
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

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

For the Quarterly Period Ended September 27, 2003

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

*(State or other jurisdiction of
incorporation or organization)*

13-2622036

*(I.R.S. Employer
Identification No.)*

**650 Madison Avenue,
New York, New York**

(Address of principal executive offices)

10022

(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 No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

At November 7, 2003 49,584,129 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 10,570,979 shares of the registrant's Class C Common Stock, \$.01 par value were outstanding.

POLO RALPH LAUREN CORPORATION

INDEX TO FORM 10-Q

	<u>Page</u>
PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements	
Consolidated Balance Sheets as of September 27, 2003 (Unaudited) and March 29, 2003	2
Consolidated Statements of Operations for the three and six months ended September 27, 2003 and September 28, 2002 (Unaudited)	3
Consolidated Statements of Cash Flows for the six months ended September 27, 2003 and September 28, 2002 (Unaudited)	4
Notes to Consolidated Financial Statements	5
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	14
Item 3. Quantitative and Qualitative Disclosures about Market Risk	21
Item 4. Controls and Procedures	22
PART II. OTHER INFORMATION	
Item 1. Legal Proceedings	23
Item 4. Submission of Matters to a Vote of Security-Holders	24
Item 6. Exhibits and Reports on Form 8-K	25
Signatures	26

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

	September 27, 2003	March 29, 2003
	(Unaudited)	
ASSETS		
Cash and cash equivalents	\$ 210,637	\$ 343,606
Accounts receivable, net of allowances of \$16,728 and \$17,631	371,591	375,823
Inventories, net	400,736	363,771
Deferred tax assets	23,430	15,735
Prepaid expenses and other	106,114	63,615
	<hr/>	<hr/>
Total current assets	1,112,508	1,162,550
Property and equipment, net	357,924	354,996
Deferred tax assets	54,386	54,386
Goodwill	329,003	315,559
Intangibles, net	10,823	11,400
Other assets	171,180	139,931
	<hr/>	<hr/>
Total assets	\$2,035,824	\$2,038,822
	<hr/>	<hr/>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Short-term bank borrowings	\$ —	\$ 100,943
Accounts payable	162,869	181,392
Income tax payable	58,619	55,501
Accrued expenses and other	208,958	162,511
	<hr/>	<hr/>
Total current liabilities	430,446	500,347
Long-term debt	264,025	248,494
Other noncurrent liabilities	69,968	81,214
Commitments and Contingencies (Note 11)		
Stockholders' equity:		
Common Stock		
Class A, par value \$.01 per share; 500,000,000 shares authorized; 49,561,371 and 48,977,119 shares issued	501	489
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; 10,570,979 shares issued and outstanding	106	106
Additional paid-in-capital	530,652	504,700
Retained earnings	825,514	776,359
Treasury Stock, Class A, at cost (4,137,820 and 4,105,932 shares)	(78,737)	(77,928)
Accumulated other comprehensive income	10,194	10,787
Unearned compensation	(17,278)	(6,179)
	<hr/>	<hr/>
Total stockholders' equity	1,271,385	1,208,767
	<hr/>	<hr/>
Total liabilities & stockholders' equity	\$2,035,824	\$2,038,822
	<hr/>	<hr/>

See accompanying notes to consolidated financial statements.

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended		Six Months Ended	
	September 27, 2003	September 28, 2002	September 27, 2003	September 28, 2002
Net sales	\$ 633,241	\$ 574,554	\$ 1,049,330	\$ 988,420
Licensing revenue	74,536	66,285	136,178	119,419
Net revenues	707,777	640,839	1,185,508	1,107,839
Cost of goods sold	357,211	319,573	586,190	553,969
Gross profit	350,566	321,266	599,318	553,870
Selling, general and administrative expenses	267,613	236,618	510,839	451,534
Income from operations	82,953	84,648	88,479	102,336
Foreign currency (gains) losses	(1,784)	220	(4,083)	3,752
Interest expense	2,890	4,383	6,752	9,764
Interest income	(694)	(1,441)	(1,638)	(2,838)
Income before provision for income taxes and other (income) expense, net	82,541	81,486	87,448	91,658
Provision for income taxes	30,128	29,742	31,919	33,454
Other (income) expense, net	(1,597)	—	(3,536)	—
Net income	\$ 54,010	\$ 51,744	\$ 59,065	\$ 58,204
Net income per share — Basic	\$ 0.55	\$ 0.53	\$ 0.60	\$ 0.59
Net income per share — Diluted	\$ 0.54	\$ 0.52	\$ 0.59	\$ 0.59
Weighted average common shares outstanding — Basic	98,703,840	98,301,441	98,540,534	98,230,188
Weighted average common shares outstanding — Diluted	100,781,395	99,319,019	100,051,606	99,440,497
Dividends declared per share	\$ 0.05	\$ —	\$ 0.10	\$ —

See accompanying notes to consolidated financial statements.

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended	
	September 27, 2003	September 28, 2002
Cash flows from operating activities		
Net income	\$ 59,065	\$ 58,204
Adjustments to reconcile net income to net cash provided by operating activities:		
Benefit from deferred income taxes	(3,568)	(7,128)
Depreciation and amortization	40,501	36,446
Provision for losses on accounts receivable	648	1,210
Changes in deferred liabilities	(16,707)	1,256
Foreign currency (gains) losses	(145)	3,752
Other	1,187	(15,106)
Changes in assets and liabilities:		
Accounts receivable	7,947	73,435
Inventories	(31,032)	(39,781)
Prepaid expenses and other	(41,047)	(13,892)
Other assets	(25,777)	(2,026)
Accounts payable	(20,548)	(9,352)
Income taxes payable	4,702	30,741
Accrued expenses and other	34,226	16,338
Net cash provided by operating activities	9,452	134,097
Cash flows from investing activities		
Acquisition, net of cash acquired	(4,518)	—
Purchases of property and equipment	(39,526)	(34,508)
Equity investments	(5,427)	—
Disposal of property and equipment	871	—
Cash surrender value — officers' life insurance	—	1,911
Net cash used in investing activities	(48,600)	(32,597)
Cash flows from financing activities		
Payment of dividends	(4,927)	—
Repurchases of common stock	(809)	(309)
Proceeds from exercise of stock options	11,625	5,644
(Repayments of) proceeds from short-term bank borrowings	(100,943)	6,307
Repayments of long-term debt	—	(7,746)
Net cash (used in) provided by financing activities	(95,054)	3,896
Effect of exchange rate changes on cash and cash equivalents and net investment in foreign subsidiaries	1,233	5,346
Net (decrease) increase in cash and cash equivalents	(132,969)	110,742
Cash and cash equivalents at beginning of period	343,606	244,733
Cash and cash equivalents at end of period	\$ 210,637	\$355,475
Supplemental cash flow information		
Cash paid for interest	\$ 6,467	\$ 2,789
Cash paid for income taxes	\$ 20,454	\$ 14,681

See accompanying notes to consolidated financial statements.

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Information for September 27, 2003 and September 28, 2002 is unaudited)
(In thousands, except share and per share data and where otherwise indicated)

1. Significant Accounting Policies

Principles of Consolidation

The accompanying unaudited consolidated financial statements include the accounts of Polo Ralph Lauren Corporation (“PRLC”) and its wholly and majority owned subsidiaries (collectively referred to as the “Company,” “we,” “us,” and “our”, unless the content requires otherwise.

Financial Reporting

The consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosure normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted from this report as is permitted by such rules and regulations. However, we believe that the disclosures are adequate to make the information presented not misleading. The consolidated balance sheet data for March 29, 2003 is derived from the audited financial statements which are included in our annual report on Form 10-K filed with the Securities and Exchange Commission for the year ended March 29, 2003 (“Fiscal 2003”), which should be read in conjunction with these financial statements. Reference is made to such annual report on Form 10-K for a complete set of financial statement notes, including our significant accounting policies. The results of operations for the three and six months ended September 27, 2003 are not necessarily indicative of results to be expected for the entire fiscal year ending April 3, 2004 (“Fiscal 2004”).

In the opinion of management, the accompanying unaudited consolidated financial statements contain all normal and recurring adjustments necessary to present fairly the consolidated financial condition, results of operations, and changes in cash flows of the Company for the interim periods presented.

Results for our 50% interest in the Japanese master license and the 20% equity interest are reported on a one-month lag (See Note 2).

Stock Options

We use the intrinsic value method to account for stock-based compensation in accordance with Accounting Principles Board (“APB”) Opinion No. 25, “Accounting for Stock Issued to Employees,” and have adopted the disclosure-only provisions of Statement of Financial Accounting Standards (“SFAS”) No. 123, “Accounting for Stock-Based Compensation,” as amended by SFAS No. 148, “Accounting for Stock-Based Compensation — Transition and Disclosure.” Accordingly, no compensation cost has been recognized for fixed stock option grants. Had compensation costs for the Company’s stock option grants been determined based on the fair value at the grant dates for awards under these plans in accordance with SFAS

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

No. 123, the Company's net income and earnings per share would have been reduced to the pro forma amounts as follows:

	For the Three-Months Ended		For the Six-Months Ended	
	September 27, 2003	September 28, 2002	September 27, 2003	September 28, 2002
Net income as reported	\$54,010	\$51,744	\$59,065	\$58,204
Total stock-based employee compensation expense determined under fair value based method for all awards, net of tax	3,857	4,713	7,385	8,485
Pro forma net income	\$50,153	\$47,031	\$51,680	\$49,719
Net income per share as reported —				
Basic	\$ 0.55	\$ 0.53	\$ 0.60	\$ 0.59
Diluted	\$ 0.54	\$ 0.52	\$ 0.59	\$ 0.59
Pro forma net income per share —				
Basic	\$ 0.51	\$ 0.48	\$ 0.52	\$ 0.51
Diluted	\$ 0.50	\$ 0.47	\$ 0.52	\$ 0.50

For this purpose, the fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for grants in Fiscal 2004 and Fiscal 2003, respectively: risk-free interest rates of 2.54% and 3.69%; a dividend of \$0.20 and \$0.00 per annum; expected volatility of 47.2% and expected lives of 5.2 years for all periods.

Reclassifications

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

2. Acquisitions

In February 2003, we acquired a 50% controlling interest in the Japanese master license for the Polo Ralph Lauren men's, women's and jeans business in Japan for approximately \$24.1 million. In connection with the acquisition of the Japanese master license, we recorded tangible assets of \$11.0 million, an intangible license valued at \$9.9 million and liabilities assumed of \$8.5 million based on estimated fair values as determined by management utilizing information available at this time. At March 29, 2003, goodwill of \$13.0 million was recognized for the excess of the purchase price plus transaction costs of \$1.3 million over the preliminary estimate of fair market value of the net assets acquired. During the six months ended September 27, 2003, we incurred an additional \$3.5 million of transaction costs which have been included in goodwill. Our accounting for the acquisition was based on preliminary valuation information, which is subject to revision.

100% of the revenues and expenses for the Japanese master license are included in the Company's consolidated statements of operations. For the three and six months ended September 27, 2003, we have recorded minority interest expense of \$0.9 million to reflect the share of earnings allocable to the 50% minority interest holder in the Japanese master license. This amount is included in Other (income) expense, net in the consolidated statements of operations.

In February 2003, we acquired an 18% equity interest in the company which holds the sublicenses for the Polo Ralph Lauren men's, women's and jeans business in Japan for approximately \$47.6 million. In May 2003, we paid \$5.4 million to acquire an additional 2% equity interest in this company. For the three and six months ended September 27, 2003, we recorded \$2.5 million and \$4.4 million, respectively, of equity investment

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

income related to this investment. This amount is included in Other (income) expense, net in the consolidated statements of operations.

Results for our 50% interest in the Japanese master license and the 20% equity interest are reported on a one-month lag.

On October 31, 2001, we completed the acquisition of substantially all of the assets of PRL Fashions of Europe S.R.L. During the first quarter ended of Fiscal 2004, an additional payment was made on the first earn-out payment calculation, resulting in an additional increase in goodwill of approximately \$1.0 million.

3. Inventories

Inventories are valued at the lower of cost (first-in, first-out, "FIFO" method) or market and are summarized as follows:

	September 27, 2003	March 29, 2003
Raw materials	\$ 5,417	\$ 4,214
Work-in-process	6,184	4,536
Finished goods	389,135	355,021
	<u>\$400,736</u>	<u>\$363,771</u>

4. Goodwill and Other Intangible Assets

As required under SFAS No. 142, "Goodwill and Other Intangible Assets," we completed our annual impairment test as of the first day of the second quarter of Fiscal 2004. As a result of this test, no impairment was recognized. The carrying value of goodwill as of September 27, 2003 and March 29, 2003 by operating segment is as follows (dollars in millions):

	Wholesale	Retail	Licensing	Total
Balance at March 29, 2003	\$133.7	\$69.4	\$112.5	\$315.6
Purchases	1.0	—	3.5	4.5
Effect of foreign exchange and other adjustments	5.7	3.2	—	8.9
Balance at September 27, 2003	<u>\$140.4</u>	<u>\$72.6</u>	<u>\$116.0</u>	<u>\$329.0</u>

The carrying value of indefinite life intangible assets as of September 27, 2003 was \$1.5 million and relates to the Company's owned trademark. Finite life intangible assets as of September 27, 2003 and March 29, 2003, subject to amortization, are comprised of the following:

	September 27, 2003			March 29, 2003			Estimated Lives
	Gross Carrying Amount	Accum. Amort.	Net	Gross Carrying Amount	Accum. Amort.	Net	
Licensed trademarks	\$9,900	\$577	\$9,323	\$9,900	\$ —	\$9,900	10 years

Intangible amortization expense was \$0.3 million each for the first and second quarters of Fiscal 2004, respectively. The estimated intangible amortization expense for each of the following five years is expected to be approximately \$1.0 million per year.

