

REGISTRATION NO. 333-83500

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

AMENDMENT NO. 3

TO

FORM S-3  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

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, NY 10022  
(212) 318-7000  
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF  
REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

EDWARD W. SCHEUERMANN, ESQ.  
VICE PRESIDENT -- CORPORATE COUNSEL  
POLO RALPH LAUREN CORPORATION  
650 MADISON AVENUE  
NEW YORK, NY 10022  
(212) 318-7000  
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE,  
OF AGENT FOR SERVICE)

COPIES TO:

MARK S. BERGMAN, ESQ.  
DOUGLAS A. CIFU, ESQ.  
PAUL, WEISS, RIFKIND, WHARTON & GARRISON  
1285 AVENUE OF THE AMERICAS  
NEW YORK, NY 10019  
(212) 373-3000

VALERIE FORD JACOB, ESQ.  
FRIED, FRANK, HARRIS, SHRIVER & JACOBSON  
ONE NEW YORK PLAZA  
NEW YORK, NY 10004  
(212) 859-8000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box: [ ]

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. [ ]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: [ ]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box: [ ]

CALCULATION OF REGISTRATION FEE

PROPOSED AMOUNT TO BE MAXIMUM OFFERING	MAXIMUM AGGREGATE AMOUNT OF TITLE OF SECURITIES TO BE REGISTERED	REGISTERED PRICE PER SHARE	OFFERING PRICE	REGISTRATION FEE
---	Class A common stock, par value \$.01 per share.....	12,650,000 shares(1)	\$27.41(2)	\$346,736,500(1)(2)
				\$31,900(3)

- (1) Includes 1,650,000 shares of Class A common stock subject to the underwriters' over-allotment option.
- (2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(c) under the Securities Act of 1933, as amended, based upon the average of the high and low prices reported on the New York Stock Exchange on February 22, 2002.
- (3) Previously paid.

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

THE INFORMATION IN THIS PRELIMINARY PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. THESE SECURITIES MAY NOT BE SOLD UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PRELIMINARY PROSPECTUS IS NOT AN OFFER TO SELL NOR DOES IT SEEK AN OFFER TO BUY THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION. DATED APRIL 22, 2002.

11,000,000 Shares

[POLO RALPH LAUREN LOGO]  
Class A Common Stock

All of the shares of Class A common stock in the offering are being sold by the selling stockholders identified in this prospectus. We will not receive any of the proceeds from the sale of the shares.

The Class A common stock is listed on the New York Stock Exchange under the symbol "RL". The last reported sale price of the Class A common stock on April 19, 2002 was \$29.87 per share.

See "Risk Factors" on page 8 to read about factors you should consider before buying shares of the Class A common stock.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER REGULATORY BODY HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Per Share Total	-----	-----	Initial price
to public.....			
	\$ \$	Underwriting	
discount.....			
\$ \$	Proceeds, before expenses, to the selling		
	stockholders.....	\$ \$	

To the extent that the underwriters sell more than 11,000,000 shares of Class A common stock, the underwriters have the option to purchase up to an additional 1,650,000 shares from the selling stockholders at the initial price to public less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on \_\_\_\_\_, 2002.

GOLDMAN, SACHS & CO.

CREDIT SUISSE FIRST BOSTON

UBS WARBURG

Prospectus dated \_\_\_\_\_, 2002.

[PHOTOS OF MODELS AND PRODUCTS.]

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and the documents incorporated by reference. This summary does not contain all of the information that you should consider before investing in our Class A common stock. You should read this entire prospectus carefully, especially the risks of investing in the Class A common stock discussed under "Risk Factors" on pages 8 - 15. Fiscal 2001, fiscal 2000, fiscal 1998 and fiscal 1997 reflect a 52-week period and fiscal 1999 reflects a 53-week period.

In this prospectus, references to "Polo", "ourselves", "we", "our", and "us" refer to Polo Ralph Lauren Corporation and its subsidiaries, unless the context requires otherwise. Due to the collaborative and ongoing nature of our relationships with our licensees, these licensees are referred to in this prospectus as "licensing partners", and the relationships between ourselves and these licensees are referred to as "licensing alliances". Notwithstanding these references, however, the legal relationship between ourselves and our licensees is not one of partnership, but of licensor and licensee.

POLO RALPH LAUREN CORPORATION

We are a leader in the design, marketing and distribution of premium apparel and lifestyle products. Our brand names, which include "Polo", "Polo by Ralph Lauren", "Polo Sport", "Ralph Lauren", "RALPH", "Lauren" and "Polo Jeans Co." constitute one of the world's most widely recognized families of consumer lifestyle brands. We believe that, under the direction of Ralph Lauren, the internationally renowned designer, we have influenced the manner in which people dress and live in contemporary society, reflecting an American perspective and lifestyle uniquely associated with Polo and Ralph Lauren.

Since our initial public offering in June 1997, we have significantly grown both our revenues and our net income. Our net revenues for the fiscal year ended March 31, 2001 were \$2.2 billion, up substantially from net revenues of \$1.2 billion for the fiscal year ended March 29, 1997. Although net income for fiscal 2001 was \$59.3 million, compared to \$117 million in fiscal 1997, fiscal 2001 net income reflected restructuring and special charges and foreign currency gains of \$183.1 million. For the twelve months ended December 29, 2001, net income was \$172 million from net revenues of \$2.3 billion, and for the nine months ended December 29, 2001, net income was \$124.5 million from net revenues of \$1.7 billion, compared to net income of \$11.8 million from net revenues of \$1.7 billion for the nine months ended December 30, 2000.

We believe that total global wholesale net sales of Ralph Lauren products generated by our wholesale operations and by our licensees are an important indication of the strength of our brands.

FISCAL 2001 GLOBAL WHOLESALE NET SALES OF POLO RALPH LAUREN PRODUCTS(1)  
[PIE CHART] (IN MILLIONS)

Menswear	2061
Womenswear	1198
Accessories	436
Home	402
Fragrance	386

[PIE CHART]

U.S.	3626
Japan	456
Europe	346
Other (3)	337

TOTAL: \$4,765

- (1) Represents the total wholesale net sales of Polo Ralph Lauren products generated by our wholesale operations and our licensing partners. Wholesale net sales for Polo Ralph Lauren products sold by our licensing partners have been derived from information obtained from our licensing partners. Includes our wholesale sales of \$1.1 billion and additional amounts representing transfers of products to our wholly-owned full price retail stores at wholesale prices and to our wholly-owned outlet stores at cost.
- (2) Includes Australia, South America, the Pacific Rim, Korea and Canada.

We began 35 years ago with a single tie and a vision of style and elegance. While our operations today span 65 countries, 20 labels and approximately 9,900 employees, the vision has remained unchanged. Our now famous polo player astride a horse logo and Ralph Lauren womenswear products were introduced in 1971. In that same year, the first in-store area dedicated exclusively to Polo Ralph Lauren products, or "shop-within-shop boutique", opened in Bloomingdale's flagship store in New York City and the first Polo Ralph Lauren store was opened by an independent third party. From these beginnings, the Polo Ralph Lauren brands grew to be among the most recognized luxury brands in the world and have served as the foundation upon which we have based our growth.

We combine our design, marketing and imaging skills and consumer insight to offer, along with our licensing partners, broad lifestyle collections in our four product categories. We believe our products reflect a timeless and innovative American style desired by our customers. Our product categories are:

- apparel, which represents the largest segment of our business and includes extensive collections of menswear, womenswear and children's clothing,
- home collection, which offers coordinated products for bed and bath, interior decor and tabletop, and gift items,
- accessories, which encompass a broad range of products such as footwear, eyewear, jewelry and leather goods, including handbags and luggage, and
- fragrance and skin care products, which are sold under our Glamourous, Romance, Polo, Lauren, Safari and Polo Sport brands, among others.

Our distinctive advertising builds our brand names and image season after season. We and our licensing partners collectively spent over \$192 million in the nine months ended December 29, 2001 and over \$222 million in fiscal 2001 to advertise and promote our brands worldwide through a variety of channels.

We operate in three integrated segments: wholesale, retail and licensing.

- Wholesale operations primarily consist of the design, sourcing, marketing and distribution of menswear and womenswear under the following brands:

Menswear

- Ralph Lauren Purple Label
- Polo Ralph Lauren
- Polo Sport
- Polo Golf
- RLX Polo Sport
- Lauren

Womenswear

- Ralph Lauren Collection
- Ralph Lauren Black Label
- Ralph Lauren Blue Label (beginning fall 2002)
- Polo Golf
- RLX Polo Sport

- Our retail sales are generated by our 39 Polo Ralph Lauren stores and 54 Club Monaco stores as well as our 95 Polo Ralph Lauren outlet stores, 24 Polo Jeans Co. outlet stores, ten Club Monaco outlet stores and 12 European outlet stores. These stores give us a broad, yet targeted, exposure to customers. The Polo Ralph Lauren stores provide us with a platform for experimenting with local trends and consumer tastes in key fashion markets such as New York City and Los Angeles.
- Our licensing operations reflect our efforts to conceptualize, design and market a broad range of products. Licensing provides us with further penetration of the brand and image consistent with the Polo lifestyle as well as brand presence in select international geographic areas. We license over 30 products to 34 licensing partners, including Jones Apparel Group, Inc. and L'Oreal S.A.



Details of our net revenues are shown in the table below.

FISCAL YEAR ENDED NINE MONTHS ENDED	
-----	
----- MARCH 31, APRIL 1, APRIL 3, DECEMBER 29, DECEMBER 30, 2001 2000	
-----	
(IN THOUSANDS)	
(UNAUDITED) Wholesale sales.....	
\$1,053,842	\$ 885,246
859,498	\$ 805,565
758,190	Retail sales.....
928,577	833,980
659,352	743,988
750,681	-----
----- Net sales.....	
1,982,419	1,719,226
1,518,850	1,549,553
1,508,871	Licensing revenue.....
243,355	236,302
208,009	181,066
178,383	-----
----- Net revenues.....	
\$2,225,774	\$1,955,528
\$1,726,859	\$1,730,619
\$1,687,254	=====
=====	=====
=====	=====

#### OUR CORE STRENGTHS

Our steady growth has resulted from several core strengths, which we believe distinguish us from our peers.

- World-recognized Polo Ralph Lauren brand affording our business a solid foundation for growth.
- Successful track record of product development through 35 years of operations.
- Well-developed multi-channel presence with global operations in wholesale, retail and licensing.
- Strong cash flow and balance sheet to fund our geographic expansion and product development.
- The leadership of Mr. Ralph Lauren in creating and developing a unifying lifestyle vision in our business.
- Experienced management team to oversee Polo's growth and a skilled design team to promote our brands.

#### OUR STRATEGY

We have maintained a consistent operating strategy that has translated new products into growth in both sales and profitability. The key elements of this strategy are to:

- Extend Polo Ralph Lauren Brands. While maintaining a consistent global image for our brands that portrays core lifestyle themes, we will seek both to extend existing brands and to create new brands to address new and emerging markets and customer groups.
- Expand Our Geographic Coverage. In addition to our growth prospects in

the U.S., we believe that international markets, specifically Europe and Japan, are under-penetrated and offer growth opportunities for our quintessential American designs and lifestyle image.

- Increase Direct Management of Polo Ralph Lauren Brands. We continue to enhance our ability to control our brands by opening more of our own specialty stores, improving the merchandising in our existing specialty stores and strategically acquiring select licensees. By increasing the direct management of our brands and our products, we expect to enhance our brand image, as well as expand sales and profits more significantly.
- Enhance Our Operations. We have spent the last 18 months focusing on the operations of our retail and wholesale businesses, as well as on improving efficiency at the corporate level. Although we have seen progress reflected in our financial results, we believe potential still exists for further significant margin expansion.

THE OFFERING

Class A common stock offered  
by selling stockholders..... 11,000,000 shares

The selling stockholders hold all 22,720,979 of the outstanding shares of Class C common stock, each of which is convertible, at the option of the holder, into one share of Class A common stock. The selling stockholders intend to convert 11,000,000 shares of Class C common stock into an equal number of Class A common stock for sale in this offering.

Common stock to be outstanding  
after the offering:

Class A Common Stock.....	43,227,058 shares (including the 11,000,000 shares being sold by the selling stockholders)
Class B Common Stock.....	43,280,021 shares
Class C Common Stock.....	11,720,979 shares -----
Total.....	98,228,058 shares =====

Use of proceeds..... We will not receive any of the proceeds of this offering.

Risk factors..... For a discussion of factors you should consider before buying shares of Class A common stock, see "Risk Factors."

Voting rights..... The holders of Class A common stock generally have rights identical to holders of Class B common stock and Class C common stock, except that holders of Class A common stock and Class C common stock are entitled to one vote per share and holders of Class B common stock are entitled to ten votes per share. Holders of all classes of common stock generally will vote together as a single class on all matters presented to the stockholders for their vote or approval except for the election and the removal of directors and as otherwise required by applicable Delaware law.

NYSE symbol..... RL

Unless we specifically state otherwise, the information in this prospectus does not take into account the purchase of up to 1,650,000 shares of Class A common stock from the selling stockholders, following the conversion of an equal number of shares of Class C common stock, that the underwriters have the option to purchase solely to cover over-allotments. If the over-allotment option is exercised in full, we will have 44,877,058 shares of Class A common stock, and 10,070,979 shares of Class C common stock, outstanding.

The number of shares of Class A common stock to be outstanding immediately after this offering is based upon our shares outstanding as of April 17, 2002 and does not take into account an aggregate of 9,441,489 shares of Class A common stock issuable upon exercise of options outstanding pursuant to our 1997 Long-Term Stock Incentive Plan and our 1997 Non-Employee Director Option Plan and an aggregate of 9,437,922 additional shares of Class A common stock available for future grants under these plans.

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Our principal offices are located at 650 Madison Avenue, New York, New York 10022, and our telephone number is (212) 318-7000. We maintain a web site at

"www.polo.com." Information presented on our web site does not constitute part of this prospectus.

## SUMMARY CONSOLIDATED FINANCIAL DATA

The table below provides a summary of our consolidated financial data for the five fiscal years in the period ended March 31, 2001 and for the nine month periods ended December 29, 2001 and December 30, 2000. We derived the summary historical operating data and the balance sheet data as of and for the years ended March 31, 2001 and April 1, 2000 and the summary historical operating data for the year ended April 3, 1999 from the consolidated financial statements and notes thereto, included elsewhere in this prospectus, audited by Deloitte & Touche LLP, our independent auditors, whose report is contained elsewhere in this prospectus, and should be read with those financial statements and the related notes. We derived the balance sheet data for the year ended April 3, 1999 and the summary historical operating data and the balance sheet data as of and for the years ended March 28, 1998 and March 29, 1997 from our audited consolidated financial statements contained in our annual reports on Form 10-K for the years ended March 28, 1998 and April 3, 1999, which are not included in this prospectus. We derived the summary historical operating data and the balance sheet data as of and for the nine month periods ended December 29, 2001 and December 30, 2000 from our unaudited consolidated financial statements which are contained in our quarterly report on Form 10-Q for the nine month periods ended December 29, 2001 and December 30, 2000 and included in this prospectus. In the opinion of management, these unaudited interim consolidated financial statements include all adjustments, consisting of normal recurring adjustments, necessary for the fair presentation of our financial position, results of operations and cash flows. You should read this summary consolidated financial data together with our consolidated financial statements and the notes to those financial statements as well as the discussion under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

Income from operations, as adjusted, and earnings before interest, taxes, depreciation, amortization, equity in net loss of joint venture and restructuring and special charges, referred to as "adjusted EBITDA", are presented in order to allow for greater comparability between periods as well as an indication of our results on an ongoing basis. We calculate adjusted EBITDA as income from operations plus depreciation, amortization and restructuring and special charges. Because all companies do not calculate income from operations, as adjusted, and adjusted EBITDA or other similarly titled financial measures in the same manner, those disclosures may not be comparable with income from operations, adjusted EBITDA or similarly titled financial measures as calculated by us. You should not think of income from operations, as adjusted and adjusted EBITDA as an alternative to net income or net income per share (as an indicator of operating performance) or as an alternative to cash flow (as a measure of liquidity or ability to service debt obligations). Income from operations, as adjusted and adjusted EBITDA are not measures of performance or financial condition under generally accepted accounting principles.

FISCAL YEAR ENDED NINE  
MONTHS ENDED -----

-----  
-----  
-----  
---- MARCH 31, APRIL 1,  
APRIL 3, MARCH 28, MARCH  
29, DECEMBER 29, DECEMBER  
30, 2001 2000 1999 1998  
1997 2001 2000 -----  
-----

----- (UNAUDITED)

(IN THOUSANDS, EXCEPT PER  
SHARE DATA) OPERATING

DATA: Global wholesale  
net sales of Ralph Lauren  
products(1).....

\$4,764,994 \$4,527,531  
\$4,190,337 \$3,565,101  
\$2,915,000 \$3,440,000  
\$3,457,000 Net

revenues.....

2,225,774 1,955,528  
1,726,859 1,480,544  
1,188,217 1,730,619

1,687,254 Income from  
operations.... 117,221

263,911 155,585 199,755

157,363 214,167 38,440

Restructuring and special  
charges.....

183,127(2) -- 58,560(3) -

- - - - 184,527(4) Income

from operations, as

adjusted(5).....

300,348 263,911 214,145

199,755 157,363 214,167

222,967 Net

income.....

59,262 143,497 90,550

147,571 117,300 124,477

11,765 Net income per

share --

diluted.....

0.61 1.45 0.91 N/A N/A

1.26 0.12 OTHER OPERATING

DATA: Adjusted

EBITDA(6)..... 378,947

330,191 260,559 227,157

167,519 277,401 283,051

Number of stores in

operation at end of

period.....

229 226 132 101 71 234

252 CASH FLOW DATA: Cash

flows provided by

operating activities....

100,286 242,689 38,523

96,206 203,620 277,753

105,296 Cash flows (used

in) investing

activities.... (181,972)

(318,322) (196,229)

(74,873) (38,560)

(87,069) (92,271) Cash

flows provided by (used

in) financing

activities.....

(25,886) 201,590 143,409

7,823 (149,029) 1,962

(16,932)

APRIL 1, APRIL 3,

MARCHC28,1, MARCH 29,

DECEMBER 29, DECEMBER 30,

2000 1999 19981 1997 2001

2000 -----

-----

-----  
 ---- (UNAUDITED) (IN  
 THOUSANDS, EXCEPT PER  
 SHARE DATA) BALANCE SHEET

DATA: Cash and cash equivalents and marketable securities.....			
\$ 102,219	\$ 164,571	\$	
44,458	\$ 58,755	\$ 29,599	
\$ 294,569	\$ 157,328		
Working capital.....			
462,144	446,663	331,482	
354,206	209,038	569,687	
497,495			
Inventories.....			
425,594	390,953	376,860	
298,485	222,147	355,152	
401,863	Total		
assets.....			
1,626,093	1,620,562		
1,104,584	825,130	588,758	
1,741,745	1,570,344	Total	
debt.....			
383,100	428,838	159,717	
337	140,900	371,953	
413,637	Stockholders'		
equity and partners'			
capital.....	809,309		
772,437	658,905	584,326	
260,685	947,390	764,437	

- 
- (1) Represents the wholesale net sales of Polo Ralph Lauren products generated by our wholesale operations and our licensing partners. Wholesale net sales for Polo Ralph Lauren products sold by our licensing partners have been derived from information obtained from our licensing partners. Includes transfers of products to our wholly-owned full price retail stores at wholesale prices and to our outlet stores at cost.
  - (2) Restructuring and special charges for fiscal 2001 consisted of \$123.6 million in restructuring charges, \$41.5 million in inventory write-downs and \$18.1 million in other expenses related to our operational review.
  - (3) Restructuring and special charges for fiscal 1999 consisted of lease and contract termination costs of \$24.7 million, asset write downs of \$17.8 million, severance and termination benefits of \$15.3 million and other restructuring costs of \$0.8 million.
  - (4) Restructuring and special charges for the nine months ended December 30, 2000 consisted of \$128.6 million in restructuring charges, \$37.9 million in inventory write-downs and \$18.1 million in other expenses related to our operational review.

(5) Income from operations, as adjusted, represents income from operations excluding restructuring and special charges and foreign currency gains.

(6) The following table presents a reconciliation of our net income to Adjusted EBITDA:

FISCAL YEAR ENDED NINE			
MONTHS ENDED	-----		
-----	-----		
	MARCH 31,	APRIL 1, APRIL 3, MARCH 28,	MARCH 29, DECEMBER 29,
	DECEMBER 30,	2001 2000 1999	1998 1997 2001 2000
	-----	-----	-----
	-----		
	(UNAUDITED)		
	(IN THOUSANDS) Net		
income.....	\$ 59,262	\$143,497	\$ 90,550
	\$147,571	\$117,300	\$124,477
\$ 11,765 Adjustments:			
Interest			
expense.....	25,113	15,025	2,759 159
	13,660	15,204	18,992
Provision for income			
taxes....	38,692	101,422	
	62,276	52,025	22,804 74,685
7,683 Depreciation and			
amortization.....	78,599	66,280	46,414 27,402
	13,755	62,234	60,084
Foreign currency			
(gains).....	(5,846)	-- --	-- --
	-- -- (199)	--	Cumulative
effect of change in			
accounting principle, net			
of			
taxes.....	-- 3,967	-- -- -- --	-- --
Restructuring and special			
charges.....	183,127	-- 58,560	-- -- --
	184,527	-----	-----
-----	-----	-----	-----
Adjusted			
EBITDA.....	\$378,947	\$330,191	\$260,559
	\$227,157	\$167,519	\$277,401
	\$283,051	=====	=====
	=====	=====	=====
	=====	=====	=====



## RISK FACTORS

You should carefully consider the following risk factors and all of the other information contained in, or incorporated by reference into, this prospectus before purchasing our Class A common stock. Investing in our Class A common stock involves a high degree of risk. Any of the following risks could materially harm our business and could result in a complete loss of your investment.

### RISKS RELATED TO OUR BUSINESS

THE LOSS OF THE SERVICES OF MR. RALPH LAUREN OR OTHER KEY PERSONNEL COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS.

Mr. Ralph Lauren's leadership in the design, marketing and operational areas has been a critical element of our success. The loss of his services, or any negative market or industry perception arising from his loss, could have a material adverse effect on our business. Our other executive officers have substantial experience and expertise in our business and have made significant contributions to our growth and success. The unexpected loss of services of one or more of these individuals could also adversely affect us. We are currently not protected by a material amount of key-man or similar life insurance covering Mr. Lauren or any of our other executive officers. We have entered into employment agreements with Mr. Lauren and several other of our executive officers.

A SUBSTANTIAL PORTION OF OUR NET SALES AND GROSS PROFIT IS DERIVED FROM A SMALL NUMBER OF LARGE CUSTOMERS.

Several of our department store customers, including some under common ownership, account for significant portions of our wholesale net sales. We believe that a substantial portion of sales of our licensed products by our domestic licensing partners, including sales made by our sales force of Ralph Lauren Home products, are also made to our largest department store customers. Our 10 largest customers accounted for:

- approximately 76.8% of our wholesale net sales during the nine months ended December 29, 2001, of which Federated Department Stores, Inc. accounted for 19.2%, Dillard Department Stores, Inc., accounted for 19.1% and The May Department Stores Company accounted for 17.6%, and
- approximately 82.7% of our wholesale net sales during fiscal 2001, of which Federated Department Stores, Inc. accounted for 20.4%, Dillard Department Stores, Inc. accounted for 19.4% and The May Department Stores Company accounted for 18.5%.

We do not enter into long-term agreements with any of our customers. Instead we enter into a number of purchase order commitments with our customers for each of our lines every season. A decision by the controlling owner of a group of stores or any other significant customer, whether motivated by competitive conditions, financial difficulties or otherwise, to decrease the amount of merchandise purchased from us or our licensing partners, or to change their manner of doing business with us or our licensing partners, could have a material adverse effect on our financial condition and results of operations. See "Business -- Operations -- Domestic Customers and Service".

OUR BUSINESS COULD BE NEGATIVELY IMPACTED BY THE FINANCIAL INSTABILITY OF OUR CUSTOMERS.

We sell our merchandise primarily to major department stores across the United States and extend credit based on an evaluation of each customer's financial condition, usually without requiring collateral. However, the financial difficulties of a customer could cause us to curtail business with that customer. We may also assume more credit risk relating to that customer's

receivables. We had three customers, Dillard Department Stores, Inc., Federated Department Stores, Inc. and The May Department Stores Company, which in aggregate constituted 48.7% of trade accounts receivable outstanding at December 29, 2001, 52.0% at March 31, 2001 and 54.0% at April 1, 2000. Our inability to collect on our trade accounts receivable from any one of these customers could have a material adverse effect on our business or financial condition. See "Business -- Credit Control".

OUR BUSINESS COULD SUFFER AS A RESULT OF A MANUFACTURER'S INABILITY TO PRODUCE OUR GOODS ON TIME AND TO OUR SPECIFICATIONS.

We do not own or operate any manufacturing facilities and therefore depend upon independent third parties for the manufacture of all of our products. Our products are manufactured to our specifications by both domestic and international manufacturers. During the nine months ended December 29, 2001, approximately 5%, by dollar value, of our men's and women's products were manufactured in the United States and approximately 95%, by dollar value, of these products were manufactured in Hong Kong and other foreign countries. During fiscal 2001, approximately 24%, by dollar value, of our men's and women's products were manufactured in the United States and approximately 76%, by dollar volume, of our men's and women's products were manufactured in Hong Kong and other foreign countries. The inability of a manufacturer to ship orders of our products in a timely manner or to meet our quality standards could cause us to miss the delivery date requirements of our customers for those items, which could result in cancellation of orders, refusal to accept deliveries or a reduction in purchase prices, any of which could have a material adverse effect on our financial condition and results of operations.

OUR BUSINESS COULD SUFFER IF WE NEED TO REPLACE MANUFACTURERS.

We compete with other companies for the production capacity of our manufacturers and import quota capacity. Some of these competitors have greater financial and other resources than we have, and thus may have an advantage in the competition for production and import quota capacity. If we experience a significant increase in demand, or if an existing manufacturer of ours must be replaced, we may have to expand our third-party manufacturing capacity. We cannot assure you that this additional capacity will be available when required on terms that are acceptable to us. See "Business -- Sourcing, Production and Quality". We enter into a number of purchase order commitments each season specifying a time for delivery, method of payment, design and quality specifications and other standard industry provisions, but do not have long-term contracts with any manufacturer. None of the manufacturers we use produces our products exclusively.

IF A MANUFACTURER OF OURS FAILS TO USE ACCEPTABLE LABOR PRACTICES, OUR BUSINESS COULD SUFFER.

Two of the manufacturers engaged by us accounted for approximately 11% and 10.6% of our total production during the nine months ended December 29, 2001 and 12% and 11% during fiscal 2001. The primary production facilities of these two manufacturers are located in Hong Kong. Two other manufacturers each accounted for 7.4% and 4.9% for the nine months ended December 29, 2001 and each accounted for 6% of our total production in fiscal 2001. We require our licensing partners and independent manufacturers to operate in compliance with applicable laws and regulations. While our internal and vendor operating guidelines promote ethical business practices and our staff periodically visits and monitors the operations of our independent manufacturers, we do not control these manufacturers or their labor practices. The violation of labor or other laws by an independent manufacturer of ours, or by one of our licensing partners, or the divergence of an independent manufacturer's or licensing partner's labor practices from those generally accepted as ethical in the United States, could interrupt, or

otherwise disrupt the shipment of finished products to us or damage our reputation. Any of these, in turn, could have a material adverse effect on our financial condition and results of operations.

WE ARE DEPENDENT UPON THE REVENUE GENERATED BY OUR LICENSING ALLIANCES.

Approximately 47.5% of our income from operations for the nine months ended December 29, 2001 and approximately 48.5% of our income from operations for fiscal 2001 was derived from licensing revenue received from our licensing partners. Approximately 51.2% of our licensing revenue for the nine months ended December 29, 2001 and 47.3% of our licensing revenue in fiscal 2001 was derived from three licensing partners:

- Jones Apparel Group, Inc., which accounted for 26.6% for the nine months ended December 29, 2001 and 26.9% of licensing revenue in fiscal 2001,
- Westpoint Steven's, Inc., which accounted for 13.1% for the nine months ended December 29, 2001 and 10.3% of licensing revenue in fiscal 2001, and
- Seibu Department Stores, Ltd., which accounted for 11.5% for the nine months ended December 29, 2001 and 10.1% of licensing revenue in fiscal 2001.

We had no other licensing partner which accounted for more than 10.0% of our licensing revenue for the nine months ended December 29, 2001 or fiscal 2001. The interruption of the business of any one of our material licensing partners due to any of the factors discussed immediately below could also adversely affect our licensing revenues and net income.

WE RELY ON OUR LICENSING PARTNERS TO PRESERVE THE VALUE OF OUR LICENSES.

The risks associated with our own products also apply to our licensed products in addition to any number of possible risks specific to a licensing partner's business, including, for example, risks associated with a particular licensing partner's ability to:

- obtain capital,
- manage its labor relations,
- maintain relationships with its suppliers,
- manage its credit risk effectively, and
- maintain relationships with its customers.

Although some of our license agreements prohibit licensing partners from entering into licensing arrangements with our competitors, generally our licensing partners are not precluded from offering, under other brands, the types of products covered by their license agreements with us. A substantial portion of sales of our products by our domestic licensing partners are also made to our largest customers. While we have significant control over our licensing partners' products and advertising, we rely on our licensing partners for, among other things, operational and financial control over their businesses.

FAILURE TO MAINTAIN LICENSING PARTNERS COULD HARM OUR BUSINESS.

Although we believe in most circumstances we could replace existing licensing partners if necessary, our inability to do so for any period of time could adversely affect our revenues, both directly from reduced licensing revenue received and indirectly from reduced sales of our other products. See "Business -- Operations -- Our Licensing Alliances".

OUR BUSINESS IS SUBJECT TO RISKS ASSOCIATED WITH IMPORTING PRODUCTS.

We currently source a significant portion of our products outside the United States through arrangements with 215 foreign manufacturers in 26 different countries. Approximately 95.0%, by

dollar volume, of our products were produced in Hong Kong, Canada and other foreign countries in the nine month period ended December 29, 2001 and 76%, by dollar volume, in fiscal 2001. Risks inherent in importing our products include:

- quotas imposed by bilateral textile agreements,
- changes in social, political and economic conditions which could result in the disruption of trade from the countries in which our manufacturers or suppliers are located,
- the imposition of additional regulations relating to imports,
- the imposition of additional duties, taxes and other charges on imports,
- significant fluctuations of the value of the dollar against foreign currencies, and
- restrictions on the transfer of funds.

Any one of these factors could have a material adverse effect on our financial condition and results of operations. See "Business -- Sourcing, Production and Quality".

OUR TRADEMARKS AND OTHER INTELLECTUAL PROPERTY RIGHTS MAY NOT BE ADEQUATELY PROTECTED OUTSIDE THE UNITED STATES.

