

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED JUNE 27, 1998

OR

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

COMMISSION FILE NUMBER 001-13057

POLO RALPH LAUREN CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE 13-2622036
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer
Identification No.)

650 MADISON AVENUE, NEW YORK, NEW YORK 10022
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code 212-318-7000

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

Yes [X] No []

At August 6, 1998, 33,972,042 shares of the registrant's Class A Common Stock,
\$.01 par value, were outstanding, 43,280,021 shares of the registrant's Class B
Common Stock, \$.01 par value, were outstanding and 22,720,979 shares of the
registrant's Class C Common Stock, \$.01 par value were outstanding.

POLO RALPH LAUREN CORPORATION

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POLO RALPH LAUREN CORPORATION
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE DATA)

	JUNE 27, 1998	MARCH 28, 1998
	(UNAUDITED)	
ASSETS		
Current assets		
Cash and cash equivalents	\$35,173	\$58,755
Accounts receivable, net of allowances of \$10,904 and \$12,447, respectively	111,824	149,120
Inventories	357,710	298,485
Deferred tax assets	24,448	24,448
Prepaid expenses and other	29,794	25,656
	-----	-----
TOTAL CURRENT ASSETS	558,949	556,464
Property and equipment, net	185,332	175,348
Deferred tax assets	14,213	14,213
Other assets, net	83,962	79,105
	-----	-----
	\$842,456	\$825,130
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY AND PARTNERS' CAPITAL		
Current liabilities		
Notes and acceptances payable - banks	\$ 3,000	--
Accounts payable	92,513	\$100,126
Income taxes payable	12,572	2,554
Accrued expenses and other	93,476	99,578
	-----	-----
TOTAL CURRENT LIABILITIES	201,561	202,258
Other noncurrent liabilities	41,088	38,546
Stockholders' equity and partners' capital		
Common Stock		
Class A, par value \$.01 per share; 500,000,000 shares authorized; 34,273,428 and 34,272,726 shares issued and outstanding, respectively	343	343
Class B, par value \$.01 per share; 100,000,000 shares authorized; 43,280,021 shares issued and outstanding	433	433
Class C, par value \$.01 per share; 70,000,000 shares authorized; 22,720,979 shares issued and outstanding	227	227
Additional paid-in-capital	447,936	447,918
Retained earnings and partners' capital	159,449	136,738
Treasury Stock, Class A, at cost (256,900 shares)	(7,248)	--
Unearned compensation	(1,333)	(1,333)
	-----	-----
TOTAL STOCKHOLDERS' EQUITY AND PARTNERS' CAPITAL	599,807	584,326
	-----	-----
	\$842,456	\$825,130
	=====	=====

See accompanying notes to financial statements.

POLO RALPH LAUREN CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	THREE MONTHS ENDED	
	JUNE 27, 1998	JUNE 28, 1997
Net sales	\$311,155	\$255,412
Licensing revenue	43,283	32,532
Other income	4,338	1,706
Net revenues	358,776	289,650
Cost of goods sold	176,162	142,998
Gross profit	182,614	146,652
Selling, general and administrative expenses	144,963	117,908
Income from operations	37,651	28,744
Interest income (expense)	680	(2,762)
Income before income taxes	38,331	25,982
Provision (benefit) for income taxes	15,620	(18,656)
Net income	\$22,711	\$44,638
	=====	=====
PRO FORMA (NOTE 2) - (UNAUDITED)		
Historical income before income taxes		\$25,982
Pro forma adjustments other than income taxes		3,163
Pro forma income before income taxes		29,145
Pro forma provision for income taxes		11,949
Pro forma net income		\$17,196
		=====
Historical and pro forma net income per share - Basic and Diluted	\$ 0.23	\$ 0.17
	=====	=====
Historical and pro forma common shares outstanding - Basic	100,195,134	100,222,444
	=====	=====
Historical and pro forma common shares outstanding - Diluted	100,570,710	100,222,444
	=====	=====

See accompanying notes to financial statements.