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

5. Restructuring

(a) 2003 Restructuring Plan

During the third quarter of Fiscal 2003, we completed a strategic review of our European businesses and formalized our plans to centralize and more efficiently consolidate its business operations. The major initiatives of the plan included the following: consolidation of our headquarters from five cities in three countries to one location; the consolidation of our European logistics operations to Italy; and the migration of all European information systems to a standard global system. In connection with the implementation of this plan, the Company has recorded a \$14.4 million restructuring charge during Fiscal 2003 for severance and contract termination costs. We expect the remaining consolidation and migration to be completed during Fiscal 2005. The major components of the charge and the activity for the six months ended September 27, 2003 were as follows:

	Severance and Termination Benefits	Lease and Other Contract Termination Costs	Total
Balance at March 29, 2003	\$ 8,099	\$2,567	\$10,666
Fiscal 2004 spending	(2,392)	—	(2,392)
Balance at September 27, 2003	\$ 5,707	\$2,567	\$ 8,274

Total severance and termination benefits as a result of this restructuring related to approximately 150 employees. Total cash outlays related to this plan of approximately \$5.8 million have been paid through September 27, 2003. It is expected that this plan will be completed, and the remaining liabilities will be paid, in Fiscal 2005.

(b) 2001 Operational Plan

In connection with the implementation of the 2001 Operational Plan, we recorded a pre-tax restructuring charge of \$128.6 million in our second quarter of Fiscal 2001. This charge was subsequently adjusted for a \$5.0 million reduction of liabilities in the fourth quarter of Fiscal 2001 and a \$16.0 million increase in the fourth quarter of Fiscal 2002 for lease termination costs associated with the closure of our retail stores due to market factors that were less favorable than originally estimated. The major component of the charge remaining and the activity through September 27, 2003 is as follows:

	Lease and Contract Termination Costs
Balance at March 29, 2003	\$ 5,151
Fiscal 2004 spending	(4,593)
Balance at September 27, 2003	\$ 558

Total severance and termination benefits as a result of the 2001 Operational Plan related to approximately 550 employees, all of whom have been terminated. Total cash outlays related to the 2001 Operational Plan are expected to be approximately \$40.7 million, \$40.1 million of which have been paid through September 27, 2003. We completed the implementation of the 2001 Operational Plan in Fiscal 2002 and expect to settle the remaining liabilities in Fiscal 2004 or in accordance with contract terms.

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

6. Financing Agreements

In November 2002, we terminated both our 1997 bank credit facility and our 1999 senior bank credit facility and entered into a new credit facility. The 1997 bank credit facility provided for a \$225.0 million revolving line of credit and was scheduled to mature on December 31, 2002, while the 1999 senior bank credit facility consisted of a \$20.0 million revolving line of credit and an \$80.0 million term loan, both of which were scheduled to mature on June 30, 2003. The new credit facility is with a syndicate of banks and consists of a \$300.0 million revolving line of credit, subject to increase to \$375.0 million, and is available for direct borrowings and the issuance of letters of credit. It will mature on November 18, 2005. As of September 27, 2003, we had no balance outstanding under the new facility. Borrowings under this facility bear interest, at our option, at a rate equal to (i) the higher of the Federal Funds Effective Rate, as published by the Federal Reserve Bank of New York, plus 1/2 of one percent, and the prime commercial lending rate of JP Morgan Chase Bank in effect from time to time, or (ii) the LIBO Rate (as defined) in effect from time to time, as adjusted for the Federal Reserve Boards Eurocurrency Liabilities maximum reserve percentages and a margin based on our then current credit ratings. As of September 27, 2003, the margin was 0.75%. At September 27, 2003, we were contingently liable for \$21.1 million in outstanding letters of credit related primarily to commitments for the purchase of inventory.

Our 2002 bank credit facility requires that we maintain certain financial covenants. As of September 27, 2003, we were in compliance with all financial and non-financial debt covenants.

7. Financial Instruments

In June 2002, we entered into a cross currency rate swap, which was scheduled to terminate in November 2006. The cross currency rate swap was being used to convert Euro 105.2 million, 6.125% fixed rate borrowings into \$100.0 million, LIBOR plus 1.24% variable rate borrowings. We entered into the cross currency rate swap to minimize the impact of foreign exchange fluctuations in both principal and interest payments resulting from Euro debt, and to minimize the impact of changes in the fair value of the Euro debt due to changes in LIBOR, the benchmark interest rate. The swap had been designated as a fair value hedge under SFAS No. 133. Hedge ineffectiveness was measured as the difference between the respective gains or losses recognized in earnings from the changes in the fair value of the cross currency rate swap and the Euro debt.

In May 2003, we terminated the cross currency rate swap, and entered into an interest rate swap that terminates in November 2006. The interest rate swap is being used to convert Euro 105.2 million, 6.125% fixed rate borrowings into Euro 105.2 million, EURIBOR minus 1.55% variable rate borrowings. We entered into the interest rate swap to minimize the impact of changes in the fair value of the Euro debt due to changes in EURIBOR, the benchmark interest rate. The swap has been designated as a fair value hedge under SFAS No. 133. Hedge ineffectiveness is measured as the difference between the respective gains or losses recognized in earnings from the changes in the fair value of the interest rate swap and the Euro debt resulting from changes in the benchmark interest rate, and was de minimis for the six months ended September 27, 2003. In addition, we have designated the entire principal of the Euro debt as a hedge of our net investment in certain foreign subsidiaries. As a result, changes in the fair value of the Euro debt resulting from changes in the Eurodollar rate are reported net of income taxes in accumulated other comprehensive income in the consolidated financial statements as an unrealized gain or loss on foreign currency hedges.

We enter into forward foreign exchange contracts as hedges relating to identifiable currency positions to reduce our risk from exchange rate fluctuations on inventory purchases and intercompany royalty payments. Gains and losses on these contracts are deferred and recognized as adjustments to either the basis of those assets or foreign exchange gains/losses, as applicable. At September 27, 2003, we had foreign exchange contracts outstanding as follows: (i) to deliver 52.3 million Eurodollars in exchange for \$56.0 million through Fiscal 2004 and (ii) to deliver 9,205 million Japanese Yen in exchange for \$80.4 million through Fiscal 2008.

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

At September 27, 2003, the fair value of these contracts resulted in an unrealized loss, net of taxes of \$4.9 million and an unrealized loss, net of taxes of \$2.5 million, respectively.

8. Comprehensive Income

For the three and six months ended September 27, 2003 and September 28, 2002, comprehensive income was as follows:

	Three Months Ended		Six Months Ended	
	September 27, 2003	September 28, 2002	September 27, 2003	September 28, 2002
Net Income	\$54,010	\$51,744	\$ 59,065	\$ 58,204
Other comprehensive income, net of taxes:				
Foreign currency translation adjustments	(4,427)	(6,927)	15,967	9,866
Unrealized losses on cash flow and foreign currency hedges, net	(1,823)	4,993	(16,560)	(14,195)
Comprehensive Income	\$47,760	\$49,810	\$ 58,472	\$ 53,875

The income tax effect related to foreign currency translation adjustments and unrealized gains and losses on cash flow and foreign currency hedges, net, was a benefit of \$3.8 million and \$1.1 million in the three months ended September 27, 2003 and September 28, 2002, respectively.

The income tax effect related to foreign currency translation adjustments and unrealized gains and losses on cash flow and foreign currency hedges, net, was a benefit of \$9.9 million and \$2.5 million in the six months ended September 27, 2003 and September 28, 2002, respectively.

9. Earnings Per Share

Basic EPS is calculated based on income available to common shareholders and the weighted-average number of shares outstanding during the reported period. Diluted EPS includes additional dilution from potential common stock issuable pursuant to the exercise of stock options outstanding and is calculated under the treasury stock method. The weighted average number of common shares outstanding used to calculate Basic EPS is reconciled to those shares used in calculating Diluted EPS as follows:

	Three Months Ended		Six Months Ended	
	September 27, 2003	September 28, 2002	September 27, 2003	September 28, 2002
Basic	98,704	98,301	98,541	98,230
Dilutive effect of stock options, restricted stock and restricted stock units	2,077	1,018	1,511	1,210
Diluted shares	100,781	99,319	100,052	99,440
Antidilutive options	843	7,399	4,543	7,228

Options to purchase shares of common stock at an exercise price greater than the average market price of the common stock are anti-dilutive and therefore not included in the computation of diluted earnings per share.

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

10. Stock Incentive Plans

In June 2003, a grant of 100,000 restricted stock units was made under our Stock Incentive Plan, and an additional 190 restricted stock units were granted in July 2003 in respect of the initial grant in connection with the payment of a quarterly cash dividend on our common stock. An additional 100,000 restricted stock units will be granted on each anniversary of the first grant date pursuant to an employment agreement with an initial term ending on the last day of Fiscal 2008, and additional units (the "dividend units") will be granted in respect of the then outstanding restricted stock units in connection with each cash dividend paid on our common stock. The additional restricted stock units vest on the fifth anniversary of the grant date (with the dividend units vesting with the underlying restricted stock units in respect of which they are granted) and will be payable solely in shares of common stock following termination of employment. The vesting of all then outstanding and unvested restricted stock units will be accelerated if termination of employment occurs after the last day of Fiscal 2008, except in the case of termination by the Company for cause. The unearned compensation in respect of the grants made during the initial term is being amortized over the period ending on that date.

11. Commitments & Contingencies

Declaration of Dividend

On May 20, 2003 the Board of Directors declared a regular quarterly cash dividend of \$0.05 per share, or \$0.20 per share on an annual basis, on Polo Ralph Lauren common stock. The second quarter dividend was payable to shareholders of record at the close of business on September 26, 2003 and was paid on October 10, 2003. Approximately \$9.9 million was recorded as a reduction to retained earnings during the six months ended September 27, 2003 in connection with these dividends.

Legal Matters

The Company is a party to several pending legal proceedings and claims. Although the outcome of such actions cannot be determined with certainty, management is of the opinion that the final outcome should not have a material adverse effect on the Company's results of operations or financial position (See Note 12).

12. Legal Proceedings

As a result of the failure of Jones Apparel Group, Inc. (including its subsidiaries, "Jones"), to meet the minimum sales volumes for the year ended December 31, 2002 under the license agreements for the sale of products under the "Ralph" trademark between the Company and Jones dated May 11, 1998, these license agreements will terminate as of December 31, 2003. The Company has advised Jones that the termination of these licenses will automatically result in the termination of the licenses between it and Jones with respect to the "Lauren" trademark pursuant to the Cross Default and Term Extension Agreement, between the Company and Jones dated May 11, 1998. The Lauren license agreements would otherwise expire on December 31, 2006. Jones has reported that net sales of Lauren and Ralph products for the year ended December 31, 2002 were \$548.0 million and \$37.0 million, respectively.

On June 3, 2003, Jones filed a lawsuit against us in the Supreme Court of the State of New York alleging, among other things, that the Company breached its agreements with Jones with respect to the "Lauren" trademark by asserting its rights pursuant to the Cross Default and Term Extension Agreement and that the Company induced Ms. Jackwyn Nemerov, the former President of Jones, to breach the non-compete and confidentiality clauses in Ms. Nemerov's employment agreement with Jones. Jones stated that it will treat the Lauren license agreements as terminated as of December 31, 2003, and is seeking compensatory damages of \$550.0 million as well as punitive damages and to enforce the provisions of Ms. Nemerov's agreement. Also on June 3, 2003, the Company filed a lawsuit against Jones in the Supreme Court of the State of New York seeking, among other things, an injunction and a declaratory judgment that the Lauren license agreements will

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

terminate as of December 31, 2003 pursuant to the terms of the Cross Default and Term Extension Agreement. The two lawsuits have been consolidated. On July 3, 2003, the Company filed a motion to dismiss Jones' claims regarding breach of the "Lauren" agreements and a motion to stay the claims regarding Ms. Nemerov pending the arbitration of Jones' dispute with Ms. Nemerov. On July 23, 2003 Jones filed a motion for summary judgment in the action filed by the Company, and on August 12, 2003 the Company filed a cross-motion for summary judgment. Oral argument on the motions was heard on September 30, 2003. If Jones' lawsuit were to be determined adversely to the Company, it could have a material adverse effect on the Company's results of operations and financial condition; however, the Company believes that the lawsuit is without merit and that the Company will prevail.

With respect to the litigations with the United States Polo Association Inc. and Jordache, Ltd. described in the Company's Annual Report on Form 10-K for the fiscal year ended March 29, 2003, all claims and counterclaims have been settled, except for the Company's claims that the defendants violated the Company's trademark rights.

In the putative class action filed by Toni Young against the Company in the United States District Court of San Francisco described in the Company's Annual Report on Form 10-K for the fiscal year ended March 29, 2003 and its Quarterly Report on Form 10-Q for the fiscal quarter ended June 28, 2003, the Court heard the Company's motions on August 14, 2003. The Court granted partial summary judgment with respect to certain of the plaintiff's claims, but concluded that more discovery was necessary before it could decide the key issue as to whether the Company had maintained a dress code policy, for a period of time, that violated California law. The Court ordered the parties to conduct limited discovery to that end, to be completed by the end of the year.

On June 1, 2003 (the "Petition Date") WestPoint Stevens, inc. and certain of its affiliates ("WestPoint") filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code with the United States Bankruptcy Court for the Southern District of New York. As of the Petition Date, WestPoint was liable to the Company for an aggregate amount of no less than \$6.0 million pursuant to a Sub-Licensing Agreement dated July 1, 2000. The Company filed proofs of claim against WestPoint on October 3, 2003.

13. Segment Reporting

The Company operates in three business segments: wholesale, retail and licensing. Our reportable segments are individual business units that either offer different products and services or are managed separately, as each segment requires different strategic initiatives, promotional campaigns, marketing and advertising, based upon its own individual positioning in the market. Additionally, these segments reflect the reporting basis used internally by senior management to evaluate performance and the allocation of resources.