We believe that our trademarks and other proprietary rights are important to our success and our competitive position. We devote substantial resources to the establishment and protection of our trademarks on a worldwide basis. In the course of our international expansion, we have, however, experienced conflict with various third parties that have acquired or claimed ownership rights in certain trademarks that include Polo and/or a representation of a polo player astride a horse, or otherwise have contested our rights to our trademarks. We have in the past successfully resolved these conflicts through both legal action and negotiated settlements, none of which, we believe, has had a material impact on our financial condition and results of operations. Nevertheless, we cannot assure you that the actions we have taken to establish and protect our trademarks and other proprietary rights will be adequate to prevent imitation of our products by others or to prevent others from seeking to block sales of our products as a violation of the trademarks and proprietary rights of others. Also, we cannot assure you that others will not assert rights in, or ownership of, trademarks and other proprietary rights of ours or that we will be able to successfully resolve these types of conflicts to our satisfaction. In addition, the laws of certain foreign countries may not protect proprietary rights to the same extent as do the laws of the United States. See "Business -- Trademarks".

WE CANNOT ASSURE THE SUCCESSFUL IMPLEMENTATION OF OUR GROWTH STRATEGY.

As part of our growth strategy, we seek to extend our brands, expand our geographic coverage, increase direct management of Polo Ralph Lauren brands by opening more of our own stores, strategically acquiring select licensees and enhancing our operations. Implementation of our strategy involves the continued expansion of our business in Europe and other international areas. We may have difficulty hiring and retaining qualified key employees or otherwise successfully managing the required expansion of our infrastructure in Europe. In addition, Europe, as a whole, lacks the large wholesale distribution channels found in the United States, and we may have difficulty developing successful distribution strategies and alliances in each of the major European countries.

Implementation of our strategy also involves the continued expansion of our network of retail stores, both in the United States and abroad. There can be no assurance that we will be able to purchase or lease desirable store locations or renew existing store leases on acceptable terms. Furthermore, we cannot assure you that we will be able to successfully integrate the business of any licensee that we acquire into our own business or achieve any expected cost savings or synergies from such integration.

OUR BUSINESS IS EXPOSED TO DOMESTIC AND FOREIGN CURRENCY FLUCTUATIONS.

We generally purchase our products in U.S. dollars. However, we source most of our products overseas and, as such, the cost of these products may be affected by changes in the value of the relevant currencies. Furthermore, our international licensing revenue generally is derived from sales in foreign currencies, including the Japanese yen and the Euro, and this revenue could be materially affected by currency fluctuations. Approximately 27.2% of our licensing revenue was received from international licensing partners in the nine months ended December 29, 2001 and 24.2% in fiscal 2001. Changes in currency exchange rates may also affect the relative prices at which we and our foreign competitors sell products in the same market. Although we hedge some exposures to changes in foreign currency exchange rates arising in the ordinary course of business, we cannot assure you that foreign currency fluctuations will not have a material adverse impact on our financial condition and results of operations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources".

OUR ABILITY TO CONDUCT BUSINESS IN INTERNATIONAL MARKETS MAY BE AFFECTED BY LEGAL, REGULATORY, POLITICAL AND ECONOMIC RISKS.

Our ability to capitalize on growth in new international markets and to maintain the current level of operations in our existing international markets is subject to risks associated with international operations. These include:

- the burdens of complying with a variety of foreign laws and regulations,
- unexpected changes in regulatory requirements, and
- new tariffs or other barriers to some international markets.

We are also subject to general political and economic risks in connection with our international operations, including:

- political instability,
- changes in diplomatic and trade relationships, and
- general economic fluctuations in specific countries or markets.

We cannot predict whether quotas, duties, taxes, or other similar restrictions will be imposed by the United States, the European Union, Japan, or other countries upon the import or export of our products in the future, or what effect any of these actions would have on our business, financial condition or results of operations. Changes in regulatory, geopolitical policies and other factors may adversely affect our business in the future or may require us to modify our current business practices.

#### RISKS RELATING TO THE INDUSTRY IN WHICH WE COMPETE

WE FACE INTENSE COMPETITION IN THE WORLDWIDE APPAREL INDUSTRY.

We face a variety of competitive challenges from other domestic and foreign fashion-oriented apparel and casual apparel producers, some of which may be significantly larger and more diversified and have greater financial and marketing resources than we have. We compete with these companies primarily on the basis of:

- anticipating and responding to changing consumer demands in a timely manner,
- maintaining favorable brand recognition,

- developing innovative, high-quality products in sizes, colors and styles that appeal to consumers,
- appropriately pricing products,
- providing strong and effective marketing support,
- creating an acceptable value proposition for retail customers,
- ensuring product availability and optimizing supply chain efficiencies with manufacturers and retailers, and
- obtaining sufficient retail floor space and effective presentation of our products at retail.

We also face competition from companies selling apparel and home products through the Internet. Increased competition in the worldwide apparel, accessories and home product industries, including Internet-based competitors, could reduce our sales, prices, and margins and adversely affect our results of operations.

THE SUCCESS OF OUR BUSINESS DEPENDS ON OUR ABILITY TO RESPOND TO CONSTANTLY CHANGING FASHION TRENDS AND CONSUMER DEMANDS.

Our success depends in large part on our ability to originate and define fashion product and home product trends, as well as to anticipate, gauge and react to changing consumer demands in a timely manner. Our products must appeal to a broad range of consumers whose preferences cannot be predicted with certainty and are subject to rapid change. We cannot assure you that we will be able to continue to develop appealing styles or successfully meet constantly changing consumer demands in the future. In addition, we cannot assure you that any new products or brands that we introduce will be successfully received by consumers. Any failure on our part to anticipate, identify and respond effectively to changing consumer demands and fashion trends could adversely affect retail and consumer acceptance of our products and leave us with a substantial amount of unsold inventory or missed opportunities. If that occurs, we may be forced to rely on markdowns or promotional sales to dispose of excess, slow-moving inventory, which may harm our business. At the same time, our focus on tight management of inventory may result, from time to time, in our not having an adequate supply of products to meet consumer demand and cause us to lose sales. See "Business -- Sourcing, Production and Quality".

A DOWNTURN IN THE ECONOMY MAY AFFECT CONSUMER PURCHASES OF DISCRETIONARY ITEMS AND LUXURY RETAIL PRODUCTS, WHICH COULD ADVERSELY AFFECT OUR SALES.

The industries in which we operate are cyclical. Many factors affect the level of consumer spending in the apparel, cosmetic, fragrance and home products industries, including, among others:

- general business conditions,
- interest rates,
- the availability of consumer credit,
- taxation, and
- consumer confidence in future economic conditions.

Consumer purchases of discretionary items and luxury retail products, including our products, may decline during recessionary periods and also may decline at other times when disposable income is lower. A downturn in the economies in which we, or our licensing partners, sell our products, whether in the United States or abroad, may adversely affect our sales. The terrorist attacks of September 11, 2001, together with already weakening economic conditions, have and may continue to adversely affect consumer spending and sales of our products.

OUR BUSINESS COULD SUFFER AS A RESULT OF CONSOLIDATIONS, RESTRUCTURINGS AND OTHER OWNERSHIP CHANGES IN THE RETAIL INDUSTRY.

In recent years, the retail industry has experienced consolidation and other ownership changes. Some of our customers have operated under the protection of the federal bankruptcy laws. In June 2001, one of our licensing partners, The Warnaco Group, Inc., filed for bankruptcy protection under the federal bankruptcy laws. We cannot determine what impact, if any, this filing will have on our financial condition, results of operations or cash flows. In the future, retailers in the United States and in foreign markets may undergo changes that could decrease the number of stores that carry our products or increase the ownership concentration within the retail industry, including:

- consolidating their operations,
- undergoing restructurings,
- undergoing reorganizations, or
- realigning their affiliations.

While to date these changes in the retail industry have not had a material adverse effect on our business or financial condition, our business could be materially affected by these changes in the future.

#### RISKS RELATED TO OUR CLASS A COMMON STOCK AND THE OFFERING

SHARES ELIGIBLE FOR FUTURE SALE MAY HAVE A POTENTIAL ADVERSE EFFECT ON OUR STOCK PRICE.

Upon completion of this offering, we expect that 43,280,021 shares of Class B common stock will be beneficially owned by Ralph Lauren and his family. Assuming the underwriters exercise their over-allotment option in full, 10,070,979 shares of Class C common stock will be beneficially owned by GS Capital Partners, L.P. and related funds. Immediately after giving effect to this offering, we expect that the shares of Class B common stock and Class C common stock outstanding and convertible at any time into shares of Class A common stock will be 55,001,000, or 53,351,000 if the underwriters exercise their over-allotment option in full. To the extent a stockholder is and remains one of our affiliates, any shares of Class A common stock, including any shares issued upon conversion of the Class B common stock or Class C common stock, will be available for public sale only if the shares are registered under the Securities Act or sold in compliance with the limitations of Rule 144 under the Securities Act. In addition, the holders of our Class B common stock and Class C common stock are entitled to registration rights with respect to the shares of Class A common stock issuable upon conversion of their shares of Class B common stock or Class C common stock.

We, our executive officers, directors, members of the Lauren family and the selling stockholders have agreed with the underwriters not to directly or indirectly offer, sell, contract to sell, distribute, dispose of or hedge any shares of our Class A common stock or securities convertible into or exchangeable for shares of our Class A common stock (other than, in the case of the selling stockholders, as a part of this offering, and, in our case, for limited acquisitions provided that the recipients of the shares agree to the selling restrictions described in this paragraph and for existing stock plans) for a period ending 90 days after the date of this prospectus, except with the prior written consent of Goldman, Sachs & Co. See Underwriting."

We are not able to predict the effect, if any, that sales of shares or the availability of shares for sale will have on the market price prevailing from time to time. Nevertheless, sales of significant amounts of the Class A common stock in the public market, or the perception that these sales may occur, may adversely affect prevailing market prices. See "Shares Eligible for Future Sale".

CONTROL BY MEMBERS OF THE LAUREN FAMILY AND THE ANTI-TAKEOVER EFFECT OF MULTIPLE CLASSES OF STOCK COULD DISCOURAGE ATTEMPTS TO ACQUIRE US.

Holders of our Class A common stock and Class C common stock are entitled to one vote per share and holders of our Class B common stock are entitled to ten votes per share. Members of the Lauren family beneficially own all 43,280,021 shares of our outstanding Class B common stock, representing 88.9% of the voting power of our common stock and the right to elect seven of our ten directors. Accordingly, members of the Lauren family will, until they in the aggregate sell substantially all of their Class B common stock, be able to elect a majority of our directors and, if they vote in the same manner, determine the disposition of practically all matters submitted to a vote of our stockholders, including mergers, going private transactions and other extraordinary corporate transactions and their terms. See "Management," "Principal and Selling Stockholders" and "Description of Capital Stock".

Members of the Lauren family will, until they sell substantially all of their Class B common stock, have the ability, by virtue of their stock ownership, to prevent or cause a change in control of us. In addition, various provisions of our amended and restated certificate of incorporation and material agreements may be deemed to have the effect of discouraging a third party from pursuing a non-negotiated takeover of us and preventing changes in control of us. Furthermore, our 1997 Long-Term Stock Incentive Plan provides for accelerated vesting of stock options upon a "change in control" of us. See "Description of Capital Stock".



## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Various statements in this prospectus or incorporated by reference into this prospectus, in future filings by us with the SEC, 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. 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 actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Some of the factors that could affect our financial performance or cause actual results to differ from our estimates in, or underlying, such forward-looking statements are set forth under the heading of "Risk Factors". Forward-looking statements include statements regarding, among other items:

- our anticipated growth strategies,
- our intention to introduce new products and enter into new licensing alliances,
- our plans to open new retail stores,
- anticipated effective tax rates in future years,
- future expenditures for capital projects,
- our ability to continue to maintain our brand image and reputation,
- our ability to continue to initiate cost cutting efforts and improve profitability,
- our plans to expand internationally, and
- our efforts to improve the efficiency of our distribution system.

These forward-looking statements are based largely on our expectations and are subject to a number of risks and uncertainties, many of which are beyond our control. Actual results could differ materially from these forward-looking statements as a result of the facts described in "Risk Factors" including, among others, changes in the competitive marketplace, including the introduction of new products or pricing changes by our competitors, changes in the economy, and other events leading to a reduction in discretionary consumer spending. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks and uncertainties, we cannot assure you that the forward-looking information contained in this prospectus will in fact transpire.

PRICE RANGE OF CLASS A COMMON STOCK AND DIVIDENDS

Our Class A common stock commenced trading on the NYSE under the symbol "RL" on June 11, 1997. Prior to that date, there was no public market for our Class A common stock. The following table sets forth, for the periods indicated, the high and low closing prices per share for our Class A common stock for each quarterly period from April 3, 2000 through April 19, 2002 as reported on the NYSE Composite Tape. Since our initial public offering, we have not declared any cash dividends on our common stock other than dividends declared in fiscal 1998 of \$27.4 million that were paid to holders of Class B common stock and Class C common stock in connection with our reorganization and the initial public offering.

MARKET PRICE OF CLASS A COMMON STOCK -----			
-- HIGH	LOW	----	FISCAL 2003: First Quarter
(through April 19, 2002)..... \$			
30.64	\$ 27.33	FISCAL 2002: First	Quarter.....
	\$ 31.34	\$ 21.50	Second
Quarter.....	26.95	17.80	Third
Quarter.....	27.94	18.08	Fourth
Quarter.....	29.66	25.59	FISCAL 2001: First
Quarter.....	\$ 20.31	\$ 13.25	Second
Quarter.....	19.94	15.56	Third
Quarter.....	23.19	16.13	Fourth
Quarter.....	30.45	22.44	

We anticipate that all of our earnings in the foreseeable future will be retained to finance the continued growth and expansion of our business and we have no current intention to pay cash dividends on our common stock.

On April 19, 2002, the last reported sales price for our Class A common stock on the NYSE was \$29.87 per share. As of April 17, 2002, there were 1,298 holders of record of our Class A common stock, four holders of record of our Class B common stock and five holders of record of our Class C common stock.

USE OF PROCEEDS

We will not receive any of the proceeds of shares of Class A common stock sold by the selling stockholders in this offering.

CAPITALIZATION

The table below describes our capitalization at December 29, 2001. We will not receive any of the proceeds of the shares of Class A common stock sold by the selling stockholders.

DECEMBER 29, 2001	(IN THOUSANDS)	Short-
		term debt: Short-term bank
borrowings.....	\$ 73,920	-----
	-----	Total short-term
debt.....	73,920	-----
		Long-term debt:
Bank.....		
	80,000	Euro
debt.....		
	218,033	-----
		Total long-term
debt.....	298,033	-----
- Stockholders' equity: Class A common stock, par value		
\$.01 per share; 500,000,000 shares authorized; 35,668,098		
shares		
issued(1).....		
356 Class B common stock, par value \$.01 per share;		
100,000,000 shares authorized; 43,280,021 shares issued		
and outstanding.....		
433 Class C common stock, par value \$.01 per share;		
70,000,000 shares authorized; 22,720,979 shares issued		
and		
outstanding(2).....		
	227	Additional paid-in
capital.....	479,823	
		Retained
earnings.....		
554,489 Treasury stock, Class A, at cost (3,876,506		
shares).....	(73,246)	Accumulated other comprehensive
income.....	(12,250)	Unearned
compensation.....		
(2,442)	-----	Total stockholders'
equity.....	947,390	-----
Total capitalization.....		
	\$1,319,343	=====

- 
- (1) Assuming the offering described in this prospectus was completed on April 17, 2002, the number of shares of Class A common stock outstanding would have been 43,227,058 (44,877,058 shares if the underwriters' over-allotment option is exercised in full).
  - (2) After giving effect to the offering described in this prospectus, the number of shares of Class C common stock issued and outstanding is expected to be 11,720,979 (10,070,979 shares if the underwriters' over-allotment option is exercised in full).

SELECTED CONSOLIDATED FINANCIAL DATA

The table below provides selected consolidated financial data for the five fiscal years in the period ended March 31, 2001 and the nine months ended December 29, 2001 and December 30, 2000. We derived the historical operating data and the balance sheet data as of and for the years ended March 31, 2001 and April 2000, and the historical operating data for the year ended April 3, 1999, from our consolidated financial statements and accompanying notes, included elsewhere in this prospectus, which were audited by Deloitte & Touche LLP, independent auditors, whose report is contained elsewhere in this prospectus, and should be read with these financial statements and related notes. We derived the balance sheet data for the year ended April 3, 1999 and the historical operating data and the balance sheet data as of and for the years ended March 28, 1998 and March 29, 1997, from our audited consolidated financial statements and accompanying notes of Polo Ralph Lauren Corporation and subsidiaries contained in our annual report on Form 10-K for the years ended March 28, 1998 and April 3, 1999, which are not included in this prospectus. We derived the historical operating data and the balance sheet data as of and for the nine month periods ended December 29, 2001 and December 30, 2000 from our unaudited consolidated financial statements which are contained in our quarterly report on Form 10-Q for the nine month periods ended December 29, 2001 and December 30, 2000 and included in this prospectus. In the opinion of management, these unaudited interim consolidated financial statements include all adjustments, consisting of normal recurring adjustments, necessary for the fair presentation of our financial position, results of operations and cash flows. You should read this selected consolidated financial data together with our consolidated financial statements and the notes to those financial statements as well as the discussion under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

FISCAL YEAR ENDED NINE MONTHS  
ENDED -----

MARCH 31, APRIL 1, APRIL 3,  
MARCH 28, MARCH 29, DECEMBER 29,  
DECEMBER 30, 2001 2000 1999 1998  
1997 2001 2000 -----

(UNAUDITED) (IN THOUSANDS,  
EXCEPT SHARE AND PER SHARE DATA)  
STATEMENT OF INCOME: Net

sales.....				
\$1,982,419	\$1,719,226	\$1,518,850		
\$1,313,425	\$1,051,104	\$1,549,553		
	\$1,508,871			
revenue.....				
243,355	236,302	208,009	167,119	
137,113	181,066	178,383		

---- Net

revenues.....				
2,225,774	1,955,528	1,726,859		
1,480,544	1,188,217	1,730,619		
	1,687,254			
Cost of goods sold.....				
1,002,390	904,586	759,988		
652,000	895,608	887,054		

---- Gross

profit.....				
1,063,047	953,138	822,273		
720,556	536,217	835,011	800,200	
Selling, general and administrative expenses.....				
822,272	689,227	608,128	520,801	
378,854	620,844	633,189		
Restructuring charge.....				
123,554				
58,560			128,571	

---- Income from  
 operations..... 117,221  
 263,911 155,585 199,755 157,363  
 214,167 38,440 Foreign currency  
 gains..... 5,846 -- -- --  
 - -- 199 -- Interest  
 expense.....  
 (25,113) (15,025) (2,759) (159)  
 (13,660) (15,204) (18,992)  
 Equity in net loss of joint  
 venture.....  
 -- -- -- -- (3,599) -- -- -----  
 -----

----- Income before income  
 taxes and change in accounting  
 principle... 97,954 248,886  
 152,826 199,596 140,104 199,162  
 19,448 Provision for income  
 taxes..... 38,692 101,422  
 62,276 52,025 22,804 74,685  
 7,683 -----

----- Income before  
 change in accounting  
 principle.....  
 59,262 147,464 90,550 147,571  
 117,300 124,477 11,765  
 Cumulative effect of change in  
 accounting principle, net of  
 taxes.....  
 -- 3,967 -- -- -- -----  
 -----

---- Net  
 income.....  
 \$ 59,262 \$ 143,497 \$ 90,550 \$  
 147,571 \$ 117,300 \$ 124,477 \$  
 11,765 =====

=====  
 ===== Income per  
 share before change in  
 accounting principle --  
 Basic.... \$ 0.61 \$ 1.49 \$ 0.91 \$  
 1.28 \$ 0.12 Cumulative effect of  
 change in accounting principle,  
 net per  
 share.....  
 -- 0.04 -- -- -- Net income per  
 share -- Basic..... \$ 0.61 \$  
 1.45 \$ 0.91 \$ 1.28 \$ 0.12 -----  
 -----

----- Income per  
 share before change in  
 accounting principle --  
 Diluted... \$ 0.61 \$ 1.49 \$ 0.91  
 \$ 1.26 \$ 0.12 Cumulative effect  
 of change in accounting  
 principle, net per  
 share.....  
 -- 0.04 -- -- -- -----  
 -----

----- Net income per share --  
 Diluted.... \$ 0.61 \$ 1.45 \$ 0.91  
 \$ 1.26 \$ 0.12 =====  
 =====

===== Weighted average  
 common shares outstanding --  
 Basic..... 96,773,282  
 98,926,993 99,813,328 97,350,775  
 96,778,511 =====  
 =====  
 Weighted average common shares  
 outstanding --  
 Diluted..... 97,446,482  
 99,035,781 99,972,152 98,433,333  
 97,245,629 =====  
 =====

on following page)

MARCH 31, APRIL 1, APRIL 3, MARCH  
 28, MARCH 29, DECEMBER 29,  
 DECEMBER 30, 2001 2000 1999 1998  
 1997 2001 2000 -----

----- (UNAUDITED)  
 (IN THOUSANDS) BALANCE SHEET DATA:

Cash and cash equivalents and marketable securities.....					
\$ 102,219	\$ 164,571	\$ 44,458	\$		
58,755	\$ 29,599	\$ 294,569	\$		
157,328	Working				
capital.....					
462,144	446,663	331,482	354,206		
209,038	569,687	497,495			
Inventories.....					
425,594	390,953	376,860	298,485		
222,147	355,152	401,863	Total		
assets.....					
1,626,093	1,620,562	1,104,584			
825,130	588,758	1,741,745			
1,570,344	Total				
debt.....					
383,100	428,838	159,717	337		
140,900	371,953	413,637			
Stockholders' equity and partners' capital.....					
809,309	772,437	658,905	584,326		
260,685	947,390	764,437			





Licensing
revenue.....
243,355 236,302
208,009 167,119
137,113 181,066
178,383 -----
-----
-----
-----
-----
-----
----- Net
revenues.....
\$2,225,774
\$1,955,528
\$1,726,859
\$1,480,544
\$1,188,217
\$1,730,619
\$1,687,254
=====
=====
=====
=====
=====
=====
=====

Wholesale net sales result from the sale of our men's and women's apparel to wholesale customers, principally to major department stores, specialty stores and non-company operated Polo Ralph Lauren stores located throughout the United States and Europe. Net sales for the wholesale division increased to \$1.1 billion in fiscal 2001 from \$671.1 million in fiscal 1997. This increase was primarily a result of growth in sales of our existing Polo Brands' and Collection Brands' products and the introduction of new brands, and also reflects the acquisition of the wholesale operations of Poloco S.A.S. and some of its affiliates in January 2000. Wholesale net sales increased to \$805.6 million for the nine months ended December 29, 2001, from \$758.2 million in the same period in fiscal 2001.

We generate retail sales from our full price Polo Ralph Lauren stores, outlet stores and Club Monaco stores. Net sales for the retail division grew to \$928.6 million in fiscal 2001 from \$380.0 million in fiscal 1997. This increase was primarily a result of our expansion of our existing retail operations and growth through acquisitions, including the Poloco transaction and our acquisition of Club Monaco in fiscal 2000. However, retail sales decreased to \$744.0 million in the nine months ended December 29, 2001, from \$750.7 million in the same period in fiscal 2001. This decrease is primarily attributable to the closing of all 12 of our Polo Jeans Co. full-price retail stores, which were underperforming due to disproportionate overhead and related costs, and 11 underperforming Club Monaco retail stores in connection with refining our retail strategy, and the decrease in our full price retail store sales due to the difficult economic environment. At December 29, 2001, we operated 234 stores: 14 Ralph Lauren stores, 25 Polo Ralph Lauren

stores, 54 Club Monaco full-price stores, 95 Polo outlet stores, 24 Polo Jeans Co. outlet stores, 12 European outlet stores and 10 Club Monaco outlet stores.

Licensing revenue consists of royalties paid to us under our agreements with our licensing partners. Product, international and Ralph Lauren Home licensing alliances accounted for 51.3%, 27.2% and 21.5% of total licensing revenue in the nine months ended December 29, 2001 and 56.0%, 24.2% and 19.8% of total licensing revenue in fiscal 2001. Through these alliances, we combine our core skills with the product or geographic competencies of our licensing partners to create and develop specific businesses. The growth of existing and development of new businesses under licensing alliances has resulted in an increase in licensing revenue to \$243.4 million in fiscal 2001 from \$137.1 million in fiscal 1997. Licensing revenue for the nine months ended December 29, 2001 was \$181.1 million, as compared to \$178.4 million in the same period of fiscal 2001.

Beginning in fiscal 2000, we have undertaken the following:

- In October 2001 we acquired PRL Fashions of Europe S.R.L., which holds licenses to sell our women's Ralph Lauren apparel in Europe, as well as our men's and boys' Polo Ralph Lauren and our Polo Jeans Co. apparel in Italy.
- In October 2001, we acquired the Ralph Lauren store in Brussels from one of our licensees.
- In February 2000, we announced the formation of Ralph Lauren Media, LLC, a joint venture between ourselves and National Broadcasting Company, Inc. and certain of its affiliated companies. RL Media, in which we have a 50% interest, operates the Polo.com website, which sells Polo Ralph Lauren products. NBC has provided television commercial spots promoting Polo.com, and we provide inventory to RL Media at cost.
- In January 2000, we completed the acquisition of stock and selected assets of Poloco S.A.S. and some of its affiliates, which hold licenses to sell our men's and boys' Polo apparel, our men's and women's Polo Jeans apparel, and some of our accessories in Europe. In addition to acquiring Poloco's wholesale business, we acquired one Polo Ralph Lauren store in Paris and six outlet stores located in France, the United Kingdom and Austria.
- In 1999, we acquired Club Monaco, Inc. Founded in 1985, Club Monaco is an international specialty retailer of casual apparel and other accessories which are sold under the "Club Monaco" brand name and associated trademarks.

In connection with our growth strategies, we plan to introduce new products and brands and expand our retail operations. Implementation of these strategies may require significant investments for advertising, furniture and fixtures, infrastructure, design and additional inventory. Notwithstanding our investment, we cannot assure you that our growth strategies will be successful.

## RESTRUCTURINGS AND SPECIAL CHARGES

### FISCAL 2001 RESTRUCTURING AND SPECIAL CHARGES

During fiscal 2001, we completed an internal operational review and formalized our plans to enhance the growth of our worldwide luxury retail business, to better manage inventory and increase our overall profitability. The major initiatives of the operational review included:

- refining our retail strategy;
- developing efficiencies in our supply chain; and
- consolidating corporate business functions and internal processes.

We will continue to refine our retail strategy by, among other things, expanding the presence of our full-line luxury stores, both in North America and abroad. In connection with this initiative, we closed all 12 Polo Jeans Co. full price retail stores, which were underperforming, and 11 underperforming Club Monaco retail stores.

Additionally, as a result of changes in market conditions combined with our change in retail strategy in selected locations in which we operate full price retail stores, we performed an evaluation of the recoverability of the assets of certain of these stores. We concluded from the results of this evaluation that a significant permanent impairment of long-lived assets had occurred. Accordingly, we recorded a write down of these assets (primarily leasehold improvements) to their estimated fair value based on discounted future cash flows.

In connection with the implementation of the operational review discussed above, we recorded a pretax restructuring charge of \$123.6 million. The major components of the charge were asset write downs of \$98.8 million, lease and contract termination costs of \$15.7 million, severance and termination benefits of \$8.0 million and other restructuring costs of \$1.1 million. We expect to take an additional reserve of \$10.0 million for the store lease terminations in the quarter ended March 30, 2002 due to weaker real estate market conditions following the terrorist attacks on September 11, 2001.

Our operational review also targeted our supply chain management as one of the most important areas for improvement. The development of operating efficiencies in our worldwide logistics and supply chain management will better support our growing and increasingly global operations. In connection with initiating this aspect of the operational plan, we recorded \$41.5 million of inventory write downs in fiscal 2001 associated with our planned acceleration in the reduction of aged inventory.

The implementation of our operational review also included the consolidation of some corporate strategic business functions and internal processes. Costs associated with this aspect of the plan included the termination of operating contracts, streamlining of some corporate and operating functions, and employee related matters. These costs aggregated \$18.1 million and were recorded in selling, general and administrative expenses in fiscal 2001.

Total severance and termination benefits resulting from the operational review related to approximately 550 employees, all of whom have been terminated. Total cash outlays related to the operational review are expected to be approximately \$34.7 million, \$22.7 million of which had been paid as of December 29, 2001. We completed the implementation of our operational review in fiscal 2002 and expect to settle the remaining liabilities in accordance with contract terms which extend until fiscal 2003.

#### FISCAL 1999 RESTRUCTURING

During the fourth quarter of fiscal 1999, we formalized our plans to streamline operations within our wholesale and retail operations and reduce our overall cost structure. The major initiatives of our restructuring plan included:

- an evaluation of our retail operations and site locations;
- the realignment and operational integration of our wholesale operating units; and
- the realignment and consolidation of corporate strategic business functions and internal processes.

In fiscal 2000, we closed three Polo Ralph Lauren stores and three outlet stores that were not performing at an acceptable level and converted two Polo Ralph Lauren stores and five outlet stores to new concepts expected to be more productive. Costs associated with this aspect of our restructuring plan included lease and contract termination costs, store fixed asset (primarily leasehold improvements) and intangible asset write downs and severance and termination benefits.

Our wholesale operations were realigned into two new operating units: Polo Brands and Collection Brands. Aspects of this realignment included:

- the reorganization of the sales force and retail development areas;
- the streamlining of the design and development process; and
- the consolidation of the customer service departments.

We also integrated the sourcing and production of our Polo Brands, outlet store and licensees' products into one consolidated unit. Costs associated with the wholesale realignment consisted primarily of severance and termination benefits and lease and contract termination costs.

Our review of our corporate business functions and internal processes resulted in a new management structure designed to better align businesses with similar functions and to identify and eliminate duplicative processes. Costs associated with the corporate realignment consisted primarily of severance and termination benefits and lease and contract termination costs.

We recorded a restructuring charge of \$58.6 million on a pretax basis in our fourth quarter of fiscal 1999. The major components of the restructuring charge included lease and contract termination costs of \$24.7 million, asset write downs of \$17.8 million, severance and termination benefits of \$15.3 million and other restructuring costs of \$0.8 million. Total severance and termination benefits as a result of our restructuring plan related to approximately 280 employees, all of whom have been terminated. We completed the implementation of our restructuring plan in fiscal 2000 and expect to settle the remaining liabilities in accordance with contract terms which extend until fiscal 2003.