POLO RALPH LAUREN CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	THREE MONTHS ENDED	
	JUNE 27, 1998	JUNE 28, 1997
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$22,711	\$44,638
Adjustments to reconcile net income to net cash provided by operating activities		
Benefit from deferred income taxes	-	(21,746)
Depreciation and amortization	10,759	5,878
Provision for losses on accounts receivable	188	281
Changes in deferred liabilities	(423)	2,416
Other	1,515	(702)
Changes in assets and liabilities, net of acquisition		
Accounts receivable	37,108	55,376
Inventories	(59,225)	(42,228)
Prepaid expenses and other	(4,139)	(928)
Other assets, net	(2,814)	(769)
Accounts payable	(7,613)	(23,998)
Income taxes payable and accrued expenses and other	5,365	(1,202)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,432	17,016
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment, net	(21,550)	(10,301)
Acquisition, net of cash acquired	-	(8,551)
Investments in joint ventures	-	(5,000)
Cash surrender value - officers' life insurance, net	(1,060)	(655)
NET CASH USED IN INVESTING ACTIVITIES	(22,610)	(24,507)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock, net	18	268,797
Repurchases of common stock	(7,248)	-
Proceeds from (repayments of) short-term borrowings, net	3,000	(17,257)
Repayments of borrowings against officers' life insurance policies	-	(4,901)
Repayments of long-term debt and subordinated notes	(174)	(134,599)
Payment of dividend and Reorganization notes	-	(43,024)
Distributions paid to partners	-	(44,855)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(4,404)	24,161
Net (decrease) increase in cash and cash equivalents	(23,582)	16,670
Cash and cash equivalents at beginning of period	58,755	29,599
Cash and cash equivalents at end of period	\$35,173	\$46,269

POLO RALPH LAUREN CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	THREE MONTHS ENDED	
	JUNE 27, 1998	JUNE 28, 1997
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	\$631	\$2,802
	=====	=====
Cash paid for income taxes	\$5,922	\$1,880
	=====	=====
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Foreign tax credits distributed to partners		\$509
		=====
Capital obligations for completed shop-within-shops	-	\$5,823
	=====	=====
Fair value of assets acquired, excluding cash		\$69,537
Less:		
Cash paid		8,551
Fair market value of common stock issued for acquisition		697

Liabilities assumed		\$60,289
		=====
Fair market value of restricted stock grants		\$667
		=====

See accompanying notes to financial statements.

POLO RALPH LAUREN CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(INFORMATION FOR JUNE 27, 1998 AND JUNE 28, 1997 IS UNAUDITED)

1 BASIS OF PRESENTATION

(A) UNAUDITED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and in a manner consistent with that used in the preparation of the March 28, 1998 audited consolidated financial statements of Polo Ralph Lauren Corporation and subsidiaries ("Polo"). In the opinion of management, the accompanying consolidated financial statements reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of the financial position and results of operations and cash flows for the periods presented.

Operating results for the three months ended June 27, 1998 and June 28, 1997 are not necessarily indicative of the results that may be expected for a full year. In addition, the unaudited interim consolidated financial statements do not include all information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles. These consolidated financial statements should be read in conjunction with the Company's fiscal 1998 audited consolidated financial statements.

(B) BASIS OF PRESENTATION

Polo Ralph Lauren Corporation ("PRLC") was incorporated in Delaware in March 1997. On June 9, 1997, the partners and certain of their affiliates contributed to PRLC all of the outstanding stock of, and partnership interests in, the entities which comprise the predecessor group of companies in exchange for common stock and cash (the "Reorganization"). The accompanying consolidated financial statements for the three months ended June 28, 1997 include the combined results of operations of Polo Ralph Lauren Enterprises, L.P., Polo Ralph Lauren, L.P. and subsidiaries and The Ralph Lauren Womenswear Company, L.P. and subsidiaries (collectively, the "Predecessor Company") through June 9, 1997 and the consolidated results of operations of Polo thereafter (Polo, together with the Predecessor Company, is referred to herein as the "Company"). The controlling interests of the Predecessor Company were 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"). The financial statements of PRLC have not been included prior to its acquisition of the Predecessor Company because PRLC was a shell company with no business operations.