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Our net revenues and income from operations for the three and six months ended September 27, 2003 and September 28, 2002 for each segment were as follows:

	Three Months Ended		Six Months Ended	
	September 27, 2003	September 28, 2002	September 27, 2003	September 28, 2002
Net revenues:				
Wholesale	\$336,105	\$310,715	\$ 497,730	\$ 497,443
Retail	297,136	263,839	551,600	490,977
Licensing	74,536	66,285	136,178	119,419
	<u>\$707,777</u>	<u>\$640,839</u>	<u>\$1,185,508</u>	<u>\$1,107,839</u>
Income (Loss) from operations:				
Wholesale	\$ 25,459	\$ 35,769	\$ (5,590)	\$ 13,839
Retail	21,075	13,310	32,321	29,180
Licensing	36,419	35,569	61,748	59,317
	<u>\$ 82,953</u>	<u>\$ 84,648</u>	<u>\$ 88,479</u>	<u>\$ 102,336</u>

Our net revenues for the three and six months ended September 27, 2003 and September 28, 2002 by geographic location were as follows:

	Three Months Ended		Six Months Ended	
	September 27, 2003	September 28, 2002	September 28, 2003	September 29, 2002
Net revenues:				
United States and Canada	\$519,744	\$477,936	\$ 899,272	\$ 859,301
Europe	156,032	153,999	217,206	223,961
Other Regions	32,001	8,904	69,030	24,577
	<u>\$707,777</u>	<u>\$640,839</u>	<u>\$1,185,508</u>	<u>\$1,107,839</u>

14. Subsequent Events

In November 2003, we purchased a perpetual license for use of certain trademarks for \$7.5 million which will be accounted for as an intangible asset.

POLO RALPH LAUREN CORPORATION

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis is a summary and should be read together with our Consolidated Financial Statements and related notes thereto which are included herein. We utilize a 52-53 week Fiscal year ending on the Saturday nearest March 31. Fiscal 2004 will end on April 3, 2004 ("Fiscal 2004") and reflects a 53 week period. Fiscal 2003 ended March 29, 2003 ("Fiscal 2003") and reflect a 52 week period.

Certain statements in this Form 10-Q and in future filings with the Securities and Exchange Commission, in our press releases and in oral statements made by or with the approval of authorized personnel constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on current expectations and are indicated by words or phrases such as "anticipate," "estimate," "expect," "project," "we believe," "is or remains optimistic," "currently envisions" and similar words or phrases and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements 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 a general economic downturn and other events leading to a reduction in discretionary consumer spending; risks associated with implementing our plans to enhance our worldwide luxury retail business, inventory management program and operating efficiency initiatives; risks associated with our start-up of the Lauren Line; risks associated with changes in the competitive marketplace, including the introduction of new products or pricing changes by our competitors; changes in global economic or political conditions; risks associated with our dependence on sales to a limited number of large department store customers, including risks related to extending credit to customers; risks associated with our dependence on our licensing partners for a substantial portion of our net income and risks associated with a lack of operational and financial control over licensed businesses; risks associated with financial distress of licensees, including the impact on our net income and business of one or more licensees' reorganization; risks associated with consolidations, restructurings and other ownership changes in the retail industry; risks associated with competition in the segments of the fashion and consumer product industries in which we operate, including our ability to shape, stimulate and respond to changing consumer tastes and demands by producing attractive products, brands and marketing, and our ability to remain competitive in the areas of quality and price; risks associated with uncertainty relating to our ability to implement our growth strategies; risks associated with our entry into new markets either through internal development activities or through acquisitions; risks associated with the possible adverse impact of our 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 foreign operations or sourcing and the possible adverse impact of changes in import restrictions; risks related to our ability to establish and protect our trademarks and other proprietary rights; risks related to fluctuations in foreign currency affecting our foreign subsidiaries' and foreign licensees' results of operations and the relative prices at which we and our foreign competitors sell products in the same market and our operating and manufacturing costs outside of the United States; and risks associated with our control by Lauren family members and the anti-takeover effect of multiple classes of stock. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Recent Developments

As a result of the failure of Jones Apparel Group, Inc. (including its subsidiaries, "Jones"), to meet the minimum sales volumes for the year ended December 31, 2002, under the license agreements for the sale of products under the "Ralph" trademark between us and Jones dated May 11, 1998, these license agreements will terminate as of December 31, 2003. We have advised Jones that the termination of these licenses will automatically result in the termination of the licenses between us and Jones with respect to the "Lauren" trademark pursuant to the Cross Default and Term Extension Agreement, between the Company and Jones dated May 11, 1998. The Lauren license agreements would otherwise expire on December 31, 2006. Jones has

reported that net sales of Lauren and Ralph products for the year ended December 31, 2002 were \$548.0 million and \$37.0 million, respectively.

On June 3, 2003, Jones filed a lawsuit against us in the Supreme Court of the State of New York alleging, among other things, that we breached our agreements with Jones with respect to the "Lauren" trademark by asserting our rights pursuant to the Cross Default and Term Extension Agreement and that we induced Ms. Jackwyn Nemerov, the former President of Jones, to breach the non-compete and confidentiality clauses in Ms. Nemerov's employment agreement with Jones. Jones stated that it will treat the Lauren license agreements as terminated as of December 31, 2003, and is seeking compensatory damages of \$550.0 million as well as punitive damages and to enforce the provisions of Ms. Nemerov's agreement. Also on June 3, 2003, we filed a lawsuit against Jones in the Supreme Court of the State of New York seeking, among other things, an injunction and a declaratory judgment that the Lauren license agreements will terminate as of December 31, 2003 pursuant to the terms of the Cross Default and Term Extension Agreement. The two lawsuits have been consolidated. On July 3, 2003, we filed a motion to dismiss Jones' claims regarding breach of the "Lauren" agreements and a motion to stay the claims regarding Ms. Nemerov pending the arbitration of Jones' dispute with Ms. Nemerov. On July 23, 2003, Jones filed a motion for summary judgment in our action against Jones and on August 12, 2003, we filed a cross-motion for summary judgment. Oral argument on the motions was heard on September 30, 2003. If Jones' lawsuit were to be determined adversely to us, it could have a material adverse effect on our results of operations and financial condition; however, we believe that the lawsuit is without merit and that we will prevail.

The royalties that we received pursuant to the "Lauren" license agreements and "Ralph" license agreements represented revenues of approximately \$37.4 million and \$5.3 million, respectively in Fiscal 2003. We will no longer receive these royalties after the third quarter of Fiscal 2004 as a result of the termination of the Lauren and Ralph license agreements on December 31, 2003. The Company has begun production and marketing of the Lauren line, with shipments beginning in January 2004. Although we expect that the loss of the Lauren and Ralph royalties from Jones and the start up expenses associated with the Lauren line will exceed the anticipated revenues from our sales of Lauren products in the fourth quarter in Fiscal 2004, we expect that the income from our sales of Lauren products will at least replace the royalty income previously attributable to the Lauren and Ralph license agreements for Fiscal 2005. In total, royalties received from Jones, including royalties from the "Polo Jeans" license agreements, accounted for 27.2% of our aggregate licensing revenue for Fiscal 2003. The "Polo Jeans" license agreement was not covered under the terms of the Cross Default and Term Extension agreement and continues in effect.

In June 2003, one of our licensing partners, The West Point Stevens, Inc. and certain of its affiliates ("West Point") filed a voluntary petition for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code. West Point produces bedding and bath product in our home collection, and royalties paid by West Point accounted for 15.9% of our licensing revenues in Fiscal 2003. As of September 2003, we had approximately \$6.0 million in outstanding pre-petition receivables with West Point. The Company anticipates that the outstanding receivables will be collected, but no assurance can be given that they will be collected or that West Point's bankruptcy will not adversely affect our license arrangement.

Recent Acquisitions

In February 2003, we acquired a 50% controlling interest in the Japanese master license for the Polo Ralph Lauren men's, women's and jeans business in Japan for approximately \$24.1 million. In connection with the acquisition of the Japanese master license, the Company recorded tangible assets of \$11.0 million, an intangible license valued at \$9.9 million and liabilities assumed of \$8.5 million based on estimated fair values as determined by management utilizing information available at this time. At March 29, 2003, goodwill of \$13.0 million was recognized for the excess of the purchase price plus transaction costs of \$1.3 million over the preliminary estimate of fair market value of the net assets acquired. During the six months ended September 27, 2003, the Company incurred an additional \$3.5 million of transaction costs and allocated it to goodwill. The Company's accounting for the acquisition was based on preliminary valuation information, which is subject to revision.

100% of the revenues and expenses for the Japanese master license are included in the Company's consolidated statements of operations. For the three and six months ended September 27, 2003, the Company has recorded minority interest expense of \$0.9 million to reflect the share of earnings allocable to the 50% minority interest holder in the Japanese master license. This amount is included in Other (income) expense, net, in the consolidated statements of operations.

In February 2003, we acquired an 18% equity interest in the company which holds the sublicenses for the Polo Ralph Lauren men's, women's and jeans business in Japan for approximately \$47.6 million. In May 2003, we paid \$5.4 million to acquire an additional 2% equity interest in this company. For the three and six months ended September 27, 2003, the Company recorded \$2.5 million and \$4.4 million, respectively, of equity investment income to reflect the 20% investment. This amount is included in Other (income) expense, net in the consolidated statements of operations.

Results for our 50% interest in the Japanese master license and the 20% equity interest are reported on a one-month lag.

Results of Operations

We operate in three integrated business operation segments: wholesale, retail and licensing. The following table below sets forth the percentage relationship to net revenues of certain items in our consolidated statements of operations for the three and six months ended September 27, 2003 and September 28, 2002:

	Three Months		Six Months	
	September 27, 2003	September 28, 2002	September 27, 2003	September 28, 2002
Net sales	89.5%	89.7%	88.5%	89.2%
Licensing revenue	10.5	10.3	11.5	10.8
Net revenues	100.0	100.0	100.0	100.0
Gross profit	49.5	50.1	50.6	50.0
Selling, general and administrative expenses	37.8	36.9	43.1	40.8
Income from operations	11.7	13.2	7.5	9.2
Foreign currency (gains) losses	(0.3)	—	(0.3)	0.3
Interest expense	0.4	0.7	0.5	0.9
Interest income	(0.1)	(0.2)	(0.1)	(0.3)
Income before provision for income taxes and other (income) expense, net	11.7	12.7	7.4	8.3
Provision for income taxes	4.3	4.6	2.7	3.0
Other (income) expense, net	(0.2)	—	(0.3)	—
Net income	7.6%	8.1%	5.0%	5.3%

Three Months Ended September 27, 2003 Compared to Three Months Ended September 28, 2002

Net Sales. Net sales for the three months ended September 27, 2003 were \$633.2 million, an increase of \$58.7 million, or 10.2%, over net sales for the three months ended September 28, 2002.

Wholesale net sales increased \$25.4 million, or 8.2%, to \$336.1 million, for the three months ended September 27, 2003 from \$310.7 million for the three months ended September 28, 2002. This increase was primarily driven by the men's wholesale business and the timing and increased amount of fall bookings as compared to the prior year's comparative period. Offsetting this increase in net sales was approximately \$10.0 million of additional allowances to retailers based upon revised estimates due to the extended sell off

period for Spring and Summer seasons in the department stores. This increase resulted from later than usual finalization of settlements with the retailers. Decreases in the European wholesale business of approximately \$17.7 million on a constant dollar basis, primarily due to the worsening economic conditions, were fully offset by a favorable impact due to a stronger Eurodollar in the current period.

Retail net sales increased \$33.3 million, or 12.6%, to \$297.1 million for the three months ended September 27, 2003 from \$263.8 million for the three months ended September 28, 2002. This increase was primarily driven by the \$10.5 million, or 14.7%, increase in comparable full-price stores and \$10.7 million, or 5.8%, increase in comparable outlet store sales. Comparable store sales information includes both Polo Ralph Lauren stores and Club Monaco stores and reflects the favorable impact of a stronger Euro and Canadian dollar. Also impacting the increase is worldwide store expansion. During the three months ended September 27, 2003, the Company added six stores and closed two stores, ending the period with 265 stores as compared to 243 stores in the prior year.

Licensing Revenue. Licensing revenue increased \$8.2 million, or 12.4%, to \$74.5 million for the three months ended September 27, 2003, from \$66.3 million for the three months ended September 28, 2002. This increase is primarily driven by the incremental effect of the consolidation of \$7.2 million of revenues from the Japanese master license, in which we purchased a 50% controlling interest in February 2003 (see “— Recent Acquisitions” above). Additionally, we received \$1.1 million in audit settlements from several licensees.

Gross Profit. Gross profit dollars increased \$29.3 million, or 9.1%, for the three months ended September 27, 2003 over the three months ended September 28, 2002. Gross profits as a percent of net revenues decreased to 49.5% from 50.1%, respectively, which reflects approximately \$10.0 million of additional allowances to retailers discussed above and decreases in gross margins in our European wholesale business due to liquidation of inventory. These decreases were partially offset by a change in business mix with retail sales representing 42.0% of revenues in the three months ended September 27, 2003 with improved merchandise margins in our outlet retail stores and Club Monaco retail store business and increased licensing revenues.

Selling, General and Administrative Expenses. Selling, general and administrative expenses (“SG&A”) increased \$31.0 million, or 13.1%, to \$267.6 million for the three months ended September 27, 2003 from \$236.6 million for the three months ended September 28, 2002. These expenses as a percent of net revenues increased to 37.8% from 36.9%, respectively. The increase in SG&A was primarily driven by higher selling salaries and related costs in connection with the increase in retail sales and worldwide store expansion as well as production, marketing and start-up expenses associated with the Lauren wholesale business and the consolidation of expenses of the Japanese master license.

Foreign Currency (Gains) Losses. The effect of foreign currency resulted in a gain of \$1.8 million for the three months ended September 27, 2003, compared to a \$0.2 million loss for the three months ended September 28, 2002. For the current period, these gains primarily related to transaction gains on unhedged inventory purchases in Europe resulting from increases in the value of the Eurodollar compared to the dollar.

Interest Expense. Interest expense decreased to \$2.9 million in the three months ended September 27, 2003 from \$4.4 million for the three months ended September 28, 2002. This decrease was due to lower levels of borrowings and the repayment of approximately \$100.0 million of short-term borrowings over the last twelve months, as well as decreased interest rates as a result of the June 2002 cross currency swap and the May 2003 interest rate swap.

Interest Income. Interest income decreased to \$0.7 million in the three months ended September 27, 2003 from \$1.4 for the three months ended September 28, 2002. This decrease was due to lower levels of cash due to acquisitions and repayments of debt over the last 12 months combined with lower interest rates.

Provision for Income Taxes. The effective tax rate was 36.5% for the three months ended September 27, 2003 and September 28, 2002.