#### RESULTS OF OPERATIONS

The table below sets forth the percentage relationship to net revenues of certain items in our statements of income for our last three fiscal years and for the nine months ended December 29, 2001 and December 30, 2000:

FISCAL YEAR ENDED				
NINE MONTHS ENDED --				
-----				
-----				
	MARCH 31,	APRIL 1,	APRIL 3,	DECEMBER
	2001	2000	1999	2001
	2000			2000
	-----			
Net				
sales.....	89.1%	87.9%	88.0%	
	89.5%	89.4%		
Licensing				
revenue.....	10.9			
	12.1	12.0	10.5	10.6
-----				
--- Net				
revenues.....	100.0	100.0	100.0	
	100.0	100.0		
-----				
- Gross				
profit.....	47.8	48.7	47.6	48.2
	47.4			
Selling,				
general and				
administrative				
expenses.....	36.9	35.2	35.2	35.8
	37.5			
Restructuring				
and special				
charges.....	5.6			
	3.4	--	7.6	
-----				
Income from				
operations.....	5.3	13.5	9.0	12.4

2.3 Foreign currency  
 gains.....  
 0.2 -- -- -- --  
     Interest  
 expense..... (1.1)  
 (0.8) (0.2) (0.9)  
 (1.1) ----- --  
     -----  
 Income before income  
 taxes and change in  
 accounting  
 principle.....  
     4.4% 12.7% 8.8%  
     11.5% 1.2% =====  
     ===== =====  
     =====

NINE MONTHS ENDED DECEMBER 29, 2001 COMPARED TO THE NINE MONTHS ENDED DECEMBER 30, 2000

**NET SALES.** Net sales increased 2.7% to \$1,549.6 million in the nine months ended December 29, 2001, from \$1,508.9 million in the nine months ended December 30, 2000. Wholesale net sales increased 6.3% to \$805.6 million in the nine months ended December 29, 2001, from \$758.2 million in the same period of fiscal 2001. Wholesale growth primarily reflects increased unit sales of existing products, principally from our international wholesale business in Europe of \$47.1 million and our domestic women's business of \$5.5 million, offset by reductions in men's business of \$11.4 million. Additionally, net sales from the new home collection wholesale business added \$6.1 million.

Retail sales decreased by 0.9% to \$744.0 million in the nine months ended December 29, 2001, from \$750.7 million in the same period in fiscal 2001. This decrease is primarily attributable to the closing of our Polo Jeans Co. full price retail stores during the second quarter of fiscal 2001 in connection with the implementation of our operational review. Polo Jeans Co. sales accounted for \$17.9 million of revenues in the nine months ended December 30, 2000. Full price Ralph Lauren retail store sales decreased \$6.1 million and Club Monaco store sales decreased \$5.7 million due to the current difficult economic environment. Offsetting these reductions was an increase in the outlet business of \$16.9 million and an increase in the European retail business of \$6.1 million.

Comparable store sales, which represent net sales of stores open in both reporting periods for the full portion of such periods, decreased 3.5%. The comparable store declines were due to the effects of a promotionally driven and highly competitive retail environment. We believe, based in part on improvement in comparable store sales since December 29, 2001, that this trend is temporary and will improve when the general economy improves.

**LICENSING REVENUE.** Licensing revenue increased 1.5% to \$181.1 million in the nine months ended December 29, 2001, from \$178.4 million in the corresponding period of fiscal 2001. This increase was primarily due to strong results from our international businesses, increasing \$6.4 million, and our home collection licensing business, increasing \$3.1 million compared to the same period of the prior year, offset by decreased royalty revenue from product licensing contributing \$6.8 million less than the same period in the prior year.

**GROSS PROFIT.** Gross profit as a percentage of net revenues increased to 48.2% in the nine months ended December 29, 2001, from 47.4% in the corresponding period of fiscal 2001. Gross margins increased primarily due to \$37.9 million of inventory write-downs recorded in the second quarter of fiscal 2001 in connection with the implementation of our operational review. Both wholesale and retail gross margins decreased in comparison to the prior year's corresponding nine month period as a result of higher levels of markdowns due to the economic environment and decreased customer spending. These fluctuations in gross margins were also affected by the increase in licensing revenue of \$2.7 million, which has no associated cost of goods sold.

**SELLING, GENERAL AND ADMINISTRATIVE EXPENSES.** Selling, general and administrative expenses as a percentage of net revenues decreased to 35.8% in the nine months ended December 29, 2001, from 37.5% of net revenues in the same period of fiscal 2001. This decrease was primarily due to a charge of \$18.1 million relating to non-recurring charges associated with targeted opportunities for improvement and other employee-related costs and operational expenses of \$10.1 million relating to our Polo Jeans Co. full price retail stores recorded in the nine months ended December 30, 2000.

**INTEREST AND OTHER EXPENSE.** Interest expense decreased to \$15.2 million in the nine months ended December 29, 2001, from \$19.0 million in the same period in fiscal 2001. This decrease was due to lower levels of borrowings, primarily as a result of repurchases of a portion of our

outstanding Euro debt in fiscal 2001 and the repayment of short-term borrowings during the period.

**INCOME TAXES.** The effective tax rate decreased to 37.5% in the nine months ended December 29, 2001, from 39.5% in the same period in fiscal 2001. This decline was primarily a result of the benefit of tax strategies implemented. Additionally, the nine months ended December 30, 2000 included a tax benefit of \$72.9 million resulting from charges recorded in connection with the implementation and completion of our operational review.

#### FISCAL 2001 COMPARED TO FISCAL 2000

**NET SALES.** Net sales increased 15.3% to \$2.0 billion in fiscal 2001 from \$1.7 billion in fiscal 2000. Wholesale net sales increased 19.0% to \$1.1 billion in fiscal 2001 from \$885.2 million in fiscal 2000. Wholesale growth primarily reflected the benefit of one year of operations for Poloco's wholesale division included in operating results for the first time in fiscal 2001, resulting in an additional \$153.0 million in sales and an approximately 100% increase in unit sales of our luxury products.

Retail sales increased by 11.3% to \$928.6 million in fiscal 2001 from \$834.0 million in fiscal 2000. This increase was primarily attributable to a \$131.7 million benefit from the following:

- new stores opened in fiscal 2001 (37 stores, prior to 34 store closures in late fiscal 2001) with additional sales of \$52.4 million;
- a full year of revenues from new stores opened in fiscal 2000 of \$40.7 million; and
- the inclusion of the results of one Ralph Lauren and six outlet stores purchased in connection with the acquisition of Poloco with sales of \$38.6 million.

Although our stores remained highly productive, comparable store sales decreased by 5.3%. The decline was due to a mature and promotionally driven outlet environment and lower sales in Club Monaco's Canadian stores.

**LICENSING REVENUE.** Licensing revenue increased 3.0% to \$243.4 million in fiscal 2001 from \$236.3 million in fiscal 2000. This increase is primarily attributable to increases in sales of existing men's, women's, and children's apparel, accessories and fragrance products. These gains, which resulted in \$12.0 million in additional revenue, were partially offset by decreases in sales of Ralph Lauren Home collection products, which resulted in \$5.0 million less revenue.

**GROSS PROFIT.** Gross profit as a percentage of net revenues decreased to 47.8% in fiscal 2001 from 48.7% in fiscal 2000. This decrease was mainly attributable to \$41.5 million of inventory write downs recorded in fiscal 2001 in connection with the implementation of our operational review and our decision to accelerate the disposition of aged inventory. Excluding these special charges, gross profit as a percentage of net revenues was 49.6%. This improvement reflects increased wholesale gross margins as a result of the acquisition of Poloco, which generates more than 30% higher margins than our domestic wholesale operations. Additionally, gross profit was favorably impacted by the increase in licensing revenue in fiscal 2001 of \$7.1 million, which has no associated cost of goods sold. These improvements were offset by declines in our retail gross margins of 1.5 percentage points as we incurred higher markdowns in fiscal 2001.

**SELLING, GENERAL AND ADMINISTRATIVE EXPENSES.** Selling, general and administrative expenses as a percentage of net revenues increased to 36.9% in fiscal 2001 from 35.2% in fiscal 2000. This increase in selling, general and administrative expenses as a percentage of net revenues was partially due to a charge of \$18.1 million recorded in the second quarter of fiscal 2001 relating to nonrecurring charges associated with targeted opportunities for improvement, including the termination of operating contracts, streamlining of certain corporate and operating functions, and employee-related matters. Additionally, selling, general and administrative expenses as a

percentage of net revenues increased due to an increase in depreciation and amortization expense of \$12.0 million, start-up costs associated with the expansion of the Club Monaco retail operations of \$8.6 million and expenses of \$2.3 million relating to Poloco, which was acquired in the fourth quarter of fiscal 2000.

**INTEREST EXPENSE.** Interest expense increased to \$25.1 million in fiscal 2001 from \$15.0 million in fiscal 2000. This increase was due to a higher level of borrowings during the period attributable to the additional financing used for the acquisition of Poloco.

**INCOME TAXES.** The effective tax rate decreased to 39.5% in fiscal 2001 from 40.8% in fiscal 2000. This decline is primarily a result of the benefit of tax strategies implemented by us. We expect to lower our effective tax rate to 38.5% in fiscal 2002 as a result of tax strategies implemented.

#### FISCAL 2000 COMPARED TO FISCAL 1999

**NET SALES.** Net sales increased 13.2% to \$1.7 billion in fiscal 2000 from \$1.5 billion in fiscal 1999. Wholesale net sales increased 3.0% to \$885.2 million in fiscal 2000 from \$859.5 million in fiscal 1999. Wholesale growth primarily reflected increased unit sales of our existing brands and luxury products. These unit increases of 2.7 million were partially offset by a decline in average selling prices of approximately one dollar per unit resulting from changes in product mix.

Retail sales increased by 26.5% to \$834.0 million in fiscal 2000 from \$659.4 million in fiscal 1999. This increase was primarily attributable to a \$209.9 million benefit from the following:

- new store openings in fiscal 2000 (23 stores, net of closures) of \$52.7 million;
- a full year impact of new stores opened in fiscal 1999 of \$52.9 million; and
- the acquisition of 70 Club Monaco stores in the quarter ended July 3, 1999 for an increase of \$104.3 million.

Although our stores remained highly productive, comparable store sales decreased by 4.6%, excluding the unfavorable impact of a 53rd week in fiscal 1999, which accounted for additional sales of \$13.8 million. The decline was due to a promotionally driven retail environment, an inadequate inventory of leading products and the effects of a mature and challenging outlet store environment.

**LICENSING REVENUE.** Licensing revenue increased 13.6% to \$236.3 million in fiscal 2000 from \$208.0 million in fiscal 1999. This increase is primarily attributable to increases in sales of existing licensed products, particularly Lauren, Polo Jeans and Ralph Lauren Home collection, which accounted for licensing revenue of \$9.3 million, \$11.2 million and \$2.0 million, respectively.

**GROSS PROFIT.** Gross profit as a percentage of net revenues increased to 48.7% in fiscal 2000 from 47.6% in fiscal 1999. This increase was attributable to a more than 15% increase in retail gross margins as retail sales accounted for a higher portion of net revenues in fiscal 2000 as a result of the acquisition of Club Monaco in fiscal 2000. Additionally, gross profit was favorably impacted by the increase in licensing revenue of \$28.3 million, which has no associated cost of goods sold, in fiscal 2000. Wholesale gross margins were consistent with prior years.

**SELLING, GENERAL AND ADMINISTRATIVE EXPENSES.** Selling, general and administrative expenses as a percentage of net revenues was 35.2% in fiscal 2000 and fiscal 1999. Despite increases in depreciation expense from the shop-within-shops development program and start-up costs incurred with the expansion of our retail operations, these expenses, as a percentage of net revenues, were consistent with the prior year period as we were able to achieve expense leveraging from revenue growth in fiscal 2000.

**INTEREST EXPENSE.** Interest expense increased to \$15.0 million in fiscal 2000 from \$2.8 million in fiscal 1999. This increase was due to a higher level of borrowings incurred in fiscal 2001 to fund the acquisitions of Club Monaco and Poloco.



## LIQUIDITY AND CAPITAL RESOURCES

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

Net cash provided by operating activities increased to \$277.8 million in the nine months ended December 29, 2001, from \$105.3 million in the same period in fiscal 2001. This increase was primarily due to a significant decrease in inventory levels and decreased accounts receivable due to seasonality. Net cash provided by operating activities decreased to \$100.3 million in fiscal 2001 from \$242.7 million in fiscal 2000. Net cash provided by operations was negatively impacted in fiscal 2001 by the cash portion of charges recorded in our second quarter of fiscal 2001 in connection with the implementation of our operational review and increases in inventories and accounts receivable due to timing of shipments.

Net cash used in investing activities decreased to \$87.1 million in the nine months ended December 29, 2001, from \$92.3 million in the same period in fiscal 2001. This decrease was primarily due to a decrease in capital expenditures of approximately \$6.7 million compared to the same period in the prior year, partially offset by an increase in net cash used in acquisitions in connection with our acquisition of PRL Fashions and Polo Brussels S.A. Net cash used in investing activities decreased to \$182.0 million in fiscal 2001 from \$318.3 million in fiscal 2000. The decrease principally reflects the use of funds to acquire Poloco in fiscal 2000.

Net cash provided by financing activities was \$2.0 million in the nine months ended December 29, 2001, as compared to net cash used in financing activities of \$16.9 million in the same period in fiscal 2001. This change is primarily due to the proceeds from the issuance of common stock upon the exercise of stock options of \$15.6 million and a decrease in the repurchase of common stock, offset by the repayment of approximately \$10.4 of short-term bank borrowings during the nine months ended December 29, 2001. Net cash used by financing activities was \$25.9 million in fiscal 2001 as compared to cash provided of \$201.6 million in fiscal 2000. This change is primarily due to proceeds received from our offering of Euro 275.0 million of 6.125% notes due November 2006 in fiscal 2000.

In June 1997, we entered into a credit facility with a syndicate of banks which provides for a \$225.0 million revolving line of credit available for the issuance of letters of credit, acceptances and direct borrowings and matures on December 31, 2002. Borrowings under the syndicated bank credit facility bear interest, at our option, at a base rate equal to the higher of the Federal Funds rate, as published by the Federal Reserve Bank of New York, plus 1/2 of one percent, and the prime commercial lending rate of The Chase Manhattan Bank in effect from time to time, or at the Eurodollar rate plus an interest margin based on the Federal Reserve Board's "Eurocurrency Liabilities" reserve requirements. The margin was 0.875% as of December 29, 2001.

In March 1999, in connection with our acquisition of Club Monaco, we entered into a \$100.0 million senior credit facility with a syndicate of banks consisting of a \$20.0 million revolving line of credit and an \$80.0 million term loan. The revolving line of credit is available for working capital needs and general corporate purposes and matures on June 30, 2003. The term loan was used to finance the acquisition of all of the outstanding common stock of Club Monaco and to repay indebtedness of Club Monaco. The term loan is also repayable on June 30, 2003. Borrowings under the 1999 syndicated bank credit facility bear interest, at our option, at a base rate equal to the higher of the Federal Funds rate, as published by the Federal Reserve Bank of New York, plus 1/2 of one percent, and the prime commercial lending rate of The Chase Manhattan Bank in effect from time to time, or at the Eurodollar rate plus an interest margin based on the Federal Reserve Board's "Eurocurrency Liabilities" reserve requirements. The margin was 0.875% as of December 29, 2001. In April 1999, we entered into interest rate swap agreements with a notional amount of \$100.0 million to convert the variable interest rate on our 1999 senior credit facility to a fixed rate of 5.5%.

The syndicated bank credit facility and our 1999 senior bank credit facility require that we maintain:

- a minimum consolidated net worth, and
- a maximum consolidated indebtedness ratio.

Each of these credit facilities also contain covenants that, subject to specified exceptions, restrict our ability to:

- make capital expenditures,
- sell or dispose of our assets,
- incur additional debt,
- incur contingent liabilities and liens,
- merge with or acquire other companies or be subject to a change of control,
- make loans or advances or stock repurchases,
- engage in transactions with affiliates, and
- make investments.

Upon the occurrence of an event of default under each of these credit facilities, the lenders may cease making loans, terminate the credit facility, and declare all amounts outstanding to be immediately due and payable. The credit facilities specify a number of events of default, many of which are subject to applicable grace or cure periods, including, among others, the failure to make timely principal and interest payments, to satisfy the covenants, or to maintain the required financial performance requirements described above.

Additionally, the agreements provide that an event of default will occur if Mr. Ralph Lauren and related entities fail to maintain a specified minimum percentage of the voting power of our common stock.

In November 1999, we issued Euro 275.0 million of 6.125% notes due November 2006. Our Euro debt is listed on the London Stock Exchange. The net proceeds from the Euro offering were \$281.5 million based on the Euro exchange rate on the issuance date. Interest on the Euro debt is payable annually. A portion of the net proceeds from the issuance was used to acquire Poloco while the remaining net proceeds were retained for general corporate purposes. We acquired Poloco for an aggregate cash consideration of \$209.7 million, plus the assumption of \$10.0 million in short-term debt.

During fiscal 2001, we repurchased Euro 27.5 million, or approximately \$25.3 million based on Euro exchange rates, of our outstanding Euro debt.

As of December 29, 2001, we had \$73.9 million outstanding in direct borrowings, \$80.0 million outstanding under the term loan and \$218.0 million outstanding in Euro debt based on the year-end Euro exchange rate. We were also contingently liable for \$18.2 million in outstanding letters of credit related primarily to commitments for the purchase of inventory. The weighted average interest rate on our borrowings at December 29, 2001 was 5.9%.

We recognize foreign currency gains or losses in connection with our Euro debt based on fluctuations in foreign exchange rates. We recorded \$5.8 million in foreign currency gains in fiscal 2001, \$3.0 million for the nine months ended December 29, 2001, and in the quarter ended March 30, 2002, we expect to recognize foreign currency gains of approximately \$1.5 million.

During the second quarter of fiscal 2001, we completed an internal operational review and formalized our plans to enhance the growth of our international luxury retail business, to better manage inventory and to increase our overall profitability. Total cash outlays resulting from the

operational review are expected to be approximately \$34.7 million, \$22.7 million of which has been paid through December 29, 2001. The remaining obligations of approximately \$2.0 million at December 29, 2001 relate to severance and lease contract and termination agreements with contract terms which extend until fiscal 2003. On October 18, 2000, we received consent from our lenders under the credit facilities permitting us to incur the charges we recorded in connection with the operational review up to specified thresholds. See note 3 to our consolidated financial statements.

From time to time, we make contributions to various charitable organizations. In the quarter ended March 30, 2002, we made a pre-tax contribution of approximately \$8 million to the Polo Ralph Lauren Foundation, which provides philanthropic and volunteer support organizations focused on health, educational and cultural initiatives.

Total cash outlays resulting from the 1999 restructuring plan are approximately \$39.5 million, \$36.5 million of which has been paid through December 29, 2001. The remaining obligations of approximately \$3.0 million at December 29, 2001 primarily relate to severance and lease termination agreements, which extend until fiscal 2003.

Capital expenditures were \$61.1 million for the nine months ended December 29, 2001, compared to \$67.9 million in the same period in fiscal 2001, and were \$105.2 million in fiscal 2001, \$122.0 million in fiscal 2000 and \$141.7 million in fiscal 1999. Capital expenditures are expected to be approximately \$31 million for the three months ended March 30, 2002. Capital expenditures primarily reflect costs associated with the following:

- the expansion of our distribution facilities;
- the shop-within-shops development program which includes new shops, renovations and expansions;
- the expansion of our retail operations;
- our information systems; and
- other capital projects.

On October 31, 2001, we completed the acquisition of substantially all of the assets of PRL Fashions of Europe S.R.L., which holds licenses to sell our women's Ralph Lauren apparel in Europe, our men's and boys' Polo Ralph Lauren apparel in Italy, and our men's and women's Polo Jeans Co. collections in Italy. PRL Fashions had revenues of approximately \$75.0 million for its fiscal year 2000. The purchase price was approximately \$22.0 million in cash, plus the assumption of certain liabilities and earn-out payments based on achieving profitability targets over the first three years, with a guaranteed minimum annual payment of \$3.5 million each year.

In March 1998, our Board of Directors authorized the repurchase, subject to market conditions, of up to \$100.0 million of our Class A common stock. Share repurchases under this plan were scheduled to be made in the open market over the two-year period which commenced April 1, 1998. The Board of Directors authorized the extension of the stock repurchase program through March 31, 2004 through two-year extensions on March 2, 2000 and February 6, 2002. Shares acquired under the repurchase program are used for stock option programs and for other corporate purposes. As of December 29, 2001, we repurchased 3,876,506 shares of our Class A common stock at an aggregate cost of \$73.2 million.

We extend credit to our customers, including those who have accounted for significant portions of our net revenues. We had three customers, Dillard Department Stores, Inc., Federated Department Stores, Inc. and The May Department Stores Company, who in aggregate constituted approximately 48.7% of trade accounts receivable outstanding as at December 29, 2001, and 52.0% as at March 31, 2001 and 54.0% as at April 1, 2000. The concentration of our trade accounts receivable has declined in recent periods, and is expected to continue to decline,

as we have diversified our distribution channels and the proportion of department stores in our customer mix has declined. Additionally, we had four licensing partners, Jones Apparel Group, Inc., WestPoint Stevens, Inc., Seibu Department Stores, Ltd. and Warnaco, Inc., who in aggregate constituted approximately 53.0%, 58.0% and 55.0% of licensing revenue in fiscal 2001, fiscal 2000 and fiscal 1999. Accordingly, we may have significant exposure in collecting accounts receivable from our wholesale customers and licensees. We have credit policies and procedures which we use to manage our credit risk.

We believe that cash from ongoing operations and funds available under our credit facilities and from our Euro offering will be sufficient to satisfy our current level of operations, capital requirements, the stock repurchase program and other corporate activities for the next 12 months. We do not currently intend to pay dividends on our common stock in the next 12 months.

#### SEASONALITY AND QUARTERLY FLUCTUATIONS

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 growth in our retail operations and licensing revenue, historical quarterly operating trends and working capital requirements may not accurately reflect future performances. In addition, fluctuations in sales and operating income in any fiscal quarter may be affected by the timing of seasonal wholesale shipments and other events affecting retail sales.

Through the quarter ended December 29, 2001, the results of our European operations were reported in our consolidated financial statements on a three-month lag basis. Beginning with our fiscal quarter ended March 30, 2002, our consolidated financial statements will reflect our European operating results on a consistent basis with that of our U.S. operations. As a result of this change in reporting periods for our European operations, we expect an increase of approximately \$25 million in our pre-tax earnings for the fiscal quarter ended March 30, 2002 reflecting inclusion of the higher levels of European wholesale sales for the fourth quarter.

#### CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our significant accounting policies are more fully described in Note 2 to our consolidated financial statements. Certain of our accounting policies require the application of significant judgement by management in selecting the appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on our historical experience, our observations of trends in the industry, information provided by our customers and information available from other outside sources, as appropriate. Our significant accounting policies include:

**Revenue Recognition** -- We recognize sales, including sales made to our customers in connection with our shop-within-shops, upon shipment of products to customers, since title passes upon shipment and, in the case of sales by our retail and outlet stores, when goods are sold to consumers. Allowances for estimated uncollectible accounts, discounts, returns, and allowances are provided when sales are recorded based upon historical experience and current trends. While such allowances have been within our expectations and the provisions established, we cannot guarantee that we will continue to experience the same allowance rate we have in the past.

**Inventories** -- Inventory is stated at the lower of cost or market, cost being determined on the first-in, first-out method. Reserves for slow moving and aged merchandise are provided based on historical experience and current product demand. We evaluate the adequacy of the reserves quarterly. While such markdowns have been within our expectations and the provisions established, we cannot guarantee that we will continue to experience the same level of markdowns we have in the past.

Valuation of Long-Lived Assets -- We periodically review the carrying value of our long-lived assets for continued appropriateness. This review is based upon our projections of anticipated future cash flows. While we believe that our estimates of future cash flows are reasonable, different assumptions regarding such cash flows could materially affect our evaluations.

#### NEW ACCOUNTING STANDARDS

In October 2001, the Financial Accounting Standards Board, or "FASB", issued Statement of Financial Accounting Standards, or "SFAS", No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. This Statement addresses financial accounting and reporting for the impairment of long-lived assets and for long-lived assets to be disposed of. SFAS No. 144 supersedes FASB Statement No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of. However, SFAS No. 144 retains the fundamental provisions of Statement 121 for (a) recognition and measurement of the impairment of long-lived assets to be held and used and (b) measurement of long-lived assets to be disposed of by sale. SFAS No. 144 is effective for the first quarter in the fiscal year ending March 29, 2003. We are currently evaluating the impact of adopting this pronouncement on our consolidated results of operations.

In August 2001, the FASB issued SFAS No. 143, Accounting for Asset Retirement Obligations. SFAS No. 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. This Statement requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. SFAS No. 143 is effective for the first quarter in the fiscal year ending April 3, 2004. We are currently evaluating the impact of adopting this pronouncement on our consolidated results of operations.

In July 2001, the FASB issued No. 141, Business Combinations and SFAS No. 142, Goodwill and other Intangible Assets. In addition to requiring the use of the purchase method for all business combinations, SFAS No. 141 requires intangible assets that meet certain criteria to be recognized as assets apart from goodwill. SFAS No. 142 addresses accounting and reporting standards for acquired goodwill and other intangible assets and generally requires that goodwill and indefinite life intangible assets no longer be amortized but be tested for impairment annually. Intangible assets that have finite lives will continue to be amortized over their useful lives. SFAS No. 141 and SFAS No. 142 are effective for our first quarter in the fiscal year ending March 29, 2003 or for any business combinations initiated after June 30, 2001. We are currently evaluating the impact of adopting these statements on our consolidated financial statements.

In April 2001, the FASB's Emerging Issues Task Force reached a consensus on Issue No. 00-25, Vendor Income Statement Characteristics of Consideration Paid to a Reseller of the Vendor's Products. In November 2001, EITF No. 00-25 was codified by the Emerging Issues Task Force in EITF Issue No. 01-09, Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products). EITF No. 01-09 concluded that consideration from a vendor to a reseller of the vendor's products is presumed to be a reduction of the selling prices of the vendor's products and, therefore, should be characterized as a reduction of revenue when recognized in the vendor's income statement. That presumption is overcome and the consideration characterized as a cost incurred if a benefit is or will be received from the recipient of the consideration if certain conditions are met. This pronouncement is effective for our fourth quarter in the fiscal year ended March 30, 2002. We are currently evaluating the impact of adopting this pronouncement on our consolidated results of operations.

In June 1998, the FASB issued SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities. This Statement, as amended and interpreted, establishes accounting and reporting standards for derivative instruments, including some derivative instruments embedded in other contracts, and for hedging activities. It requires the recognition of all derivatives, whether

designated in hedging relationships or not, as either assets or liabilities in the statement of financial position, and measurement of those instruments at fair value. The accounting for changes in the fair value of a derivative is dependent upon the intended use of the derivative. SFAS No. 133 defines new requirements for designation and documentation of hedging relationships as well as ongoing effectiveness assessments in order to use hedge accounting. For a derivative that does not qualify as a hedge, changes in fair value will be recognized in earnings.

We adopted the provisions of SFAS No. 133 as of April 1, 2001. As of that date, we had outstanding interest rate swap agreements and forward foreign exchange contracts that qualify as cash flow hedges under SFAS No. 133. In accordance with SFAS No. 133, we recorded the fair value of these derivatives at April 1, 2001, and the resulting net unrealized gain, after taxes, of approximately \$4.0 million was recorded in other comprehensive income as a cumulative transition adjustment.

#### 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. The following quantitative disclosures are based on quoted market prices and theoretical pricing models obtained through independent pricing sources for the same or similar types of financial instruments, taking into consideration the underlying terms and maturities. These quantitative disclosures do not represent the maximum possible loss or any expected loss that may occur, since actual results may differ from those estimates.

#### FOREIGN CURRENCY EXCHANGE RATES

Foreign currency exposures arise from transactions, including firm commitments and anticipated contracts, denominated in a currency other than an entity's functional currency, and from foreign-denominated revenues translated into U.S. dollars. From time to time, we hedge exposures to foreign currency exchange rate fluctuations with forward foreign exchange contracts. With respect to foreign operations, substantially all of our foreign subsidiaries operate in their respective functional currencies. Our primary foreign currency exposures relate to our Euro debt and Euro investments. The potential loss in value on our Euro debt and Euro investments based on a hypothetical immediate 10.0% adverse change in the Euro rate would have been \$20.7 million and \$1.8 million at February 23, 2002, as compared to \$21.7 million and \$4.5 million at March 31, 2001. As of February 23, 2002, a hypothetical immediate 10.0% adverse change in the Euro rate on the Euro debt and Euro investments would have a \$1.3 million and \$.07 million unfavorable impact on our earnings and cash flows in fiscal 2002.

#### INTEREST RATES

Our primary interest rate exposure relates to our fixed and variable rate debt. The fair value of our fixed Euro debt was \$203.7 million based on its quoted market price as listed on the London Stock Exchange and using Euro exchange rates in effect as of February 23, 2002. The potential loss in value at February 23, 2002 on our fixed Euro debt based on a hypothetical immediate 10.0% adverse change in the interest rate would have been \$1.3 million. At February 23, 2002, the carrying value of amounts outstanding of \$111.8 million under our variable debt borrowing arrangements under our bank credit facilities approximated their fair value. We employ an interest rate hedging strategy utilizing swaps to effectively fix a portion of our interest rate exposure on our floating rate financing arrangements. At December 29, 2001, we had interest rate swap agreements with a notional amount of \$100.0 million which fixed the interest rate on our variable rate debt at 5.5%. As of December 29, 2001, a hypothetical immediate 10.0% adverse change in interest rates relating to our unhedged portion of our variable rate debt would have a \$0.4 million unfavorable impact on our earnings and cash flows in fiscal 2002.

## BUSINESS

We are a leader in the design, marketing and distribution of premium lifestyle products. For 35 years, our reputation and distinctive image have been consistently developed across an expanding number of products, brands and international markets. Our brand names, which include "Polo", "Polo by Ralph Lauren", "Ralph Lauren Purple Label", "Polo Sport", "Ralph Lauren", "RALPH", "Lauren", "Polo Jeans Co.", "RL", "Chaps" and "Club Monaco", among others, constitute one of the world's most widely recognized families of consumer brands. We believe that, under the direction of Ralph Lauren, the internationally renowned designer, we have influenced the manner in which people dress and live in contemporary society, reflecting an American perspective and lifestyle uniquely associated with us and Ralph Lauren.

We combine our consumer insight and design, marketing and imaging skills to offer, along with our licensing partners, broad lifestyle product collections in four categories:

- Apparel -- Products include extensive collections of men's, women's and children's clothing;
- Home -- Ralph Lauren Home offers coordinated products for the home, including bedding and bath products, interior decor, furniture and tabletop and gift items;
- Accessories -- Accessories encompass a broad range of products such as footwear, eyewear, jewelry and leather goods, including handbags and luggage; and
- Fragrance -- Fragrance and skin care products are sold under our Glamorous, Romance, Polo, Lauren, Safari and Polo Sport brands, among others.

### OUR CORE STRENGTHS

Our steady growth has resulted from several core strengths, which we believe distinguish us from our peers.

