fifty percent of any class of Equity Security is owned, directly or indirectly, by the Company.

(s) Trust: means the trust established pursuant to Section 7 hereof.

(t) Voting Shares: means any issued and outstanding shares of capital stock of the Company entitled to vote generally in the election of directors.

2. Basic Indemnification Agreement. In consideration of, and as an inducement to, the Indemnitee rendering valuable services to the Company, the Company agrees that in the event Indemnitee is or becomes a party to or witness or other participant in, or is threatened to be made a party to or witness or other participant in, a Claim by reason of (or arising in part out of) an Indemnifiable Event, the Company will indemnify Indemnitee to the fullest extent authorized by law, against any and all Expenses and Losses (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses and Losses) of such Claim, whether or not such Claim proceeds to judgment or is settled or otherwise is brought to a final disposition, subject in each case, to the further provisions of this Agreement.

3. Limitations on Indemnification. Notwithstanding the provisions of Section 2, Indemnitee shall not be indemnified and held harmless from any Losses or Expenses (a) which have been Determined, as provided herein, to constitute an Excluded Claim; (b) to the extent Indemnitee is indemnified by the Company and has actually received payment pursuant to the Restated Certificate of Incorporation, D&O Insurance, or otherwise; or (c) other than pursuant to the last sentence of Section 4(d) or Section 14, in connection with any Claim initiated by Indemnitee, unless the Company has joined in or the Board of Directors has authorized such Claim.

4. Indemnification Procedures.

(a) Promptly after receipt by Indemnitee of notice of any Claim, Indemnitee shall, if indemnification with respect thereto may be sought from the Company under this Agreement, notify the Company of the commencement thereof and Indemnitee agrees further not to make any admission or effect any

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settlement with respect to such Claim without the consent of the Company, except any Claim with respect to which the Indemnitee has undertaken the defense in accordance with the second to last sentence of Section 4(d).

(b) If, at the time of the receipt of such notice, the Company has D&O Insurance in effect, the Company shall give prompt notice of the commencement of Claim to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all Losses and Expenses payable as a result of such Claim.

(c) To the extent the Company does not, at the time of the Claim have applicable D&O Insurance, or if a Determination is made that any Expenses arising out of such Claim will not be payable under the D&O Insurance then in effect, the Company shall be obligated to pay the Expenses of any Claim in advance of the final disposition thereof and the Company, if appropriate, shall be entitled to assume the defense of such Claim, with counsel satisfactory to Indemnitee, upon the delivery to Indemnitee of written notice of its election so to do. After delivery of such notice, the Company will not be liable to Indemnitee under this Agreement for any legal or other Expenses subsequently incurred by the Indemnitee in connection with such defense other than reasonable Expenses of investigation; provided that Indemnitee shall have the right to employ its counsel in such Claim but the fees and expenses of such counsel incurred after delivery of notice from the Company of its assumption of such defense shall be at the Indemnitee's expense; provided further that if: (i) the employment of counsel by Indemnitee has been previously authorized by the Company; (ii) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of any such defense; or (iii) the Company shall not, in fact, have employed counsel to assume the defense of such action, the reasonable fees and expenses of counsel shall be at the expense of the Company.

(d) All payments on account of the Company's indemnification obligations under this Agreement shall be made within sixty (60) days of Indemnitee's written request therefor unless a Determination is made that the Claims giving rise to Indemnitee's request are Excluded Claims or otherwise not payable under this Agreement, provided that all payments on account of the Company's obligation to pay Expenses under Section 4(c) of this Agreement prior to the final disposition of any Claim shall be made within 20 days of Indemnitee's written request therefor and such obligation shall not be subject to any such Determination but shall be subject to Section 4(e) of this Agreement. In the event the Company takes the position that the Indemnitee is not entitled to indemnification in connection with the proposed settlement of any Claim, the Indemnitee shall have the right at its own expense to undertake defense of any such Claim, insofar as such

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proceeding involves Claims against the Indemnitee, by written notice given to the Company within 10 days after the Company has notified the Indemnitee in writing of its contention that the Indemnitee is not entitled to indemnification. If it is subsequently determined in connection with such proceeding that the Indemnifiable Events are not Excluded Claims and that the Indemnitee, therefore, is entitled to be indemnified under the provisions of Section 2 hereof, the Company shall promptly indemnify the Indemnitee.