Other (Income) Expense, Net. Other (income) expense, net was \$1.6 million for the three months ended September 27, 2003. This reflects \$2.5 million of income related to the 20% equity interest in the company which holds the sublicenses for the Polo Ralph Lauren men’s, women’s and jeans business in Japan,

net of \$0.9 million of minority interest expense associated with our Japanese master license, both of which were acquired in February 2003.

Net Income. Net income increased for three months ended September 27, 2003 to \$54.0 million from \$51.8 million for the three months ended September 28, 2002, or 7.6% and 8.1% of net revenues, respectively.

Six Months Ended September 27, 2003 Compared to Six Months Ended September 28, 2002

Net Sales. Net sales for the six months ended September 27, 2003 were \$1,049.3 million, an increase of \$60.9 million, or 6.2%, over net sales for the six months ended September 28, 2002.

Wholesale net sales increased \$0.3 million, or 0.1%, to \$497.7 million, for the six months ended September 27, 2003 from \$497.4 million for the six months ended September 28, 2002. Increases in the men's wholesale business and the timing and increased amount of bookings as compared to the prior year were offset by the elimination of the women's Ralph Lauren Sport line, which accounted for net sales of approximately \$11.4 million in the prior year's comparative period. Also impacting wholesale net sales are decreases in the European wholesale business, primarily due to the worsening economic conditions in Europe, of approximately \$36.7 on a constant dollar basis offset by a \$25.4 million favorable impact due to a stronger Eurodollar rate in the current period.

Retail sales increased \$60.6 million, or 12.3%, to \$551.6 million for the six months ended September 27, 2003 from \$491.0 for the six months ended September 28, 2002. This increase was primarily driven by the \$19.8 million, or 14.1%, increase in comparable full-price stores and \$19.5 million, or 5.8%, increase in comparable outlet store sales. Comparable store sales information includes both Polo Ralph Lauren stores and Club Monaco stores and reflects the favorable impact of a stronger Euro and Canadian dollar. Also impacting the increase is worldwide store expansion. During the six months ended September 27, 2003, the Company added twelve stores and closed two stores, ending the period with 265 stores as compared to 243 stores in the prior year.

Licensing Revenue. Licensing revenue increased \$16.8 million, or 14.1%, to \$136.2 million for the six months ended September 27, 2003, from \$119.4 million for the six months ended September 28, 2002. This increase is primarily driven by the incremental effect of the consolidation of \$12.4 million of revenues from the Japanese master license, in which we purchased a 50% controlling interest in February 2003 (see "— Recent Acquisitions" above) and an increase in the revenues received as compared to the prior year's comparative period. Additionally, we received \$1.3 million in audit settlements from several licensees.

Gross Profit. Gross profit dollars increased \$45.4 million, or 8.2%, for the six months ended September 27, 2003 over the six months ended September 28, 2002. Gross profits as a percent of net revenues increased to 50.6% from 50.0%, respectively, which reflects a change in business mix with retail sales representing 46.5% of revenues in the six months ended September 27, 2003 with improved merchandise margins in our outlet retail stores and Club Monaco retail store business and increased licensing revenues. This increase was offset by decreases in gross margins in our European wholesale business due to liquidation of inventory.

Selling, General and Administrative Expenses. Selling, general and administrative expenses ("SG&A") increased \$59.3 million, or 13.1%, to \$510.8 million for the six months ended September 27, 2003 from \$451.5 million for the six months ended September 28, 2002. These expenses as a percent of net revenues increased to 43.1% from 40.8%, respectively. The increase in SG&A was primarily driven by higher selling salaries and related costs in connection with the increase in retail sales and worldwide store expansion as well as production, marketing and start-up expenses associated with the Lauren wholesale business and the consolidation of expenses of the Japanese master license. Additionally, we recorded a \$1.2 million charge for the lease loss related to the relocation of the Club Monaco headquarters office within Toronto.

Foreign Currency (Gains) Losses. The effect of foreign currency resulted in a gain of \$4.1 million for the six months ended September 27, 2003, compared to a \$3.8 million loss for the six months ended September 28, 2002. For the current period, these gains primarily related to transaction gains on unhedged inventory purchases and royalty payments in Europe resulting from increases in the value of the Eurodollar compared to the dollar. In the prior period, these losses primarily related to transaction losses on the unhedged

portion of our Euro debt which resulted from increases in the Eurodollar rate until we entered into the cross currency swap in June 2002.

Interest Expense. Interest expense decreased to \$6.8 million in the six months ended September 27, 2003 from \$9.8 million for the six months ended September 28, 2002. This decrease was due to lower levels of borrowings and the repayment of approximately \$100.0 million of short-term borrowings during the period, as well as decreased interest rates as a result of the June 2002 cross currency swap and the May 2003 interest rate swap. In addition, we repurchased Euro 8.3 million of our outstanding Euro debt during the six months ended September 28, 2002.

Interest Income. Interest income decreased to \$1.6 million in the six months ended September 27, 2003 from \$2.8 million for the six months ended September 28, 2002. This decrease was due to lower levels of cash due to acquisitions and repayments of debt over the last 12 months combined with lower interest rates.

Provision for Income Taxes. The effective tax rate was 36.5% for the six months ended September 27, 2003 and September 28, 2002.

Other (Income) Expense, Net. Other (income) expense, net increased \$3.5 million for the six months ended September 27, 2003, from \$0 for the six months ended September 28, 2002. This reflects \$4.4 million of income related to the 20% equity interest in the company which holds the sublicenses for the Polo Ralph Lauren men's, women's and jeans business in Japan which was acquired in February 2003, net of \$0.9 million of minority interest expense associated with our Japanese master license.

Net Income. Net income increased for six months ended September 27, 2003 to \$59.1 million from \$58.2 million for the six months ended September 28, 2002, or 5.0% and 5.3% of net revenues, respectively.

Liquidity and Capital Resources

Our primary ongoing cash requirements are to fund growth in working capital (primarily accounts receivable and inventory) to support projected sales increases, construction and renovation of shop-within-shops, investment in the technological upgrading of our distribution centers and information systems, expenditures related to retail store expansion, acquisitions and other corporate activities, including financing the start-up costs of bringing the "Lauren" and "Ralph" lines in house. Sources of liquidity to fund ongoing and future cash requirements include cash flows from operations, cash and cash equivalents, credit facilities and other borrowings.

As of September 27, 2003, we had \$210.6 million in cash and cash equivalents and \$264.0 million of debt outstanding compared to \$355.5 million and \$347.0 million of cash and cash equivalents and debt outstanding, respectively, at September 28, 2002. This represents an increase in our debt net of cash position of \$61.9 million, which is primarily attributable to the factors discussed below. As a result of the increase in the Eurodollar rate, the dollar equivalent of the Euro debt increased by \$37.5 million. Also, in the past year, we have acquired a 50% interest in the Japanese master license, a 20% equity interest in the company which holds that sublicense for the Polo Ralph Lauren men's, women's and jeans business in Japan and several retail locations from certain of our licensees. Our capital expenditures were \$39.5 million for the six months ended September 27, 2003 compared to \$34.5 million for the six months ended September 28, 2002.

As of September 27, 2003, we had \$264.0 million outstanding in long-term Euro debt, based on the Euro exchange rate at the end of the period. We were also contingently liable for \$21.1 million in outstanding letters of credit primarily related to commitments for the purchase of inventory.

Accounts receivable increased to \$371.6 million, or 27.8%, at September 27, 2003 compared to \$290.7 million at September 28, 2002, primarily due to the timing of shipments and the increases in the value of the Eurodollar rate. Inventories remained constant with the prior period, which also reflects the impact due to the timing of shipments and the impact of increases in the value of the Eurodollar rate.

Net Cash Provided by Operating Activities. Net cash provided by operating activities decreased to \$9.5 million during the six-month period ended September 27, 2003 compared to \$134.1 million for the six

months ended September 28, 2002. This \$124.6 million decrease in cash flow was driven primarily by year-over-year changes in working capital.

During Fiscal 2003, we completed a strategic review of our European businesses and formalized our plans to centralize and more efficiently consolidate its business operations. In connection with the implementation of this plan, we had total cash outlays of approximately \$2.2 million during the six months ended September 27, 2003. It is expected that the remaining liabilities will be paid throughout fiscal 2005. During Fiscal 2001 we implemented the 2001 Operational Plan and total cash outlays related to this plan were \$4.6 million during the six months ended September 27, 2003.

Net Cash Used in Investing Activities. Net cash used in investing activities was \$48.6 million for the six months ended September 27, 2003, as compared to \$32.6 million for the six months ended September 28, 2002. For both periods net cash used primarily reflected shop-within-shops and other capital expenditures related to retail expansion and upgrading our systems and facilities. Our anticipated capital expenditures for fiscal 2004 approximate \$115.0 million, including \$25.0 million associated with the start-up of the Lauren Line. For the six months ended September 27, 2003, net cash used also reflects an additional \$3.5 million primarily for additional transaction costs to acquire a 50% interest in the Japanese master license, \$5.4 million for an additional 2% equity interest in the company which holds the sublicenses for the Polo Ralph Lauren men's, women's and jeans business in Japan and \$1.0 million for an additional payment on the first earn-out payment calculation in connection with the P.R.L. Fashions of Europe SRL acquisition.

Net Cash Used in Financing Activities. Net cash used in financing activities was \$95.1 million for the six months ended September 27, 2003, compared to net cash provided by financing activities of \$3.9 million for the six months ended September 28, 2002. This change is primarily due to the net repayment of short-term borrowings of \$100.9 million and the payment of \$4.9 million in dividends, offset by the proceeds from the exercise of stock options of \$11.6 million for the six months ended September 27, 2003; compared to \$5.6 million of proceeds for the six months ended September 28, 2002.

Our 2002 bank credit facility consists of a \$300.0 million revolving line of credit, subject to increase to \$375.0 million, which is available for direct borrowings and the issuance of letters of credit. As of September 27, 2003, we had no balance outstanding under this facility. This facility requires that we maintain certain financial covenants. As of September 27, 2003, the Company was in compliance with all financial and non-financial debt covenants.

On May 20, 2003, the Board of Directors initiated a dividend program consisting of quarterly cash dividends of \$0.05 per outstanding share, or \$0.20 per outstanding share on an annual basis, on Polo Ralph Lauren common stock by declaring a \$0.05 per outstanding share dividend to shareholders of record at the close of business on June 27, 2003 and September 26, 2003 that was paid on July 11, 2003 and October 10, 2003, respectively.

We believe that cash from ongoing operations and funds available under our credit facility will be sufficient to fund our current level of operations, capital requirements, the stock repurchase program, cash dividends and other corporate activities for the next twelve months.

Derivative Instruments. In June 2002, we entered into a cross currency rate swap, which was scheduled to terminate in November 2006. The cross currency rate swap was being used to convert Euro 105.2 million, 6.125% fixed rate borrowings into \$100.0 million, LIBOR plus 1.24% variable rate borrowings. We entered into the cross currency rate swap to minimize the impact of foreign exchange fluctuations on both principal and interest payments resulting from Euro debt, and to minimize the impact of changes in the fair value of the Euro debt due to changes in LIBOR, the benchmark interest rate. The swap had been designated as a fair value hedge under SFAS No. 133. Hedge ineffectiveness was measured as the difference between the respective gains or losses recognized in earnings from the changes in the fair value of the cross currency rate swap and the Euro debt.

In May 2003, we terminated the cross currency rate swap, and entered into an interest rate swap that terminates in November 2006. The interest rate swap is being used to convert Euro 105.2 million, 6.125% fixed rate borrowings into Euro 105.2 million, EURIBOR minus 1.55% variable rate borrowings. We entered into

the interest rate swap to minimize the impact of changes in the fair value of the Euro debt due to changes in EURIBOR, the benchmark interest rate. The swap had been designated as a fair value hedge under SFAS No. 133. Hedge ineffectiveness is measured as the difference between the respective gains or losses recognized in earnings from the changes in the fair value of the interest rate swap and the Euro debt resulting from changes in the benchmark interest rate, and was de minimis for the six months ended September 27, 2003. In addition, we have designated the entire principal of the Euro debt as a hedge of our net investment in a foreign subsidiary. As a result, changes in the fair value of the Euro debt resulting from changes in the Eurodollar rate are reported net of income taxes in accumulated other comprehensive income in the consolidated financial statements as an unrealized gain or loss on foreign currency hedges.

We enter into forward foreign exchange contracts as hedges relating to identifiable currency positions to reduce our risk from exchange rate fluctuations on inventory and royalty payments. Gains and losses on these contracts are deferred and recognized as adjustments to either the basis of those assets or the royalty expense incurred, as applicable. At September 27, 2003, we had foreign exchange contracts outstanding as follows: (i) to deliver 52.3 million Eurodollars in exchange for \$56.0 million through Fiscal 2004 and (ii) to deliver 9,205 million Japanese Yen in exchange for \$80.4 million through Fiscal 2008. At September 27, 2003, the fair value of these contracts resulted in an unrealized loss, net of taxes of \$4.9 million and an unrealized loss, net of taxes of \$2.5 million, respectively.

Seasonality of Business

Our business is affected by seasonal trends, with higher levels of wholesale sales in our second and fourth quarters and higher retail sales in our 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 our retail operations and licensing revenue, historical quarterly operating trends and working capital requirements may not be indicative of 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 sales.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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. Estimates by their nature are based on judgments and available information and therefore, actual results could differ from those estimates.

Critical accounting policies are those that are most important to the portrayal of the Company's financial condition and the results of operations, and require management's most difficult, subjective and complex judgments, as a result of the need to make estimates about the effect of matters that are inherently uncertain. The Company's most critical accounting policies pertain to revenue recognition, accounts receivable, inventories, goodwill, other intangibles and long-lived assets. In applying such policies, management must use some amounts that are based upon its informed judgments and best estimates. Because of the uncertainty inherent in these estimates, actual results could differ from estimates used in applying the critical accounting policies. Changes in such estimates, based on more accurate future information, may affect amounts reported in future periods. The Company is not aware of any reasonably likely events or circumstances which would result in different amounts being reported that would materially affect its financial condition or results of operations.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

The market risk inherent in our financial instruments represents the potential loss in fair value, earnings or cash flows arising from adverse changes in interest rates or foreign currency exchange rates. We manage these exposures through operating and financing activities and, when appropriate, through the use of derivative

financial instruments. Our policy allows for the use of derivative financial instruments for identifiable market risk exposures, including interest rate and foreign currency fluctuations.