- World-Recognized Polo Ralph Lauren Brands -- Our Polo Ralph Lauren brand names constitute one of the strongest families of consumer lifestyle brands, providing us with a solid base of existing customers as well as an attractive platform to launch new products.
- Successful Track Record of Product Development -- For 35 years, we have demonstrated the ability to create new products and labels that meet the lifestyle needs of a growing customer base and to shape the image of American style.
- Well-Developed Multi-Channel Presence -- Our strategy of maintaining our own retail stores complements our long-term relationships with major department stores. Together with long-term partnerships formed through licensing arrangements, we are well positioned to meet the needs of our customers in a variety of formats and venues.
- Strong Cash Flows and Balance Sheet -- We have consistently generated strong cash flows and solid margins to fund geographic expansion and product development. Similarly, our balance sheet positions us well for continued expansion.
- The Leadership of Mr. Ralph Lauren -- Ralph Lauren's personal vision created not only a company, but also, we believe, a lifestyle concept that many branded companies have sought to replicate. Ralph Lauren continues to provide a unifying vision throughout all aspects of our business.
- Experienced Management Team -- Our world-class management team, led by Roger Farah, Lance Isham, Douglas Williams and Gerald Chaney, averages over 25 years of related experience. We also have one of the largest and most skilled design staffs in the fashion world with more than 150 full-time designers.

## OUR STRATEGY

We have maintained a consistent operating strategy that has translated new products into growth in both sales and profitability. The key elements of this core strategy are to:

- Extend Polo Ralph Lauren Brands. While maintaining a consistent global image for our brands that portrays core lifestyle themes, we will seek both to extend existing brands and to create new brands to address new and emerging markets and customer groups.
  - Luxury goods offer what we believe is a significant opportunity to further elevate the Polo Ralph Lauren brands while capturing potentially higher gross margins. We intend to continue our successful expansion into luxury goods.
  - Womenswear, we believe, offers significant opportunities for increased market penetration. We will seek to solidify our position as a leading womenswear designer and to continue to develop this growing market. Since our initial public offering, we have continued to focus on expanding our womenswear lines both internally and through licensing partners.
  - We continue to tailor our product assortments for a range of customers, while retaining the quality and fashion image of Polo Ralph Lauren products. We are expanding our product offerings to existing customer groups.
  - Club Monaco, acquired in 1999, is an international specialty retailer of casual apparel and other accessories for men and women under the "Club Monaco" brand name and a number of associated trademarks. We believe that Club Monaco extends our customer base among young fashion-forward consumers.
  - Our licensing alliances have been a key factor not only in our efforts to offer an extensive array of products, but also in our efforts to maintain brand consistency. Through these alliances, we join our design, marketing, and imaging skills with the specific product or geographic competencies of our licensing partners to create and build new businesses. Our alliances include those with industry leaders such as Jones Apparel Group, Inc. and L'Oreal S.A.
- Expand Our Geographic Coverage. In addition to our growth prospects in the U.S., we believe that international markets, specifically Europe and Japan, are under-penetrated and offer growth opportunities for our quintessentially American designs and lifestyle image.
  - Although the European apparel market is similar in size and demographics to the U.S. market, Europeans spend a higher portion of their annual income on apparel than U.S. consumers do. However, our market share in Europe is less than that in the United States. We view this as an important growth opportunity. In order to more aggressively expand our brands and more fully develop our image, we will continue to open new stores throughout Europe. In addition, we acquired Poloco and PRL Fashions of Europe, our former European licensees.
  - While we currently generate the majority of our sales in the United States, we believe there continues to be opportunities in key U.S. cities for growth. We will continue to develop our retail presence in cities such as Beverly Hills, California, Boston, Massachusetts, Dallas, Texas, and New York, New York.
- Increase Direct Management of Polo Ralph Lauren Brands. We continue to enhance our ability to control our brands by opening more of our own specialty stores, improving the merchandising in our existing specialty stores and strategically acquiring select licensees. By increasing the direct management of our brands and our products, we expect to enhance our brand image, as well as expand sales and profits more significantly.



- We believe that operating our own specialty stores offers significant opportunities to more effectively merchandise our products and improve our brand image among consumers. In order to achieve these objectives, we opened or acquired six new specialty stores during fiscal 2002 and improved the merchandising in many of our existing speciality stores.
- We have made and will continue to make strategic acquisitions of select licensees in order to gain better control over our core product lines. By increasing control over the products and brands, we believe we will be able to increase our profit margins. For example, we acquired PRL Fashions of Europe S.R.L. in October 2001, and Poloco in January 2000. See "Business -- Recent Developments".
- Enhance Our Operations. We have spent the last 18 months focusing on the operations of our retail and wholesale businesses and on improving efficiency at the corporate level. Although we have seen progress reflected in our financial results, we believe potential still exists for further margin expansion.
  - We believe we can significantly improve our retail stores profitability. Major initiatives for our 234 stores include adopting a corporate supply chain and inventory management program. We also intend to implement shared services across brands and stores, including an integrated information technology system linking store-level point-of-sale and inventory information with corporate inventory and financial management modules.
  - With our products being distributed in company-owned stores and in leading department and specialty stores around the world, we require an efficient global distribution network. We are implementing initiatives to streamline the time it takes for our products to move from design to stores. We are seeking to reduce order-lead times and improve in-stock levels, while ensuring a consistent and timely delivery of products. We also encourage accountability among our buyers to ensure accuracy of orders to the stores.
  - As we seek to grow the profitability of our operations, we will continue to focus on reducing costs and on more effectively using assets in all areas of our business. We will seek to improve working capital management, work with suppliers to reduce costs throughout the sourcing process and establish rigorous financial targets and long-term budgets. We will seek to build on our recent successes to increase our margins in the near-term.

#### RECENT DEVELOPMENTS

In October 2001, we acquired PRL Fashions of Europe S.R.L. which holds licenses to sell our women's Ralph Lauren apparel in Europe, our men's and boy's Polo Ralph Lauren apparel in Italy and men's and women's Polo Jeans Co. collections in Italy. The acquisition of PRL Fashions of Europe completed our plans to directly own all of our European operations. The purchase price for the acquisition was approximately \$22.0 million in cash, plus the assumption of certain liabilities, and earn-out payments based on achieving profitability targets over the first three years, with a guaranteed minimum annual payment of \$3.5 million each year. We allocated the cost of acquiring PRL Fashions to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The excess of the purchase price over the net assets acquired resulted in goodwill of approximately \$32.5 million. Consistent with SFAS No. 141, this goodwill amount is not being amortized.

In addition, in October 2001, we acquired the Ralph Lauren store in Brussels from one of our licensees.

OPERATIONS

We operate in three integrated segments: wholesale, retail and licensing. Each is driven by our guiding philosophy of style, innovation and quality.

Details of our net revenues are shown in the table below. See also note 16 to our consolidated financial statements for fiscal 2001, fiscal 2000 and fiscal 1999 and note 10 to our consolidated financial statements for the nine months ended December 29, 2001 and December 30, 2000 for further segment information.

FISCAL YEAR ENDED			
NINE MONTHS ENDED ---			
-----			
-----			
MARCH 31, APRIL 1,			
APRIL 3, DECEMBER 29,			
DECEMBER 30, 2001			
2000	1999	2001	2000
-----			
-----			
(UNAUDITED) (IN THOUSANDS)			
Wholesale sales.....			
\$1,053,842	\$ 885,246		
\$ 859,498	\$ 805,565		
758,190	Retail sales.....		
928,577	833,980		
659,352	743,988		
750,681	-----		
-----			
-----			
Net sales.....			
1,982,419	1,719,226		
1,518,850	1,549,553		
1,508,871	Licensing revenue.....		
243,355	236,302		
208,009	181,066		
178,383	-----		
-----			
-----			
Net revenues.....			
\$2,225,774	\$1,955,528		
\$1,726,859	\$1,730,619		
\$1,687,254	=====		
=====	=====		
=====	=====		

WHOLESALE

Our wholesale business is divided into two groups: Polo Brands and Collection Brands. In both these wholesale groups, we offer several discrete brand offerings. Each collection is directed by teams consisting of design, merchandising, sales and production staff who work together to conceive, develop and merchandise product groupings organized to convey a variety of design concepts.

POLO BRANDS

The Polo Brands group sources, markets and distributes products under the following brands:

POLO BY RALPH LAUREN. The Polo by Ralph Lauren menswear collection is a complete men's wardrobe consisting of products related by theme, style, color and fabric. Polo by Ralph Lauren menswear is generally priced at a range of price points within the men's premium ready-to-wear apparel market. We currently sell this collection through approximately 2,100 department store, Ralph Lauren specialty stores and Polo Ralph Lauren store doors in the United States, including approximately 1,550 department store shop-within-shops.

BLUE LABEL. In fall 2002, we will introduce our Blue Label collection of womenswear, which will be modern interpretations of classic Ralph Lauren styles

with a strong weekend focus. We plan to offer the Blue Label collection domestically through Polo Ralph Lauren stores and internationally through Polo Ralph Lauren stores and selected wholesale accounts in Europe and Asia. In Japan, our Blue Label line will be sold under the Ralph Lauren brand name.

POLO SPORT. The Polo Sport collection of men's activewear and sportswear is designed to meet the growing consumer demand for apparel for the active lifestyle. Polo Sport is offered at a range of price points generally consistent with prices for the Polo by Ralph Lauren line, and is distributed through the same channels as Polo by Ralph Lauren.

POLO GOLF. The Polo Golf collection of men's and women's golf apparel is targeted at the golf and resort markets. Price points are similar to those charged for products in the Polo Sport line. We sell the Polo Golf collection in the United States through approximately 1,857 leading golf clubs, pro shops and resorts, in addition to department, specialty and Polo Ralph Lauren stores.

RLX POLO SPORT. The RLX Polo Sport collection of menswear and womenswear consists of functional sport and outdoor apparel for running, cross-training, skiing, snowboarding and cycling. We sell RLX Polo Sport in the United States through approximately 480 athletic specialty stores, in addition to limited department and Polo Ralph Lauren stores, at price points competitive with those charged by other authentic sports apparel companies.

COLLECTION BRANDS

Our Collection Brands group sources, markets and distributes products under the Women's Ralph Lauren Collection and Ralph Lauren Black Label brands and the Men's Ralph Lauren/ Purple Label Collection brand.

RALPH LAUREN COLLECTION AND RALPH LAUREN BLACK LABEL. The Ralph Lauren Collection expresses our up-to-the-moment fashion vision for women. Ralph Lauren Black Label includes timeless versions of our most successful Collection styles, as well as newly-designed classic signature styles. Collection and Black Label are offered for limited distribution to premier fashion retailers and through our stores. Price points are at the upper end or luxury ranges. The lines are currently sold through 130 doors in the United States and over 210 international doors by us and our licensing partners.

RALPH LAUREN/PURPLE LABEL COLLECTION. In Fall 1995, we introduced our Purple Label collection of men's tailored clothing and, in Fall 1997, to complement the tailored clothing line, we launched our Purple Label sportswear line. We sell the Purple Label collection through a limited number of premier fashion retailers, currently through approximately 98 doors in the United States and 18 internationally.

DOMESTIC CUSTOMERS AND SERVICE

GENERAL. Consistent with the appeal and distinctive image of our products and brands, we sell our menswear, womenswear and home furnishings products primarily to leading upscale department stores, specialty stores and golf and pro shops located throughout the United States, which have the reputation and merchandising expertise required for the effective presentation of Polo Ralph Lauren products. See "-- Our Licensing Alliances-- Product Licensing Alliances".

Our wholesale and home furnishings products are distributed through the primary distribution channels in the United States listed in the table below. In addition, we also sell excess and out-of-season products through secondary distribution channels.

APPROXIMATE NUMBER OF DOORS AS  
OF DECEMBER 29, 2001 -----  
-----  
----- RALPH  
LAUREN POLO BRANDS COLLECTION  
BRANDS HOME -----  
-----  
Department  
Stores.....  
1,736 82 1,494 Specialty  
Stores.....  
545 21 24 Polo Ralph Lauren  
Stores..... 31 32  
19 Golf and Pro  
Shops.....  
1,857 -- --

Department stores represent the largest customer group of our wholesale group. Major department store customers of ours (together with the percentage of wholesale net sales that they represented in the fiscal period indicated) are:

- Federated Department Stores, Inc., which represented 19.2% for the nine month period ended December 29, 2001 and 20.4% in fiscal 2001,
- Dillard Department Stores, Inc., which represented 19.1% for the nine month period ended December 29, 2001 and 19.4% in fiscal 2001, and

- The May Department Stores Company, which represented 17.6% for the nine month period ended December 29, 2001 and 18.5% in fiscal 2001.

Collection Brands, Polo Brands and our Ralph Lauren Home products are primarily sold through their respective sales forces, which employ an aggregate of approximately 150 salespersons. An independent sales representative promotes sales to U.S. military exchanges. Our Collection Brands group and Ralph Lauren Home division maintain their primary showrooms in New York City. Regional showrooms for the Polo Brands and regional sales representatives for Ralph Lauren Home are located in:

- Atlanta
- Chicago
- Dallas
- Los Angeles

SHOP-WITHIN-SHOPS. As a critical element of our distribution to department stores, we and our licensing partners utilize shop-within-shops to enhance brand recognition, to permit more complete merchandising by the department stores of our lines and to differentiate the presentation of products. Shop-within-shops fixed assets primarily include items such as customized freestanding fixtures, moveable wallcases and components, decorative items and flooring. We capitalize our share of the cost of these fixed assets and amortize them using the straight-line method over their estimated useful lives of three to five years.

We added approximately 70 shop-within-shops and refurbished approximately 155 shop-within-shops in fiscal 2001, and added another 64 shops-within-shops and refurbished another 54 shops-within-shops in the nine months ended December 29, 2001. At December 29, 2001, in the United States we had approximately 2,600 shop-within-shops dedicated to our products and over 3,000 shop-within-shops dedicated to our licensed products. Excluding significantly larger shop-within-shops in key department store locations, the size of our shop-within-shops typically ranges from approximately 600 to 1,500 square feet for Polo Brands, from approximately 800 to 1,200 square feet for our Collection Brands, and from approximately 300 to 900 square feet for home furnishings. In total, we estimate that approximately 2.2 million square feet of department store space in the United States is dedicated to our shop-within-shops. In addition to shop-within-shops, we use exclusively fixtured areas in department stores.

BASIC STOCK REPLENISHMENT PROGRAM. Basic products such as knit shirts, chino pants and oxford cloth shirts can be ordered at any time through our basic stock replenishment programs. For customers who reorder basic products, we generally ship these products within one to five days of order receipt. These products accounted for approximately 8.5% of our wholesale net sales in the nine month period ended December 29, 2001, and approximately 9.1% in fiscal 2001. We have also implemented a seasonal quick response program to allow replenishment of products which can be ordered for only a portion of each year. Some Ralph Lauren Home licensing partners also offer a basic stock replenishment program which includes towels, bedding and tabletop products. Basic stock products accounted for approximately 70% of our net sales of our Ralph Lauren Home licensing partners for the nine month period ended December 29, 2001, and approximately 73% in fiscal 2001.

#### DIRECT RETAILING

We operate retail stores dedicated to the sale of our products. Located in prime retail areas, our 93 full-price stores operate under the following names:

- Ralph Lauren
- Polo Ralph Lauren
- Polo Sport
- Polo Ralph Lauren Children
- Club Monaco/Caban

Our 141 outlet stores are generally located in outlet malls and operate under the Polo Ralph Lauren outlet store, Polo Jeans Co. outlet store, Ralph Lauren Home outlet store and Club Monaco outlet names.

In addition to our own retail operations, as of December 29, 2001, we had granted licenses to independent parties to operate two stores in the United States and 93 stores internationally. We receive the proceeds from the sale of our products, which are included in wholesale net sales, to these stores and also receive royalties, which are included in licensing revenue, from our licensing partners who sell to these stores. We generally do not receive any other compensation from these licensed store operators. See "-- Our Licensing Alliances".

#### FULL-PRICE STORES

In addition to generating sales of our products, our full-price stores set, reinforce and capitalize on the image of our brands. We have 14 Ralph Lauren stores which showcase our upper end luxury styles and products and demonstrate our most refined merchandising techniques. We also operate 25 Polo Ralph Lauren stores and 54 Club Monaco stores. Ranging in size from approximately 2,000 to over 30,000 square feet, these full-price stores are situated in upscale regional malls and major upscale street locations generally in large urban markets. Our stores are generally leased for initial periods ranging from five to 15 years with renewal options.

In fiscal 2001, we acquired a Polo Ralph Lauren store in Naples, Florida from a licensee. In addition, we opened a Polo Ralph Lauren store in Costa Mesa, California and converted our Polo Jeans Co. store in Burlingame, California to a Polo Ralph Lauren store. In addition, we closed all 12 Polo Jeans Co. stores.

We opened one new Club Monaco store and closed two Club Monaco stores during the nine months ended December 29, 2001, and opened eight new Club Monaco stores and closed 17 Club Monaco stores during fiscal 2001. During the nine months ended December 29, 2001, we opened a Club Monaco store in Cabazon, California, and during fiscal 2001 we opened Club Monaco stores in South Beach, Miami, Florida; Las Vegas, Nevada; Sunset Boulevard in Los Angeles, California; on Fifth Avenue in New York City; and Calgary, Alberta. In addition, we opened Club Monaco Caban stores in Montreal, Quebec; Toronto, Ontario; and Vancouver, British Columbia.

#### OUTLET STORES

We extend our reach to additional consumer groups through our 95 Polo Ralph Lauren outlet stores, 24 Polo Jeans Co. outlet stores, 10 Club Monaco outlet stores and 12 European outlet stores.

- Polo Ralph Lauren outlet stores offer selections of our menswear, womenswear, children's apparel, accessories, home furnishings and fragrances. Ranging in size from 3,000 to 20,000 square feet, with an average of approximately 8,900 square feet, the stores are principally located in major outlet centers in 33 states and Puerto Rico.
- Polo Jeans Co. outlet stores carry all classifications within the Polo Jeans Co. line, including denim, knit and woven tops, sweaters, outerwear, casual bottoms and accessories. Polo Jeans Co. Factory stores range in size from 3,000 to 5,000 square feet, with an average of 3,750 square feet, and are principally located in major outlet centers in 19 states.
- Club Monaco outlet stores range in size from 6,000 to 18,500 square feet, with an average of 9,500 square feet, and offer basic and fashion Club Monaco items.

Outlet stores purchase products directly from us, including our retail stores, our product licensing partners and our suppliers. Outlet stores purchase products from us generally at cost, and from our domestic product licensing partners and our retail stores at negotiated prices. Outlet stores also source basic products and styles directly from our suppliers. Our domestic outlet stores purchased approximately 26% of their products from us in the nine month period ended December 29, 2001 and 21% in fiscal 2001, 48% in the nine month period ended December 29, 2001 from our product licensing partners and 44% in fiscal 2001, and 26% from

other suppliers of products in the nine month period ended December 29, 2001 and 35% in fiscal 2001. We added 16 new outlet stores, net of store closings, during fiscal 2001 and closed one outlet store, net of store openings, in the nine month period ended December 29, 2001.

#### OUR LICENSING ALLIANCES

Through licensing alliances, we combine our consumer insight and design, marketing and imaging skills with the specific product or geographic competencies of our licensing partners to create and build new businesses. We seek out licensing partners who typically:

- are leaders in their respective markets,
- contribute the majority of our product development costs,
- provide the operational infrastructure required to support the business, and
- own the inventory.

We grant product and international licensing partners the right to manufacture and sell at wholesale specified products under one or more of our trademarks. Our international licensing partners produce and source products independently, as well as in conjunction with us and our product licensing partners. As compensation for our contributions under these agreements, each licensing partner pays us royalties based upon its sales of our products, subject, generally, to payment of a minimum royalty. Other than our Ralph Lauren Home collection licenses, these payments generally range from five to eight percent of the licensing partners' sales of the licensed products. In addition, licensing partners are required to allocate between approximately two and four percent of their sales to advertise our products. Larger allocations are required in connection with launches of new products or in new territories.

We work closely with our licensing partners to ensure that products are developed, marketed and distributed to address the intended market opportunity and present consistently to consumers worldwide the distinctive perspective and lifestyle associated with our brands. Virtually all aspects of the design, production quality, packaging, merchandising, distribution, advertising and promotion of Polo Ralph Lauren products are subject to our prior approval and continuing oversight. The result is a consistent identity for Polo Ralph Lauren products across product categories and international markets.

We had 16 product, 10 home collection and eight international licensing partners as of December 29, 2001 and 16 product, 10 home collection and 10 international licensing partners as of March 31, 2001. We derive a substantial portion of our net income from the licensing revenue we receive from our licensing partners. Our largest licensing partners in the nine month period ended December 29, 2001 and fiscal 2001 by licensing revenue were:

- Jones Apparel Group, Inc. (accounting for 26.6% of licensing revenue for the nine months ended December 29, 2001 and 26.9% of licensing revenue for fiscal 2001),
- WestPoint Stevens, Inc. (accounting for 13.1% of licensing revenue for the nine months ended December 29, 2001 and 10.3% of licensing revenue for fiscal 2001), and
- Seibu Department Stores, Ltd. (accounting for 11.5% of licensing revenue for the nine months ended December 29, 2001 and 10.1% of licensing revenue for fiscal 2001).

PRODUCT LICENSING ALLIANCES

As of December 29, 2001 we had agreements with 16 product licensing partners relating to our men's and women's sportswear, men's tailored clothing, children's apparel, personalwear, accessories and fragrances. The products offered by our product licensing partners are listed below.

LICENSING PARTNER LICENSED PRODUCT  
CATEGORY - -----

----- Jones Apparel  
Group, Inc. ....  
Women's Lauren and Ralph Sportswear  
L'Oreal S.A./Cosmair, Inc.  
..... Men's and  
Women's Fragrances and Skin Care  
Products Sun Apparel, Inc. (a  
subsidiary of Jones Apparel Group,  
Inc.)..... Men's  
and Women's Polo Jeans Co. Casual  
Apparel and Sportswear Corneliani  
S.p.A.....  
Men's Polo Tailored Clothing  
Peerless Inc.  
.....  
Men's Chaps and Lauren Tailored  
Clothing S. Schwab Company, Inc.  
..... Children's  
Apparel Sara Lee  
Corporation.....  
Men's and Children's Personal Wear  
Apparel Ralph Lauren Footwear, Inc.  
(a subsidiary of Reebok  
International  
Ltd.)..... Men's and  
Women's Dress, Casual and  
Performance Athletic Footwear  
Wathne, Inc.  
.....  
Handbags and Luggage Hot Sox, Inc.  
.....  
Men's, Women's and Boys' Hosiery  
New Campaign, Inc.  
..... Belts  
and other Small Leather Goods Echo  
Scarves, Inc.  
..... Scarves  
and Gloves for Men and Women  
Carolee, Inc.  
.....  
Jewelry Safilo USA, Inc.  
.....  
Eyewear The Warnaco Group, Inc.  
..... Men's Chaps  
Sportswear Authentic Fitness  
Products, Inc. (a subsidiary of  
Warnaco, Inc.).....  
Women's & Girls' Swimwear



## RALPH LAUREN HOME

Together with our licensing partners, we offer an extensive collection of home products which draw upon, and add to, the design themes of our other product lines, contributing to our complete lifestyle concept. Products are sold under the Ralph Lauren Home brands in three primary categories:

- bedding and bath,
- home decor, and
- home improvement.

In addition to designing and developing the creative concepts and products for Ralph Lauren Home, we manage the marketing and distribution of our brands, and, in some cases, the sales of our products for our licensees. Together with our eight domestic and two international home product licensing partners, representatives of our design, merchandising, product development and sales staffs collaborate to conceive, develop and merchandise the various products as a complete home furnishing collection. Our personnel market and sell the products to domestic customers and certain international accounts. In general, our licensing partners manufacture, own the inventory and ship the products. One exception to the licensing structure of the Ralph Lauren Home lines is that during fiscal 2001 we took direct control of all aspects of the design, manufacturing and sale of Ralph Lauren Home crystal, glass and ceramic tableware, dinnerware and giftware, as well as new lines of lighting, window and bath hardware and decorative accessories.

We perform a broader range of services for our Ralph Lauren Home licensing partners, as compared to our other licensing partners, including marketing and sales. As a result, we receive a higher royalty rate from our Ralph Lauren Home collection licensing partners, typically ranging from 15% to 20%. Our Ralph Lauren Home licensing alliances generally have three to five year terms and often grant the licensee conditional renewal options. The services we perform are:

- sales
- marketing
- operating showrooms
- incurring advertising expenses

Ralph Lauren Home products are positioned at the upper tiers of their respective markets and are offered at a range of price levels. These are generally distributed through several channels of distribution, including:

- department stores
- specialty home furnishings stores
- interior design showrooms
- customer direct mail catalogs
- home centers
- the Internet

As with our other products, our use of shop-within-shops is central to our distribution strategy. Certain licensing partners, including those selling furniture, wall coverings, blankets, bed pillows, tabletop, flatware, home fragrance and paint, also sell their products directly through their own staffs to reach additional customer markets.

The Ralph Lauren Home products offered by us and our domestic licensing partners are:

CATEGORY  
PRODUCT  
LICENSING  
PARTNER - -  
-----  
-----  
-----  
Bedding and  
Bath  
Sheets,  
bedding  
accessories,  
WestPoint  
Stevens,  
Inc. towels  
and shower  
curtains,  
blankets,  
down  
comforters  
and other  
decorative  
bedding  
accessories  
Bath rugs  
Lacey Mills  
Inc. Home  
Decor  
Fabric and  
wallpaper  
Folia  
Furniture  
Henredon  
Furniture  
Industries,  
Inc. Table  
linens,  
placemats,  
Reed and  
Barton  
Corporation  
Town &  
tablecloths,  
napkins  
Country  
Linen Corp.  
Home  
Improvement  
Interior  
paints, and  
paint  
ICI/Sherman  
Williams  
applications  
Broadloom  
carpets and  
area Mohawk  
Carpet  
Corporation  
rugs

Based on aggregate licensing revenue paid to us during fiscal 2001, our two most significant Ralph Lauren Home licensing partners are:

- WestPoint Stevens, Inc., and
- Henredon Furniture Industries, Inc.

WestPoint Stevens, Inc. accounted for approximately 52.0% of Ralph Lauren Home licensing revenue in fiscal 2001.

#### INTERNATIONAL LICENSING ALLIANCES

We believe that international markets offer additional opportunities for

our quintessential American designs and lifestyle image. We are committed to the global development of our businesses. International expansion opportunities may include:

- the roll out of new products and brands following their launch in the U.S.,
- the introduction of additional product lines,
- the entrance into new international markets, and
- the addition of Ralph Lauren or Polo Ralph Lauren stores in these markets.

We work with our eight international licensing partners to facilitate this international expansion. International licensing partners also operate stores, which at December 29, 2001, included 56 Polo Ralph Lauren stores, four Polo Sport stores, 16 Polo Jeans Co. stores, 11 Polo outlet stores and six Ralph Lauren stores.

In fiscal 2000, we added five new Polo Ralph Lauren stores in international markets through our licensing alliances, including two in Australia, and one in each of Hong Kong, Mexico and Japan.

Our international licensing partners acquire the right to source, produce, market and/or sell some or all of our products in a given geographical area. Economic arrangements are similar to those of our domestic product licensing partners. We design licensed products either alone or in collaboration with our domestic licensing partners. Domestic licensees generally provide international licensing partners with product or patterns, piece goods, manufacturing locations

and other information and assistance necessary to achieve product uniformity, for which they are often compensated.

Our most significant international licensing partnerships by royalties for the nine month period ended December 29, 2001 and in fiscal 2001 were:

- Seibu Department Stores, Ltd. (which oversees distribution of virtually all of our products in Japan), and
- L'Oreal S.A. (which distributes fragrances and toiletries outside of the United States).

Our ability to maintain and increase royalties under foreign licenses is dependent upon certain factors not within our control, including:

- fluctuating currency rates,
- currency controls,
- withholding requirements levied on royalty payments,
- governmental restrictions on royalty rates,
- political instability, and
- local market conditions.

See "Risk Factors -- Risks Related to Our Business -- Our business is exposed to domestic and foreign currency fluctuations" and "Risk Factors -- Risks Related to Our Business -- Our business is subject to risks associated with importing products".

## DESIGN

Our products reflect a timeless and innovative American style associated with and defined by Polo and Ralph Lauren. Our consistent emphasis on innovative and distinctive design has been an important contributor to the prominence, strength and reputation of the Polo Ralph Lauren brands.

We form design teams around our brands and product categories to develop concepts, themes and products for each of our businesses. These teams work in close collaboration with merchandising, sales and production staff and licensing partners in order to gain market and other input.

All Polo Ralph Lauren products are designed by, or under the direction of, Ralph Lauren and our design staff, which is divided into five departments:

- Menswear
- Womenswear
- Children's
- Accessories
- Home

Club Monaco's design staff is located in New York and is divided into three teams:

- Menswear
- Womenswear
- Home

We operate a research and development facility in Greensboro, North Carolina, a testing lab in Singapore and pattern rooms in New York, New Jersey and Singapore.

## MARKETING

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

We create the distinctive image advertising for all our Polo Ralph Lauren products, conveying the particular message of each brand within the context of our core themes. Advertisements generally portray a lifestyle rather than a specific item and often include a variety of Polo Ralph Lauren products offered by both ourselves and our licensing partners. Our primary advertising medium is print, with multiple page advertisements appearing regularly in a range of fashion, lifestyle and general interest magazines. Major print advertising campaigns are conducted during the fall and spring retail seasons with additions throughout the year to coincide with product deliveries. In addition to print, some product categories utilize television and outdoor media in their marketing programs. RL Media has run television commercials to promote Polo.com. We believe the commercials developed brand awareness and provided traffic to our many businesses.

Our licensing partners typically spend between two and four percent of their sales of our products for advertising. We directly coordinate advertising placement for domestic product licensing partners. Together with our licensing partners we collectively spent more than \$192.0 million worldwide to advertise and promote Polo Ralph Lauren products in the nine month period ended December 29, 2001 and over \$222 million in fiscal 2001.

We conduct a variety of public relations activities. Each of our spring and fall womenswear collections are presented at major fashion shows in New York, which typically generate extensive domestic and international media coverage. We introduce each of the spring and fall menswear collections at presentations organized for the fashion press. In addition, we organize in-store appearances by our models and sponsors, professional golfers, snowboarders, triathletes and sports teams.

#### SOURCING, PRODUCTION AND QUALITY

Over 330 different manufacturers worldwide produce our apparel products. We source finished products and piece goods. Piece goods include fabric, buttons and similar raw materials and are sourced primarily with respect to our Collection Brands. Finished products consist of manufactured and fully assembled products ready for shipment to our customers. We contract for the manufacture of our products and do not own or operate any production facilities of our own. As part of our efforts to reduce costs and enhance the efficiency of our sourcing process, we have shifted a substantial portion of our sourcing to foreign suppliers. Approximately 95.0%, by dollar volume, of our products were produced in Hong Kong, Canada and other foreign countries in the nine month period ended December 29, 2001 and 76%, by dollar volume, in fiscal 2001. See "Risk Factors -- Risks Related to Our Business -- Our business is subject to risks associated with importing products".