(e) Indemnitee hereby expressly undertakes and agrees to reimburse the Company for all Losses and Expenses paid by the Company in connection with any Claim against Indemnitee in the event and only to the extent that a Determination shall have been made by a court of competent jurisdiction in a decision from which there is no further right to appeal that Indemnitee is not entitled to be indemnified by the Company for such Losses and Expenses because the Claim is an Excluded Claim or because Indemnitee is otherwise not entitled to payment under this Agreement.

5. Settlement. The Company shall have no obligation to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any Claim effected without the Company's prior written consent. The Company shall not settle any Claim in which it takes the position that Indemnitee is not entitled to indemnification in connection with such settlement without the consent of the Indemnitee, nor shall the Company settle any Claim in any manner which would impose any Fine or any obligation on Indemnitee, without Indemnitee's written consent. Neither the Company nor Indemnitee shall unreasonably withhold their consent to any proposed settlement.

6. Change in Control; Extraordinary Transactions. The Company and Indemnitee agree that if there is a Change in Control of the Company (other than a Change in Control which has been approved by a majority of the Company's Board of Directors who were directors immediately prior to such Change in Control) then all Determinations thereafter with respect to the rights of Indemnitee to be paid Losses and Expenses under this Agreement shall be made only by a special independent counsel (the "Special Independent Counsel") selected by Indemnitee and approved by the Company (which approval shall not be unreasonably withheld) or by a court of competent jurisdiction. The Company shall pay the reasonable fees of such Special Independent Counsel and shall indemnify such Special Independent Counsel against any and all reasonable expenses (including reasonable attorneys' fees), claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

The Company covenants and agrees that, in the event of a Change in Control of the sort set forth in clause (B) of Section 1(c), the Company will use its

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best efforts (a) to have the obligations of the Company under this Agreement including, but not limited to those under Section 7, expressly assumed by the surviving, purchasing or succeeding entity, or (b) otherwise to adequately provide for the satisfaction of the Company's obligations under this Agreement, in a manner reasonably acceptable to the Indemnitee.

7. Establishment of Trust. In the event of a Potential Change in Control, the Company shall, upon written request by Indemnitee, create a trust (the "Trust") for the benefit of the Indemnitee and from time to time upon written request of Indemnitee shall fund the Trust in an amount sufficient to satisfy any and all Losses and Expenses which are actually paid or which Indemnitee reasonably determines from time to time may be payable by the Company under this Agreement. The amount or amounts to be deposited in the Trust pursuant to the foregoing funding obligation shall be determined by the Reviewing Party, in any case in which the Special Independent Counsel is involved. The terms of the Trust shall provide that upon a Change in Control: (i) the Trust shall not be revoked or the principal thereof invaded without the written consent of the Indemnitee; (ii) the trustee of the Trust shall advance, within twenty days of a request by the Indemnitee, any and all Expenses to the Indemnitee (and the Indemnitee hereby agrees to reimburse the Trust under the circumstances under which the Indemnitee would be required to reimburse the Company under Section 4(e) of this Agreement); (iii) the Company shall continue to fund the Trust from time to time in accordance with the funding obligations set forth above; (iv) the trustee of the Trust shall promptly pay to the Indemnitee all Losses and Expenses for which the Indemnitee shall be entitled to indemnification pursuant to this Agreement; and (v) all unexpended funds in the Trust shall revert to the Company upon a final determination by a court of competent jurisdiction in a final decision from which there is no further right of appeal that the Indemnitee has been fully indemnified under the terms of this Agreement. The Trustee of the Trust shall be chosen by the Indemnitee.

8. No Presumption. For purposes of this Agreement, the termination of any Claim by judgment, order, settlement (whether with or without court approval) or conviction, or upon a plea of nolo contendere, or its equivalent, shall not, of itself, create a presumption that Indemnitee did not meet any particular standard of conduct or have any particular belief or that a court has determined that indemnification is not permitted by applicable law.

9. Non-exclusivity, Etc. The rights of the Indemnitee hereunder shall be in addition to any other rights Indemnitee may have under the Restated Certificate of Incorporation, the Company's By-laws, the Delaware General Corporation Law, any vote of stockholders or disinterested directors or otherwise, both as to action in the Indemnitee's official capacity and as to action in any other capacity by holding such office, and shall continue after the Indemnitee ceases to

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serve the Company as a director, officer, employee, agent or fiduciary, for so long as the Indemnitee shall be subject to any Claim by reason of (or arising in part out of) an Indemnifiable Event. To the extent that a change in the Delaware General Corporation Law (whether by statute or judicial decision) permits greater indemnification by agreement than would be afforded currently under the Restated Certificate of Incorporation and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change.