During the six months ended September 27, 2003, there were significant fluctuations in the value of the Euro to U.S. dollar exchange rate. In June 2002, we entered into a cross currency rate swap to minimize the impact of foreign exchange fluctuations on the long-term Euro debt and the impact of fluctuations in the interest rate on the fair value of the long-term Euro debt. In May 2003, we terminated the cross currency rate swap, and entered into an interest rate swap to minimize the impact of changes in the fair value of the Euro debt due to changes in EURIBOR, the benchmark interest rate.

Since March 29, 2003, other than disclosed above, there have been no significant changes in our interest rate and foreign currency exposures, changes in the types of derivative instruments used to hedge those exposures, or significant changes in underlying market conditions.

Item 4. *Controls and Procedures*

Based on an evaluation carried out, as of the end of the period covered by this report, under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) are effective. As of the end of the period covered by this report, there have been no significant changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

As a result of the failure of Jones Apparel Group, Inc. (including its subsidiaries, "Jones"), to meet the minimum sales volumes for the year ended December 31, 2002, under the license agreements for the sale of products under the "Ralph" trademark between us and Jones dated May 11, 1998, these license agreements will terminate as of December 31, 2003. We have advised Jones that the termination of these licenses will automatically result in the termination of the licenses between us and Jones with respect to the "Lauren" trademark pursuant to the Cross Default and Term Extension Agreement, between us and Jones dated May 11, 1998. The Lauren license agreements would otherwise expire on December 31, 2006. Jones has reported that net sales of Lauren and Ralph products for the year ended December 31, 2002 were \$548.0 million and \$37.0 million, respectively.

On June 3, 2003, Jones filed a lawsuit against us in the Supreme Court of the State of New York alleging, among other things, that we breached our agreements with Jones with respect to the "Lauren" trademark by asserting our rights pursuant to the Cross Default and Term Extension Agreement and that we induced Ms. Jackwyn Nemerov, the former President of Jones, to breach the non-compete and confidentiality clauses in Ms. Nemerov's employment agreement with Jones. Jones has stated that it will treat the Lauren license agreements as terminated as of December 31, 2003, and is seeking compensatory damages of \$550.0 million as well as punitive damages and to enforce the provisions of Ms. Nemerov's agreement. Also on June 3, 2003, we filed a lawsuit against Jones in the Supreme Court of the State of New York seeking, among other things, an injunction and a declaratory judgment that the Lauren license agreements will terminate as of December 31, 2003 pursuant to the terms of the Cross Default and Term Extension Agreement. The two lawsuits have been consolidated. On July 3, 2003, Polo filed a motion to dismiss Jones' claims regarding breach of the "Lauren" agreements and a motion to stay the claims regarding Ms. Nemerov pending the arbitration of Jones' dispute with Ms. Nemerov. On July 23, 2003, Jones filed a motion for summary judgment in the action we filed, and on August 12, 2003, we filed a cross-motion summary judgment. Oral argument on the motions was heard on for September 30, 2003. If Jones' lawsuit were to be determined adversely to us, it could have a material adverse effect on our results of operations and financial condition; however, we believe that the lawsuit is without merit and that we will prevail.

With respect to the litigations with the United States Polo Association Inc. and Jordache, Ltd. described in our Annual Report on Form 10-K for the fiscal year ended March 29, 2003, all claims and counterclaims have been settled, except for the Company's claims that the defendants violated the Company's trademark rights.

In the putative class action filed by Toni Young against the Company in the United States District Court of San Francisco described in our Fiscal 2003 Form 10-K and our 10-Q for the first quarter of Fiscal 2004, the Court heard the Company's motions on August 14, 2003. The Court granted partial summary judgment with respect to certain of the plaintiff's claims, but concluded that more discovery was necessary before it could decide the key issue as to whether the Company had maintained a dress code policy, for a period of time, that violated California law. The Court ordered the parties to conduct limited discovery to that end, to be completed by the end of the year.

On June 1, 2003 (the "Petition Date") WestPoint Stevens, inc. and certain of its affiliates (collectively, "WestPoint") filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code with the United States Bankruptcy Court for the Southern District of New York. As of the Petition Date, WestPoint was liable to the Company for an aggregate amount of no less than \$6.0 million pursuant to a Sub-Licensing Agreement dated July 1, 2000. The Company filed proofs of claim against WestPoint on October 3, 2003.

Item 4. Submission of Matters to a Vote of Security-holders

(a) The Annual Meeting of Stockholders of the Company was held on August 14, 2003.

(b) The following directors were elected at the Annual Meeting of Stockholders to serve until the 2004 Annual Meeting and until their respective successors are duly elected and qualified:

Class A Directors:

Arnold H. Aronson
Dr. Joyce F. Brown

Class B Directors:

Ralph Lauren
F. Lance Isham
Roger N. Farah
Frank A. Bennack, Jr.
Joel L. Fleishman
Judith A. McHale
Terry S. Semel

Class C Directors:

Richard A. Friedman

(ci) Each person elected as a director received the number of votes (shares of Class B Common Stock are entitled to ten votes per share) indicated beside his or her name:

	Number of Votes For	Number of Votes Withheld
Class A Directors:		
Arnold H. Aronson	33,680,750	6,175,103
Dr. Joyce F. Brown	39,184,679	671,174
Class B Directors:		
Ralph Lauren	432,800,210	—
F. Lance Isham	432,800,210	—
Roger N. Farah	432,800,210	—
Frank A. Bennack, Jr.	432,800,210	—
Joel L. Fleishman	432,800,210	—
Judith A. McHale	432,800,210	—
Terry S. Semel	432,800,210	—
Class C Directors:		
Richard A. Friedman	10,570,979	—

(cii) 479,021,528 votes were cast for, and 2,686,437 votes were cast against, the approval of an amendment to the Company's Executive Officer Annual Incentive Plan increasing the maximum annual amount that may be awarded to any individual under the Plan from \$10 to \$18 million. Abstentions totaled 1,519,077; there were no broker non-votes.

(ciii) 48,026,509 votes were cast for, and 1,183,298 votes were cast against, the ratification of the selection of Deloitte & Touche LLP as the independent auditors of the Company for the year ending April 3, 2004. Abstentions totaled 17,235; there were no broker non-votes.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits —

10.1	Polo Ralph Lauren Corporation Executive Officer Annual Incentive Plan as Amended as of August 14, 2003.
10.2	Amended and Restated Employment Agreement between Polo Ralph Lauren Corporation and Mitchell A. Kosh dated as of September 8, 2003.
31.1	Certification of Ralph Lauren required by 17 CFR 240.13a-14(a).
31.2	Certification of Gerald M. Chaney required by 17 CFR 240 13a-14(a).
32.1	Certification of Ralph Lauren Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Gerald M. Chaney Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibits 32.1 and 32.2 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that Section. Such exhibits shall not be deemed incorporated by reference into any filing under the Securities Act of 1933 or Securities Exchange Act of 1934.

(b) Reports of Form 8-K —

(i) Report on Form 8 dated August 6, 2003 reporting the release of the issuer’s results of operations for its fiscal quarter ended June 28, 2003 and attaching a copy of the press release reporting such results.

The information contained in the above Form 8-K, including the accompanying exhibit, was furnished under Item 12 of Form 8-K and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that Section, and shall not be deemed incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

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

By:

/s/ GERALD M. CHANEY

Gerald M. Chaney
*Senior Vice President of Finance and
Chief Financial Officer
(Principal Financial and
Accounting Officer)*

Date: November 11, 2003

POLO RALPH LAUREN CORPORATION

EXECUTIVE OFFICER ANNUAL INCENTIVE PLAN

(As Amended as of August 14, 2003)

1. PURPOSE.

The purposes of the Plan are to promote the success of the Company; to provide designated Executive Officers with an opportunity to receive incentive compensation dependent upon that success; to attract, retain and motivate such individuals; and to provide Awards that are “qualified performance-based compensation” under Section 162(m) of the Code.

2. DEFINITIONS.

“Award” means an incentive award made pursuant to the Plan.

“Award Formula” means one or more objective formulas or standards established by the Committee for purposes of determining an Award based on the level of performance with respect to one or more Performance Goals. Award Formulas may vary from Performance Period to Performance Period and from Participant to Participant and may be established on a stand-alone basis, in tandem or in the alternative.

“Award Schedule” means the Award Schedule established pursuant to Section 4.1.

“Beneficiary” mean the person(s) designated by the Participant, in writing on a form provided by the Committee, to receive payments under the Plan in the event of his death while a Participant or, in the absence of such designation, the Participant’s estate.

“Board of Directors” means the Board of Directors of the Company.

“Code” means the Internal Revenue Code of 1986, as amended.

“Committee” means a committee or subcommittee of the Board of Directors designated by the Board of Directors to administer the Plan and composed of not less than two directors, each of whom is intended to be an “outside director” (within the meaning of Code Section 162(m)).

“Company” means Polo Ralph Lauren Corporation and its successors.

“Covered Employee” means a covered employee within the meaning of Code Section 162(m)(3).

“Determination Period” means, with respect to a Performance Period applicable to any Award under the Plan, the period commencing with the first day of such Performance Period and ending on the earlier to occur of (i) 90 days after the commencement of the Performance Period and (ii) the date upon which twenty-five percent (25%) of the Performance Period shall have elapsed.

“Executive Officer” means a person who is an executive officer of the Company for purposes of the Securities Exchange Act of 1934, as amended.

“Participant” means an Executive Officer selected from time to time by the Committee to participate in the Plan.

“Performance Goal” means the level of performance established by the Committee as the Performance Goal with respect to a Performance Measure. Performance Goals may vary from Performance Period to Performance Period and from Participant to Participant and may be established on a stand-alone basis, in tandem or in the alternative.

“Performance Measure” means one or more of the following selected by the Committee to measure Company and/or business unit performance for a Performance Period: basic or diluted earnings per share, net revenues, gross profit, income before income taxes, income before income taxes less a charge for capital, return on capital, return on equity, return on investment, operating expenses as a percentage of net revenues, selling, general and administrative expenses as a percentage of net revenues, working capital ratios, inventory turn rate and inventory shrinkage control; each as determined in accordance with generally accepted accounting principles as consistently applied by the Company and, if so determined by the Committee prior to the expiration of the Determination Period, adjusted, to the extent permitted under Section 162(m) of the Code, to omit the effects of extraordinary items, gain or loss on the disposal of a business segment, unusual or infrequently occurring events and transactions and cumulative effects of changes in accounting principles. Performance Measures may vary from Performance Period to Performance Period and from Participant to Participant and may be established on a stand-alone basis, in tandem or in the alternative.

“Performance Period” means one or more periods of time, as the Committee may designate, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant’s right to payment in respect of an Award.

“Plan” means the Polo Ralph Lauren Corporation Executive Officer Annual Incentive Plan.

“Plan Year” means the Company’s fiscal year.

3. PARTICIPATION.

3.1 Participants shall be selected by the Committee from among the Executive Officers. The selection of an Executive Officer as a Participant for a Performance Period shall not entitle such individual to be selected as a Participant with respect to any other Performance Period.

4. AWARDS.

4.1 Award Schedules. With respect to each Performance Period with respect to which an Award may be earned by a Participant under the Plan, prior to the expiration of the Determination Period the Committee shall establish in writing for such Performance Period an Award Schedule for each Participant. The Award Schedule shall set forth the applicable Performance Period, Performance Measure(s), Performance Goal(s), and Award Formula(s) and such other information as the Committee may determine. Once established for a Plan Year, such items shall not be amended or otherwise modified to the extent such amendment or modification would cause the compensation payable pursuant to the Award to fail to constitute qualified performance based compensation under Code Section 162(m). Award Schedules may vary from Performance Period to Performance Period and from Participant to Participant.

4.2 Determination of Awards. A Participant shall be eligible to receive payment in respect of an Award only to the extent that the Performance Goal(s) for such Award are achieved and the Award Formula as applied against such Performance Goal(s) determines that all or some portion of such Participant’s Award has been earned for the Performance Period. As soon as practicable after the close of each Performance Period, the Committee shall meet to review and certify in writing whether, and to what extent, the Performance Goals for the Performance Period have been achieved and, if so, to calculate and certify in writing that amount of the Award earned by each Participant for such Performance Period based upon such Participant’s Award Formula. The Committee shall then determine the actual amount of the Award to be paid to each Participant and, in so doing, may use negative discretion to decrease, but not increase, the amount of the Award otherwise payable to the Participant based upon such performance. Anything in this Plan to the contrary notwithstanding, the maximum Award payable to any Participant with respect to each Plan Year (or portion thereof) contained within a Performance Period shall be \$18,000,000.

4.3 Payment of Awards. Awards shall be paid in a lump sum cash payment as soon as practicable after the amount thereof has been determined and certified in accordance with Section 4.2. The Committee may, subject to such terms and conditions and within such limits as it may from time to time establish, permit one or more Participants to defer the receipt of amounts due under the Plan in a manner consistent with the requirements of Code Section 162(m) so that any increase in the amount of an Award that is deferred shall be based either on a reasonable rate of interest or the performance of a predetermined investment in accordance with Treasury Regulation 1.162-27(e)(2)(iii)(B). If any Award which is earned pursuant to this Section 4 is paid prior to the time determined when the Award was initially granted, the amount of such Award shall be reduced by an appropriate discount factor determined by the Committee.

5. TERMINATION OF EMPLOYMENT.

5.1 Termination of Employment Prior to the Last Day of the Performance Period. Except as otherwise determined by the Committee, no Award with respect to a Performance Period will be payable to any Participant who is not an employee of the Company on the last day of such Performance Period.

6. ADMINISTRATION.

6.1 In General. The Committee shall have full and complete authority, in its sole and absolute discretion, (i) to exercise all of the powers granted to it under the Plan, (ii) to construe, interpret and implement the Plan and any related document, (iii) to prescribe, amend and rescind rules relating to the Plan, (iv) to make all determinations necessary or advisable in administering the Plan, and (v) to correct any defect, supply any omission and reconcile any inconsistency in the Plan.