Two manufacturers engaged by us each accounted for approximately 11% and 10.6% of our total production during the nine month period ended December 29, 2001 and approximately 12% and 11% in fiscal 2001. The primary production facilities of these two manufacturers are located in Hong Kong. Two other manufacturers each accounted for approximately 7.4% and 4.9% of our total production in the nine month period ended December 29, 2001 and 6.0% each in fiscal 2001.

Production is divided broadly into two segments:

- FOB Purchasing -- purchases of finished products, where the supplier is responsible for the purchasing and carrying of raw materials, and
- CMT Purchasing -- cut, make and trim, purchasing, where we are responsible for purchasing and moving raw materials to finished product assemblers located around the world.

We must commit to manufacture the majority of our garments before we receive customer orders. We also must commit to purchase fabric from mills well in advance of our sales. If we overestimate the demand for a particular product which we cannot sell to our primary customers, we may use the excess for distribution in our outlet stores or sell the product through secondary

distribution channels. If we overestimate the need for a particular fabric or yarn, that fabric or yarn can be used in garments made for subsequent seasons or made into past season's styles for distribution in our outlet stores.

We have been working closely with suppliers in recent years to reduce lead times to maximize fulfillment (e.g., shipment) of orders and to permit re-orders of successful programs. In particular, we have increased the number of deliveries within certain brands each season so that merchandise is kept fresh at the retail level.

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

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

#### COMPETITION

Competition is strong in the segments of the fashion and consumer product industries in which we operate. We compete with numerous designers and manufacturers of apparel and accessories, fragrances and home furnishing products, domestic and foreign, including Liz Claiborne, Inc., Nautica Enterprises, Inc., Jones Apparel Group, Inc., Tommy Hilfiger corporation Calvin Klein, Inc. and Giorgio Armani Spa in the branded apparel market sector, and Gucci Group N.V. and LVMH Moet Hennessy Louis Vuitton. Some of our competitors may be significantly larger and have substantially greater resources than us. We compete primarily on the basis of fashion, quality, and service, which depend on our ability to:

- shape and stimulate consumer tastes and preferences by producing innovative, attractive and exciting products, brands and marketing,
- anticipate and respond to changing consumer demands in a timely manner,
- maintain favorable brand recognition,
- develop and produce high quality products that appeal to consumers,
- appropriately price our products,
- provide strong and effective marketing support,
- ensure product availability, and
- obtain sufficient retail floor space and effectively present our products at retail.

See "Risk Factors -- Risks Relating to the Industry in Which we Compete -- We face intense competition in the worldwide apparel industry".

#### DISTRIBUTION

To facilitate distribution, men's products are shipped from manufacturers to our distribution center in Greensboro, North Carolina for inspection, sorting, packing and shipment to retail

customers. Our distribution/customer service facility is designed to allow for high density cube storage, and utilizes bar code technology to provide inventory management and carton controls. Product traffic management is coordinated from this facility. During fiscal 2001, distribution of our women's product was provided by a "pick and pack" facility under a warehousing distribution agreement with an unaffiliated third party. This agreement provides that the warehouse distributor will perform storage, quality control and shipping services for us. In return, we must pay the warehouse distributor a per unit rate and special processing charges for services such as ticketing, bagging and steaming. The initial term of this agreement was through December 1, 2001 and has been renewed.

Outlet store distribution and warehousing is principally handled through the Greensboro distribution center. Our full-price store distribution is provided by the facility in Greensboro, North Carolina and a facility in New Jersey which services our stores in New York City and East Hampton, New York. During fiscal 2001, we completed a significant expansion of our Greensboro facility to handle increased volume and reduce reliance upon satellite facilities.

Club Monaco utilizes third party distribution facilities in Mississauga, Ontario and Los Angeles, California. Our licensing partners are responsible for the distribution of licensed products.

We continually evaluate the adequacy of our warehousing and distribution facilities.

#### MANAGEMENT INFORMATION SYSTEM

We design our management information systems to make the marketing, manufacturing, importing and distribution functions of our business operate more efficient by providing, among other things:

- comprehensive order processing,
- production information,
- accounting information, and
- management information, for the marketing, manufacturing, importing and distribution functions of our business.

We have installed sophisticated point-of-sale registers in our stores and outlet stores that enable us to track inventory from store receipt to final sale on a real-time basis. We believe our merchandising and financial system, coupled with our point-of-sale registers and software programs, allow for rapid stock replenishment, concise merchandise planning and real-time inventory accounting practices.

We also utilize an electronic data interchange, or EDI, system to facilitate the processing of replenishment and fashion orders from our wholesale customers, the movement of goods through distribution channels, and the collection of information for planning and forecasting. We have EDI relationships with customers who represent a significant majority of our wholesale business, and we are working to expand our EDI capabilities to include most of our suppliers.

#### CREDIT CONTROL

We manage our own credit and collection functions. We sell our merchandise primarily to major department stores across the United States and extend credit based on an evaluation of the customer's financial condition, usually without requiring collateral. We monitor credit levels and the financial condition of our customers on a continuing basis to minimize credit risk. We do not factor our accounts receivables or maintain credit insurance to manage the risks of bad debts. Our bad debt write-offs were \$0.6 million in the nine month period ended December 29,

2001, and less than one percent of net revenues for fiscal 2001. See "Risk Factors -- Risks Related to Our Business -- Our business could be negatively impacted by the financial stability of our customers".

#### BACKLOG

We generally receive wholesale orders for apparel products approximately three to five months prior to the time the products are delivered to stores. All such orders are subject to cancellation for late delivery. As of December 29, 2001, our spring and summer backlog was \$280.2 million for spring and \$145.2 million for summer, as compared to \$290.0 million for spring and \$168.5 million for summer at December 30, 2000. Our backlog depends upon a number of factors, including the timing of the market weeks for our particular lines, during which a significant percentage of our orders are received, and the timing of shipments. As a consequence, a comparison of backlog from period to period is not necessarily meaningful and may not be indicative of eventual shipments. Aside from the above factors, the backlog for spring and summer 2002 was less than the backlog for the same periods of 2001, primarily due to the discontinuance of the women's Polo Sport line, effective summer 2002, and the elimination of the men's Lauren collection for all items other than ties, partially offset by an overall increase in orders in Europe.

#### TRADEMARKS

We own the "Polo", "Ralph Lauren" and the famous polo player astride a horse trademarks in the United States. Other trademarks we own include, among others:

- "Chaps"
- "Polo Sport"
- "Lauren/Ralph Lauren"
- "RALPH"
- "RRL"
- "Club Monaco"
- various trademarks pertaining to fragrances and cosmetics

In acquiring the "RRL" trademarks, we agreed to allow Mr. Lauren to retain the royalty-free right to use as trademarks "Ralph Lauren," "Double RL" and "RRL" in perpetuity in connection with, among other things, beef and living animals. The trademarks "Double RL" and "RRL" are currently used by the Double RL Company, an entity wholly owned by Mr. Lauren. In addition, Mr. Lauren has the right to engage in personal projects involving film or theatrical productions (not including or relating to our business) through RRL Productions, Inc., a company wholly owned by Mr. Lauren.

Our trademarks are the subjects of registrations and pending applications throughout the world for use on a variety of items of apparel, apparel-related products, home furnishings and beauty products, as well as in connection with retail services, and we continue to expand our worldwide usage and registration of related trademarks. In general, trademarks remain valid and enforceable as long as the marks are used in connection with the products and services and the required registration renewals are filed. We regard the license to use the trademarks and our other proprietary rights in and to the trademarks as valuable assets in marketing our products and, on a worldwide basis, vigorously seek to protect them against infringement. See "-- Legal Proceedings". As a result of the appeal of our trademarks, our products have been the object of counterfeiting. We have a broad enforcement program which has been generally effective in controlling the sale of counterfeit products in the United States and in major markets abroad.

In markets outside of the United States, our rights to some or all of our trademarks may not be clearly established. In the course of our international expansion, we have experienced conflicts with various third parties which have acquired ownership rights in certain trademarks, including "Polo" and/or a representation of a polo player astride a horse, which would have impeded our use and registration of our principal trademarks. While such conflicts are common and may arise again from time to time as we continue our international expansion, we have successfully resolved such conflicts in the past through both legal action and negotiated settlements with third-party owners of



the conflicting marks. See "Risk Factors -- Risks Related to Our Business -- Our trademarks and other intellectual property rights may not be adequately protected outside the United States."

Two agreements by which we resolved conflicts with third-party owners of other trademarks currently impose restrictions or monetary obligations on us. In one, we reached an agreement with a third party which owned competing registrations in numerous European and South American countries for the trademark "Polo" and a symbol of a polo player astride a horse. By virtue of the agreement, we have acquired that third party's portfolio of trademark registrations in exchange for the payment of our royalties in Central America and South America and parts of the Caribbean solely in respect of our use of trademarks which include "Polo" and the polo player symbol, and not, for example, "Ralph Lauren" alone, "Lauren/Ralph Lauren", "RRL", and others. This obligation to share royalties with respect to Central and South America and parts of the Caribbean expires in 2013, but we also have the right to terminate this obligation at any time by paying \$3.0 million.

The second agreement was reached with a third party which owned conflicting registrations of the trademarks "Polo" and a polo player astride a horse in the United Kingdom, Hong Kong and South Africa. Under the agreement, the third party retains the right to use the "Polo" and polo player symbol marks in South Africa and all other countries that comprise Sub-Saharan Africa, and we agreed to restrict use of those Polo marks in those countries to fragrances and cosmetics solely as part of the composite trademark "Ralph Lauren" and the polo player symbol, as to which our use is unlimited, and to the use of the polo player symbol mark on women's and girls' apparel and accessories and women's and girl's handkerchiefs. By agreeing to those restrictions, we secured the unlimited right to use our trademarks in the United Kingdom and Hong Kong without payment of any kind, and the third party is prohibited from distributing products under those trademarks in those countries.

#### GOVERNMENT REGULATION

Our import operations are subject to constraints imposed by bilateral textile agreements between the United States and a number of foreign countries. These agreements, which have been negotiated bilaterally either under the framework established by the Arrangement Regarding International Trade in Textiles, known as the "Multifiber Agreement," or other applicable statutes, impose quotas on the amounts and types of merchandise which may be imported into the United States from these countries. These agreements also allow the signatories to adjust the quantity of imports for categories of merchandise that, under the terms of the agreements, are not currently subject to specific limits. Our imported products are also subject to U.S. customs duties which comprise a material portion of the cost of the merchandise. See "Risk Factors -- Risks Related To Our Business -- Our business is subject to risks associated with importing products".

Apparel products are subject to regulation by the Federal Trade Commission in the United States. Regulations relate principally to the labeling of our products. We believe that we are in substantial compliance with these regulations, as well as applicable federal, state, local, and foreign rules and regulations governing the discharge of materials hazardous to the environment. We do not estimate any significant capital expenditures for environmental control matters either in the current year or expected in the near future. Our licensed products and licensing partners are also subject to regulation. Our agreements require our licensing partners to operate in compliance with all laws and regulations, and we are not aware of any violations which could reasonably be expected to have a material adverse effect on our business.

Although we have not in the past suffered any material inhibition from doing business in desirable markets in the past, we cannot assure you that significant impediments will not arise in the future as we expand product offerings and additional trademarks to new markets.

#### EMPLOYEES

As of December 29, 2001, we had approximately 9,900 employees, consisting of approximately 7,500 in the United States and approximately 2,400 in foreign countries.

Approximately 33 of our United States production and distribution employees in the womenswear business are members of the Union of Needletrades, Industrial & Textile Employees under an industry association collective bargaining agreement, which our womenswear subsidiary has adopted. We consider our relations with both our union and non-union employees to be good.

PROPERTIES

We do not own any real property except for our distribution facility in Greensboro, North Carolina, and a parcel of land adjacent to the facility, and a Polo Ralph Lauren store in Southhampton, New York. Certain information concerning our principal facilities in excess of 100,000 rentable square feet and of our existing retail stores of 20,000 rentable square feet or more, all of which are leased, is as follows:

APPROXIMATE CURRENT LEASE LOCATION USE SQ. FT. TERM EXPIRATION -- ----- -- ----- -- -----
650 Madison Avenue, NYC Executive, corporate office and 206,000 December 31, 2009 design studio, Polo Brand showrooms Lyndhurst, N.J. Corporate and retail 162,000 February 28, 2008 administrative offices 750 North Michigan Avenue, Direct retail and restaurant 36,000 November 15, 2017 Chicago, IL 867 Madison Avenue, NYC Direct retail 27,000 December 31, 2004 1-5 New Bond Street, London Direct retail and corporate and 29,000 July 4, 2021 retail administrative offices 1950 Northern Boulevard, Direct retail 27,000 January 31, 2009 Manhasset, NY 1970 Northern Boulevard, Direct retail

21,000  
September 30,  
Manhasset, NY  
2011 160  
Fifth Avenue,  
NYC Direct  
retail 27,080  
July 31, 2009  
2604 Sawgrass  
Mills Direct  
retail 20,000  
August 31,  
2005 Circle,  
Sawgrass, FL  
777 Saint  
Catherine  
Street West  
Direct retail  
20,969  
January 31,  
2016  
Montreal,  
P.Q.

Prior to its expiration, we expect to renew our lease at 867 Madison Avenue for an additional 10 years. The leases for our non-retail facilities (approximately 56 in all) provide for aggregate annual rentals of approximately \$20.9 million in fiscal 2001. We anticipate that we will be able to extend those leases which expire in the near future on terms satisfactory to us or, if necessary, locate substitute facilities on acceptable terms.

As of December 29, 2001, we operated 39 Polo Ralph Lauren stores, 95 Polo Ralph Lauren outlet stores, 24 Polo Jeans Co. outlet stores and 54 Club Monaco full price stores, 10 Club Monaco outlet stores and 12 European outlet stores on leased premises. Aggregate annual rentals for retail space in fiscal 2001 totaled approximately \$54.6 million and are estimated to be \$68.8 million in fiscal 2002. We anticipate that we will be able to extend those leases which expire in the near future on satisfactory terms, or relocate to more desirable locations.

#### LEGAL PROCEEDINGS

In January 1999, two actions were filed in California naming as defendants more than a dozen United States-based companies that source apparel garments from Saipan (Commonwealth of the Northern Mariana Islands) and a large number of Saipan-based factories. The actions assert that the Saipan factories engage in unlawful practices relating to the

recruitment and employment of foreign workers, and that the apparel companies, by virtue of their alleged relationships with the factories, have violated various Federal and state laws.

One action, filed in California Superior Court in San Francisco by a union and three public interest groups, alleges unfair competition and false advertising and seeks equitable relief, unspecified amounts for restitution and disgorgement of profits, interest and an award of attorneys' fees. The second, filed in Federal court for the Central District of California and subsequently transferred first to the United States District Court for the District of Hawaii and then to the United States District Court in Saipan, was brought on behalf of a purported class consisting of the Saipan factory workers. It alleges claims under the Federal civil RICO statute, Federal peonage and involuntary servitude laws, the Alien Tort Claims Act, and state tort law, and seeks equitable relief and unspecified damages, including treble and punitive damages, interest and an award of attorney's fees.

Although we were not named as a defendant in these suits, we source products in Saipan, and counsel for the plaintiffs in these actions informed us that we are a potential defendant in these or similar actions. Together with some other potential defendants, we entered into an agreement to settle any claims for nonmaterial consideration. The settlement agreement is subject to court approval.

As part of the settlement, we were named as a defendant, along with certain other apparel companies, in a State Court action in California styled Union of Needletrades Industrial and Textile Employees, et al. v. Brylane, L.P., et al., in the San Francisco County Superior Court, and in a Federal Court action styled Doe I. et al. v. Brylane, L.P., et al. in the United States District Court for the District of Hawaii, that mirrors portions of the larger State and Federal Court actions but does not include RICO and certain of the other claims alleged in those actions. The California action was subsequently dismissed as part of the settlement, and the federal court action was transferred to the United States District Court in Saipan. The newly filed federal action against us is expected to remain inactive unless settlement is not finally approved by the Federal Court. The federal court in Saipan held a preliminary approval hearing on the settlement on February 23, 2002, and reserved decision. Some of the non-settling defendants opposed the settlement. We have denied any liability and are not at this preliminary stage in a position to evaluate the likelihood of a favorable or unfavorable outcome if the settlement is not approved and litigation proceeds against us.

On October 1, 1999, we filed a lawsuit against the United States Polo Association Inc., Jordache, Ltd. and certain other entities affiliated with them, alleging that the defendants were infringing on our famous trademarks. This lawsuit continues to proceed as both sides are awaiting the court's decision on various motions. In connection with this lawsuit, on July 19, 2001, the United States Polo Association and Jordache filed a lawsuit against us in the United States District Court for the Southern District of New York. This suit, which is effectively a counterclaim by them in connection with the original trademark action, asserts claims related to our actions in connection with our pursuit of claims against the United States Polo Association and Jordache for trademark infringement and other unlawful conduct. Their claims stem from our contacts with the United States Polo Association's and Jordache's retailers in which we informed these retailers of our position in the original trademark action. The United States Polo Association and Jordache seek \$50 million in compensatory damages and \$50 million in punitive damages from us. This new suit has been consolidated with the original trademark action for purposes of discovery and trial. We believe that the United States Polo Association's and Jordache's claims are substantially without merit and intend to pursue our claims and defend against those of the United States Polo Association and Jordache vigorously.

We are otherwise involved from time to time in legal claims involving trademark and intellectual property, licensing, employee relations and other matters incidental to our business. We believe that the resolution of any matter currently pending will not have a material adverse effect on our financial condition or results of operations.

MANAGEMENT

EXECUTIVE OFFICERS AND DIRECTORS

The following table sets forth information with respect to our directors and executive officers as of March 29, 2002.

NAME	AGE	POSITION	-	----	---	-----
		-- Ralph				
Lauren.....		62 Chairman, Chief Executive Officer and Director				
Isham.....		56 Vice Chairman and Director				
Farah.....		49 President, Chief Operating Officer and Director				
Friedman.....	44	Director				
Jr.....	69	Director				
Fleishman.....		67 Director				
Aronson.....	67	Director				
Semel.....		59 Director				
McHale.....	54	Director				
Brown.....	54	Director				
Chaney.....	55	Senior Vice President of Finance and Chief Financial Officer				
Kosh.....	51	Senior Vice President, Human Resources				
Williams.....	36	Corporate Group President				

RALPH LAUREN has been a director since prior to our initial public offering and was a member of the advisory board of our predecessors since their organization. Mr. Lauren is our Chairman and Chief Executive Officer. He founded Polo in 1968 and has provided leadership in the design, marketing, advertising and operational areas since that time.

F. LANCE ISHAM has been Vice Chairman and a director since April 2000. He was our President from November 1998 to April 2000, prior to which he served as Group President of our menswear operations. Mr. Isham joined us in 1982, and has held a variety of sales positions with us including Executive Vice President of Sales and Merchandising.

ROGER N. FARAH has been our President, Chief Operating Officer and a director since April 2000. Mr. Farah was Chairman of the Board of Venator Group, Inc. from December 1994 until April 2000 and was Chief Executive Officer of Venator Group, Inc. from December 1994 until August 1999. Mr. Farah served as President and Chief Operating Officer of R.H. Macy & Co., Inc. from July 1994 to October 1994. He also served as Chairman and Chief Executive Officer of Federated Merchandising Services, the central buying and product development arm of Federated Department Stores, Inc. from June 1991 to July 1994.

RICHARD A. FRIEDMAN has been a director since prior to our initial public offering and was a member of the advisory board of our predecessors since 1994. Mr. Friedman is also a Managing Director of Goldman, Sachs & Co., and head of the Principal Investment Area. He joined Goldman, Sachs & Co. in 1981. Mr. Friedman is a member of the Board of Directors of AMF Bowling, Inc. and Carmike Cinemas Inc.

FRANK A. BENNACK, JR. has been a director since January 1998. Mr. Bennack has been the President and Chief Executive Officer of The Hearst Corporation since 1979 and expects to retire from these positions in May 2002 and assume the position of Vice Chairman of the Executive Committee of the Board of Directors of the Hearst Corporation. He is also a member of the Board of Directors of The Hearst Corporation, Hearst-Argyle Television, Inc., Wyeth (f/k/a American Home Products Corporation) and J.P. Morgan Chase & Co.



DR. JOYCE F. BROWN has been a director since May 2001. Dr. Brown has been the President of the Fashion Institute of Technology, or "FIT", since 1998. She was a Professor of Clinical Psychology at the Graduate School and University Center of the City University of New York from 1994 to 1998. Dr. Brown is also a member of the Board of Directors of the United States Enrichment Corp.

JOEL L. FLEISHMAN has been a director since January 1999. Mr. Fleishman has been a Professor of Law and Public Policy, Terry Sanford Institute of Public Policy at Duke University since 1971 and the Director of the Samuel and Ronnie Heyman Center for Ethics, Public Policy and the Professions at Duke University since 1987. Mr. Fleishman is also a member of the Board of Directors of Boston Scientific Corporation.

JUDITH A. MCHALE has been a director since February 2001. Ms. McHale has been President and Chief Operating Officer of Discovery Communications, Inc., parent company of cable television's Discovery channel, since 1995. From 1989 to 1995 she served as Executive Vice President and General Counsel for Discovery Communications. Ms. McHale is also a member of the Board of Directors of the John Hancock Financial Services, Inc. and the Potomac Electric Company.

ARNOLD H. ARONSON has been a director since November 2001, and provides consulting services to us with respect to the Ralph Lauren Home collection. Mr. Aronson has been a senior advisor at Kurt Salmon Associates, a global management consulting firm specializing in services to retail and consumer products companies since 1997, after becoming a partner at the consulting firm of Levy-Kerson-Aronson in 1994. He served as chairman and chief executive officer of Woodward & Lothrop/John Wanamaker from 1989 to 1994. Prior to that, Mr. Aronson was chairman and chief executive officer of the Batus Retail Group, then the parent entity of Saks Fifth Avenue, Marshall Fields, Kohls, Gimbels, Ivey's, Frederick & Nelson, Crescent and Breuners. From 1979 to 1983 Mr. Aronson served as chairman and chief executive officer of Saks Fifth Avenue. Prior to that, Mr. Aronson also served as chairman and chief executive officer of Bullock's, now Macy's West, a division of Federated Department Stores. Mr. Aronson currently also serves as chairman of the Board of Governors of the Parson School of Design and as vice chairman of the Board of Trustees at New School University.

TERRY S. SEMEL has been a director since September 1997. Mr. Semel has been Chairman and Chief Executive Officer of Yahoo! Inc. since May 2001. He was Chairman of Windsor Media, Inc., Los Angeles, a diversified media company, from October 1999 to April 2001. Mr. Semel was Chairman of the Board and Co-Chief Executive Officer of the Warner Bros. division of Time Warner Entertainment LP, Los Angeles, from March 1994 until October 1999 and of Warner Music Group, Los Angeles, from November 1995 until October 1999. For more than ten years prior to that he was President of Warner Brothers or its predecessor, Warner Bros. Inc. Mr. Semel is also a member of the Board of Directors of Revlon, Inc. and Yahoo! Inc.

GERALD M. CHANEY has been our Senior Vice President of Finance and Chief Financial Officer since November 2000. Mr. Chaney was Vice President of Finance and Chief Financial Officer of Kellwood Company, a publicly held apparel manufacturing, marketer and merchandiser, from December 1998 to November 2000. From April to December 1998, Mr. Chaney was Executive Vice President, Chief Administrative Officer and Chief Financial Officer of Petrie Retail, Inc.

MITCHELL A. KOSH has been our Senior Vice President of Human Resources since July 2000. Mr. Kosh was Senior Vice President and Chief Human Resources Officer of Conseco, an insurance and financial services company in Carmel, Indiana, from February 2000 to July 2000. Prior to that he was with the Venator Group, Inc. where since 1996 he held executive human resource positions including serving as Senior Vice President of Human Resources for Foot Locker Worldwide.

DOUGLAS L. WILLIAMS has been our Corporate Group President since February 2001. From April 2000 to February 2001, Mr. Williams was corporate Group President, Global Business Development. Mr. Williams began his career with us in 1988 as a retail analyst. He has held various sales and merchandising positions with us, including Vice President of men's sales from 1993 to 1997 and Senior Vice President of men's sales from 1997 to 1998. Mr. Williams was promoted to Divisional President of product licensing in 1998 and in 1999 was further promoted to President of global licensing and new business development.

Each executive officer serves a one-year term ending at the next annual meeting of our board of directors, subject to his or her applicable employment agreement and his or her earlier death, resignation or removal.



PRINCIPAL AND SELLING STOCKHOLDERS

GS Capital Partners, L.P., Stone Street Fund 1994, L.P. and Bridge Street Fund 1994, L.P. are the selling stockholders in this offering. Goldman, Sachs & Co., and The Goldman Sachs Group, Inc. may be deemed to own beneficially and indirectly the 22,720,979 shares of Class A common stock, including the shares of Class A common stock issuable upon the conversion of Class C common stock, beneficially owned by GS Capital Partners, Stone Street Fund and Bridge Street Fund because affiliates of Goldman, Sachs & Co. are the general partner or the managing general partner of GS Capital Partners, Stone Street Fund and Bridge Street Fund. GS Capital Partners, Stone Street Fund and Bridge Street Fund will convert the shares of Class C common stock into an equivalent number of shares of Class A common stock immediately prior to the offering.

The following table sets forth certain information as of April 17, 2002 as to the number of shares of common stock beneficially owned and the percentage of outstanding shares held by

- each person known by us to own beneficially more than 5% of our Class A common stock,
- each person who is a named executive officer and director of our company, and
- all persons as a group who are directors and executive officers of our company.

Unless otherwise indicated, each such beneficial owner holds the sole voting and investment power with respect its shares of common stock. All outstanding shares of our Class B common stock are held of record by the members of the Lauren family and all outstanding shares of our Class C common stock are held by the GS Group, referred to below.

SHARES OF CLASS A  
COMMON STOCK OWNED  
BEFORE AND AFTER THE  
CLASS C COMMON STOCK  
OFFERING(1)(2) -----  
-----  
-----

NUMBER OF SHARES  
NUMBER NUMBER OF  
NUMBER OF PERCENTAGE  
PERCENTAGE OF CLASS  
B OF SHARES SHARES  
TO BE SOLD SHARES OF  
CLASS OF CLASS  
COMMON STOCK OWNED  
IN THE OFFERING  
OWNED NAME OF OWNER  
NUMBER BEFORE THE  
AFTER THE OWNED  
BEFORE AND BEFORE  
THE AS CLASS A AFTER  
THE BENEFICIAL OF  
SHARES OFFERING  
OFFERING AFTER THE  
OFFERING OFFERING  
COMMON STOCK  
OFFERING - -----  
-----  
-----  
-----

----- Ralph  
Lauren(3).....  
1,000,000 3.1% 2.3%  
43,280,021 -- -- --  
The Goldman Sachs  
Group, Inc.(4).....  
-----  
22,720,979  
11,000,000  
11,720,979 F. Lance

Isham(5).... 383,410  
 1.2 \* -- -- --  
     Roger N.  
 Farah(6).... 234,967  
 \* \* -- -- --  
     Richard A.  
 Friedman(7).....  
 -- \* \* -- -- --  
     Frank A. Bennack,  
 Jr.(8).....  
 14,000 \* \* -- -- --  
     -- Dr. Joyce F.  
 Brown(8).....  
 -- -- -- -- --  
     Joel L.  
 Fleishman(8).....  
 11,000 \* \* -- -- --  
     -- Mitchell A.  
 Kosh(9).....  
 -- -- -- -- --  
     Judith A.  
 McHale(8).. -- -- --  
     -- -- -- -- Arnold  
         H.  
 Aronson(8).....  
 500 \* \* -- -- --  
     Terry S.  
 Semel(8).... 22,000  
     \* \* -- -- --  
     Douglas L.  
 Williams(10).....  
 191,386 \* \* -- -- --  
     -- Baron Capital  
        Group, Inc.  
     (11).....  
 9,222,525 28.6 21.3  
     -- -- -- -- FMR  
     Corp.(12).....  
 3,450,050 10.7 8.0 -  
     - -- -- -- Chilton  
        Investment  
 Company(12).....  
 1,617,700 5.0 3.7 --  
     -- -- -- All  
     Directors and  
     Executive Officers  
     as a group (12  
     persons)(3) (5)(6)  
     (7)(8) (9)(10)  
     (14).....  
 1,818,043 5.6 4.2  
 43,280,021 -- -- --  
 TOTAL COMMON STOCK  
 VOTING POWER (OF ALL  
 CLASSES) PERCENTAGE:  
 -----  
     -- NAME OF OWNER  
 BEFORE THE AFTER THE  
 BENEFICIAL OFFERING  
 OFFERING - -----  
 -----  
     ----- Ralph  
     Lauren(3).....  
     88.9% 88.9% The  
 Goldman Sachs Group,  
 Inc.(4)..... 4.7  
     2.4 F. Lance  
     Isham(5).... \* \*  
     Roger N.  
     Farah(6).... \* \*  
     Richard A.  
 Friedman(7).....  
     \* \* Frank A.  
     Bennack, Jr.  
     (8)..... \*  
     \* Dr. Joyce F.  
 Brown(8).....  
     -- -- Joel L.  
 Fleishman(8).....  
     \* \* Mitchell A.  
 Kosh(9).....

-- -- Judith A.  
 McHale(8).. -- --  
 Arnold H.  
 Aronson(8).....  
 \* \* Terry S.  
 Semel(8).... \* \*  
 Douglas L.  
 Williams(10).....  
 \* \* Baron Capital  
 Group, Inc.  
 (11)..... 1.9  
 1.9 FMR Corp.  
 (12)..... \* \*  
 Chilton Investment  
 Company(12).....  
 \* \* All Directors  
 and Executive  
 Officers as a group  
 (12 persons)(3) (5)  
 (6)(7)(8) (9)(10)  
 (14)..... 89.1  
 89.1

-----  
\* Less than 1%.