The accompanying consolidated financial statements as of and for the three months ended June 27, 1998 include the results of operations of Polo.

The financial statements of the Predecessor Company are being presented on a combined basis because of their common ownership. The combined financial statements have been prepared as if the entities had operated as a single consolidated group since their respective dates of organization.

All significant intercompany balances and transactions have been eliminated.

(C) INITIAL PUBLIC OFFERING

On June 17, 1997, the Company completed the sale of 11,170,000 shares of its Class A Common Stock at \$26.00 per share in connection with the its initial public offering. The net proceeds from the initial public offering, after deducting underwriting discounts and commissions and offering expenses, aggregated \$268.8 million.

2 SIGNIFICANT ACCOUNTING POLICIES

(A) PRO FORMA ADJUSTMENTS (UNAUDITED)

The pro forma statement of income data for the three months ended June 28, 1997 presents the effects on the historical financial statements of certain transactions as if they had occurred at March 31, 1996. The pro forma statement of income data reflects adjustments for: (i) income taxes based upon pro forma pre-tax income as if the Company had been subject to additional Federal, state and local income taxes, calculated using a pro forma effective tax rate of approximately 41.0%; and (ii) the reduction of interest expense resulting from the application of a portion of the net proceeds from the initial public offering to outstanding indebtedness.

(B) NET INCOME PER SHARE (UNAUDITED)

Basic net income per share was calculated by dividing net income by the weighted average number of shares outstanding during the period and excluded any potential dilution. Diluted net income per share was calculated similarly but included potential dilution from the exercise of stock options and awards. The weighted average number of shares outstanding in the three months ended June 27, 1998 represent the actual number of shares outstanding during such period. For comparison purposes only, the weighted average number of shares outstanding immediately following the completion of the initial public offering were considered to be outstanding in the three months ended June 28, 1997.

(C) RECLASSIFICATIONS

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

(D) COMPREHENSIVE INCOME

Effective March 29, 1998, the Company adopted the provisions of Statement of Financial Accounting Standards ("SFAS") No. 130, REPORTING COMPREHENSIVE INCOME. This Statement establishes standards for reporting of comprehensive income and its components in the financial statements. For the three months ended June 27, 1998 and June 28, 1997, comprehensive income was equal to net income.

(E) RECENTLY ISSUED PRONOUNCEMENTS

In June 1997, the Financial Accounting Standards Board ("FASB") issued SFAS No. 131, DISCLOSURES ABOUT SEGMENTS OF AN ENTERPRISE AND RELATED INFORMATION. This Statement establishes standards for reporting selected financial data and descriptive information about an enterprise's reportable operating segments (as defined). This Statement also requires the reconciliation of total segment information presented to the corresponding amounts in the general purpose financial statements. Additionally, SFAS No. 131 establishes standards for related disclosures about products and services, geographic areas and major customers. The required disclosures, if any, will be presented in the Company's Annual Report on Form 10-K for the fiscal year ending April 3, 1999.

In June 1998, the FASB issued SFAS No. 133, ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES. This Statement establishes accounting and reporting standards for derivative instruments and hedging activities. It requires the recognition of all derivatives as either assets or liabilities in the statement of financial position and measurement of those instruments at fair value. The accounting for changes in the fair value of a derivative is dependent upon the intended use of the derivative. SFAS No. 133 is effective for the Company's first quarter of fiscal year ending April 1, 2000 and retroactive application is not permitted. The Company has not yet determined whether the application of SFAS No. 133 will have a material impact on the Company's financial position or results of operations.