10. Liability Insurance. To the extent the Company maintains an insurance policy or policies providing directors' and officers' liability insurance, Indemnitee, if an officer or director of the Company, shall be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any director or officer of the Company.

11. Subrogation. In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

12. Partial Indemnity, Etc. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses and Losses of a Claim but not, however, for all of the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled. Moreover, notwithstanding any other provision of this Agreement, to the extent that Indemnitee has been successful on the merits or otherwise in defense of any or all Claims relating in whole or in part to any Indemnifiable Event or in defense of any issue or matter therein, including dismissal without prejudice, Indemnitee shall be indemnified against all Expenses incurred in connection therewith. In connection with any Determination as to whether Indemnitee is entitled to be indemnified hereunder the burden of proof shall be on the Company to establish that Indemnitee is not so entitled.

13. Liability of Company. The Indemnitee agrees that neither the stockholders nor the directors nor any officer, employee, representative or agent of the Company shall be personally liable for the satisfaction of the Company's obligations under this Agreement and the Indemnitee shall look solely to the assets of the Company for satisfaction of any claims hereunder.

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14. Enforcement.

(a) Indemnitee's right to indemnification and other rights under this Agreement shall be specifically enforceable by Indemnitee only in the state or Federal courts of the States of Delaware or New York and shall be enforceable notwithstanding any adverse Determination by the Company's Board of Directors, independent legal counsel, the Special Independent Counsel or the Company's stockholders and no such Determination shall create a presumption that Indemnitee is not entitled to be indemnified hereunder. In any such action the Company shall have the burden of proving that indemnification is not required under this Agreement.

(b) In the event that any action is instituted by Indemnitee under this Agreement, or to enforce or interpret any of the terms of this Agreement, Indemnitee shall be entitled to be paid all court costs and reasonable expenses, including reasonable counsel fees, incurred by Indemnitee with respect to such action, unless the court determines that each of the material assertions made by Indemnitee as a basis for such action were not made in good faith or were frivolous.

15. Severability. In the event that any provision of this Agreement is determined by a court to require the Company to do or to fail to do an act which is in violation of applicable law, such provision (including any provision within a single section, paragraph or sentence) shall be limited or modified in its application to the minimum extent necessary to avoid a violation of law, and, as so limited or modified, such provision and the balance of this Agreement shall be enforceable in accordance with their terms to the fullest extent permitted by law.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to agreements made and to be performed entirely within such State.

17. Consent to Jurisdiction. The Company and the Indemnitee each hereby irrevocably consent to the jurisdiction of the courts of the States of Delaware and New York for all purposes in connection with any action or proceeding which arises out of or relates to this Agreement and agree that any action instituted under this Agreement shall be brought only in the state and Federal courts of the States of Delaware and New York.

18. Notices. All notices, or other communications required or permitted hereunder shall be sufficiently given for all purposes if in writing and personally delivered, telegraphed, telexed, sent by facsimile transmission or sent by registered or certified mail, return receipt requested, with postage prepaid addressed as follows, or to such other address as the parties shall have given notice of pursuant hereto:

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(a) If to the Company, to:

Victor Cohen, Esq.
Senior Vice President
and General Counsel
Polo Ralph Lauren Corporation
650 Madison Avenue
New York, New York 10022

(b) If to the Indemnitee, to:

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19. Counterparts. This Agreement may be signed in counterparts, each of which shall be an original and all of which, when taken together, shall constitute one and the same instrument.

20. Successors and Assigns. This Agreement shall be (i) binding upon all successors and assigns of the Company, including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company, and (ii) shall be binding upon and inure to the benefit of any successors and assigns, heirs, and personal or legal representatives of Indemnitee.

21. Amendment; Waiver. No amendment, modification, termination or cancellation of this Agreement shall be effective unless made in a writing signed by each of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

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IN WITNESS WHEREOF, the Company and Indemnitee have executed this Agreement as of the day and year first above written.

POLO RALPH LAUREN CORPORATION

By:

Name:
Title:

INDEMNITEE

Name:

Exhibit 10.27

EMPLOYMENT AGREEMENT

AGREEMENT made effective as of the 9th day of June, 1997, between Polo Ralph Lauren Corporation, a Delaware corporation (the "Company"), and Ralph Lauren (the "Executive").

The Executive is the founder of the predecessor entities of the Company and has acted as Chief Executive Officer of such entities for more than twenty-nine years.