- (1) The SEC has defined the term "beneficial ownership" to include any person who has or shares voting power or investment power with respect to any such security or who has the right to acquire beneficial ownership of any security within 60 days. The percentage of shares of Class A common stock owned prior to the offering is based on 32,227,058 shares of Class A common stock outstanding as of April 17, 2002, together with Class A common stock issuable with respect to options and warrants held by the person whose percentage of ownership is being calculated which are presently exercisable or exercisable within 60 days.
- (2) Each share of Class B common stock and Class C common stock is convertible at the option of the holder into one share of Class A common stock. Each share of Class B common stock will be automatically converted into a share of Class A common stock upon transfer to a person who is not a member of the Lauren family. Each share of Class C common stock will be automatically converted into a share of Class A common stock upon transfer to a person who is not a member of the GS Group or, until April 15, 2002, any successor thereof. The number of shares of Class A common stock and percentages contained under this heading do not account for such conversion rights or the exercise of the underwriters' over-allotment option.
- (3) Includes vested options representing the right to acquire 1,000,000 shares of Class A common stock. Does not include 500,000 unvested options. Includes 1,557,503 shares of Class B common stock owned by RL Family, L.P., a partnership of which Mr. Lauren is the sole general partner, and 12,915,388 shares of Class B common stock owned by RL Holding, L.P., a partnership controlled by RL Holding Group, Inc., a corporation wholly owned by Mr. Lauren. The 12,915,388 shares of Class B common stock constitute 29.8% of the total number of outstanding shares of Class B common stock. The address of Mr. Lauren is 650 Madison Avenue, New York, New York 10022.
- (4) According to the Schedule 13D filed on July 7, 2000 and additional information subsequently obtained by us: (i) GS Capital Partners, L.P. ("GS Capital Partners") may be deemed to own beneficially and directly, and its general partner, GS Advisors, L.L.C., may be deemed to own beneficially and indirectly, 21,458,715 shares of Class A common stock (including shares issuable upon the conversion of Class C common stock); (ii) Stone Street Fund 1994, L.P. ("Stone Street Fund") may be deemed to own beneficially and directly 616,607 shares of Class A common stock (including shares issuable upon the conversion of Class C common stock); (iii) Bridge Street Fund 1994, L.P. ("Bridge Street Fund") may be deemed to own beneficially and directly 645,657 shares of Class A common stock (including shares issuable upon the conversion of Class C common stock); (iv) Stone Street 1994, L.L.C., as the general partner of Stone Street Fund and the managing general partner of Bridge Street Fund, may be deemed to own beneficially and indirectly the 1,262,264 shares of Class A common stock (including shares issuable upon the conversion of Class C common stock) beneficially owned by Stone Street Fund and Bridge Street Fund; and (v) Goldman, Sachs & Co. and The Goldman Sachs Group, Inc. ("GS Inc.") may be deemed to own beneficially and indirectly the 22,720,979 shares of Class A common stock (including shares issuable upon the conversion of Class C common stock) beneficially owned by GS Capital Partners, Stone Street Fund and Bridge Street Fund because affiliates of Goldman, Sachs & Co. and GS Inc. are the general partner or the managing general partner of GS Capital Partners, Stone Street Fund and Bridge Street Fund and Goldman, Sachs & Co. is the investment manager of each of the limited partnerships. Excludes (i) shares of Class A Common Stock beneficially owned by Goldman, Sachs & Co. and its affiliates that were acquired in the ordinary course of broker-dealer transactions and (ii) shares of Class A Common Stock held in client accounts for which Goldman, Sachs & Co. or its affiliates exercise voting or investment authority, or both and are referred to as, "managed accounts". Each of GS Inc. and Goldman, Sachs & Co. disclaims beneficial ownership of the shares (a) beneficially

owned by the limited partnerships, except to the extent attributable to partnership interests in the limited partnerships held by GS Inc. and its affiliates, and (b) held in managed accounts. Each of the limited partnerships shares voting and dispositive power with respect to its shares with GS Inc. and Goldman, Sachs & Co. GS Capital Partners, L.P., The Goldman Sachs Group, Inc., Goldman, Sachs & Co., Stone Street Fund and Bridge Street Fund are collectively referred to as the "GS Group". The address of each of the persons is 85 Broad Street, New York, New York 10004.

- (5) Includes vested options representing the right to acquire 275,334 shares of Class A common stock. Does not include 266,666 unvested options. Includes 104,575 restricted shares which vest ratably over four years on the second, third, fourth and fifth anniversaries of November 10, 1998, the effective date of Mr. Isham's Amended and Restated Employment Agreement.
- (6) Includes vested options representing the right to acquire 116,668 shares of Class A common stock. Does not include 233,332 unvested options. Includes 118,299 restricted shares which vest ratably over four years on the second, third, fourth and fifth anniversaries of April 12, 2000, the effective date of Mr. Farah's employment agreement.
- (7) Mr. Friedman, who is a Managing Director of Goldman, Sachs & Co., may be deemed to own beneficially and indirectly the shares owned beneficially by Goldman, Sachs & Co. and GS Group. Mr. Friedman disclaims beneficial ownership of those shares, except to the extent of his pecuniary interest in those shares, if any.
- (8) Includes vested options granted to each of Messrs. Bennack, Fleishman and Semel under the 1997 Non-Employee Director Option Plan representing the right to acquire 12,000, 9,000 and 15,000 shares of Class A common stock, respectively. Does not include unvested options granted to Messrs. Aronson, Bennack, Fleishman, Semel, Dr. Brown and Ms. McHale under the 1997 Non-Employee Director Option Plan representing the right to acquire 7,500, 4,500, 4,500, 4,500, 7,500 and 7,500 shares of Class A common stock, respectively.
- (9) Includes vested options representing the right to acquire 8,334 shares of Class A common stock. Does not include 36,666 unvested options.
- (10) Includes vested options representing the right to acquire 188,334 shares of Class A common stock. Does not include 149,666 unvested options.
- (11) According to a Schedule 13D/A filed on March 1, 2002: (i) BAMCO, Inc. ("BAMCO") beneficially owns 7,520,000 shares of Class A common stock; (ii) Baron Asset Fund ("BAF"), an investment advisory client of BAMCO, beneficially owns 7,030,000 shares of Class A common stock; (iii) Baron Capital Management, Inc. ("BCM") beneficially owns 1,702,525 shares of Class A common stock; (iv) Baron Capital Group, Inc. ("BCG"), the parent holding company of BAMCO and BCM, beneficially owns 9,222,525 shares of Class A common stock; and (v) Ronald Baron, who holds a controlling interest in BCG, beneficially owns 9,222,525 shares of Class A common stock. BCG and Ronald Baron disclaims beneficial ownership of shares held by their controlled entities (or the investment advisory clients thereof) to the extent such shares are held by persons other than BCG and Ronald Baron. BAMCO and BCM disclaim beneficial ownership of shares held by their investment advisory clients to the extent such shares are held by persons other than BAMCO, BCM and their affiliates. Each of the persons shares voting and dispositive powers with respect to its or his shares. The address of each of the persons is 767 Fifth Avenue, 49th Floor, New York, New York 10153.
- (12) According to a Schedule 13G/A filed on February 14, 2002: (i) each of FMR Corp. and Fidelity Management & Research Company ("Fidelity"), a wholly-owned subsidiary of FMR Corp., may be deemed to own beneficially 3,450,050 shares of Class A common stock, as a result of Fidelity acting as investment advisor to various investment companies registered under Section 8 of the Investment Company Act of 1940 (the "Fidelity Funds"), and as a result of Fidelity International Limited (which has a historical relationship with FMR Corp. and

Fidelity) acting as investment advisor to various non-U.S. investment companies (the "International Funds"); (ii) each of Edward C. Johnson 3d, Chairman of FMR Corp., and Abigail P. Johnson, a Director of FMR Corp., may be deemed to beneficially own 3,450,050 shares of Class A common stock as a result of their voting control over FMR Corp.; and (iii) Fidelity Magellan Fund, one of the Fidelity Funds, owns beneficially 2,133,700 shares of Class A common stock. Each of Edward C. Johnson 3d, FMR Corp., through its control of Fidelity, and the Fidelity Funds, has sole power to dispose of the 3,450,050 shares of Class A common stock owned by the Fidelity Funds. Each of Edward C. Johnson 3d and FMR Corp., through its control of an investment advisory company, Fidelity Management Trust Company, has the sole power to dispose of the 3,450,050 shares of Class A common stock owned by institutional accounts managed by Fidelity management Trust Company. Neither FMR Corp. nor Edward C. Johnson has the sole power to vote or direct the voting of the shares of Class A common stock owned directly by the Fidelity Funds, the institutional accounts managed by Fidelity Management Trust Company and the International Funds. The address of each of the persons is 82 Devonshire Street, Boston, Massachusetts 02109.

- (13) According to a Schedule 13G filed on December 19, 2001 Chilton Investment Company, Inc. beneficially owns, and has sole power to vote and dispose of, 1,617,700 shares of Class A common stock. The address of Chilton Investment Company, Inc. is 1266 East Main Street, 7th Floor, Stamford CT 06902.
- (14) Includes vested options granted to all directors and executive officers under our 1997 Long-Term Stock Incentive Plan and our 1997 Non-Employee Director Option Plan representing the right to acquire 580,336 shares of Class A common stock. Does not include unvested options granted to all directors and executive officers under our 1997 Long-Term Stock Incentive Plan and our 1997 Non-Employee Director Option Plan representing the right to acquire 649,664 shares of Class A common stock.

If the underwriters exercise in full their option to purchase additional shares to cover over-allotments, the number of shares sold by the selling stockholders, the number and percentage of shares of Class A common stock beneficially owned by the selling stockholders after the offering and the impact of the full exercise of the over allotment option, are as follows:

NUMBER OF SHARES  
OF NUMBER OF CLASS  
A SHARES OF SHARES  
OF NUMBER OF  
COMMON CLASS C  
CLASS C SHARES OF  
NUMBER OF STOCK  
COMMON STOCK  
COMMON STOCK CLASS  
A SHARES OF  
AVAILABLE FOR  
BENEFICIALLY OWNED  
HELD BY SELLING  
COMMON STOCK CLASS  
C SALE UNDER AFTER  
OFFERING  
STOCKHOLDER TO BE  
SOLD COMMON STOCK  
UNDERWRITERS' AND  
FULL EXERCISE OF  
BEFORE BY SELLING  
BENEFICIALLY OWNED  
OVER-ALLOTMENT  
OVER-ALLOTMENT  
NAME OF SELLING  
STOCKHOLDER THE  
OFFERING  
STOCKHOLDER AFTER  
THE OFFERING  
OPTION OPTION - - -  
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GS Capital  
Partners, L.P.  
.....  
21,458,715

10,388,895  
11,069,820  
1,558,334  
9,511,486 Stone  
Street Fund 1994,  
L.P.

.....  
616,607 298,520  
318,087 44,778  
273,309 Bridge  
Street Fund 1994,  
L.P.

.....  
645,657 312,585  
333,072 46,888  
286,184 -----  
-----  
-----

----- 22,720,979  
11,000,000  
11,720,979  
1,650,000  
10,070,979  
=====  
=====  
=====  
=====  
=====  
=====

The selling stockholders are affiliates of Goldman, Sachs & Co. Over the past three years, we engaged Goldman, Sachs & Co., or one of its affiliates, in the following transactions:

- Goldman Sachs International acted as lead underwriter for our offering of Euro 275.0 million of 6.125% notes due November 2006, and
- Goldman Sachs Canada acted as co-dealer manager and Goldman, Sachs & Co. acted as our financial advisor in connection with our acquisition of Club Monaco.

## DESCRIPTION OF CAPITAL STOCK

The following description is a summary of our certificate of incorporation. It is our certificate of incorporation, however, and not this summary, which defines the rights and privileges of our common stock.

At April 17, 2002, our capital stock consists of the following, each having a par value of \$.01 per share:

- 500,000,000 authorized shares of Class A common stock, of which 32,227,058 are outstanding,
- 100,000,000 authorized shares of Class B common stock, of which 43,280,021 are outstanding,
- 70,000,000 authorized shares of Class C common stock, of which 22,720,979 are outstanding, and
- 30,000,000 authorized shares of preferred stock, none of which are outstanding.

The shares of Class B common stock outstanding are held of record by the members of the Lauren family, and the shares of Class C common stock outstanding are held by the GS Group, in each case as described under the heading "Principal and Selling Stockholders".

### COMMON STOCK

The shares of Class A common stock, Class B common stock and Class C common stock are identical in all respects, except for:

- voting rights,
- certain conversion rights, and
- transfer restrictions of the Class B common stock and Class C common stock.

The number of authorized shares of any class of our capital stock may be increased or decreased by the vote of a majority of the holders of the voting power of that class of capital stock who are entitled to vote generally in the election of directors, despite the provisions of Section 242(b)(2) of the General Corporation Law of the State of Delaware (the "Delaware Law") or any equivalent provision enacted.

**Voting Rights.** The holders of Class A common stock and Class C common stock are entitled to one vote per share. Holders of Class B common stock are entitled to ten votes per share. Holders of all classes of common stock entitled to vote are treated as voting together as a single class on all matters presented to the stockholders for their vote or approval, except for the election and the removal of directors as discussed below, or otherwise as required by applicable law. Our certificate of incorporation provides that our board of directors will have between six and 20 members, plus any directors who are entitled to be elected by any series of preferred stock (these directors are referred to as the "Preferred Directors"). We currently have ten directors on our board.

**Composition of our Board.** We have 10 directors on our board of directors. Of the 10 directors, holders of Class A common stock have the right to elect two directors, holders of Class B common stock have the right to elect seven of our directors and holders of Class C common stock have the right to elect one of our directors.

If on the record date of any stockholders meeting:

- any shares of Class A common stock, Class B common stock and Class C common stock are outstanding, and



- the number of outstanding shares of Class B common stock and Class C common stock are each 10% or more of the number of shares of all classes of common stock which were outstanding on the date of our initial public offering, then

- if the size of our board (not counting Preferred Directors) is reduced, then holders of Class A common stock may elect only one director, and

- if the size of the board (not counting Preferred Directors) is increased, any additional members entitled to be elected by the holders of common stock will be Class B directors unless:

- the size of our board is increased to ten or 19 members (not counting Preferred Directors), in which case, and in each case, an additional Class A director will be added, and

- the size of our board is increased to 13 members (not counting Preferred Directors), in which case an additional Class C director will be added.

If on the record date of any stockholders meeting the number of outstanding shares of Class C common stock is:

- 10% or more of the aggregate number of shares of common stock which were outstanding on the date of our initial public offering, then the holders of the Class C common stock, voting as a separate class, may:

- elect one Class C director if the board (not counting Preferred Directors) consists of less than 13 directors, and

- two Class C directors if the board (not counting Preferred Directors) consists of 13 directors or more.

- less than 10% of the aggregate number of shares of common stock outstanding on the date of our initial public offering, then the Class C common stock will automatically convert into Class A common stock and the director or directors that would have been elected by the Class C Common Stock, will instead be elected by the holders of Class A common stock, voting as a separate class.

If on the record date of any stockholders meeting the number of outstanding shares of Class B common stock is:

- 10% or more of the aggregate number of shares of common stock which were outstanding on the date of our initial public offering, then the holders of Class B common stock may elect two-thirds or more of the members of the board of directors entitled to be elected by all of the holders of common stock, and

- less than 10% of the aggregate number of shares of common stock outstanding as on the date of our initial public offering,

then the directors that would have been elected by

- a separate vote of the holders of Class B common stock, and

- a separate vote of the holders of Class A common stock, will instead

be elected by the holders of Class A common stock and the holders of Class B common stock, voting together, with holders of Class A common stock having one vote per share and holders of Class B common stock having ten votes per share.

Because of the disproportionate voting rights of the Class B common stock, in certain instances holders of Class B common stock will still be able to elect a majority of the board of directors entitled to be elected by the holders of

common stock, even though the number of outstanding shares of Class B common stock is less than 10% of the number of shares of all classes of common stock that were outstanding on the date of our initial public offering.

Removal of Directors and Vacancies. Directors may be removed with or without cause and only by those holders of the class or classes of common stock or series of preferred stock that, as of the date the removal is effected, would be entitled to elect that director at the next annual meeting of stockholders.

Vacancies in a directorship may be filled only by:

- the remaining directors who were elected by the holders of each class of common stock or series of preferred stock that:
  - elected the director creating the vacancy, and
  - on the date that vacancy is filled, would be entitled to elect that director at the next annual meeting of the stockholders,

unless there are no remaining directors, in which case vacancies in a directorship will be filled by:

- the vote of the holders of the class or classes of common stock or series of preferred stock who, voting as a separate class on the date that vacancy is filled, would be entitled to elect that director at the next annual meeting of stockholders, or at a meeting of the holders of common stock of that class or classes or series of preferred stock.

As used in this prospectus, the term "members of the Lauren family" includes only:

- Ralph Lauren and his estate, guardian, conservator or committee,
- the spouse of Ralph Lauren and her estate, guardian, conservator or committee,
- each descendant of Ralph Lauren and their respective estates, guardians, conservators or committees,
- each "family controlled entity", and
- the trustees of each "Lauren family trust".

The term "family controlled entity" means:

- any not-for-profit corporation where a majority of its board of directors is composed of Ralph Lauren, Mr. Lauren's spouse and/or descendants of Ralph Lauren,
- any other corporation where a majority of the value of its outstanding equity is owned by members of the Lauren family,
- any partnership where a majority of the economic interest of its partnership interests are owned by members of the Lauren family, and
- any limited liability or similar company where a majority of its economic interests is owned by members of the Lauren family.

The term "Lauren family trust" includes trusts whose primary beneficiaries are Mr. Lauren, Mr. Lauren's spouse, Lauren descendants, Mr. Lauren's siblings, spouses of descendants of Ralph Lauren and each of their respective estates, guardians, conservators or committees and/or charitable organizations, and any wholly charitable trust, where a majority of its trustees includes Mr. Lauren, the spouse of Mr. Lauren and/or members of the Lauren family.

Dividends. Holders of common stock are entitled to receive dividends at the same rate whenever dividends are declared by the board out of assets legally available for their payment, after payment of any dividends required to be paid on shares of preferred stock outstanding. We may not make any dividend or distribution to any holder of any class of common stock unless we, simultaneously, make the same dividend or distribution to each other outstanding share of common stock regardless of class.

Whenever a dividend or other distribution is payable in shares of a class of common stock, including stock splits or divisions of common stock:

- only shares of Class A common stock may be distributed to Class A stockholders,
- only shares of Class B common stock may be distributed to Class B stockholders,
- only shares of Class C common stock may be distributed to Class C stockholders, and
- the number of shares of each class of common stock payable per share of that class of common stock will be equal in number.

Whenever dividends or other distributions consist of other voting securities of ours or the voting securities of any corporation which is a wholly owned subsidiary of ours, we will declare and pay those dividends in three separate classes of those voting securities, identical in all respects except that:

- the voting rights of each security issued to the holders of Class A common stock and Class C common stock will have one-tenth of the voting rights of each security issued to holders of Class B common stock,
- the security issued to holders of Class B common stock will convert into the security issued to the holders of Class A common stock upon the same terms and conditions which would apply to the conversion of Class B common stock into Class A common stock, including having the same restrictions that apply to the transfer and ownership of the Class B common stock,
- the security issued to the holders of Class C common stock will convert into the security issued to holders of Class A common stock upon the same terms and conditions which would apply to the conversion of Class C common stock into Class A common stock, including having the same restrictions that apply to the transfer and ownership of the Class C common stock, and
- if the securities consist of voting securities of any corporation which is a wholly owned subsidiary of ours, the voting rights which apply to each security issued to holders of Class A common stock, Class B common stock and Class C common stock, relating to election of directors, will otherwise be as comparable as is practicable to those of, in each case, the Class A common stock, Class B common stock and Class C common stock.

In the case of dividends or other distributions consisting of securities convertible into, or exchangeable for, our voting securities or of a wholly owned subsidiary of ours, we will provide that those convertible or exchangeable securities and the underlying securities, be identical in all respects (including the conversion or exchange rate), except that the underlying securities may have the same differences as they would have if we issued our voting securities, or those of a wholly owned subsidiary of ours, rather than issuing securities that convert into, or may be exchanged for, our voting securities.

Restrictions on Additional Issuances and Transfer. We may not issue or sell any shares of:

- Class B common stock, or any securities which may be converted into, or exchanged or exercised for shares of Class B common stock, to any person who is not a member of the Lauren family, and
- Class C common stock, or any securities which may be converted into, or exchanged or exercised for shares of Class C common stock, to any person who is not a member of the GS Group and, until April 15, 2002, any successor of the GS Group.

The term "securities" includes, but is not limited to, any rights, options, warrants or other securities.

Shares of Class B common stock may not be transferred, whether by sale, assignment, gift, bequest, appointment or otherwise, to a person who is not a member of the Lauren family. Similarly, shares of Class C common stock may not be transferred to a person who is not a member of the GS Group or, until April 15, 2002, any of their successors.

Despite these restriction on transfer:

- any member of the Lauren family may pledge its shares of Class B common stock to a financial institution pursuant to a bona fide pledge of the shares as collateral for indebtedness due to the pledgee so long as:
  - the shares remain subject to the transfer restrictions, and
  - if the pledgee seeks to foreclose on the indebtedness or other similar action, the pledged shares of Class B common stock may only be transferred to a member of the Lauren Family or converted into shares of Class A common stock, as the pledgee may elect, and
- the transfer restrictions described immediately above do not apply in the case of a merger, consolidation or business combination of us with or into another corporation in which all of the outstanding shares of our common stock and preferred stock regardless of class are purchased by the acquirer.

Conversion. Class A common stock has no conversion rights. Shares of Class B common stock and Class C common stock are convertible into Class A common stock, in whole or in part, at any time and from time to time at the option of the holder, on the basis of one share of Class A common stock for each share of Class B common stock or Class C common stock converted. Also, each share of Class C common stock will automatically convert into one share of Class A common stock if, on the record date for any stockholders meeting, the number of shares of Class C common stock then outstanding is less than 10% of the aggregate number of shares of common stock which were outstanding on the date of our initial public offering.

Whenever a person is no longer a member of the Lauren family, any share of Class B common stock held by that person at that time will automatically convert into a share of Class A common stock. Similarly, if a person ceases to be a member of the GS Group (or, until April 15, 2002, any successor to them), any share of Class C common stock held by that person at that time will automatically convert into a share of Class A common stock.

Reclassification and Merger. If a reclassification or other similar transaction occurs, and as a result the shares of Class A common stock are converted into another security, then each holder of Class B common stock and Class C common stock will be entitled to receive upon conversion the amount of the other security that the holder would have received if the conversion had occurred immediately before the record date of the reclassification or other similar transaction.

No adjustments for dividends will be made upon the conversion of any share of Class B common stock or Class C common stock, unless

- a share is for payment of a dividend or other distribution, and
- the share is converted after the record date.

In that case, the registered holder of that share at the close of business on that record date will be entitled to receive the dividend or other distribution which was payable on that record date regardless of the fact that the share has been converted or that we are in default in paying it.

If we enter into any consolidation, merger, combination or other transaction in which shares of common stock are exchanged for, or changed into, other stock or securities, cash and/or any

other property, then the shares of each class of common stock will be exchanged for, or changed into, either:

- the same amount of stock, securities, cash and/or any other property into or for which each share of any other class of common stock is exchanged or changed; unless, the shares of common stock are exchanged for, or changed into, shares of capital stock. In that case, the shares exchanged for, or changed into, may differ, but only to the extent that the Class A common stock, the Class B common stock and the Class C common stock differ as provided in our certificate of incorporation, or
- if holders of each class of common stock are to receive different distributions of stock, securities, cash and/or any other property, then an amount of stock, securities, cash and/or property having a value equal to the value per share of any other class of our common stock that was exchanged or changed as determined by an independent investment banking firm of national reputation selected by the board of directors.

Liquidation. If we liquidate, any assets remaining after:

- payment of our debts and other liabilities, and
- setting aside sufficient amounts for any payment due to any holders of preferred stock,

will be distributable ratably among the holders of the Class A common stock, Class B common stock and Class C common stock treated as a single class.

Other Provisions. Except as described below, the holders of common stock are not entitled to preemptive rights. None of the Class A common stock, Class B common stock or Class C common stock may be subdivided or combined in any way unless the other classes are subdivided or combined in the same proportion.

We may not make any offering of options, rights or warrants to subscribe for shares of Class B common stock or Class C common stock. If we make an offering of options, rights or warrants to subscribe for shares of any other class or classes of capital stock to all holders of a class of common stock, then we must simultaneously make an identical offering to all holders of the other classes of common stock, unless any class of holders, voting as a separate class, agree that the offering need not be made to their class. Accordingly, all of the options, rights or warrants offerings described in this paragraph will offer the respective holders of Class A common stock, Class B common stock and Class C common stock the right to subscribe at the same rate per share.

Transfer Agent and Registrar. The Transfer Agent and Registrar for the Class A common stock is The Bank of New York.

#### PREFERRED STOCK

Subject to any limitations under Delaware Law, the rules of the NYSE or other organizations on whose systems our capital stock may be quoted or listed and without any act or vote by our stockholders, our board of directors is authorized to:

- issue shares of preferred stock in one or more series,
- establish from time to time the number of shares to be included in each series,
- fix the rights, powers, preferences and privileges of the shares of each wholly unissued series,
- fix any qualifications, limitations or restrictions on that series, and
- increase or decrease the number of shares of the series;

unless the shares of preferred stock would have the right to

- vote for the election of directors under ordinary circumstances, or
- elect 50% or more of the directors under any circumstances,

in which case, the approval of the holders of at least 75% of the outstanding shares of Class B common stock is required.

No series of our preferred stock may be entitled to vote together with any class of our common stock for the election of directors who are entitled to be elected by that class of common stock. However, upon the terms of any series of preferred stock established by our board, any or all series of preferred stock could have preference over the common stock relating to dividends and other distributions, upon our liquidation or could have voting or conversion rights that could adversely affect the holders of our outstanding common stock. In addition, our ability to issue preferred stock could delay, defer or prevent a change of control of us.

#### OTHER CHARTER AND BYLAW PROVISIONS

Special meetings of our stockholders may be called by the board, the Chairman of the Board or our Chief Executive Officer. Except as otherwise required by law, stockholders are not entitled to request or call a special meeting of our stockholders, except where stockholders holding a majority of the shares of a class of common stock request a meeting in order to vote on a matter which that class, voting as a separate class, is entitled to vote on.

In addition, our stockholders may not take any action on any matter by written consent unless they are entitled to vote on the action as a separate class. Various provisions of our certificate of incorporation relating to:

- the issuance of preferred stock,
- action by stockholders,
- calling of special stockholder meetings, and
- the procedure for amending our certificate of incorporation and the provisions described in the above three bullet points

may be amended only with the approval of 75% of the outstanding voting power of the common stock voting as a single class, in addition to any voting requirements under Delaware law.

In addition, the provisions of our certificate of incorporation relating to terms of the common stock and the provision prohibiting preferred stockholders from voting together with any class of common stock for the election of directors entitled to be elected by that class of common stock, may not be amended in any respect without the approval of the affected class of common stock, voting as a separate class. The board may from time to time adopt, amend or repeal the bylaws. However, any bylaws adopted or amended by the board may be further amended or repealed, and any bylaws may be adopted, by our stockholders by vote of a majority of the holders of shares of our stock entitled to vote in the election of our directors.

#### SECTION 203 OF THE DELAWARE GENERAL CORPORATION LAW

We are subject to the provisions of Section 203 of Delaware Law. Under Section 203, certain "business combinations" between a Delaware corporation whose stock generally is publicly traded or held of record by more than 2,000 stockholders and an "interested stockholder" are

prohibited for a three-year period following the date that such a stockholder became an interested stockholder, unless

- the corporation has elected in its original certificate of incorporation not to be governed by Section 203 (we did not make such an election),
- the business combination was approved by the board of directors of the corporation before the other party to the business combination became an interested stockholder,
- upon completion of the transaction that made it an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the commencement of the transaction, excluding voting stock owned by directors who are also officers or held in employee benefit plans in which the employees do not have a confidential right to tender or vote stock held by the plan, or
- the business combination was approved by the board of directors of the corporation and then ratified by the holders of at least two-thirds of the voting stock which the interested stockholder did not own.

The three-year prohibition also does not apply to certain business combinations proposed by an interested stockholder following the announcement or notification of certain extraordinary transactions involving the corporation and a person who had not been an interested stockholder during the previous three years or who became an interested stockholder with the approval of the majority of the corporation's directors. The term "business combination" is defined generally to include mergers or consolidations between a Delaware corporation and an "interested stockholder", transactions with an "interested stockholder" involving the assets or stock of the corporation or its majority-owned subsidiaries and transactions which increase an interested stockholder's percentage ownership of stock. The term "interested stockholder" is defined generally as a stockholder who, together with affiliates and associates, owns (or, within three years prior, did own) 15% or more of a Delaware corporation's voting stock. Section 203 could prohibit or delay a merger, takeover or other change in control of us and therefore could discourage attempts to acquire us.



## SHARES ELIGIBLE FOR FUTURE SALE

We are not able to predict the effect, if any, that sales of shares or the availability of shares for sale will have on the market price prevailing from time to time. Nevertheless, sales of significant amounts of our Class A common stock in the public market, or the perception that such sales may occur, may adversely affect prevailing market prices. See "Risk Factors -- Risks Related to Our Class A Common Stock and this Offering -- Shares eligible for future sale may have a potential adverse effect on our stock price".

Upon completion of the offering, we expect to have outstanding a total of 43,227,058 shares of Class A common stock (or 44,877,058 shares if the underwriters exercise their over-allotment option in full), 43,280,021 shares of Class B common stock and 11,720,979 shares of Class C common stock (or 10,070,979 shares if the underwriters' exercise their over-allotment option in full). Of such shares, the 43,227,058 shares of Class A common stock including the 11,000,000 shares of Class A common stock being sold in the offering (together with any shares sold upon exercise of the underwriters' over-allotment options), will be immediately eligible for sale in the public market without restriction, except for shares purchased or held by any of our "affiliates" as that term is defined in Rule 144 under the Securities Act. All 43,280,021 shares of Class B common stock (which may be converted into Class A common stock at any time) will be owned by the members of the Lauren family and assuming the underwriters' exercise their over-allotment option in full, all 10,070,979 shares of Class C common stock (which may be converted into Class A common stock at any time) will be owned by the GS Group.

Subject to any contractual restrictions, while any stockholder remains one of our affiliates, any shares of Class A common stock (including any shares issued upon conversion of other classes of common stock) held by the stockholder will only be available for public sale if the shares are registered under the Securities Act or sold in compliance with limitations of Rule 144.

## LOCK-UP AGREEMENTS

We, our executive officers, directors, members of the Lauren family and the selling stockholders have agreed with the underwriters not to offer, sell, contract to sell, distribute, dispose of or hedge any shares of our Class A common stock or securities convertible into or exchangeable for shares of our Class A common stock (other than, in the case of the selling stockholders, as part of this offering, and in our case, for limited acquisitions provided that the recipients of the shares agree to the selling restrictions described in this paragraph and for existing stock plans) for a period ending 90 days after the date of this prospectus, except with the prior written consent of Goldman, Sachs & Co. See "Underwriting".

## REGISTRATION RIGHTS

The members of the Lauren family and the GS Group are entitled to registration rights with respect to their shares of common stock pursuant to a registration rights agreement with us.

The GS Group may only make one demand for registration of its common stock once every nine months for only so long as the GS Group collectively owns at least 10% of the common stock outstanding. This offering constitutes a demand registration by the GS Group under the registration rights agreement. As a result, following the lapse of the 90 day lock-up, the GS Group will be unable to make another demand for the six months following the 90 day lock-up period. Once its ownership of the common stock is less than 10% of the outstanding shares of common stock, the GS Group may make one additional demand. The members of the Lauren family may make a demand for registration of their common stock once every nine months. In the case of each demand registration, at least \$20 million of Class A common stock must be requested to be registered.