6.2 Determinations. The actions and determinations of the Committee or others to whom authority is delegated under the Plan on all matters relating to the Plan and any Awards shall be final and conclusive. Such determinations need not be uniform and may be made selectively among persons who receive, or are eligible to receive, Awards under the Plan, whether or not such persons are similarly situated.

6.3 Appointment of Experts. The Committee may appoint such accountants, counsel, and other experts as it deems necessary or desirable in connection with the administration of the Plan.

6.4 Delegation. The Committee may delegate to others the authority to execute and deliver such instruments and documents, to do all such acts and things, and to take all such other steps deemed necessary, advisable or convenient for the effective administration of the Plan in accordance with its terms and purposes, except that the Committee shall not delegate any authority with respect to decisions regarding Plan eligibility or the amount, timing or other material terms of Awards.

6.5 Books and Records. The Committee and others to whom the Committee has delegated such duties shall keep a record of all their proceedings and actions and shall maintain all such books of account, records and other data as shall be necessary for the proper administration of the Plan.

6.6 Payment of Expenses. The Company shall pay all reasonable expenses of administering the Plan, including, but not limited to, the payment of professional and expert fees.

6.7 Code Section 162(m). It is the intent of the Company that this Plan and Awards satisfy the applicable requirements of Code Section 162(m) so that the Company's tax deduction for remuneration in respect of this Plan for services performed by Participants who are or may be Covered Employees is not disallowed in whole or in part by the operation of such Code Section. If any provision of this Plan or if any Award would otherwise frustrate or conflict with such intent, that provision to the extent possible shall be interpreted and deemed amended so as to avoid such conflict, and, to the extent of any remaining irreconcilable conflict with such intent, that provision shall be deemed void as applicable to such Covered Employees.

7. MISCELLANEOUS.

7.1 Nonassignability. No Award shall be assignable or transferable (including pursuant to a pledge or security

interest) other than by will or by laws of descent and distribution.

7.2 Withholding Taxes. Whenever payments under the Plan are to be made or deferred, the Company will withhold therefrom, or from any other amounts payable to or in respect of the Participant, an amount sufficient to satisfy any applicable governmental withholding tax requirements related thereto.

7.3 Amendment or Termination of the Plan. The Plan may be amended or terminated by the Board of Directors in any respect except that (i) no amendment may be made after the date on which an Executive Officer is selected as a Participant for a Performance Period that would adversely affect the rights of such Participant with respect to such Performance Period without the consent of the affected Participant and (ii) no amendment shall be effective without the approval of the stockholders of the Company to increase the maximum Award payable under the Plan or if, in the opinion of counsel to the Company, such approval is necessary to satisfy the intent set forth in Section 6.7.

7.4 Other Payments or Awards. Nothing contained in the Plan will be deemed in any way to limit or restrict the Company from making any award or payment to any person under any other plan, arrangement or understanding, whether now existing or hereafter in effect.

7.5 Payments to Other Persons. If payments are legally required to be made to any person other than the person to whom any amount is payable under the Plan, such payments will be made accordingly. Any such payment will be a complete discharge of the liability of the Company under the Plan.

7.6 Unfunded Plan. Nothing in this Plan will require the Company to purchase assets or place assets in a trust or other entity to which contributions are made or otherwise to segregate any assets for the purpose of satisfying any obligations under the Plan. Participants will have no rights under the Plan other than as unsecured general creditors of the Company.

7.7 Limits of Liability. Neither the Company nor any other person participating in any determination of any question under the Plan, or in the interpretation, administration or application of the Plan, will have any liability to any party for any action taken or not taken in good faith under the Plan.

7.8 No Right of Employment. Nothing in this Plan will be construed as creating any contract of employment or conferring upon any Participant any right to continue in the employ or other service of the Company or limit in any way the right of the Company to change such person's compensation or other benefits or to terminate the employment or other service of such person with or without Cause.

7.9 Section Headings. The section headings contained herein are for convenience only, and in the event of any conflict, the text of the Plan, rather than the section headings, will control.

7.10 Invalidity. If any term or provision contained herein is to any extent invalid or unenforceable, such term or provision will be reformed so that it is valid, and such invalidity or unenforceability will not affect any other provision or part hereof.

7.11 Applicable Law. The Plan will be governed by the laws of the State of New York, as determined without regard to the conflict of law principles thereof.

7.12 Effective Date/Term. The Plan as initially adopted became effective upon shareholder approval on August 19, 1999 for the 2000 Plan Year. Upon the approval by the shareholders of the Company at the 2002 annual meeting of stockholders, in a manner consistent with the shareholder approval requirements of Code Section 162(m), of the amendments to the Plan adopted by the Board of Directors on June 13, 2002, the Plan, as amended, shall be effective for the Plan Year in which such approval occurs and each of the succeeding Plan Years through (and including) the 2007 Plan Year, unless sooner terminated by the Board of Directors in accordance with Section 7.3. For the 2008 Plan Year, the Plan shall remain in effect in accordance with its terms unless amended or terminated by the Board of Directors, and the Committee shall make the determinations required by Section 4 for such Plan Year, but the Plan shall be submitted for re-approval by the shareholders of the Company at the annual meeting of shareholders held during the 2008 Plan Year, and payment of all Awards under the Plan for the 2008 Plan Year and any future Plan Years shall be contingent upon such approval.

POLO RALPH LAUREN CORPORATION

EMPLOYMENT AGREEMENT

AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the "Agreement"), is made effective as of the 8th day of September, 2003 (the "Effective Date"), by and between POLO RALPH LAUREN CORPORATION, a Delaware corporation (the "Corporation"), and Mitchell Kosh (the "Executive").

WHEREAS, the Executive has been employed with the Corporation pursuant to an Employment Agreement dated July 1, 2001 (the "2001 Employment Agreement"); and

WHEREAS, the Corporation and Executive wish to amend and restate such 2001 Employment Agreement effective as of the date hereof;

NOW THEREFORE, in consideration of the mutual covenants and premises contained herein, the parties hereby agree as follows:

ARTICLE I
EMPLOYMENT

1.1 Employment Term. The Corporation hereby agrees to employ the Executive, and the Executive hereby agrees to serve the Corporation, on the terms and conditions set forth herein. The employment of the Executive by the Corporation shall be effective as of the date hereof and continue until the close of business on the third anniversary of the Effective Date of this Agreement (the "Term"), unless terminated earlier in accordance with Article II hereof.

1.2 Position and Duties. During the Term the Executive shall faithfully, and in conformity with the directions of the Board of Directors of the Corporation (the "Board") or the management of the Corporation ("Management"), perform the duties of his employment, and shall devote to the performance of such duties his full time and attention. During the Term the Executive shall serve in such position as the Board or Management may from time to time direct. During the Term, the Executive may engage in outside activities provided those activities do not conflict with the duties and responsibilities enumerated hereunder, and provided further that the Executive gives written notice to the Board of any outside business activity that may require significant expenditure of the Executive's time in which the Executive plans to become involved, whether or not such activity is pursued for profit. The Executive shall be excused from performing any services hereunder during periods of temporary incapacity and during vacations in accordance with the Corporation's disability and vacation policies.

1.3 Place of Performance. The Executive shall be employed at the principal offices of the Corporation located in New York, New York, except for required travel on the Corporation's business.

1.4 Compensation and Related Matters.

(a) Base Compensation. In consideration of his services during the Term, the Corporation shall pay the Executive cash compensation at an annual rate not less than the base salary as set forth on Exhibit A hereto ("Base Compensation"). Executive's Base Compensation shall be subject to such increases as may be approved by the Board or Management. The Base Compensation shall be payable as current salary, in installments not less frequently than monthly, and at the same rate for any fraction of a month unexpired at the end of the Term.

(b) Bonus. During the Term, the Executive shall have the opportunity to earn an annual bonus in accordance with any annual bonus program the Corporation maintains that would be applicable to the Executive.

(c) Options. During the Term, the Executive shall be eligible to participate in the Polo Ralph Lauren stock option program. Stock options are granted annually in June of each year and are subject to ratification by the Compensation Committee of the Board of Directors. Stock options will vest one third each year from the date of the grant and will be fully vested after three years in accordance with the terms of the Company's stock option program.

(d) Car Allowance. During the Term, the Corporation shall pay Executive a car allowance of \$1,500 per month.

(e) Expenses. During the Term, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in performing services hereunder, including all reasonable expenses of travel and living while away from home, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Corporation.

(f) Vacations. During the Term, the Executive shall be entitled to the number of vacation days in each calendar year, and to compensation in respect of earned but unused vacation days, determined in accordance with the Corporation's vacation program. The Executive shall also be entitled to all paid holidays given by the Corporation to its employees.

(g) Other Benefits. The Executive shall be entitled to participate in all of the Corporation's employee benefit plans and programs in effect during the Term as would by their terms be applicable to the Executive, including, without limitation, any pension and retirement plan, supplemental pension and retirement plan, deferred compensation plan, incentive plan, stock option plan, life insurance plan, medical insurance plan, dental care plan, accidental death and disability plan, and vacation, sick leave or personal leave program. After the Executive becomes employed, the Corporation shall not make any changes in such plans or programs that would adversely affect the Executive's benefits thereunder, unless such change occurs pursuant to a program applicable to other similarly situated employees of the Corporation and does not result in a proportionately greater reduction in the rights or benefits of the Executive as compared with other similarly situated employees of the Corporation. Except as otherwise specifically provided herein, nothing paid to the Executive under any plan or program

presently in effect or made available in the future shall be in lieu of the Base Compensation or any bonus payable under Sections 1.4(a) and 1.4(b) hereof.

ARTICLE II
TERMINATION OF EMPLOYMENT

2.1 Termination of Employment. The Executive's employment may terminate prior to the expiration of the Term under the following circumstances:

(a) Without Cause. The Executive's employment shall terminate upon the Corporation's notifying the Executive that his services will no longer be required.

(b) Death. The Executive's employment shall terminate upon the Executive's death.

(c) Disability. If, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been absent and unable to perform the duties hereunder on a full-time basis for an entire period of six consecutive months, the Executive's employment may be terminated by the Corporation following such six-month period.

(d) Cause. The Corporation may terminate the Executive's employment for Cause. For purposes hereof, "Cause" shall mean:

(i) deliberate or intentional failure by the Executive to substantially perform the material duties of the Executive hereunder (other than due to Disability);

(ii) an intentional act of fraud, embezzlement, theft or any other material violation of law;

(iii) intentional wrongful damage to material assets of the Corporation;

(iv) intentional wrongful disclosure of material confidential information of the Corporation;

(v) intentional wrongful engagement in any competitive activity which would constitute a breach of this Agreement and/or of the Executive's duty of loyalty; or

(vi) intentional breach of any material employment policy of the Corporation.

No act, or failure to act, on the part of the Executive shall be deemed "intentional" if it was due primarily to an error in judgment or negligence, but shall be deemed "intentional" only if done, or omitted to be done, by the Executive not in good faith and without reasonable belief that his action or omission was in, or not opposed to, the best interest of the Corporation. Failure to meet

performance standards or objectives of the Corporation shall not constitute Cause for purposes hereof.

(e) Voluntary Termination. The Executive may voluntarily terminate the Executive's employment with the Corporation at any time, with or without Good Reason. For purposes of this Agreement, "Good Reason" shall mean (A) a material diminution in or adverse alteration to Executive's title, base salary, position or duties, (B) the relocation of the Executive's principal office outside the area which comprises a fifty (50) mile radius from New York City, or (C) a failure of the Corporation to comply with any material provision of this Agreement provided that the events described in clauses (A), (B), and (C) above shall not constitute Good Reason unless and until such diminution, change, 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 Corporation.

2.2 Date of Termination. The date of termination shall be:

- (a) if the Executive's employment is terminated by the Executive's death, the date of the Executive's death;
- (b) if the Executive's employment is terminated by reason of Executive's Disability or by the Corporation pursuant to Sections 2.1(a) or 2.1(d), the date specified by the Corporation; and
- (c) if the Executive's employment is terminated by the Executive, the date on which the Executive notifies the Corporation of his termination.

2.3 Effect of Termination of Employment.

(a) If the Executive's employment is terminated by the Corporation, pursuant to Section 2.1(a), or if the Executive resigns for Good Reason pursuant to Section 2.1(e), the Executive shall only be entitled to the following:

(i) Severance. Subject to Section 4.1(a) hereof, the Corporation shall: (a) continue to pay the Executive, in accordance with the Corporation's normal payroll practice, his Base Compensation, as in effect immediately prior to such termination of employment, for the longer of the balance of the Term or the one-year period commencing on the date of such termination (whichever period is applicable shall be referred to herein as the "Severance Period"); and (b) pay to the Executive, on the last business day of the Severance Period, an amount equal to the bonus paid to the Executive for the calendar year prior to the year in which his employment is terminated. Notwithstanding the foregoing, in order to receive any severance benefits under this Section 2.3(a)(i), the Executive must sign and not timely revoke a release and waiver of claims against the Corporation, its successors, affiliates, and assigns, substantially in the form attached to this Agreement as Exhibit C.

(ii) Stock Options. The Executive's rights with respect to any stock options granted to the Executive by the Corporation shall be governed by the provisions of the respective award agreements under which such stock options were granted, except as provided in Section 4.1(a).

(iii) Welfare Plan Coverages. The Executive shall continue to participate during the Severance Period in any group medical, dental or life insurance plan he participated in prior to the date of his termination, under substantially similar terms and conditions as an active employee; provided that participation in such group medical, dental and life insurance plan shall correspondingly cease at such time as the Executive (a) becomes eligible for a future employer's medical, dental and/or life insurance coverage (or would become eligible if the Executive did not waive coverage) or (b) violates any of the provisions of Article III as determined by the Corporation. Notwithstanding the foregoing, the Executive may not continue to participate in such plans on a pre-tax or tax-favored basis.

(iv) Retirement Plans. Without limiting the generality of the foregoing, it is specifically provided that the Executive shall not accrue additional benefits under any pension plan of the Corporation (whether or not qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended) during the Severance Period.