The Company recognizes that the Executive's talents and abilities are unique and have been integral to the success of such predecessor entities.

The Company wishes to retain the services of the Executive and recognizes that the Executive's contribution to the growth and success of the Company will be substantial. The Company desires to provide for the continued employment of the Executive and to make employment arrangements which will reinforce and encourage the attention and dedication to the Company of the Executive as a member of the Company's senior management, in the best interest of the Company. The Executive is willing to commit himself to serve the Company, on the terms and conditions herein provided.

In order to effect the foregoing, the Company and the Executive wish to enter into an employment agreement on the terms and conditions set forth below. Accordingly, in consideration of the premises and the respective covenants and agreements of the parties herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Employment. The Company hereby agrees to employ the Executive, and the Executive hereby agrees to be employed by the Company, on the terms and conditions set forth herein.

2. Term. The term of the Executive's employment hereunder shall commence as of the date hereof and shall continue until the close of business on the fifth anniversary of the consummation of the registered initial public offering of the Company's Class A Common Stock or, if such offering is not consummated on or prior to December 31, 1997, until the close of business on March 31, 2002, subject to earlier termination in accordance with the terms of this Agreement (the "Term"). The Term shall be automatically extended for successive one year periods thereafter unless either party notifies the other in writing of its intention not to so extend the Term at least ninety (90) days prior to the commencement of the next scheduled one year extension.

3. Position and Duties.

(a) Title and Duties. The Executive shall serve as Chief Executive Officer of the Company and Chairman of the Board of Directors of the Company (the "Board"), and shall have such duties, authority and responsibilities as are normally associated with and appropriate for such positions. The Executive shall report directly to the Board. The Executive shall devote substantially all of his working time and efforts to the business and affairs of the Company.

(b) Office and Facilities. The Executive shall be provided with appropriate office and secretarial facilities in each of the Company's principal executive offices in New York City and any other location that the Executive reasonably deems necessary to have an office and support services in order for the Executive to perform his duties to the Company. In addition, the Executive shall continue to be entitled to have certain employees of the Company perform services for the Executive which are non-Company related in a manner consistent with past practice; provided that the Executive reimburses the Company for the full amount of salary, benefits and other expenses relating to such employees.

4. Compensation.

(a) Base Salary. During the Term, the Company shall pay to the Executive an annual base salary of $1,000,000. The Executive's base salary shall be paid in substantially equal installments on a basis consistent with the Company's payroll practices and shall be subject to such increases, if any, as may be determined in the sole discretion of the Board. The Executive's base salary, as in effect at any time, is hereinafter referred to as the "Base Salary."

(b) Annual Bonus. For each fiscal year of the Company that occurs during the Term (including the fiscal year beginning on April 1, 1997 and ending March 31, 1998), the Executive shall be eligible to earn an annual cash bonus (the "Bonus") based upon the achievement by the Company and its subsidiaries of performance goals for each such fiscal year established by the Compensation Committee of the Board of Directors (the "Compensation Committee"). The Compensation Committee shall establish objective criteria to be used to determine the extent to which such performance goals have been satisfied. The range of the Bonus opportunity for each fiscal year will be $2,000,000 to $5,000,000 based upon the extent to which such performance goals are achieved, with a Bonus of $3,500,000 payable if the Company achieves 100% of its targeted performance goal for the fiscal year. The Bonus, if any, payable to the Executive in respect of each such fiscal year will be paid at the same time that bonuses are paid to other executives of the Company, but in any event within seventy-five days after the conclusion of each applicable fiscal year. Notwithstanding any provision of this Agreement to the contrary, the Executive's entitlement to payment of a Bonus during any period when the compensation payable to the Executive pursuant to this Agreement is subject to

the deduction limitations of section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), shall be subject to shareholder approval of a plan or arrangement evidencing such Bonus opportunity that complies with the requirements of section 162(m) of the Code.

5. Stock Options.

(a) In the event a registered initial public offering of the Class A Common Stock of the Company ("Common Shares") shall be consummated on or prior to December 31, 1997 (a "Qualified Offering"), then effective as of the date of commencement of the Qualified Offering the Executive will be granted an option (the "Initial Option") to purchase 500,000 Common Shares pursuant to the terms of the Company's 1997 Long-Term Stock Incentive Plan (the "Option Plan"). In addition, with respect to at least each of the first three fiscal years occurring after the Qualified Offering, as of a date no later than each anniversary of the commencement of the Qualified Offering, the Executive will be granted options (the "Annual Options") to purchase 250,000 Common Shares. The Initial Option and the Annual Options will have a term of ten (10) years (subject to earlier termination as described below and in Section 7) and will be transferable by the Executive to family members (or trusts for their benefit) pursuant to the terms of the Option Plan.