In April 1998, the American Institute of Certified Public Accountants ("AICPA") Accounting Standards Executive Committee issued Statement of Position No. 98-5 ("SOP 98-5"), REPORTING ON THE COSTS OF START-UP ACTIVITIES. SOP 98-5 requires that costs of start-up activities, including organization costs and retail store openings, be expensed as incurred. SOP 98-5 is effective for the Company's fiscal year ending April 1, 2000. The Company has not yet determined whether the application of SOP 98-5 will have a material impact on the Company's financial position or results of operations.

3 INVENTORIES

	JUNE 27, 1998	MARCH 28, 1998
Raw materials	\$ 22,070	\$ 26,364
Work-in-process	11,479	12,406
Finished goods	324,161	259,715
	-----	-----
	\$357,710	\$298,485
	=====	=====

Merchandise inventories of \$170.8 million and \$130.9 million at June 27, 1998 and March 28, 1998, respectively, were valued utilizing the retail method and are included in finished goods.

POLO RALPH LAUREN CORPORATION

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

THE FOLLOWING DISCUSSION AND ANALYSIS SHOULD BE READ IN CONJUNCTION WITH THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS AND RELATED NOTES THERETO WHICH ARE INCLUDED HEREIN. THE COMPANY UTILIZES A 52-53 WEEK FISCAL YEAR ENDING ON THE SATURDAY NEAREST MARCH 31. ACCORDINGLY, FISCAL YEARS 1999 AND 1998 END ON APRIL 3, 1999 AND MARCH 28, 1998, RESPECTIVELY. DUE TO THE COLLABORATIVE AND ONGOING NATURE OF THE COMPANY'S RELATIONSHIPS WITH ITS LICENSEES, SUCH LICENSEES ARE REFERRED TO HEREIN AS "LICENSING PARTNERS" AND THE RELATIONSHIPS BETWEEN THE COMPANY AND SUCH LICENSEES ARE REFERRED TO HEREIN 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.

CERTAIN STATEMENTS CONTAINED IN THIS REPORT CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 (THE "REFORM ACT"). SEE PART II. OTHER INFORMATION. ITEM 5. - "STATEMENT REGARDING FORWARD-LOOKING DISCLOSURE."

OVERVIEW

The Company began operations in 1968 as a designer and marketer of premium quality men's clothing and sportswear. Since inception, the Company, 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. The Company's net revenues are generated from its three integrated operations: wholesale, retail and licensing alliances. Licensing revenue includes royalties received from home collection licensing partners.

RESULTS OF OPERATIONS

The following discussion provides information and analysis of the Company's results of operations for the three months ended June 27, 1998 compared to June 28, 1997. As a result of the Company's initial public offering completed on June 17, 1997 and the use of a portion of the net proceeds therefrom to reduce outstanding indebtedness, historical interest expense is not discussed below because such information is not meaningful. The effect of income taxes is also not discussed below because the historic taxation of the operations of the Company is not meaningful with respect to periods following the Reorganization.

The table below sets forth the percentage relationship to net revenues of certain items in the Company's statements of income for the three months ended June 27, 1998 and June 28, 1997:

	JUNE 27, 1998	JUNE 28, 1997
Net sales.....	86.7%	88.2%
Licensing revenue.....	12.1	11.2
Other income.....	1.2	0.6
Net revenues.....	100.0	100.0
Gross profit.....	50.9	50.6
Selling, general and administrative expenses.....	40.4	40.7
Income from operations.....	10.5%	9.9%

THREE MONTHS ENDED JUNE 27, 1998 COMPARED TO THREE MONTHS ENDED JUNE 28, 1997

NET SALES. Net sales increased 21.8% to \$311.2 million in the three months ended June 27, 1998 from \$255.4 million in the three months ended June 28, 1997. Wholesale net sales increased 30.6% to \$170.0 million in the three months ended June 27, 1998 from \$130.2 million in the corresponding period of fiscal 1998. Wholesale growth primarily reflects increased menswear sales resulting from the timing of shipments to retailers for the summer season and volume-driven sales increases in existing menswear and womenswear brands. Retail sales increased by 12.8% to \$141.2 million in the three months ended June 27, 1998 from \$125.2 million in the corresponding period in fiscal 1998. This increase is primarily attributable to the benefit of three months of operations for three new Polo stores and ten new outlet stores opened in fiscal 1998 aggregating \$15.8 million. At June 27, 1998, the Company operated 28 Polo stores and 75 outlet stores.