The members of the Lauren family and the GS Group also have an unlimited number of piggyback registration rights in respect of their shares. The piggyback registration rights allow the holders to include all or a portion of the shares of Class A common stock issuable upon conversion of their shares of Class B common stock and Class C common stock, as the case may be, under any registration statement filed by us, subject to specified limitations.

Registration of the shares subject to the registration rights agreement under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon effectiveness of the registration.

#### RULE 144

Affiliates who wish to sell shares in the market other than in a registered offering would rely on Rule 144, provided they are not subject to a contractual lock-up. In general, under Rule 144 as currently in effect, an affiliate of ours, or a person who has beneficially owned restricted securities for at least one year, would be entitled to sell during any three month period a number of shares that does not exceed the greater of:

- 1% of the number of shares of Class A common stock then outstanding following the offering, or approximately 432,270 shares (approximately 448,770 shares if the underwriters' over-allotment option is exercised in full); and
- the average weekly trading volume of the Class A common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to that sale.

Sales under Rule 144 are generally subject to restrictions relating to manner of sale, notice and the availability of current public information about us.

Under Rule 144(k), a person who is not deemed to have been our affiliate at any time during the three months preceding a sale, and who has beneficially owned the shares proposed to be sold for at least two years, is entitled to sell these shares without having to comply with the manner of sale, public information, volume limitation or notice filing provisions of Rule 144.

## UNITED STATES TAX CONSEQUENCES TO NON-UNITED STATES HOLDERS

The following discussion sets forth the opinion of Paul, Weiss, Rifkind, Wharton & Garrison with respect to the material United States federal income and estate tax consequences of the acquisition, ownership and disposition of our Class A common stock by a non-U.S. holder. As used in this discussion, the term "non-U.S. holder" means a beneficial owner of our Class A common stock that is not, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States,
- a corporation or partnership created or organized in or under the laws of the United States or of any political subdivision of the United States, other than a partnership treated as foreign under U.S. Treasury regulations,
- an estate whose income is includible in gross income for U.S. federal income tax purposes regardless of its source, or
- a trust, if a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust or if the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

An individual may be treated as a resident of the United States in any calendar year for U.S. federal income tax purposes, instead of a nonresident, by, among other ways, being present in the United States on at least 31 days in that calendar year and for an aggregate of at least 183 days during a three-year period ending in the current calendar year. For purposes of this calculation, you would count all of the days present in the current year, one-third of the days present in the immediately preceding year and one-sixth of the days present in the second preceding year. Residents are taxed for U.S. federal income purposes as if they were U.S. citizens.

This discussion does not consider:

- U.S. state and local or non-U.S. tax consequences,
- specific facts and circumstances that may be relevant to a particular non-U.S. holder's tax position, including, if the non-U.S. holder is a partnership or trust, that the U.S. tax consequences of holding and disposing of our Class A common stock may be affected by certain determinations made at the partner or beneficiary level,
- the tax consequences for the shareholders, partners or beneficiaries of a non-U.S. holder,
- special tax rules that may apply to particular non-U.S. holders, such as financial institutions, insurance companies, tax-exempt organizations, U.S. expatriates, broker-dealers, and traders in securities, or
- special tax rules that may apply to a non-U.S. holder that holds our Class A common stock as part of a "straddle", "hedge", "conversion transaction", "synthetic security" or other integrated investment.

The following discussion is based on provisions of the U.S. Internal Revenue Code of 1986, as amended, applicable U.S. Treasury regulations and administrative and judicial interpretations, all as in effect on the date of this prospectus, and all of which are subject to change, retroactively or prospectively. The following summary assumes that a non-U.S. holder holds our Class A common stock as a capital asset. EACH NON-U.S. HOLDER SHOULD CONSULT A TAX ADVISOR REGARDING THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. INCOME AND OTHER TAX CONSEQUENCES OF ACQUIRING, HOLDING AND DISPOSING OF SHARES OF OUR CLASS A COMMON STOCK.

## DIVIDENDS

We do not anticipate paying cash dividends on our Class A common stock in the foreseeable future. See "Price Range of Class A Common Stock and Dividends." In the event, however, that we pay dividends on our Class A common stock, we will have to withhold a U.S. federal withholding tax at a rate of 30%, or a lower rate under an applicable income tax treaty, from the gross amount of the dividends paid to a non-U.S. holder. Non-U.S. holders should consult their tax advisors regarding their entitlement to benefits under a relevant income tax treaty.

Dividends that are effectively connected with a non-U.S. holder's conduct of a trade or business in the United States and, if an income tax treaty applies, attributable to a permanent establishment in the United States, are taxed on a net income basis at the regular graduated rates and in the manner applicable to U.S. persons. In that case, we will not have to withhold U.S. federal withholding tax if the non-U.S. holder complies with applicable certification and disclosure requirements. In addition, a "branch profits tax" may be imposed at a 30% rate, or a lower rate under an applicable income tax treaty, on dividends received by a foreign corporation that are effectively connected with the conduct of a trade or business in the United States.

In order to claim the benefit of an applicable income tax treaty rate, a non-U.S. holder will be required to satisfy applicable certification and other requirements. However,

- in the case of Class A common stock held by a foreign partnership, the certification requirement will generally be applied to the partners of the partnership and the partnership will be required to provide certain information,
- in the case of Class A common stock held by a foreign trust, the certification requirement will generally be applied to the trust or the beneficial owners of the trust depending on whether the trust is a "foreign complex trust", "foreign simple trust", or "foreign grantor trust" as defined in the U.S. Treasury regulations, and
- look-through rules will apply for tiered partnerships, foreign simple trusts and foreign grantor trusts.

A non-U.S. holder that is a foreign partnership or a foreign trust is urged to consult its own tax advisor regarding its status under these U.S. Treasury regulations and the certification requirements applicable to it.

A non-U.S. holder that is eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by filing an appropriate claim for a refund with the U.S. Internal Revenue Service.

## GAIN ON DISPOSITION OF CLASS A COMMON STOCK

A non-U.S. holder generally will not be taxed on gain recognized on a disposition of our Class A common stock unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States and, if an income tax treaty applies, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States; in these cases, the gain will be taxed on a net income basis at the regular graduated rates and in the manner applicable to U.S. persons (unless an applicable income tax treaty provides otherwise) and, if the non-U.S. holder is a foreign corporation, the "branch profits tax" described above may also apply,
- the non-U.S. holder is an individual who holds our Class A common stock as a capital asset, is present in the United States for more than 182 days in the taxable year of the disposition and meets other requirements, or

- we are or have been a "U.S. real property holding corporation" for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of disposition or the period that the non-U.S. holder held our Class A common stock.

Generally, a corporation is a "U.S. real property holding corporation" if the fair market value of its "U.S. real property interests" equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. The tax relating to stock in a U.S. real property holding corporation generally will not apply to a non-U.S. holder whose holdings, direct and indirect, at all times during the applicable period, constituted 5% or less of our Class A common stock, provided that our Class A common stock was regularly traded on an established securities market. We believe that we are not currently, and we do not anticipate becoming in the future, a U.S. real property holding corporation.

However, even if we are or have been a U.S. real property holding corporation, a non-U.S. holder which did not beneficially own, directly or indirectly, more than 5% of the total fair market value of our Class A common stock at any time during the shorter of the five-year period ending on the date of disposition or the period that our Class A common stock was held by the non-U.S. holder (a "non-5% holder") and which is not otherwise taxed under any other circumstances described above, generally will not be taxed on any gain realized on the disposition of our Class A common stock if, at any time during the calendar year of the disposition, our Class A common stock was regularly traded on an established securities market within the meaning of the applicable U.S. Treasury regulations. Our Class A common stock will be considered to be regularly traded on an established securities market for any calendar quarter during which it is regularly quoted on New York Stock Exchange by brokers or dealers that hold themselves out to buy or sell our Class A common stock at the quoted price.

#### FEDERAL ESTATE TAX

Class A common stock owned or treated as owned by an individual who is a non-U.S. holder (as specially defined for U.S. federal estate tax purposes) at the time of death will be included in the individual's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax or other treaty provides otherwise and, therefore, may be subject to U.S. federal estate tax.

#### INFORMATION REPORTING AND BACKUP WITHHOLDING TAX

Any dividends paid to you will be subject to information reporting and may be subject to U.S. backup withholding tax. If you are a non-U.S. holder, you will be exempt from the backup withholding tax if you provide a Form W-8BEN or otherwise meet documentary evidence requirements for establishing that you are a non-U.S. holder or otherwise establish an exemption.

The gross proceeds from the disposition of our Class A common stock may be subject to information reporting and backup withholding tax. If you sell your Class A common stock outside the U.S. through a non-U.S. office of a non-U.S. broker and the sales proceeds are paid to you outside the U.S., then the U.S. backup withholding and information reporting requirements generally will not apply to that payment. However, U.S. information reporting, but not backup withholding, will apply to a payment of sales proceeds, even if that payment is made outside the U.S., if you sell your Class A common stock through a non-U.S. office of a broker that:

- is a U.S. person,
- derives 50% or more of its gross income in specific periods from the conduct of a trade or business in the U.S.,
- is a "controlled foreign corporation" for U.S. tax purposes, or

- is a foreign partnership, if at any time during its tax year:
  - one or more of its partners are U.S. persons who in the aggregate hold more than 50% of the income or capital interests in the partnership,  
or
  - the foreign partnership is engaged in a U.S. trade or business,

unless the broker has documentary evidence in its files that you are a non-U.S. person and certain other conditions are met or you otherwise establish an exemption.

If you receive payments of the proceeds of a sale of our Class A common stock to or through a U.S. office of a broker, the payment is subject to both U.S. backup withholding and information reporting unless you provide a Form W-8BEN certifying that you are a non-U.S. person or you otherwise establish an exemption.

You generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed your income tax liability by filing a refund claim with the U.S. Internal Revenue Service.

UNDERWRITING

We, the selling stockholders and the underwriters for the offering named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman, Sachs & Co., Credit Suisse First Boston Corporation and UBS Warburg LLC are the representative of the underwriters.

Underwriters Number of Shares -----	
----- Goldman, Sachs &	
Co..... Credit	
Suisse First Boston Corporation.....	
UBS Warburg	
LLC..... -----	
---	
Total.....	=====

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

If the underwriters sell more shares than the total number set forth in the table above, the underwriters have an option to buy up to an additional 1,650,000 shares of Class A common stock from the selling stockholders to cover such sales. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by the selling stockholders. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

Paid by the Selling Stockholders No Exercise Full	
Exercise -----	
----- Per	
share..... \$	
\$	
Total.....	\$ \$

Shares sold by the underwriters to the public will initially be offered at the initial price to public set forth on the cover of this prospectus. Any shares of Class A common stock sold by the underwriters to securities dealers may be sold at a discount of up to \$ per share from the initial price to public. Any of these securities dealers may resell any shares purchased from the underwriters to other brokers or dealers at a discount of up to \$ per share from the initial price to public. If all the shares are not sold at the initial price to public, the representatives may change the offering price and the other selling terms.

We, our executive officers, directors, members of the Lauren family and the selling stockholders have agreed with the underwriters not to directly or indirectly offer, sell, contract to sell, distribute, dispose of or hedge any shares of our Class A common stock or securities convertible into or exchangeable for shares of our Class A common stock (other than, in the case of the selling stockholders, as part of the offering, and in our case, for limited acquisitions provided that the recipients of the shares agree to the selling restrictions described in this paragraph and for existing stock plans) for a period ending 90 days after the date of this prospectus, except with the prior written consent of Goldman, Sachs & Co. While Goldman, Sachs & Co. has no specific criteria for the waiver of these lock-up restrictions, if requested to, Goldman, Sachs & Co. may, in some instances, consider the waiver of these restrictions after consideration of, among other things, our stock price, our stock's current trading volume and general market conditions.

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. "Covered" short sales are sales made in an amount not greater than the underwriters' option to purchase additional shares from the selling stockholders in the offering. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through their option to purchase additional securities. "Naked" short sales are any sales in excess of such option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of that underwriter in stabilizing or short covering transactions.

These activities by the underwriters may stabilize, maintain or otherwise affect the market price of the Class A common stock. As a result, the price of the Class A common stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected on the NYSE, in the over-the-counter market or otherwise.

Each Underwriter represents, warrants and agrees that: (i) it has not offered or sold and, prior to the expiry of a period of six months from the Closing Date, will not offer or sell any shares of Class A common stock to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995; (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act of 2000 (the "FSMA") received by it in connection with the issue or sale of any shares in circumstances in which section 21(1) of the FSMA does not apply to the issuer; and (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

The securities may not be offered, sold, transferred or delivered in or from The Netherlands, as part of their initial distribution or as part of any re-offering, and neither this prospectus nor any other document in respect of the offering may be distributed or circulated in The Netherlands, other than to individuals or legal entities which include, but are not limited to, banks, brokers, dealers, institutional investors and undertakings with a treasury department, who or which trade or invest in securities in the conduct of a business or profession.

The selling stockholders are affiliates of Goldman, Sachs & Co. The selling stockholders purchased in the ordinary course of business, and at the time of the purchase of the securities to be resold, the selling stockholders had no agreements or understandings, directly or indirectly, with any person to distribute the securities other than a registration rights agreement among Polo, the selling stockholders and other stockholders.



Goldman, Sachs & Co. and its affiliates and associated persons are the beneficial owners of more than 10% of the Class A common stock being offered. Since more than 10% of the net proceeds of the offering will be received by an NASD member participating in the offering or affiliates or associated persons of such NASD member, the offering will be conducted in accordance with NASD Conduct Rule 2710(c)(8).

Mr. Richard A. Friedman, a Managing Director of Goldman, Sachs & Co., is one of our directors.

Except for certain expenses to be paid by the selling stockholders, we will bear the expenses for the offering. Underwriting discounts and commissions will be payable by the selling stockholders. We estimate that the total expenses of the offering will be approximately \$925,900.

We and the selling stockholders have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act.

## LEGAL MATTERS

Paul, Weiss, Rifkind, Wharton & Garrison, New York, New York will pass upon the legality of the Class A common stock offered by this prospectus. Fried, Frank, Harris, Shriver & Jacobson (a partnership including professional corporations), New York, New York will pass upon legal matters related to the offering for the underwriters.

## EXPERTS

The financial statements as of March 31, 2001 and April 1, 2000, and for each of the three years in the period ended March 31, 2001, included in and incorporated by reference in this prospectus and the related financial statement schedules incorporated by reference elsewhere in the Registration Statement have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports (which reports express an unqualified opinion and include an explanatory paragraph relating to a change in a method of accounting) appearing herein and incorporated by reference elsewhere in the Registration Statement, and have been so included and incorporated by reference in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

## WHERE YOU CAN FIND MORE INFORMATION

We file reports, proxy statements and other information with the SEC. You can read and copy these reports, proxy statements and other information at the SEC's Public Reference Room located at 450 Fifth Street, N.W., Washington, D.C. 20549. Call (800) SEC-0330 for more information on the Public Reference Room. The SEC also maintains an Internet site that contains reports, proxy and information statements and other information regarding us and other issuers that file electronically with the SEC. The site's address is "www.sec.gov".

We have filed a registration statement on Form S-3 under the Securities Act with respect to the shares of Class A common stock covered by this prospectus. This prospectus is part of the registration statement and does not contain all of the information in the registration statement. Whenever a reference is made in this prospectus to a contract or other document of Polo Ralph Lauren Corporation, please be aware that the reference is only a summary and that you should refer to the exhibits that are a part of the registration statement for a copy of the contract or other document. You may review a copy of the registration statement at the SEC's public reference room in Washington, D.C., as well as through the SEC's internet site.

## INCORPORATION BY REFERENCE

The SEC's rules allow us to "incorporate by reference" into this prospectus the information in other documents that we file with them. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information in documents that we file later with the SEC will automatically update and supersede this information.

We incorporate by reference the documents or portions of documents listed below:

- our Annual Report on Form 10-K for the fiscal year ended March 31, 2001,
- our Quarterly Reports on Form 10-Q for the fiscal quarters ended June 30, 2001, September 29, 2001 and December 29, 2001,
- our Current Report on Form 8-K filed on March 7, 2002,
- "Additional Information Regarding the Board of Directors" (excluding "-- Audit Committee Report"), "Executive Compensation" (excluding "-- Compensation Committee

Report", "-- Performance Graph") and "Certain Relationships and Related Transactions" sections of our Definitive Proxy Statement on Schedule 14A filed on June 26, 2001, and

- the description of our common stock contained in our Form 8-A, which incorporates by reference the description of our common stock contained in our registration statement on Form S-1 (No. 333-24733).

We also incorporate by reference into this prospectus all documents that we file pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this prospectus and prior to the termination of this offering.

We will provide a copy of any or all of these documents (other than exhibits unless the exhibits are specifically incorporated by reference into the document), without charge, upon written or oral request to: Polo Ralph Lauren Corporation, 650 Madison Avenue, New York, NY 10022, Attention: Secretary, telephone (212) 318-7000.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus shall be deemed to be modified or superseded for the purposes of this prospectus to the extent that a statement contained in this prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference modifies or supersedes that statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

POLO RALPH LAUREN CORPORATION  
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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS AND STOCKHOLDERS OF POLO RALPH LAUREN CORPORATION

NEW YORK, NEW YORK

We have audited the accompanying consolidated balance sheets of Polo Ralph Lauren Corporation and subsidiaries (the "Company") as of March 31, 2001 and April 1, 2000 and the related consolidated statements of income, stockholders equity and cash flows for each of the three years in the period ended March 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Polo Ralph Lauren Corporation and subsidiaries as of March 31, 2001 and April 1, 2000, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2001, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the consolidated financial statements, effective April 4, 1999, the Company changed its method of accounting for the costs of start-up activities.

/s/ Deloitte & Touche LLP

DELOITTE & TOUCHE LLP

New York, New York

May 23, 2001

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

MARCH 31, APRIL 1, 2001 2000 -----		(IN THOUSANDS, EXCEPT SHARE DATA) ASSETS	
Current assets			
Cash and cash equivalents.....	\$ 51,498	\$ 164,571	Marketable securities..... 50,721 --
Accounts receivable, net of allowances of \$12,090 and \$16,631.....	269,010	204,447	
Inventories.....	425,594	390,953	Deferred tax assets..... 31,244
Prepaid expenses and other.....	40,378	73,654	52,542 -----
----- Total current assets..... 901,721 852,891			
Property and equipment, net..... 328,929 372,977			
Deferred tax assets..... 61,056			
Goodwill, net.....			
249,391 277,822 Other assets, net..... 84,996			
105,804 ----- \$1,626,093 \$1,620,562			
===== LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Notes and acceptances payable -- banks.....	\$ 86,112	\$ 86,131	Accounts payable..... 178,293
Accrued expenses and other.....	151,281	175,172	168,816 ---
----- Total current liabilities..... 439,577 406,228			
Long-term debt.....			
296,988 342,707 Other noncurrent liabilities..... 80,219 99,190			
Commitments and contingencies (Note 14) Stockholders' equity			
Common Stock Class A, par value \$.01 per share; 500,000,000 shares authorized; 34,948,730 and 34,381,653 shares issued... 349 344			
Class B, par value \$.01 per share; 100,000,000 shares authorized; 43,280,021 shares issued and outstanding.....			
433 433 Class C, par value \$.01 per share; 70,000,000 shares authorized; 22,720,979 shares issued and outstanding.....			
227 227 Additional paid-in-capital..... 463,001 450,030			
Retained earnings..... 430,047			
370,785 Treasury Stock, Class A, at cost (3,771,806 and 2,952,677 shares).....			
(71,179) (57,346) Accumulated other comprehensive income..... (10,529) 9,655			
Unearned compensation..... (3,040)			
(1,691) ----- Total stockholders' equity..... 809,309 772,437 -----			
----- \$1,626,093 \$1,620,562 =====			

See accompanying notes to consolidated financial statements.

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

FISCAL YEAR ENDED -----		----- MARCH 31, APRIL 1, APRIL 3, 2001 2000	
1999 -----		----- (IN THOUSANDS,	
EXCEPT SHARE DATA) Net			
sales.....			
\$1,982,419	\$1,719,226	\$1,518,850	Licensing
revenue.....			
243,355	236,302	208,009	----- --
			----- Net
revenues.....			
2,225,774	1,955,528	1,726,859	Cost of goods
sold.....		1,162,727	
1,002,390	904,586	-----	-----
			-- Gross
profit.....			
1,063,047	953,138	822,273	Selling, general and
administrative expenses.....		822,272	689,227
		608,128	Restructuring
charge.....		123,554	--
58,560	-----	-----	Total
expenses.....			
945,826	689,227	666,688	----- --
			----- Income from
operations.....		117,221	
	263,911	155,585	Foreign currency
gains.....		5,846	-- --
			Interest
expense.....			
(25,113)	(15,025)	(2,759)	-----
			----- Income before income taxes and
			cumulative effect of change in accounting
principle.....		97,954	248,886
			152,826
			Provision for income
taxes.....		38,692	101,422
62,276	-----	-----	Income
before cumulative effect of change in accounting			
principle.....		59,262	
147,464	90,550		Cumulative effect of change in
			accounting principle, net of
taxes.....		3,967	-- ----
			----- Net
income.....			
59,262	\$ 143,497	\$ 90,550	=====
			=====
			Income per share before cumulative
			effect of change in accounting principle --
			Basic and Diluted.....
		\$ 0.61	\$ 1.49
		\$ 0.91	
			Cumulative effect of change in accounting
			principle, net of taxes, per share -- Basic and
			Diluted.....
			-- 0.04 -- ----- Net
			income per share -- Basic and Diluted.....
		\$ 0.61	\$ 1.45
		\$ 0.91	=====
			=====
			Weighted average common shares
			outstanding --
Basic.....			
96,773,282	98,926,993	99,813,328	=====
			=====
			Weighted average common
			shares outstanding --
Diluted.....			
97,446,482	99,035,781	99,972,152	=====
			=====

See accompanying notes to consolidated financial statements.

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

TREASURY STOCK, COMMON  
 STOCK ADDITIONAL AT COST --  
 ----- PAID-IN  
 RETAINED -----  
 --- SHARES AMOUNT CAPITAL  
 EARNINGS SHARES AMOUNT ----  
 -----  
 -- ----- (IN  
 THOUSANDS, EXCEPT SHARE  
 DATA) BALANCE AT MARCH 28,  
 1998..... 100,273,726  
 \$1,003 \$447,918 \$136,738 --  
 \$ -- Comprehensive income:  
 Net  
 income.....  
 90,550 Total comprehensive  
 income.....  
 Exercise of stock  
 options..... 4,352 113  
 Repurchases of common  
 stock..... 603,864 (16,084)  
 Restricted stock  
 grants..... 104,575 1  
 1,999 ----- --  
 -----  
 ----- BALANCE AT APRIL  
 3, 1999..... 100,382,653  
 1,004 450,030 227,288  
 603,864 (16,084)  
 Comprehensive income: Net  
 income.....  
 143,497 Foreign currency  
 translation adjustments,  
 net of income taxes of \$6.2  
 million..... Total  
 comprehensive  
 income.....  
 Repurchases of common  
 stock..... 2,348,813  
 (41,262) Restricted stock  
 amortization... -----  
 -----  
 ----- BALANCE  
 AT APRIL 1, 2000.....  
 100,382,653 1,004 450,030  
 370,785 2,952,677 (57,346)  
 Comprehensive income: Net  
 income.....  
 59,262 Foreign currency  
 translation adjustments,  
 net of income tax benefit  
 of \$13.2  
 million.....  
 Total comprehensive  
 income.....  
 Repurchases of common  
 stock..... 819,129 (13,833)  
 Exercise of stock  
 options..... 448,778 4  
 10,293 Income tax benefit  
 from stock option  
 exercises..... 679  
 Restricted stock  
 grants..... 118,299 1  
 1,999 Restricted stock  
 amortization... -----  
 -----  
 ----- BALANCE  
 AT MARCH 31, 2001.....  
 100,949,730 \$1,009 \$463,001  
 \$430,047 3,771,806 (\$  
 71,179) =====  
 =====  
 =====  
 =====  
 =====  
 =====  
 =====

ACCUMULATED OTHER



COMPREHENSIVE UNEARNED  
 INCOME COMPENSATION TOTAL -  
 -----  
 ---- (IN THOUSANDS, EXCEPT  
 SHARE DATA) BALANCE AT  
 MARCH 28, 1998..... \$ --  
 (\$1,333) \$584,326  
 Comprehensive income: Net  
 income.....  
 Total comprehensive  
 income.....  
 90,550 Exercise of stock  
 options..... 113  
 Repurchases of common  
 stock..... (16,084)  
 Restricted stock  
 grants..... (2,000) --  
 -----  
 BALANCE AT APRIL 3,  
 1999..... -- (3,333)  
 658,905 Comprehensive  
 income: Net  
 income.....  
 Foreign currency  
 translation adjustments,  
 net of income taxes of \$6.2  
 million..... 9,655 Total  
 comprehensive  
 income.....  
 153,152 Repurchases of  
 common stock..... (41,262)  
 Restricted stock  
 amortization... 1,642 1,642  
 -----  
 BALANCE AT APRIL 1,  
 2000..... 9,655 (1,691)  
 772,437 Comprehensive  
 income: Net  
 income.....  
 Foreign currency  
 translation adjustments,  
 net of income tax benefit  
 of \$13.2  
 million.....  
 (20,184) Total  
 comprehensive  
 income.....  
 39,078 Repurchases of  
 common stock..... (13,833)  
 Exercise of stock  
 options..... 10,297  
 Income tax benefit from  
 stock option  
 exercises..... 679  
 Restricted stock  
 grants..... (2,000) --  
 Restricted stock  
 amortization... 651 651 ---  
 -----  
 BALANCE AT MARCH 31,  
 2001..... (\$ 10,529)  
 (\$3,040) \$809,309 =====  
 =====

See accompanying notes to consolidated financial statements.

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FISCAL YEAR ENDED	-----	-----	-----	-----
- MARCH 31,	APRIL 1,	APRIL 3,	2001	2000
1999	-----	-----	-----	-----
----- (IN THOUSANDS) CASH FLOWS				
FROM OPERATING ACTIVITIES Net				
income.....				
\$ 59,262	\$143,497	\$ 90,550	Adjustments to reconcile	
			net income to net cash provided by operating	
			activities: (Benefit from) provision for deferred	
			income	
taxes.....				
(23,430)	6,761	(25,771)	Depreciation and	
			amortization.....	78,599 66,280
			46,414 Cumulative effect of change in accounting	
			principle.....	-
			- 3,967 -- Provision for losses on accounts	
			receivable.....	547 2,734 1,060
			Changes in	
			deferred liabilities.....	(27,989)
			3,155 (4,782) Provision for	
			restructuring.....	98,836 --
			19,040 Foreign currency	
gains.....			(5,846) -- --	
Other.....				
(9,885)	4,770	2,073	Changes in assets and	
			liabilities, net of acquisitions Accounts	
			receivable.....	(68,968)
			(32,746) (9,542)	
Inventories.....				
(44,626)	53,325	(76,396)	Prepaid expenses and	
			other.....	(22,967) 1,216
			(25,526) Other	
assets.....			8,042	
(9,801)	(9,095)	Accounts		
payable.....			30,683	
31,281	(13,452)	Accrued expenses and		
		other.....	28,028 (31,750) 43,950	
			----- Net cash provided by	
			operating activities.....	100,286 242,689 38,523 -
			----- CASH FLOWS FROM	
			INVESTING ACTIVITIES Purchases of property and	
			equipment, net.....	(105,170) (122,010)
			(141,692) Investments in marketable	
			securities.....	(50,721) -- --
			Acquisitions, net of cash	
			acquired.....	(20,929) (235,144)
			(6,981) Proceeds from (payments of) restricted cash	
			for Club Monaco	
			acquisition.....	--
			44,217 (44,217) Cash surrender value -- officers'	
			life insurance.....	(5,152) (5,385) (3,339) -----
			----- Net cash used in investing	
			activities.....	(181,972) (318,322) (196,229)
			----- CASH FLOWS FROM	
			FINANCING ACTIVITIES Repurchases of common	
			stock.....	(13,833) (41,262)
			(16,084) Proceeds from issuance of common	
			stock.....	10,297 -- 113
			Proceeds from	
			(repayments of) short-term borrowings,	
			net.....	
			2,939 (39,400) 115,500 Repayments of long-term	
			debt.....	(25,289) (37,358)
			(337) Proceeds from long-term	
			debt.....	-- 319,610 44,217 --
			----- Net cash (used in)	
			provided by financing	
			activities.....	
			(25,886) 201,590 143,409 -----	
			-- Effect of exchange rate changes on	
			cash.....	(5,501) (5,844) -- -----
			----- Net (decrease) increase in cash	
			and cash	
equivalents.....				
(113,073)	120,113	(14,297)	Cash and cash	
			equivalents at beginning of period.....	164,571
			44,458 58,755 ----- Cash and	

cash equivalents at end of period..... \$  
51,498 \$164,571 \$ 44,458 =====  
=====

FISCAL YEAR ENDED -----  
----- MARCH 31, APRIL 1, APRIL 3, 2001 2000  
1999 ----- (IN  
THOUSANDS) SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for			
interest.....			\$
25,318	\$ 7,713	\$ 2,776	=====
			=====
Cash paid for income			
taxes.....			\$ 72,599
\$112,202	\$ 77,877		=====
			=====
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES Fair value of assets acquired, excluding cash..... \$ --			
	\$398,737	\$ 14,868	Less: Cash
paid.....			
	-- 235,144	6,981	Acquisition
obligation.....			--
	21,637	--	Promissory notes
issued.....			-- --
5,000			Liabilities
assumed.....			\$ -
	- \$141,956	\$ 2,887	=====
			=====

See accompanying notes to consolidated financial statements.  
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POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

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

1. BASIS OF PRESENTATION AND ORGANIZATION

(a) BASIS OF PRESENTATION

Polo Ralph Lauren Corporation ("PRLC") was incorporated in Delaware in March 1997. The consolidated financial statements include the accounts of PRLC and its wholly and majority owned subsidiaries. All intercompany balances and transactions have been eliminated. PRLC and its subsidiaries are collectively referred to herein as "we," "us," "our" and "ourselves."

We have included the December 31, 2000 consolidated balance sheet and January 6, 2000 combined balance sheet of Poloco (as defined), our wholly owned subsidiary, in the accompanying March 31, 2001 and April 1, 2000, consolidated balance sheets. We also have consolidated the results of operations of Poloco for the year ended December 31, 2000, in the March 31, 2001 consolidated statements of income, stockholders' equity and cash flows.