(b) The Initial Option will be fully vested as of the date of grant and will have an exercise price per Common Share equal to the offering price per share on the commencement date of the Qualified Offering. The Annual Options will vest and become exercisable ratably over three (3) years on each of the first three anniversaries of the date of grant, subject to the Executive's continued employment through each vesting date and subject to the provisions of Section 7, and will have an exercise price per Common Share equal to the fair market value per Common Share as of the date of grant.

6. Employee Benefits.

(a) Benefit Plans. The Executive shall continue to participate in all existing employee benefit plans, perquisite and fringe benefit arrangements of the Company or its affiliates in which he is currently participating and shall be entitled to participate in any future employee benefit plans, perquisite and fringe benefit arrangements of the Company or its affiliates that are provided to other officers of the Company on terms no less favorable than are provided to any other senior executive of the Company.

(b) Life Insurance. The Company shall continue to maintain, and make premium contributions with respect to, those certain split dollar and other life insurance arrangements between the Company and the Executive, his family members and/or life insurance trusts for the benefit of any of them, that are

currently maintained or contributed to by the Company or its affiliates or predecessor entities.

(c) Expenses. The Executive shall be entitled to receive prompt reimbursement for all reasonable and customary expenses incurred by the Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business or at the request of and in the service of the Company (including hotel, travel and meal expenses for the Executive's spouse should the Executive's spouse elect to travel with Executive), provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Company.

(d) Perquisites. The Company shall (i) provide the Executive with a car and driver for his use during the term of his employment with the Company and (ii) reimburse the Executive for club dues and initiation fees at a social club or country club of the Executive's choosing.

(e) Corporate Aircraft. For security purposes, the Executive and his family members shall be required to use the Company's or other acceptable private aircraft for any travel; provided that in connection with any use which is solely for personal non-business reasons, the Executive shall reimburse the Company at swap rates charged to owners of airplanes, which rates are set by an independent management company.

(f) Vacations. The Executive shall be entitled to vacations and holidays on a basis consistent with that offered to other senior executive officers of the Company.

(g) Indemnification. The Company shall indemnify the Executive to the fullest extent permitted by applicable law against damages and expenses (including fees and disbursements of counsel) in connection with his status or performance of duties as an officer or director of the Company and its affiliates (including any predecessor entities) and shall use reasonable commercial efforts to maintain customary and appropriate directors and officers liability insurance for the benefit of the Executive's protection. The Company's obligations under this Section 6(g) shall survive any termination of the Executive's employment hereunder.

7. Termination of Employment. The Company and the Executive may each terminate the Executive's employment hereunder and the Term for any reason.

(a) Termination by the Company without Cause, Non-Extension of Term or by the Executive for Good Reason. If the Company shall terminate the Executive's employment without "Cause" (as defined in Section 7(e)), if the Company elects not to extend the Term, or if the Executive resigns for Good

Reason (as defined in Section 7(e)) then, the Executive shall be entitled to the following:

(i) A lump sum cash payment equal to the sum of:

(1) The Executive's Base Salary that would be payable through the later of (A) the fifth anniversary of the commencement date of the Qualified Offering or (B) three years from the date of the Executive's termination of employment (the "Severance Period");

(2) Any accrued but unpaid compensation as of the date of termination of employment; and

(3) A Bonus for each full or partial fiscal year that occurs during the Severance Period equal to the average annual bonus paid to the Executive in each of the immediately preceding two fiscal years prior to the Executive's termination of employment, provided, however, that the amount of the Bonus for any partial fiscal year beyond the third fiscal year following the date of the Executive's termination of employment will be prorated; and

(ii) During the Severance Period, the Company shall (A) continue to provide the Executive with office facilities and secretarial assistance in New York City and any other location that the Executive maintained an office during the term of his employment that the Executive reasonably deems necessary, (B) continue to maintain and make premium contributions with respect to those life insurance arrangements described in Section 6(b), (C) permit the Executive to continue to participate in all welfare and medical plans on the same terms as active officers of the Company and (D) continue to provide the Executive with the use of a car and driver; and

(iii) Any unvested options granted pursuant to Section 5 will continue to vest on their scheduled vesting dates, subject to and conditioned upon the Executive's compliance with Section 9 hereof. In addition, subject to, and conditioned upon, the Executive's compliance with Section 9 hereof, any vested options (and any options that continue to vest as described above) will remain exercisable until the latest to occur of (A) five (5) years from the commencement date of the Qualified Offering, (B) one (1) year from the date of the Executive's termination of employment and (C) thirty (30) days from the date the option becomes vested and exercisable.