LICENSING REVENUE. Licensing revenue increased 33.1% to \$43.3 million in the three months ended June 27, 1998 from \$32.5 million in the corresponding period of fiscal 1998. This increase is primarily attributable to an overall increase in sales of existing licensed products, particularly Chaps, Lauren and Polo Jeans, and the Company's continued expansion into international markets.

GROSS PROFIT. Gross profit as a percentage of net revenues increased to 50.9% in the three months ended June 27, 1998 from 50.6% in the corresponding period of fiscal 1998. This increase was primarily attributable to improvements in the Company's retail gross margins which increased slightly due to an improved initial markup. Additionally, licensing revenue, which has no associated cost of goods sold, increased as a percentage of net revenues to 12.1% in the three months ended June 27, 1998 from 11.2% in the corresponding period in fiscal 1998.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Selling, general and administrative ("SG&A") expenses increased to \$145.0 million or 40.4% of net revenues in the three months ended June 27, 1998 from \$117.9 million or 40.7% of net revenues in the corresponding period of fiscal 1998. This improvement in SG&A expenses as a percentage of net revenues was due to expense leveraging achieved with the Company's revenue growth.

LIQUIDITY AND CAPITAL RESOURCES

The Company's capital requirements primarily derive from working capital needs, construction and renovation of shop-within-shops, retail expansion and other corporate activities. The Company's main sources of liquidity are cash flows from operations and credit facilities.

Net cash provided by operating activities decreased to \$3.4 million in the three months ended June 27, 1998 from \$17.0 million in the comparable period in fiscal 1998. This reduction was driven by changes in accounts receivable and inventories primarily due to seasonality, timing (i.e., shipments and customer remittances) and the overall growth of the business. These factors were offset by changes in trade accounts payable and other liabilities as a result of timing of payments. Net cash used for investing activities decreased to \$22.6 million in the three months ended June 27, 1998 from \$24.5 million in the comparable period in fiscal 1998. This decrease principally reflects an increase in capital expenditures offset by the use of \$8.6 million to acquire the operations of Polo Retail Corporation and a \$5.0 million investment in a joint venture with a nonaffiliated partner, both of which investments were made in the quarter ended June 28, 1997. Net cash used in financing activities increased to \$4.4 million in the three months ended June 27, 1998 from net cash provided by financing activities of \$24.2 million in the comparable period in fiscal 1998. This increase in net cash used primarily reflects the repurchase of common stock in the three months ended June 27, 1998 and, in the comparable period in fiscal 1998, net proceeds received from the initial public offering, offset by the application of a portion of the net proceeds to repay outstanding indebtedness, scheduled debt repayments and partner distributions.

On June 9, 1997, the Company entered into a credit facility with a syndicate of banks which consists of a \$225.0 million revolving line of credit available for the issuance of letters of credit, acceptances and direct borrowings and matures on December 31, 2002 (the "Credit Facility"). Borrowings under the Credit Facility bear interest, at the Company's option, at a 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 one percent, and (ii) the prime commercial lending rate of The Chase Manhattan Bank in effect from time to time, or at the London Interbank Offered Rate plus an interest margin. The agreement contains customary representations, warranties, covenants and events of default, 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. Additionally, the agreement provides that an event of default will occur if Mr. Lauren and related entities fail to maintain a specified minimum percentage of the voting power of the Company's common stock. As of June 27, 1998, the Company had \$3.0 million outstanding in direct borrowings and was contingently liable for \$38.8 million in outstanding letters of credit under the Credit Facility.