(b) If the Executive's employment is terminated by reason of the Executive's death or Disability, pursuant to Sections 2.1(b) and 2.1(c), the Executive (or the Executive's designee or estate) shall only be entitled to whatever welfare plans benefits are available to the Executive pursuant to the welfare plans the Executive participated in prior to such termination, and whatever stock options may have been granted to the Executive by the Corporation the terms of which shall be governed by the provisions of the respective award agreements under which such stock options were granted.

(c) If the Executive's employment is terminated by either the Corporation for Cause or by the Executive for other than Good Reason pursuant to Section 2.1(e) hereof, the Executive shall receive only that portion of the Executive's then current Base Compensation payable through the Executive's termination date. The Executive's rights with respect to any stock options granted to the Executive by the Corporation shall be governed by the provisions of the respective award agreements under which such stock options were granted. The Corporation shall have no further obligations to the Executive as a result of the termination of the Executive's employment.

ARTICLE III COVENANTS OF THE EXECUTIVE

3.1 Non-Compete.

(a) The Corporation and the Executive acknowledge that: (i) the Corporation has a special interest in and derives significant benefit from the unique skills and experience of the Executive; (ii) the Executive will use and have access to proprietary and valuable Confidential Information (as defined in Section 3.2 hereof) during the course of the Executive's employment; and (iii) the agreements and covenants contained herein are essential to protect the business and goodwill of the Corporation or any of its subsidiaries, affiliates or licensees. Accordingly, except as hereinafter noted, the Executive covenants and agrees that during the Term, and for the remainder of such Term following the termination of Executive's employment, the Executive shall not provide any labor, work, services or assistance (whether as an officer, director, employee, partner, agent, owner, independent contractor, stockholder or

otherwise) to a “Competing Business.” For purposes hereof, “Competing Business” shall mean any business engaged in the designing, marketing or distribution of premium lifestyle products, including but not limited to apparel, home, accessories and fragrance products, which competes in any material respects with the Corporation or any of its subsidiaries, affiliates or licensees, and shall include, without limitation, those brands and companies that the Corporation and the Executive have jointly designated in writing on the date hereof, which is incorporated herein by reference and which is attached as Exhibit B, as being in competition with the Corporation as of the date hereof. Thus, Executive specifically acknowledges that Executive understands that, except as provided in Section 3.1(b) he may not become employed by any Competing Business in any capacity during the Term.

(b) The non-compete provisions of this Section shall no longer be applicable to Executive if he has been notified pursuant to Section 2.1(a) hereof that his services will no longer be required during the Term or if the Executive has terminated his employment for Good Reason pursuant to Section 2.1(e).

(c) It is acknowledged by the Executive that the Corporation has determined to relieve the Executive from any obligation of non-competition for periods after the Term, and/or if the Corporation terminates the Executive’s employment under Section 2.1(a) or if the Executive has terminated his employment for Good Reason pursuant to Section 2.1(e). In consideration of that, and in consideration of all of the compensation provisions in this Agreement (including the potential for the award of stock options that may be made to the Executive), Executive agrees to the provisions of Section 3.1 and also agrees that the non-competition obligations imposed herein, are fair and reasonable under all the circumstances.

3.2 Confidential Information.

(a) The Corporation owns and has developed and compiled, and will own, develop and compile, certain proprietary techniques and confidential information as described below which have great value to its business (referred to in this Agreement, collectively, as “Confidential Information”). Confidential Information includes not only information disclosed by the Corporation and/or its affiliates and licensees to Executive, but also information developed or learned by Executive during the course of, or as a result of, employment hereunder, which information Executive acknowledges is and shall be the sole and exclusive property of the Corporation. Confidential Information includes all proprietary information that has or could have commercial value or other utility in the business in which the Corporation is engaged or contemplates engaging, and all proprietary information the unauthorized disclosure of which could be detrimental to the interests of the Corporation. Whether or not such information is specifically labeled as Confidential Information by the Corporation is not determinative. By way of example and without limitation, Confidential Information includes any and all information developed, obtained or owned by the Corporation and/or its affiliates and licensees concerning trade secrets, techniques, know-how (including designs, plans, procedures, processes and research records), software, computer programs, innovations, discoveries, improvements, research, development, test results, reports, specifications, data, formats, marketing data and plans, business plans, strategies, forecasts, unpublished financial information, orders, agreements and other forms of documents, price and cost information, merchandising opportunities, expansion plans, designs, store plans, budgets, projections, customer, supplier and subcontractor

identities, characteristics and agreements, and salary, staffing and employment information. Notwithstanding the foregoing, Confidential Information shall not in any event include (A) Executive's personal knowledge and know-how relating to merchandising and business techniques which Executive has developed over his career in the apparel business and of which Executive was aware prior to his employment, or (B) information which (i) was generally known or generally available to the public prior to its disclosure to Executive; (ii) becomes generally known or generally available to the public subsequent to disclosure to Executive through no wrongful act of any person or (iii) which Executive is required to disclose by applicable law or regulation (provided that Executive provides the Corporation with prior notice of the contemplated disclosure and reasonably cooperates with the Corporation at the Corporation's expense in seeking a protective order or other appropriate protection of such information).

(b) Executive acknowledges and agrees that in the performance of his duties hereunder the Corporation will from time to time disclose to Executive and entrust Executive with Confidential Information. Executive also acknowledges and agrees that the unauthorized disclosure of Confidential Information, among other things, may be prejudicial to the Corporation's interests, and an improper disclosure of trade secrets. Executive agrees that he shall not, directly or indirectly, use, make available, sell, disclose or otherwise communicate to any corporation, partnership, individual or other third party, other than in the course of his assigned duties and for the benefit of the Corporation, any Confidential Information, either during his term of employment or thereafter.

(c) The Executive agrees that upon leaving the Corporation's employ, the Executive shall not take with the Executive any software, computer programs, disks, tapes, research, development, strategies, designs, reports, study, memoranda, books, papers, plans, information, letters, e-mails, or other documents or data reflecting any Confidential Information of the Corporation, its subsidiaries, affiliates or licensees.

(d) During Executive's term of employment, Executive will disclose to the Corporation all designs, inventions and business strategies or plans developed for the Corporation, including without limitation any process, operation, product or improvement. Executive agrees that all of the foregoing are and will be the sole and exclusive property of the Corporation and that Executive will at the Corporation's request and cost do whatever is necessary to secure the rights thereto, by patent, copyright or otherwise, to the Corporation

3.3 Non-Solicitation of Employees. The Executive covenants and agrees that during the Term, and for the remainder of such Term following the termination of Executive's employment for any reason whatsoever hereunder, the Executive shall not directly or indirectly solicit or influence any other employee of the Corporation, or any of its subsidiaries, affiliates or licensees, to terminate such employee's employment with the Corporation, or any of its subsidiaries, affiliates or licensees, as the case may be, or to become employed by a Competing Business.

3.4 Nondisparagement. The Executive agrees that during the Term and thereafter whether or not he is receiving any amounts pursuant to Sections 2.3 and 4.1, the Executive shall not make any statements or comments that reasonably could be considered to shed an adverse light on the business or reputation of the Corporation or any of its subsidiaries, affiliates or

licensees, the Board or any officer of the Corporation or any of its subsidiaries, affiliates or licensees; provided, however, the foregoing limitation shall not apply to (i) compliance with legal process or subpoena, or (ii) statements in response to inquiry from a court or regulatory body.

3.5 Remedies.

(a) The Executive acknowledges and agrees that in the event the Corporation reasonably determines that the Executive has breached any provision of this Article III, that such conduct will constitute a failure of the consideration for which stock options had been awarded, and notwithstanding the terms of any stock option award agreement, plan document, or other provision of this Agreement to the contrary, the Corporation may notify the Executive that he may not exercise any unexercised stock options and the Executive shall immediately forfeit the right to exercise any stock option of the Corporation that remains unexercised at the time of such notice and Executive waives any right to assert that any such conduct by the Corporation violates any federal or state statute, case law or policy.

(b) If the Corporation reasonably determines that the Executive has breached any provision contained in this Article III, the Corporation shall have no further obligation to make any payment or provide any benefit whatsoever to the Executive pursuant to this Agreement, and may also recover from the Executive all such damages as it may be entitled to at law or in equity. In addition, the Executive acknowledges that any such breach is likely to result in immediate and irreparable harm to the Corporation for which money damages are likely to be inadequate. Accordingly, the Executive consents to injunctive and other appropriate equitable relief upon the institution of proceedings therefor by the Corporation in order to protect the Corporation's rights hereunder. Such relief may include, without limitation, an injunction to prevent: (i) the breach or continuation of Executive's breach; (ii) the Executive from disclosing any trade secrets or Confidential Information (as defined in Section 3.2); (iii) any Competing Business from receiving from the Executive or using any such trade secrets or Confidential Information; and/or (iv) any such Competing Business from retaining or seeking to retain any employees of the Corporation.

3.6 The provisions of this Article III shall survive the termination of this Agreement and Executive's Term of employment.

ARTICLE IV CHANGE IN CONTROL

4.1 Change in Control.

(a) Effect of a Change in Control. Notwithstanding anything contained herein to the contrary, if the Executive's employment is terminated within 12 months following a Change in Control (as defined in Section 4.1(b) hereof) during the Term by the Corporation for any reason other than Cause, then:

(i) Severance. The Corporation shall pay to the Executive, in lieu of any amounts otherwise due him under Section 2.3(a) hereof, within 15 days of the Executive's termination of employment, a lump sum amount equal to two times the sum of:

(A) the Executive's Base Compensation, as in effect immediately prior to such termination of employment; and (B) the bonus actually paid to the Executive during the year prior to the Executive's termination.

(ii) Stock Options. The Executive shall immediately become vested in any unvested stock options granted to the Executive by the Corporation prior to the Change in Control and Executive will have six (6) months from the date of termination under this circumstance to exercise all vested options.

(b) Definition. For purposes hereof, a "Change in Control" shall mean the occurrence of any of the following: (i) the sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions, of all or substantially all of the assets of the Corporation to any "person" or "group" (as such terms are used in Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934 ("Act")) other than Permitted Holders; (ii) any person or group, other than Permitted Holders, is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Act, except that a person shall be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50 percent of the total voting power of the voting stock of the Corporation, including by way of merger, consolidation or otherwise; (iii) during any period of two consecutive years, Present and/or New Directors cease for any reason to constitute a majority of the Board; or (iv) the Permitted Holders' beneficial ownership of the total voting power of the voting stock of the Corporation falls below 30 percent and either Ralph Lauren is not nominated for a position on the Board of Directors, or he stands for election to the Board of Directors and is not elected. For purposes of this Section 4.1(b), the following terms have the meanings indicated: "Permitted Holders" shall mean, as of the date of determination: (A) any and all of Ralph Lauren, his spouse, his siblings and their spouses, and descendants of them (whether natural or adopted) (collectively, the "Lauren Group"); and (B) any trust established and maintained primarily for the benefit of any member of the Lauren Group and any entity controlled by any member of the Lauren Group. "Present Directors" shall mean individuals who at the beginning of any such two consecutive year period were members of the Board. "New Directors" shall mean any directors whose election by the Board or whose nomination for election by the shareholders of the Corporation was approved by a vote of a majority of the directors of the Corporation who, at the time of such vote, were either Present Directors or New Directors.

(c) Excise Tax Gross-Up. If the Executive becomes entitled to one or more payments (with a "payment" including the vesting of restricted stock, a stock option, or other non-cash benefit or property), whether pursuant to the terms of this Agreement or any other plan or agreement with the Corporation or any affiliated company (collectively, "Change of Control Payments"), which are or become subject to the tax ("Excise Tax") imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), the Corporation shall pay to the Executive at the time specified below such amount (the "Gross-up Payment") as may be necessary to place the Executive in the same after-tax position as if no portion of the Change of Control Payments and any amounts paid to the Executive pursuant to this paragraph 4(c) had been subject to the Excise Tax. The Gross-up Payment shall include, without limitation, reimbursement for any penalties and interest that may accrue in respect of such Excise Tax. For purposes of determining the amount of the Gross-up Payment, the Executive shall be deemed:

(A) to pay federal income taxes at the highest marginal rate of federal income taxation for the year in which the Gross-up Payment is to be made; and (B) to pay any applicable state and local income taxes at the highest marginal rate of taxation for the calendar year in which the Gross-up Payment is to be made, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes if paid in such year. If the Excise Tax is subsequently determined to be less than the amount taken into account hereunder at the time the Gross-up Payment is made, the Executive shall repay to the Corporation at the time that the amount of such reduction in Excise Tax is finally determined (but, if previously paid to the taxing authorities, not prior to the time the amount of such reduction is refunded to the Executive or otherwise realized as a benefit by the Executive) the portion of the Gross-up Payment that would not have been paid if such Excise Tax had been used in initially calculating the Gross-up Payment, plus interest on the amount of such repayment at the rate provided in Section 1274(b)(2)(B) of the Code. In the event that the Excise Tax is determined to exceed the amount taken into account hereunder at the time the Gross-up Payment is made, the Corporation shall make an additional Gross-up Payment in respect of such excess (plus any interest and penalties payable with respect to such excess) at the time that the amount of such excess is finally determined.

The Gross-up Payment provided for above shall be paid on the 30th day (or such earlier date as the Excise Tax becomes due and payable to the taxing authorities) after it has been determined that the Change of Control Payments (or any portion thereof) are subject to the Excise Tax; provided, however, that if the amount of such Gross-up Payment or portion thereof cannot be finally determined on or before such day, the Corporation shall pay to the Executive on such day an estimate, as determined by counsel or auditors selected by the Corporation and reasonably acceptable to the Executive, of the minimum amount of such payments. The Corporation shall pay to the Executive the remainder of such payments (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code) as soon as the amount thereof can be determined. In the event that the amount of the estimated payments exceeds the amount subsequently determined to have been due, such excess shall constitute a loan by the Corporation to the Executive, payable on the fifth day after demand by the Corporation (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code). The Corporation shall have the right to control all proceedings with the Internal Revenue Service that may arise in connection with the determination and assessment of any Excise Tax and, at its sole option, the Corporation may pursue or forego any and all administrative appeals, proceedings, hearings, and conferences with any taxing authority in respect of such Excise Tax (including any interest or penalties thereon); provided, however, that the Corporation's control over any such proceedings shall be limited to issues with respect to which a Gross-up Payment would be payable hereunder, and the Executive shall be entitled to settle or contest any other issue raised by the Internal Revenue Service or any other taxing authority. The Executive shall cooperate with the Corporation in any proceedings relating to the determination and assessment of any Excise Tax and shall not take any position or action that would materially increase the amount of any Gross-up Payment hereunder.