(iv) Except as expressly provided above and for the Company's indemnification obligation under Section 6(g), the Company will have no further obligations to the Executive hereunder following the Executive's termination of employment under the circumstances described in this Section 7(a).

(b) Termination due to Death or Disability. If the Executive's employment is terminated due to his death or "Disability" (as defined in Section 7(e)), the Executive (or his estate) shall be entitled to the following:

(i) A lump sum cash payment equal to the sum of:

(1) the Executive's Base Salary through the date on which his termination due to death or Disability occurred;

(2) any accrued and unpaid compensation for any prior fiscal year; and

(3) a pro-rata portion of the Bonus he would otherwise have received for the fiscal year in which his termination due to death or Disability occurred; and

(ii) Any unvested options granted pursuant to Section 5 will vest immediately and options held by the Executive, or his estate, will remain exercisable for three (3) years from the date of the Executive's death or termination due to Disability.

(iii) Except as expressly provided above and for the Company's indemnification obligation under Section 6(g), the Company will have no further obligations to the Executive hereunder following the Executive's termination of employment under the circumstances described in this Section 7(b).

(c) Termination by the Company for Cause, by Executive Other than for Good Reason or Due To The Executive's Election Not To Extend The Term. If the Executive's employment is terminated by the Company for Cause, by the Executive other than for Good Reason or due to the Executive's election not to extend the Term, the Executive shall be entitled to:

(i) an immediate lump sum cash payment equal to the sum of:

(1) his Base Salary through the date of termination; and any accrued but unpaid compensation for any prior fiscal year; and

(2) a pro-rata portion of his Bonus for the fiscal year in which the termination occurred, to be paid when bonuses are paid to other executives of the Company; and

(ii) Any options granted pursuant to Section 5 that have not previously been exercised shall be forfeited.

(iii) Except as expressly provided above and for the Company's indemnification obligation under Section 6(g), the Company will have no further obligations to the Executive hereunder following the Executive's termination of employment under the circumstances described in this Section 7(c).

(d) Notice of Termination. Any termination of the Executive's employment by the Company or by the Executive (other than termination pursuant to the Executive's death) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 11 hereof. If the Company terminates the Executive's employment for Cause or due to Disability or if the Executive resigns for Good Reason, the "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated.

(e) Definitions. For purpose of this Agreement:

(i) "Cause" shall mean (A) the willful and continued failure by the Executive to substantially perform his duties hereunder after demand for substantial performance is delivered by the Company that specifically identifies the manner in which the Company believes the Executive has not substantially performed his duties; or (B) the Executive's conviction of, or plea of nolo contendere to, a crime (whether or not involving the Company) constituting a felony; or (C) willful engaging by the Executive in gross misconduct relating to the Executive's employment that is materially injurious to the Company or subjects the Company, monetarily or otherwise (including, but not limited to, conduct that constitutes competitive activity, in violation of Section 9) or which subjects, or if generally known, would subject the Company to public ridicule or embarrassment. For purposes of this paragraph, no act, or failure to act, on the Executive's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Company. Notwithstanding the forgoing, the Executive shall not be deemed to have been terminated for Cause without (x) reasonable written notice to the Executive setting forth the reasons for the Company's intention to terminate for Cause, (y) an opportunity for the Executive, together with his counsel, to be heard before the Board, and (z) delivery to the Executive of a Notice of Termination, as defined in Section 7(d) hereof, from the Board finding that in the good faith opinion of the Board the Executive was guilty of conduct set forth above in clauses (A) through (C) hereof, and specifying the particulars thereof in detail.

(ii) "Good Reason" shall mean (A) a material diminution in the Executive's duties or the assignment to the Executive of a title or duties inconsistent with his position as Chairman of the Board and Chief Executive Officer of the Company, (B) a reduction in the Executive's salary or annual incentive

bonus opportunity, (C) a failure of the Company to comply with any material provision of this Agreement or (D) the Executive's ceasing to be entitled to the payment of an annual incentive bonus as a result of the failure of the Company's shareholders to approve a plan or arrangement evidencing such annual incentive bonus in a manner that complies with the requirements of section 162(m) of the Internal Revenue Code of 1986; provided that the events described in clauses (A), (B) and (C) above shall not constitute Good Reason unless and until such diminution, reduction or failure (as applicable) has not been cured within thirty (30) days after notice of such noncompliance has been given by the Executive to the Company.