Capital expenditures were \$21.6 million and \$10.3 million in the three months ended June 27, 1998 and June 28, 1997, respectively. The increase in capital expenditures in the three months ended June 27, 1998 represents primarily expenditures associated with the Company's shop-within-shops development program which includes new shops, renovations and expansions, as well as expenditures incurred in connection with the expansion of the Company's retail operations. The Company plans to invest approximately \$120.0 million, net of landlord incentives, over the current fiscal year in its retail stores, including flagship stores and expansion of its distribution facility, the shop-within-shops development program and other capital projects. See Part II. Other Information. Item 5. - "Statement Regarding Forward-Looking Disclosure."

In March 1998, the Board of Directors authorized the repurchase, subject to market conditions, of up to \$100.0 million of the Company's Class A Common Stock. Share repurchases under this plan will be made from time to time in the open market over a two-year period which commenced April 1, 1998. Shares acquired under the repurchase program will be used for stock option programs and for other corporate purposes. As of June 27, 1998, the Company had repurchased 256,900 shares of its Class A Common Stock at an aggregate cost of \$7.2 million.

Management believes that cash from ongoing operations and funds available under the Credit Facility will be sufficient to satisfy the Company's current level of operations, capital requirements, stock repurchase program and other corporate activities for the next twelve months. Additionally, the Company does not intend to pay dividends on its Common Stock in the next twelve months. See Part II. Other Information. Item 5. - "Statement Regarding Forward-Looking Disclosure."

SEASONALITY OF BUSINESS

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 segment. As a result of the growth in the Company's retail operations and licensing revenue, historical quarterly operating trends and working capital requirements may not accurately reflect future performances. 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.

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 years, exchange rate fluctuations have not had a material impact 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.

NEW ACCOUNTING STANDARDS

In June 1997, the FASB issued SFAS No. 131, DISCLOSURES ABOUT SEGMENTS OF AN ENTERPRISE AND RELATED INFORMATION. This Statement establishes standards for reporting selected financial data and descriptive information about an enterprises' reportable operating segments (as defined). This Statement also requires the reconciliation of total segment information presented to the corresponding amounts in the general purpose financial statements. Additionally, SFAS No. 131 establishes standards for related disclosures about products and services, geographic areas and major customers. The required disclosures, if any, will be presented in the Company's Annual Report on Form 10-K for the fiscal year ending April 3, 1999.

In June 1998, the FASB issued SFAS No. 133, ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES. This Statement establishes accounting and reporting standards for derivative instruments and hedging activities. It requires the recognition of all derivatives as either assets or liabilities in the statement of financial position and measurement of those instruments at fair value. The accounting for changes in the fair value of a derivative is dependent upon the intended use of the derivative. SFAS No. 133 is effective for the Company's first quarter of fiscal year ending April 1, 2000 and retroactive application is not permitted. The Company has not yet determined whether the application of SFAS No. 133 will have a material impact on the Company's financial position or results of operations.

In April 1998, the American Institute of Certified Public Accountants ("AICPA") Accounting Standards Executive Committee issued Statement of Position No. 98-5 ("SOP 98-5"), REPORTING ON THE COSTS OF START-UP ACTIVITIES. SOP 98-5 requires that costs of start-up activities, including organization costs and retail store openings, be expensed as incurred. SOP 98-5 is effective for the Company's fiscal year ending April 1, 2000. The Company has not yet determined whether the application of SOP 98-5 will have a material impact on the Company's financial position or results of operations.

IMPACT OF THE YEAR 2000 ISSUE

The Year 2000 Issue is the result of computer programs being written using two digits rather than four to define the applicable year. Certain of the Company's computer programs have date-sensitive software which may recognize a date using "00" as the year 1900 rather than the year 2000. This situation could result in a system failure or miscalculations causing disruptions of operations, including, among other things, a temporary inability to process transactions, send invoices or engage in similar normal business activities.