ARTICLE V MISCELLANEOUS

5.1 Notice. For the purposes of this Agreement, notices, demands and all other communications provided for in the Agreement shall be in writing and shall be deemed to have

been duly given when delivered by hand or by facsimile or mailed by United States registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive: Mitchell Kosh
8 Mark Twain Drive
Morris Township, NJ 07960

If to the Corporation: Polo Ralph Lauren Corporation
650 Madison Avenue
New York, New York 10022
Attn: Roger Farah
President & Chief Operating Officer
Fax: (212) 318-7529

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.

5.2 Modification or Waiver; Entire Agreement. No provision of this Agreement may be modified or waived except in a document signed by the Executive and the Corporation. This Agreement, along with any documents incorporated herein by reference, constitute the entire agreement between the parties regarding their employment relationship and supersede all prior agreements, promises, covenants, representations or warranties, including the Executive's July 1, 2001 Employment Agreement with the Corporation. To the extent that this Agreement is in any way inconsistent with any prior or contemporaneous stock option agreements between the parties, this Agreement shall control. No agreements or representations, oral or otherwise, with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement.

5.3 Governing Law. The validity, interpretation, construction, performance, and enforcement of this Agreement shall be governed by the laws of the State of New York without reference to New York's choice of law rules. In the event of any dispute, the Executive agrees to submit to the jurisdiction of any court sitting in New York State.

5.4 No Mitigation or Offset. In the event the Executive's employment with the Corporation terminates for any reason, the Executive shall not be obligated to seek other employment following such termination and there shall be no offset of the payments or benefits set forth herein.

5.5 Withholding. All payments required to be made by the Corporation hereunder to the Executive or the Executive's estate or beneficiaries shall be subject to the withholding of such amounts as the Corporation may reasonably determine it should withhold pursuant to any applicable law.

5.6 Attorney's Fees. Each party shall bear its own attorney's fees and costs incurred in any action or dispute arising out of this Agreement and/or the employment relationship.

5.7 No Conflict. Executive represents and warrants that he is not party to any agreement, contract, understanding, covenant, judgment or decree or under any obligation, contractual or otherwise, in any way restricting or adversely affecting his ability to act for the Corporation in all of the respects contemplated hereby.

5.8 Enforceability. Each of the covenants and agreements set forth in this Agreement are separate and independent covenants, each of which has been separately bargained for and the parties hereto intend that the provisions of each such covenant shall be enforced to the fullest extent permissible. Should the whole or any part or provision of any such separate covenant be held or declared invalid, such invalidity shall not in any way affect the validity of any other such covenant or of any part or provision of the same covenant not also held or declared invalid. If any covenant shall be found to be invalid but would be valid if some part thereof were deleted or the period or area of application reduced, then such covenant shall apply with such minimum modification as may be necessary to make it valid and effective. The failure of either party at any time to require performance by the other party of any provision hereunder will in no way affect the right of that party thereafter to enforce the same, nor will it affect any other party's right to enforce the same, or to enforce any of the other provisions in this Agreement; nor will the waiver by either party of the breach of any provision hereof be taken or held to be a waiver of any prior or subsequent breach of such provision or as a waiver of the provision itself.

5.9 Miscellaneous. No right or interest to, or in, any payments shall be assignable by the Executive; provided, however, that this provision shall not preclude the Executive from designating in writing one or more beneficiaries to receive any amount that may be payable after the Executive's death and shall not preclude the legal representative of the Executive's estate from assigning any right hereunder to the person or persons entitled thereto. If the Executive should die while any amounts would still be payable to the Executive hereunder, all such amounts shall be paid in accordance with the terms of this Agreement to the Executive's written designee or, if there be no such designee, to the Executive's estate. This Agreement shall be binding upon and shall inure to the benefit of, and shall be enforceable by, the Executive, the Executive's heirs and legal representatives and the Corporation and its successors. The section headings shall not be taken into account for purposes of the construction of any provision of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date and year first above written.

POLO RALPH LAUREN CORPORATION

/s/ Roger Farah

/s/ Mitchell Kosh

By: Roger Farah
Title: President & Chief Operating Officer

Mitchell Kosh

EXHIBIT A

Base Compensation

Mitchell Kosh

Effective September 8, 2003, annual base compensation is \$425,000.

EXHIBIT B

Abercrombie & Fitch
Ann Taylor
Brooks Brothers
Burberry
Calvin Klein
Chanel
Crate & Barrel
Dillard's Inc.
Federated Department Stores, Inc.
Gap Corp.
Giorgio Armani
Gucci Group
Hermes
Hugo Boss
J. Crew
J.C. Penny Co. Inc.
Jones Apparel Group
Limited Brands
Liz Clairborne
LVMH
May Department Stores Co.
Nautica
Neiman Marcus Group, Inc.
Nordstrom
Prada Group
Richemont Group
Saks Inc.
Salvatore Ferragamo Italia S.P.A.
T.J. Max
Tommy Hilfiger
William Sonoma Group

EXHIBIT C

SEVERANCE AGREEMENT AND RELEASE

This document is an Agreement between the Polo Ralph Lauren Corporation (the “Company”) and myself for me to receive severance pay and other benefits from the Company in exchange for a complete release.

1. Severance Payment

I understand that the Company is not required to provide me with severance and that such payments and other benefits are being offered by the Company in exchange for my release of any and all claims against the Company and its Related Persons (defined below). I understand that I am not required to sign this Agreement and I may choose not to sign it. Even if I do not sign the Agreement, I will receive the benefits I am entitled to under all established Company benefit plans, excluding the severance payment and benefits described herein.

2. Release

In exchange for the severance benefits described in Section 2.3(a)(i) of my employment contract with the Company dated _____ (“Employment Contract”), which I acknowledge is sufficient consideration to support this Agreement, I hereby release and forever discharge Polo Ralph Lauren Corporation, its subsidiaries and affiliates, predecessors, and assigns and their respective benefit and severance plans, plan administrators and fiduciaries, representatives, present and former officers, directors, stockholders, attorneys, agents and employees, and their heirs, executors, administrators, successors and assigns (collectively, the Company and its “Related Persons”), from any and all rights, claims, causes of action, damages and liabilities of every kind whatsoever, known or unknown, suspected or unsuspected, which against them I or any of my executors, administrators, successors or assigns ever had, now have or hereafter can, shall or may have by reason of any matter, cause or thing whatsoever arising from the beginning of time to the time I sign this Agreement.

This release includes, but is not limited to:

- (i) Any rights or claims relating in any way to my employment relationship with the Company or any of its Related Persons, or the termination of my employment, or any rights or claims arising under any tort, employment contract (express or implied), public policy, whistleblower law, wrongful discharge or any other obligation including any claims arising under
- the federal Age Discrimination in Employment Act of 1967, as amended, by the Older Workers Benefit Protection Act;
 - Title VII of the Civil Rights Act of 1964, as amended;
 - the Civil Rights Act of 1991, as amended;
 - the Civil Rights Act of 1866;
 - the Americans With Disabilities Act of 1990, as amended;

- the Employee Retirement Income Security Act of 1974, as amended;
- the Family and Medical Leave Act of 1993;
- the Fair Labor Standards Act;
- the Equal Pay Act;
- the Worker Adjustment Retraining and Notification Act;
- the National Labor Relations Act;
- the Employee Retirement Income Security Act of 1964; or
- any other federal, state or local law or ordinance (including, without limitation, the New York State Human Rights Law, the New York City Human Rights Law, the New Jersey Law Against Discrimination, the Conscientious Employee Protection Act, the California Fair Employment and Housing Act, and the California Labor Code); or

or(ii) any other rights or claims which might have been asserted by me including, but not limited to, any claims for wages, severance, bonuses, monetary or equitable relief or other damages of any kind, other employee fringe benefits or attorneys' fees, and any claims arising under Company policies, welfare or benefit plans, or other employment practices. This release, however, will not affect my vested profit sharing savings plan benefits or other vested benefits.

I also expressly waive all rights afforded by Section 1542 of the Civil Code of the State of California ("Section 1542"), or any similar law in any other jurisdiction. Section 1542 provides that A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE RELEASOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT.

3. Non-Admission

I understand that any payments or benefits provided to me under the terms of this Agreement do not constitute an admission by the Company or any of its Related Persons that they have violated any law or legal obligation with respect to any aspect of my employment or termination therefrom.

4. Covenant Not to Sue

I also agree, to the extent consistent with applicable law, not to initiate any legal action, charge or complaint ("Action") against the Company or any of its Related Persons in any forum whatsoever and to immediately discontinue any such Action previously commenced. Further, to the extent any such Action has been or is brought, I expressly waive any claim to any form of monetary or other damages or any form of recovery or relief in connection with any such Action, or in connection with any Action brought by a third party.

5. Non-Disparagement

I also agree that I will not issue any communication, written or oral, that disparages, criticizes or otherwise reflects adversely or encourages any adverse action against the Company or any of

its Related Persons. I also agree that I will not divulge, communicate, or in any way make use of any confidential or proprietary information acquired during my employment with the Company.

6. Confidentiality

In addition, I agree that I will not disclose, or cause to be disclosed in any way, the terms of this Agreement, the facts and circumstances underlying this Agreement or the fact that such Agreement exists, except to my spouse or significant other, attorney or accountant, or for the purpose of enforcing this Agreement, should that ever become necessary.

7. Cooperation

I further agree that I will cooperate fully with the Company in connection with any existing or future litigation involving the Company, whether administrative, civil or criminal in nature, in which and to the extent the Company deems my cooperation necessary.

8. Return of Property/Payment of Invoices

I agree that all files, papers, memoranda, letters, handbooks and manuals, facsimile or other communications that were written, authorized, signed, received or transmitted during my employment and any Company property (including, without limitation, any computer hardware or software, or communications equipment) in my possession are and remain the property of the Company and, as such, are not to be removed from the Company's offices. In addition, any such materials or property that I possess, but which are not in the Company's offices, will be returned immediately.

Further, I agree that the Company may deduct from my severance payment any amounts that I owe to the Company for personal expenses, loans or other obligations due to the Company.

9. Representations

Notwithstanding the provisions of Section 1542, or any similar laws in another jurisdiction, if I sign this Agreement, I understand and agree that the release in this Agreement is intended to be a full and complete waiver of all claims, if any, which I may have and which I do not now know or suspect to exist in my favor against the Company or any of its Related Persons and that this Agreement extinguishes those claims. By signing, below, I am making a knowing and voluntary decision to waive and release any and all claims in exchange for the severance pay and other benefits offered by the Company. This Agreement constitutes the entire agreement between the Company and me concerning my employment and the termination of my employment, and supersedes all prior discussions, agreements and understandings of every kind between the Company and me.

The Company recommends that I consult with an attorney prior to signing this Agreement. The Company also advises me that I have twenty-one (21) days to consider the terms of this Agreement, although I may sign it sooner if I wish. Furthermore, I understand that even after I have signed this Agreement, I will have an additional seven (7) days to revoke my consent by

notifying in writing Barbara Maddock, Vice President of HR Operations and Administration, at 9 Polito Avenue, Lyndhurst, NJ 07071, by the close of business on the 7th day following execution of this Agreement. This Agreement shall not become effective or enforceable until this seven (7) day revocation period has expired. If I revoke my consent during this seven (7) day period, I will not be entitled to receive any severance pay or other benefits described in this Agreement.

10. Re-Employment

I understand that my employment with the Company is permanently and irrevocably severed and that I am not eligible for rehire with the Company or any of its Related Persons. In the event I attempt to reapply for any position with the Company or any of its Related Persons or seek any form of independent contractor or consultant relationship with them, I acknowledge that the denial of my re-application would not be unlawful or improper in any way.

11. Commencement of Payment

I further understand that the Company will commence payment of severance, less applicable withholdings, on the first regular payroll date after expiration of the seven (7) day revocation period after the Company receives the signed Release documents, provided that I do not revoke my consent during the revocation period, as described above.

12. Other Information

This Agreement may not be modified or amended unless authorized and agreed to in writing, and signed by me and approved by an authorized Company Officer. This Agreement shall be governed by the laws of the State of New York, without reference to its choice of law rules. If any clause of this Agreement should ever be determined to be unenforceable, it is agreed that this will not affect the enforceability of any other clause or the remainder of this Agreement.

13. Acknowledgement

I acknowledge that (i) I have carefully read and fully understand all of the provisions of this Agreement; (ii) I have had an opportunity to have the terms and conditions of this Agreement explained to me by an attorney of my choice; and (iii) I am entering into this Agreement freely, knowingly and voluntarily in exchange for valuable consideration.

/exhibit copy/

Employee Name

Date Signed: _____

Company Authorization:

/exhibit copy/

By: EXHIBIT COPY

CERTIFICATION

I, Ralph Lauren, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Polo Ralph Lauren Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting, and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ RALPH LAUREN

Ralph Lauren
*Chairman of the Board and
Chief Executive Officer
(Principal Executive Officer)*

Date: November 11, 2003

CERTIFICATION

I, Gerald M. Chaney, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Polo Ralph Lauren Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting, and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ GERALD M. CHANEY

Gerald M. Chaney
*Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)*

Date: November 11, 2003

Certification of Ralph Lauren Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Polo Ralph Lauren Corporation (the "Company") on Form 10-Q for the period ended September 27, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ralph Lauren, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ RALPH LAUREN

Ralph Lauren

November 11, 2003

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Polo Ralph Lauren Corporation and will be retained by Polo Ralph Lauren Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Certification of Gerald M. Chaney Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Polo Ralph Lauren Corporation (the "Company") on Form 10-Q for the period ended September 27, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gerald M. Chaney, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ GERALD M. CHANEY

Gerald M. Chaney

November 11, 2003

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Polo Ralph Lauren Corporation and will be retained by Polo Ralph Lauren Corporation and furnished to the Securities and Exchange Commission or its staff upon request.