(iii) For purposes of this Agreement, "Disability" shall mean that as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been absent from his duties hereunder on a full-time basis for the entire period of six consecutive months, and within thirty (30) days after written Notice of Termination is given by the Company (which may occur before or after the end of such six month period) the Executive shall not have returned to the performance of his duties hereunder on a full-time basis.

8. No Mitigation. The Executive shall have no duty to mitigate the payments provided for hereunder by seeking other employment or otherwise and such payment shall not be subject to reduction for any compensation received by the Executive from employment in any capacity following the termination of the Executive's employment with the Company.

9. Non-Solicitation/Non-Competition.

(a) The Executive agrees that for the duration of his employment and for a period of three (3) years from the date of termination thereof, he will not, on his own behalf or on behalf of any other person or entity, hire, solicit, or encourage to leave the employ of the Company or its subsidiaries or affiliates any person who is an employee of any of such companies.

(b) The Executive agrees that for the duration of his employment and for a period of three (3) years from the date of termination thereof, the Executive will take no action which is intended, or would reasonably be expected, to harm (e.g., making public derogatory statements or misusing confidential Company information, it being acknowledged that the Executive's employment with a competitor in and of itself shall not be deemed to be harmful to the Company for purposes of this Section 9(b)) the Company or any of its subsidiaries or affiliates of their reputation.

(c) The Executive agrees that during the duration of his employment and;

(i) in the event of the Executive's termination of employment due to the Executive's resignation without Good Reason, until the later of (x) five (5) years from the commencement of a Qualified Offering and (y) two (2) years from the date of such termination of employment; and

(ii) in the event of the Executive's termination of employment by the Company without Cause or the Executive's resignation for Good Reason pursuant to Section 7(a), for two (2) years from the date of such termination of employment; and

(iii) in the event of the Executive's termination of employment by the Company for Cause, at the election of the Company in consideration for the payment to the Executive of an amount equal to the Executive's salary and Bonus (equal to the average Bonus paid to the Executive over the preceding two years) for each year within such period, for a period of up to two (2) years from the date of such termination of employment,

then, during the period specified in clause (i), (ii) or (iii) above, as applicable, the Executive shall not, directly or indirectly, (A) engage in any "Competitive Business" (as defined below) for his own account, (B) enter into the employ of, or render any services to, any person engaged in a Competitive Business, or (C) become interested in any entity engaged in a Competitive Business, directly or indirectly as an individual, partner, shareholder, officer, director, principal, agent, employee, trustee, consultant, or in any other relationship or capacity; provided that the Executive may own, solely as an investment, securities of any entity which are traded on a national securities exchange if the Executive is not a controlling person of, or a member of a group that controls such entity and does not, directly or indirectly, own 2% or more of any class of securities of such entity.

(iv) For purposes of this Agreement the term "Competitive Business" shall include the design, manufacture, sale, marketing or distribution of branded or designer apparel and other products in the categories of products sold by, or under licence from, the Company or its affiliates within the United States.

(d) The Executive will not at any time (whether during or after his employment with the Company) disclose or use for his own benefit or purposes or the benefit or purposes of any other person, entity or enterprise, other than the Company or any of its affiliates, any trade secrets, information, data, or other confidential information relating to customers, development programs, costs, marketing, trading, investment, sales activities, promotion, credit and financial data, manufacturing processes, financing methods, plans or the business and affairs of the Company generally, or any affiliate of the Company; provided that the foregoing shall not apply to information which is not unique to the Company or which is generally known to the industry or the public other than as a result of the Executive's breach of this

covenant. The Executive agrees that upon termination of his employment with the Company for any reason, he will return to the Company immediately all memoranda, books, papers, plans, information, letters and other data, and all copies thereof or therefrom, in any way relating to the business of the Company and its affiliates.

(e) If the Executive breaches, or threatens to commit a breach of, any of the provisions of this Section 9 (the "Restrictive Covenants"), the Company shall have the following rights and remedies, each of which rights and remedies shall be independent of the other and severally enforceable, and all of which rights and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to the Company under law or equity:

(i) The right and remedy to have the Restrictive Covenants specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Company and that money damages will not provide an adequate remedy to the Company;

(ii) The right and remedy to require the Executive to account for and pay over to the Company all compensation, profits, monies, accruals, increments or other benefits (collectively, "Benefits") derived or received by the Executive as the result of any transactions constituting a breach of any of the Restrictive Covenants, and the Executive shall account for and pay over such Benefits to the Company; and

(iii) The right to discontinue the payment of any amounts owing to the Executive under the Agreement.