Based on an internal assessment, the Company determined that it will be required to modify or replace portions of its software applications so that its computer systems will properly utilize dates beyond December 31, 1999. The Company presently believes that with modifications to existing software and conversions to new software, the Year 2000 Issue can be mitigated. However, if such modifications and conversions are not made or are not timely completed, the Year 2000 Issue could have a material impact on the operations of the Company.

The Company has initiated formal communications with its significant suppliers, licensees, transportation carriers, general service providers and large customers to determine the extent to which the Company is vulnerable to those third parties' failure to remediate their own Year 2000 Issue. In addition, third party vendors of hardware and packaged software have been contacted about their products' compliance status. There can be no guarantee that the systems of other companies on which the Company's systems rely will be timely converted, or that a failure to convert by another company, or a conversion that is incompatible with the Company's systems, would not have a material adverse effect on the Company.

The Company will utilize both internal and external resources to reprogram, replace and test the software for Year 2000 modifications. The Company plans to complete the major initiatives of its Year 2000 project within the current fiscal year. To date, the Company has incurred expenses of approximately \$1.9 million related to the assessment of, and preliminary efforts in connection with, its Year 2000 project and the development of a remediation plan. The total remaining cost of the Year 2000 project is estimated at \$4.0 to \$5.0 million and is being funded through operating cash flows. Of the total project cost, approximately \$0.5 million is attributable to the purchase of new software which will be capitalized. The remainder will be expensed as incurred.

The costs of the project and the date on which the Company plans to complete the Year 2000 modifications are based on management's best estimates, which were derived utilizing numerous assumptions of future events including the continued availability of certain resources, third party modification plans and other factors. However, there can be no guarantee that these estimates will be achieved, and actual results could differ materially from those plans.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

The Company is involved from time to time in various legal proceedings arising in the ordinary course of business. In the opinion of the Company's management, the resolution of any matter currently pending will not have a material effect on the financial condition or results of operations of the Company.

ITEM 5. OTHER INFORMATION.

SHAREHOLDER PROPOSALS

Any shareholder proposal submitted with respect to the Company's 1999 Annual Meeting of Shareholders, which proposal is submitted outside the requirements of Rule 14a-8 under the Securities Exchange Act of 1934, will be considered untimely for purposes of Rules 14a-4 and 14a-5 if notice thereof is received by the Company after June 14, 1999.

STATEMENT REGARDING FORWARD-LOOKING DISCLOSURE

Certain statements in this Form 10-Q and in future filings by the Company with the Securities and Exchange Commission, in the Company's press releases, and in oral statements made by or with the approval of an authorized executive officer constitute "forward-looking statements" within the meaning of the Reform Act. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: risks associated with changes in the competitive marketplace, including the introduction of new products or pricing changes by the Company's competitors; changes in global economic conditions; risks associated with the Company's dependence on sales to a limited number of large department store customers and risks related to extending credit to customers; risks associated with the Company's dependence on its licensing partners for a substantial portion of its net income and 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; uncertainties relating to the Company's ability to implement its growth strategy; risks associated with the possible adverse impact of the inability of the Company's unaffiliated manufacturers 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 foreign operations and sourcing; and, the possible adverse impact of changes in import restrictions. 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.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits--

27.1 Financial Data Schedule

(b) Reports on Form 8-K--

No reports on Form 8-K were filed by the Company in the quarter ended June 27, 1998.

SIGNATURES

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

POLO RALPH LAUREN CORPORATION

Date: August 11, 1998

By: /s/ Nancy A. Platoni Poli

Nancy A. Platoni Poli
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

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POLO RALPH LAUREN
1,000

3-MOS
APR-03-1999
MAR-28-1998
JUN-27-1998

		35,173
	0	
	122,728	
	10,904	
	357,710	
	558,949	
		318,420
	133,088	
	842,456	
201,561		
		0
0		
	0	
	1,003	
	598,804	
842,456		
		311,155
	358,776	
		176,162
	176,162	
	144,963	
	0	
	(680)	
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	15,620	
22,711		
	0	
	0	
		0
	22,711	
	0.23	
	0.23	