(f) If any court determines that any of the Restrictive Covenants, or any part thereof, is invalid or unenforceable, the remainder of the Restrictive Covenants shall not thereby be affected and shall be given full effect, without regard to the invalid portion. In addition, if any court construes any of the Restrictive Covenants, or any part thereof, to be unenforceable because of the duration of such provision or the area covered thereby, such court shall have the power to reduce the duration or area of such provision and, in its reduced form, such provision shall then be enforceable and shall be enforced.

10. Successors; Binding Agreement.

(a) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in

this Agreement, "Company" shall mean the Company as herein defined and any successor to its business and/or assets as aforesaid which executes and delivers the agreement provided for in this Section 10 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

(b) This Agreement and all rights of the Executive hereunder shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amounts are payable to him hereunder all such amounts unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the Executive's devisee, legatee, or other designee or, if there be no such designee, to the Executive's estate.

11. Notice. For the purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered with receipt acknowledged or five business days after having been mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

Mr. Ralph Lauren
c/o Polo Ralph Lauren Corporation
650 Madison Avenue
New York, New York 10022

If to the Company:

Polo Ralph Lauren Corporation
650 Madison Avenue
New York, New York 10022

Attention: General Counsel

or to such other address as any party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

12. Miscellaneous. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by the Executive and such officer of the Company as may be specifically designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or

provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of New York without regard to its conflicts of law principles.

13. Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

14. 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 will constitute one and the same instrument.

15. Arbitration. Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in the City of New York in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction; provided, however, that the Company shall be entitled to seek a restraining order or injunction in any court of competent jurisdiction to prevent any continuation of any violation of the provisions of Section 9 of this Agreement and the Executive hereby consents that such restraining order or injunction may be granted without the necessity of the Company's posting any bond, and provided further that the Executive shall be entitled to seek specific performance of his right to be paid until the date of termination during the pendency of any dispute or controversy arising under or in connection with this Agreement.

16. Withholding. The Company may withhold from any amounts payable under this Agreement such federal, state and local taxes as may be required to be withheld pursuant to applicable law or regulation.

17. Prior Agreements; Entire Agreement. This Agreement sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, employee or representative of any party hereto; and any prior agreement of the parties hereto in respect of the subject matter contained herein is hereby terminated and canceled.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed and the Executive has hereunto set his hand, effective as of the 9th day of June, 1997.

POLO RALPH LAUREN CORPORATION

By: /s/ Victor Cohen

/s/ Ralph Lauren

Executive: Ralph Lauren

EXHIBIT 16.1

June 9, 1997

Securities and Exchange Commission

450 50th Street, NW

Washington, DC 20549

Gentlemen:

We have read the statements made by Polo Ralph Lauren Corporation (copy attached), which we understand will be filed with the Commission, pursuant to Item 304 of Regulation S-K, in Amendment No. 3 to the Company's Form S-1 (No. 333-24733). We agree with the statements concerning our Firm in such Form S-1.

Very truly yours,

/s/ MAHONEY COHEN RASHBA & POKART, CPA, PC

Mahoney Cohen Rashba & Pokart, CPA, PC

EXHIBIT 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the inclusion in this Amendment No. 3 to Registration Statement No. 333-24733 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

June 10, 1997

EXHIBIT 23.2

INDEPENDENT AUDITORS' CONSENT AND REPORT ON SCHEDULE

To the Partners
Polo Ralph Lauren Enterprises, L.P.

We consent to the use in this Amendment No. 3 to Registration Statement No. 333-24733 relating to 33,925,000 shares of Class A Common Stock of Polo Ralph Lauren Corporation of our report dated May 15, 1997 (June 9, 1997 as to Note 7) appearing in the Prospectus, which is a part of such Registration Statement, and to the reference to us under the heading "Experts" in such Prospectus.

Our audit of the financial statements referred to in our aforementioned report also included the financial statement schedule of Polo Ralph Lauren Corporation. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audit. In our opinion, such financial statement schedule, when considered in relation to basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Deloitte & Touche LLP
DELOITTE & TOUCHE LLP
New York, New York

June 10, 1997