(b) ACQUISITIONS AND JOINT VENTURE

On February 7, 2000, we announced the formation of Ralph Lauren Media, LLC ("RL Media"), a joint venture between National Broadcasting Company, Inc. and certain affiliated companies ("NBC") and ourselves. RL Media was created to bring our American lifestyle experience to consumers via multiple media platforms, including the Internet, broadcast, cable and print. Under the 30-year joint venture agreement, RL Media will be owned 50% by us and 50% by NBC. In exchange for a 50% interest, we will provide marketing through our annual print advertising campaign, make our merchandise available at initial cost of inventory and sell RL Media's excess inventory through our outlet stores, among other things. NBC will contribute \$110.0 million of television and online advertising. NBC will also contribute \$40.0 million in online distribution and promotion and a cash funding commitment up to \$50.0 million. Under the terms of the joint venture agreement, for tax purposes, we will not absorb any losses from the joint venture up to the first \$50.0 million incurred and will share proportionately in the net income or losses thereafter. Additionally, we will receive a royalty on the sale of our products by RL Media based on specified percentages of net sales over a predetermined threshold, subject to certain limitations; to date, no such royalty income has been recognized. RL Media's managing board will have equal representation from NBC and us. The joint venture has been accounted for under the equity method from the effective date of its formation. Our financial basis in RL Media is zero. Our equity in the net assets of RL Media is less than our financial basis. We have not recognized any losses in excess of our financial basis since there are no financial guarantees, commitments or obligations to fund the operations of RL Media.

On January 6, 2000, we completed the acquisition of stock and certain assets of Poloco S.A.S. and certain of its affiliates ("Poloco"), which hold licenses to sell our men's and boys' apparel, our men's and women's Polo Jeans apparel, and certain of our accessories in Europe. In addition to acquiring Poloco's wholesale business, we acquired one flagship store in Paris and six outlet stores located in France, the United Kingdom and Austria. We acquired Poloco for an aggregate cash consideration of \$209.7 million, plus the assumption of \$10.0 million in short-term debt. We used a portion of the net proceeds from the Eurobond Offering (as defined) to finance this acquisition. During the quarter ended July 1, 2000, the final 10% of the acquisition price for Poloco in the amount of \$20.9 million was distributed in accordance with the terms of the agreement. This acquisition has been accounted for as a purchase. The purchase price has been allocated based upon the fair values of the net assets acquired at the date of acquisition. This allocation resulted in an excess of purchase price over the estimated fair value of net assets acquired of \$198.3 million, which has been recorded as goodwill and is being amortized on a straight-line basis over an estimated useful life of 40 years.

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

The following table sets forth unaudited pro forma combined statement of income information for fiscal 2000 had the acquisition of Poloco occurred at the beginning of the period:

FISCAL YEAR 2000 -----	(UNAUDITED) Pro
	forma net
revenues.....	\$2,135,736 Pro forma net
income.....	162,398 Pro forma net income per share --
	Basic and Diluted..... 1.64

The unaudited pro forma information above has been prepared for comparative purposes only and includes certain adjustments to our historical statements of income, such as additional amortization as a result of goodwill and increased interest expense on acquisition debt. The results do not purport to be indicative of the results of operations that would have resulted had the acquisition occurred at the beginning of the period, or of future results of operations of the consolidated entities.

On April 6, 1999, PRL Acquisition Corp., a Nova Scotia unlimited liability corporation and our wholly owned subsidiary, acquired, through a tender offer, 98.83% of the outstanding shares of Club Monaco Inc. ("Club Monaco"), a corporation organized under the laws of the Province of Ontario, Canada. On May 3, 1999, PRL Acquisition Corp. acquired the remaining outstanding 1.17% shares pursuant to a statutory compulsory acquisition. The total purchase price was \$51.0 million in cash based on foreign exchange rates in effect on the dates indicated. We used funds from our credit facility to finance this acquisition and to repay in full assumed debt of Club Monaco of \$35.0 million. We have accounted for this acquisition as a purchase and have consolidated the operations of Club Monaco in the accompanying financial statements from the effective date of the transaction. The purchase price has been allocated based upon the fair values of the net assets acquired at the date of the acquisition. This allocation resulted in an excess of purchase price over the estimated fair value of net assets acquired of \$44.5 million, which has been recorded as goodwill and is being amortized on a straight-line basis over an estimated useful life of 40 years.

(c) BUSINESS

We design, license, contract for the manufacture of, market and distribute men's and women's apparel, accessories, fragrances, skin care products and home furnishings. Our sales are principally to major department and specialty stores located throughout the United States and Europe. We also sell directly to consumers through full price, flagship, outlet and Club Monaco stores located throughout the United States, Canada, Europe, Great Britain and Asia.

We are party to licensing agreements which grant the licensee exclusive rights to use our various trademarks in connection with the manufacture and sale of designated products in specified geographical areas. The license agreements typically provide for designated terms with renewal options based on achievement of specified sales targets. The agreements also require that certain minimum amounts be spent on advertising for licensed products. Additionally, as part of the licensing arrangements, each licensee is typically required to enter into a design services agreement pursuant to which design and other creative services are provided. The license and design services agreements provide for payments based on specified percentages of net sales of licensed products. Additionally, we have granted royalty-free licenses to independent parties to operate Polo stores to promote the sale of our merchandise and our licensees' merchandise both domestically and internationally.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

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

2. SIGNIFICANT ACCOUNTING POLICIES

FISCAL YEAR

Our fiscal year ends on the Saturday nearest to March 31. All references to "2001," "2000" and "1999" represent the 52- or 53-week fiscal years ended March 31, 2001, April 1, 2000 and April 3, 1999. Fiscal 2001 and 2000 reflect a 52-week period and fiscal 1999 reflects a 53-week period.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant estimates embodied in the consolidated financial statements include reserves for accounts receivable, inventories and restructuring.

CASH AND CASH EQUIVALENTS

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

MARKETABLE SECURITIES

We determine the appropriate classification of our investments in debt securities at the time of purchase and reevaluate such determinations at each balance sheet date. At March 31, 2001, we had invested in debt securities which we do not intend to hold to maturity. Accordingly, these investments are classified as available-for-sale securities and are carried at fair value, with the unrealized gains and losses, net of income taxes, reported in stockholders' equity. The amortized cost of available-for-sale securities approximated their fair value at March 31, 2001. Gross realized gains and losses on sales of available-for-sale securities were not material.

Our investments in debt securities are diversified among high-credit quality securities in accordance with our risk management policy. The following is a summary of our investments in available-for-sale marketable securities at March 31, 2001:

MARCH 31, 2001 -----	Corporate debt securities.....	
		\$18,462
	Commercial paper.....	
		9,584
	Money market funds.....	
		22,675
		----- \$50,721 =====

The contractual maturities of debt securities at March 31, 2001, are as follows: \$44.6 million due in one year or less and \$6.1 million due between one and two years. Expected maturities may differ from contractual maturities because the issuers of the securities may have the right to prepay obligations without prepayment penalties.

INVENTORIES

Inventories are valued at the lower of cost (first-in, first-out ("FIFO") method) or market. Effective April 4, 1999, we changed our method of valuing our retail inventories from the retail method to the FIFO method. The impact of this change was not material.

STORE PRE-OPENING COSTS

Effective April 4, 1999, we adopted the provisions of Statement of Position No. 98-5 ("SOP No. 98-5"), Reporting on the Costs of Start-up Activities. SOP No. 98-5 requires that costs of start-up activities, including store pre-opening costs, be expensed as incurred. Prior to the adoption of SOP No. 98-5, our accounting policy was to capitalize store pre-opening costs as prepaid expenses and amortize such costs over a 12-month period following store opening. As a result of adopting SOP No. 98-5, we recorded a charge of \$4.0 million, after taxes, in fiscal 2000 as the cumulative effect of a change in accounting principle in the accompanying consolidated financial statements.

PROPERTY, EQUIPMENT, DEPRECIATION AND AMORTIZATION

Property and equipment are carried at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of the related assets on a straight-line basis. The range of useful lives is as follows: buildings -- 37.5 years; furniture and fixtures and machinery and equipment -- 3 to 10 years. Leasehold improvements are amortized using the straight-line method over the lesser of the term of the related lease or the estimated useful life (up to 28 years). Major additions and betterments are capitalized, and repairs and maintenance are charged to operations in the period incurred. We capitalize our share of the cost of outfitting shop-within-shops fixed assets within furniture and fixtures. These assets are amortized using the straight line method over their estimated useful lives of three to five years.

GOODWILL

Goodwill represents the excess of purchase cost over the fair value of net assets of businesses acquired. We amortize goodwill on a straight-line basis over its estimated useful life, ranging from 11 to 40 years. Amortization expense was \$8.0 million, \$3.7 million and \$1.6 million in fiscal 2001, 2000 and 1999. Accumulated amortization was \$13.9 million and \$5.9 million at March 31, 2001 and April 1, 2000.

IMPAIRMENT OF LONG-LIVED AND INTANGIBLE ASSETS

We assess the carrying value of long-lived and intangible assets, including unamortized goodwill, as current facts and circumstances indicate that they may be impaired. In evaluating the fair value and future benefits of such assets, we perform an analysis of the anticipated undiscounted future net cash flows of the individual assets over the remaining amortization period and would recognize an impairment loss if the carrying value exceeded the expected future cash flows. The impairment loss would be measured based upon the difference between the fair value of the asset and its recorded carrying value. See Note 3 for long-lived and intangible asset write downs recorded in connection with our fiscal 2001 Operational Plan (as defined -- see Note 3) and fiscal 1999 Restructuring Plan (as defined -- see Note 3).

OFFICERS' LIFE INSURANCE

We maintain key man life insurance policies on several of our senior executives, the majority of which contain split dollar arrangements. The key man policies are recorded at their cash surrender value, while the policies with split dollar arrangements are recorded at the lesser of their cash surrender value or premiums paid. Amounts recorded under these policies aggregated



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

\$42.0 million and \$36.9 million at March 31, 2001 and April 1, 2000, and are included in other assets in the accompanying consolidated balance sheets.

REVENUE RECOGNITION

Sales, including sales made to customers in connection with our shop-within-shops, are recognized upon shipment of products to customers since title passes upon shipment and, in the case of sales by our retail and outlet stores, when goods are sold to consumers. Allowances for estimated uncollectible accounts and discounts are provided when sales are recorded. Licensing revenue is recognized based upon shipment of licensed products sold by our licensees, net of allowances.

ADVERTISING

We expense the production costs of advertising, marketing and public relations expenses upon the first showing of the related advertisement. We expense the costs of advertising paid to customers under cooperative advertising programs when the related advertisements are run. Total advertising expenses, including cooperative advertising, included within selling, general and administrative expenses amounted to \$88.8 million, \$73.6 million and \$76.2 million in fiscal 2001, 2000 and 1999.

INCOME TAXES

We account for income taxes under the liability method. Deferred tax assets and liabilities are recognized based on differences between financial statement and tax bases of assets and liabilities using presently enacted tax rates. A valuation allowance is recorded to reduce a deferred tax asset to that portion which is expected to more likely than not be realized.

DEFERRED RENT OBLIGATIONS

We account for rent expense under noncancelable operating leases with scheduled rent increases and landlord incentives on a straight-line basis over the lease term. The excess of straight-line rent expense over scheduled payment amounts and landlord incentives is recorded as a deferred liability. Unamortized deferred rent obligations amounted to \$46.8 million and \$52.9 million at March 31, 2001 and April 1, 2000, and are included in accrued expenses and other, and other noncurrent liabilities in the accompanying consolidated balance sheets.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

The financial position and results of operations of our foreign subsidiaries are measured using the local currency as the functional currency. Assets and liabilities are translated at the exchange rate in effect at each year end. Results of operations are translated at the average rate of exchange prevailing throughout the period. Translation adjustments arising from differences in exchange rates from period to period are included in other comprehensive income, net of taxes, except for certain foreign-denominated debt. We have designated a portion of our Eurobond (as defined -- See Note 7) debt as a hedge of our net investment in a foreign subsidiary. Transaction gains or losses on the unhedged portion resulting from changes in the euro rate are recorded in income and amounted to \$5.8 million in fiscal 2001. Gains and losses from other foreign currency transactions are included in operating results and were not material.

FINANCIAL INSTRUMENTS

We, from time to time, use derivative financial instruments to reduce our exposure to changes in foreign exchange and interest rates. While these instruments are subject to risk of loss from changes in exchange or interest rates, those losses generally would be offset by gains on the related exposure.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 133, Accounting for Derivative Instruments and Hedging Activities ("SFAS No. 133"). This Statement, as amended and interpreted, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. It requires the recognition of all derivatives, whether designated in hedging relationships or not, as either assets or liabilities in the statement of financial position, and measurement of those instruments at fair value. The accounting for changes in the fair value of a derivative is dependent upon the intended use of the derivative. SFAS No. 133 defines new requirements for designation and documentation of hedging relationships as well as ongoing effectiveness assessments in order to use hedge accounting. For a derivative that does not qualify as a hedge, changes in fair value will be recognized in earnings. SFAS No. 133 is effective for our first quarter of our fiscal year ending March 30, 2002.

As described further in Note 9, we have entered into interest rate swap agreements and forward foreign exchange contracts which qualify as cash flow hedges under SFAS No. 133. In accordance with SFAS No. 133, we will record the fair value of these derivatives at April 1, 2001 and the resulting net unrealized gain, after taxes, of approximately \$4.2 million will be recorded in other comprehensive income as a cumulative transition adjustment.

## 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 SFAS No. 123, Accounting for Stock-Based Compensation.

## COMPREHENSIVE INCOME

Other comprehensive income consists of foreign currency translation adjustments, net of taxes, and is reflected in the consolidated statements of stockholders' equity.

## COST OF GOODS SOLD AND SELLING EXPENSES

Cost of goods sold includes the expenses incurred to acquire and produce inventory for sale, including product costs, freight-in, import costs, as well as reserves for shrinkage. The costs of selling the merchandise, including preparing the merchandise for sale, such as picking, packing, warehousing and order charges, are included in selling, general and administrative expenses.

## SHIPPING AND HANDLING COSTS

We reflect shipping and handling costs as a component of selling, general and administrative expenses in the consolidated statements of income. The costs approximated \$35.6 million, \$32.5 million, and \$25.9 million in fiscal years 2001, 2000 and 1999, respectively. As a percent of revenues they represented 1.6%, 1.7% and 1.5% in 2001, 2000 and 1999, respectively. We bill our wholesale customers for shipping and handling costs and record such revenues in net sales upon shipment.

## NET INCOME PER SHARE

Basic net income per share was calculated by dividing net income by the weighted average number of shares outstanding during the period, excluding any potential dilution. Diluted net income per share was calculated similarly but includes potential dilution from the exercise of

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

stock options and awards. The difference between the basic and diluted weighted average shares outstanding is due to the dilutive effect of stock options and restricted stock awards issued under our stock option plans, which were 673,200, 108,788 and 158,824 shares for fiscal 2001, 2000 and 1999.

## RECENT ACCOUNTING PRONOUNCEMENTS

In April 2001, the FASB's Emerging Issues Task Force reached a consensus on Issue No. 00-25, Vendor Income Statement Characteristics of Consideration Paid to a Reseller of the Vendor's Products ("EITF No. 00-25"). EITF No. 00-25 concluded that consideration from a vendor to a reseller of the vendor's products is presumed to be a reduction of the selling prices of the vendor's products and, therefore, should be characterized as a reduction of revenue when recognized in the vendor's income statement. That presumption is overcome and the consideration characterized as a cost incurred if a benefit is or will be received from the recipient of the consideration if certain conditions are met. This pronouncement is effective for our fourth quarter in the year ended March 30, 2002. We have not yet determined the impact of adopting this pronouncement on our consolidated results of operations.

## RECLASSIFICATIONS

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

## 3. RESTRUCTURING AND SPECIAL CHARGES

## (a) 2001 OPERATIONAL PLAN

During the second quarter of fiscal 2001, we completed an internal operational review and formalized our plans to enhance the growth of our worldwide luxury retail business, to better manage inventory and to increase our overall profitability (the "Operational Plan"). The major initiatives of the Operational Plan included: refining our retail strategy; developing efficiencies in our supply chain; and consolidating corporate strategic business functions and internal processes.

In connection with refining our retail strategy, we closed all 12 Polo Jeans Co. full-price retail stores and 11 under-performing Club Monaco retail stores. Costs associated with this aspect of the Operational Plan included lease and contract termination costs, store fixed asset write downs (primarily leasehold improvements of \$21.5 million) and severance and termination benefits.

Additionally, as a result of changes in market conditions combined with our change in retail strategy in certain locations in which we operate full-price retail stores, we performed an evaluation of the recoverability of the assets of certain of these stores in accordance with SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of. We concluded from the results of this evaluation that a significant permanent impairment of long-lived assets had occurred. Accordingly, we recorded a write down of these assets (primarily leasehold improvements) to their estimated fair value based on discounted future cash flows.



In an effort to improve the overall profitability of our retail operations, we closed three Polo stores and three outlet stores that were not performing at an acceptable level. Additionally, we converted two Polo stores and five outlet stores to new concepts expected to be more productive. Costs associated with this aspect of the Restructuring Plan included lease and

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

contract termination costs, store fixed asset (primarily leasehold improvements) and intangible asset write downs and severance and termination benefits.

Our wholesale operations were realigned into two new operating units: Polo Brands and Collection Brands. Aspects of this realignment included: (i) the reorganization of the sales force and retail development areas; (ii) the streamlining of the design and development process; and (iii) the consolidation of the customer service departments. Additionally, we integrated the sourcing and production of our Polo Brands, outlet store and licensees' products into one consolidated unit. Costs associated with the wholesale realignment consisted primarily of severance and termination benefits and lease termination costs. Our review of our corporate business functions and internal processes resulted in a new management structure designed to better align businesses with similar functions and to identify and eliminate duplicative processes. Costs associated with the corporate realignment consisted primarily of severance and termination benefits and lease and contract termination costs.

In connection with the implementation of the Restructuring Plan, we recorded a pretax restructuring charge of \$58.6 million in our fourth quarter of fiscal 1999. The major components of the restructuring charge and the activity through March 31, 2001, were as follows:

LEASE AND SEVERANCE AND ASSET CONTRACT TERMINATION WRITE TERMINATION OTHER BENEFITS DOWNS COSTS COSTS TOTAL -----				
- - - - -				
- - - - -	1999			
provision.....	\$15,277	\$ 17,788	\$	
	24,665	\$ 830	\$ 58,560	
	1999			
activity.....	(3,318)	(17,788)	(1,112)	
	(105)	(22,323)	-----	-
-----				
-----	Balance at April			
	3, 1999...	11,959	--	
	23,553	725	36,237	2000
activity.....	(4,694)	--	(18,675)	
	(585)	(23,954)	-----	-
-----				
-----	Balance at April			
	1, 2000...	7,265	--	
	4,878	140	12,283	2001
activity.....	(3,019)	--	(3,131)	(140)
	(6,290)	-----		
-----				
	Balance at March 31,			
2001.....	\$ 4,246	\$ --	\$ 1,747	\$ -
	- \$ 5,993	=====		
=====				
=====				

After extensive review of the Restructuring Plan, and changes in business conditions in certain markets in which we operate, we made adjustments to the Restructuring Plan and incurred other restructuring related costs in fiscal 2000. These adjustments included the following: (i) a \$0.9 million reduction of the liability for lease and contract termination costs resulting from the overestimation of costs associated with the closure and conversion of our retail stores due to improved market conditions; and (ii) a \$0.9 million charge for the underestimation of severance and termination benefits recorded in the Restructuring Plan. The above adjustments had no net impact.

Total severance and termination benefits as a result of the Restructuring Plan related to 280 employees, all of whom have been terminated. Total cash outlays related to the Restructuring Plan are approximately \$39.5 million, \$33.5 million of which have been paid to date. We completed the implementation of the Restructuring Plan in fiscal 2000 and expect to settle the remaining liabilities

in accordance with contract terms which extend until fiscal 2003.

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

4. INVENTORIES

	MARCH 31, 2001	APRIL 1, 2001	2001	2000	
materials.....		\$ 7,024	\$ 13,649		Raw
process.....					Work-in-
goods.....		6,251	6,337		Finished
	412,319	370,967			\$425,594 \$390,953
		=====	=====		

5. PROPERTY AND EQUIPMENT

	MARCH 31, 2001	APRIL 1, 2001	2001	2000	
improvements.....		\$ 3,108			Land and
Buildings.....		10,178	10,178		Furniture and
fixtures.....					229,824
equipment.....		192,444			Machinery and
improvements.....		49,807			Leasehold
	350,367		604,924	605,904	Less: accumulated
depreciation and amortization.....			275,995	232,927	
			\$328,929	\$372,977	=====

6. ACCRUED EXPENSES AND OTHER

	MARCH 31, 2001	APRIL 1, 2001	2001	2000	
expenses.....					Accrued operating
benefits.....	\$108,441	\$ 90,467			Accrued payroll and
charges.....	37,760	26,621			Accrued restructuring
obligation.....	13,886	12,283			Accrued acquisition
shops.....			21,637		Accrued shop-within-
	15,085	17,808			\$175,172
		\$168,816			=====

7. FINANCING AGREEMENTS

On June 9, 1997, we entered into a credit facility with a syndicate of banks which consists of a \$225.0 million revolving line of credit available for the issuance of letters of credit, acceptances and direct borrowings and matures on December 31, 2002 (the "Credit Facility"). Borrowings under the Credit Facility bear interest, at our option, at a Base Rate equal to the higher of the Federal Funds Rate, as published by the Federal Reserve Bank of New York, plus 1/2 of one percent, and the prime commercial lending rate of The Chase Manhattan Bank in effect from time to time, or at the Eurodollar Rate plus an interest margin.

On March 30, 1999, in connection with our acquisition of Club Monaco, we entered into a \$100.0 million senior credit facility (the "1999 Credit Facility") with a syndicate of banks consisting of a \$20.0 million revolving line of credit and an \$80.0 million term loan (the "Term Loan"). The revolving line of credit is available for working capital needs and general corporate purposes and matures on June 30, 2003. The Term Loan was used to finance the acquisition of



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

the stock of Club Monaco and to repay existing indebtedness of Club Monaco. The Term Loan is repayable on June 30, 2003. Borrowings under the 1999 Credit Facility bear interest, at our option, at a Base Rate equal to the higher of the Federal Funds Rate, as published by the Federal Reserve Bank of New York, plus 1/2 of one percent, and the prime commercial lending rate of The Chase Manhattan Bank in effect from time to time, or at the Eurodollar Rate plus an interest margin. In April 1999, we entered into interest rate swap agreements with a notional amount of \$100.0 million to convert the variable interest rate on the 1999 Credit Facility to a fixed rate of 5.5% (see Note 9).

The Credit Facility and 1999 Credit Facility (the "Credit Facilities") contain customary representations, warranties, covenants and events of default, including covenants regarding maintenance of net worth and leverage ratios, limitations on indebtedness, loans, investments and incurrences of liens, and restrictions on sales of assets and transactions with affiliates. Additionally, the agreements provide that an event of default will occur if Mr. Lauren and related entities fail to maintain a specified minimum percentage of the voting power of our common stock. On October 18, 2000, we received consent from our lenders under the Credit Facilities permitting us to incur the charges we recorded in connection with the Operational Plan (see Note 3) up to specified thresholds.

On November 22, 1999, we issued Euro 275.0 million of 6.125 percent Notes (the "Eurobonds") due November 2006 (the "Eurobond Offering"). The Eurobonds are listed on the London Stock Exchange. The net proceeds from the Eurobond Offering were \$281.5 million based on the Euro exchange rate on the issuance date. A portion of the net proceeds from the issuance was used to finance the acquisition of stock and certain assets of Poloco while the remaining net proceeds were retained for general corporate purposes. Interest on the Eurobonds is payable annually. During fiscal 2001, we repurchased 27.5 million of our outstanding Eurobonds, or \$25.3 million based on Euro exchange rates. The loss on this early extinguishment of debt was not material.

In connection with the Poloco acquisition, we assumed borrowings under short-term facilities which represent overdraft positions on bank accounts. These borrowings bore interest at .5% to 1.0% over the Euro Overnight Indexed Average which was 5.16% and 3.75% at March 31, 2001 and April 1, 2000.

At March 31, 2001, we had \$86.1 million outstanding in direct borrowings, \$80.0 million outstanding under the Term Loan and \$217.0 million outstanding in Eurobonds based on the year-end Euro exchange rate. We were also contingently liable for \$34.2 million in outstanding letters of credit related primarily to commitments for the purchase of inventory. At April 1, 2000, we had \$86.1 million outstanding in direct borrowings, \$80.0 million outstanding under the Term Loan and \$262.7 million outstanding in Eurobonds based on the year-end Euro exchange rate. The Credit Facilities bore interest primarily at the institution's prime rate (ranging from 5.9% to 8.5% at March 31, 2001 and 6.9% to 9.0% at April 1, 2000). The weighted average interest rate on borrowings was 6.3%, 6.1% and 7.4% in fiscal 2001, 2000 and 1999.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

8. INCOME TAXES

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

FISCAL YEAR -----	2001	2000	1999	-----	Current:
Federal.....	\$ 27,984	\$ 71,565	\$ 68,012		State and
local.....				21,605	
		17,398	15,080		
Foreign.....					
	12,533	5,698	4,955		
	62,122	94,661	88,047		
					-- Deferred:
Federal.....					
	(11,689)	4,527	(19,654)		State and
local.....				(11,741)	
	2,234	(6,117)			
	(23,430)	6,761	(25,771)		
	-----	\$ 38,692	\$101,422	\$ 62,276	=====
		=====	=====		

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

FISCAL YEAR -----	2001	2000	1999	-----
Domestic.....	\$127,071	\$215,270	\$102,644	
Foreign.....	(29,117)	33,616	50,182	
	-- \$ 97,954	\$248,886	\$152,826	=====
		=====		

The deferred tax assets reflect the net tax effect of temporary differences, primarily net operating loss carryforwards, property and equipment and accounts receivable, between the carrying amounts of assets and liabilities for financial reporting and the amounts used for income tax purposes. The components of the net deferred tax assets at March 31, 2001 and April 1, 2000, were as follows:

MARCH 31, APRIL 1, 2001	2000	-----	DEFERRED
TAX ASSETS: Net operating loss			
carryforwards.....	\$ 30,651	\$15,602	
equipment.....	27,622		
receivable.....	14,785		
capitalization.....	8,217	7,945	
compensation.....	6,628		
reserves.....	5,106	4,709	
expenses.....	4,473		
expenses.....	2,057		
income.....	1,941	3,519	
Other.....	13,246	2,569	
	-----	-----	114,726 68,808 Less:
Valuation allowance.....			
	22,426	17,362	-----
			\$ 92,300 \$51,446 =====
			=====

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

We have available Federal net operating loss carryforwards of approximately \$17.2 million and state net operating loss carryforwards of approximately \$202.2 million for tax purposes to offset future taxable income. The net operating loss carryforwards expire beginning in fiscal 2004. The utilization of the Federal net operating loss carryforwards is subject to the limitations of Internal Revenue Code Section 382 which applies following certain changes in ownership of the entity generating the loss carryforward. As a result of the limitation of Section 382, we believe that approximately \$3.2 million of the federal net operating loss carryforwards will expire and not be utilized. A valuation allowance has been recorded against such net operating losses.

Also, we have available additional state and foreign net operating loss carryforwards of approximately \$15.0 million and \$20.4 million for which no net deferred tax asset has been recognized. A full valuation allowance has been recorded since we do not believe that we will more likely than not be able to utilize these carryforwards to offset future taxable income. Subsequent recognition of a substantial portion of the deferred tax asset relating to these Federal, state and foreign net operating loss carryforwards would result in a reduction of goodwill recorded in connection with acquisitions. Additionally, we have recorded a valuation allowance against certain other deferred tax assets relating to our Canadian operations. Subsequent recognition of these deferred tax assets, as well as a portion of the foreign net operating loss carryforwards, would result in an income tax benefit in the year of such recognition.

Provision has not been made for United States or additional foreign taxes on approximately \$49.0 million of undistributed earnings of foreign subsidiaries. Those earnings have been and will continue to be reinvested. These earnings could become subject to tax if they were remitted as dividends, if foreign earnings were lent to PRLC or a subsidiary or U.S. affiliate of PRLC, or if the stock of the subsidiaries were sold. Determination of the amount of unrecognized deferred tax liability with respect to such earnings is not practical. We believe that the amount of the additional taxes that might be payable on the earnings of foreign subsidiaries, if remitted, would be partially offset by United States foreign tax credits.

The historical provision for income taxes in fiscal 2001, 2000 and 1999 differs from the amounts computed by applying the statutory Federal income tax rate to income before income taxes due to the following:

FISCAL YEAR	-----	2001		
2000	1999	-----	-----	Provision for income
				taxes at statutory Federal
rate.....				.....
\$34,284	\$ 87,110	\$53,489	Increase (decrease) due	
			to: State and local income taxes, net of Federal	
			benefit.....	
	6,005	12,761	5,825	Foreign income,
			net.....	(2,499) 753
				1,055
Other.....				.....
902	798	1,907	-----	-----
				\$38,692
	\$101,422	\$62,276	=====	=====

9. FINANCIAL INSTRUMENTS

In April 1999, we entered into interest rate swap agreements with commercial banks which expire in 2003 to hedge against interest rate fluctuations. The swap agreements effectively convert borrowings under the 1999 Credit Facility from variable rate to fixed rate obligations. Under the terms of these agreements, we make payments at a fixed rate of 5.5% and receive

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

payments from the counterparty based on the notional amount of \$100.0 million at a variable rate based on the London Inter-Bank Offer Rate ("LIBOR"). The net interest paid or received on this arrangement is included in interest expense. The fair value of these agreements was an unrealized loss of \$1.4 million and an unrealized gain of \$4.4 million at March 31, 2001 and April 1, 2000, based upon the estimated amount that we would have to pay or would receive to terminate the agreements, as determined by the financial institutions.

We entered into forward foreign exchange contracts as hedges relating to identifiable currency positions to reduce our risk from exchange rate fluctuations. Gains and losses on these contracts are deferred and recognized as adjustments to the basis of those assets. These gains and losses were not material. At March 31, 2001, we had foreign exchange contracts outstanding as follows: (i) to receive 60 million French Francs in fiscal 2001 in exchange for 5.6 million British Pounds; (ii) to deliver 279 million French Francs in fiscal 2001 in exchange for \$50.0 million; (iii) to deliver 1.5 million British Pounds in fiscal 2001 in exchange for Euro 2.5 million; and (iv) to deliver \$1.3 million in fiscal 2001 in exchange for Euro 1.5 million. The fair value of these contracts resulted in an unrealized gain of approximately \$10.0 million at March 31, 2001.

The carrying amounts of financial instruments reported in the accompanying consolidated balance sheets at March 31, 2001 and April 1, 2000, approximated their estimated fair values, except for the Eurobonds, primarily due to either the short-term maturity of the instruments or their adjustable market rate of interest. The fair value of the Eurobonds, net of discounts, was \$217.1 million and \$258.6 million as of March 31, 2001 and April 1, 2000, based on its quoted market price as listed on the London Stock Exchange. Considerable judgment is required in interpreting certain market data to develop estimated fair values for certain financial instruments. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that we could realize in a current market exchange.

#### 10. CONCENTRATION OF CREDIT RISK

We sell our merchandise primarily to major upscale department stores across the United States and extend credit based on an evaluation of the customer's financial condition generally without requiring collateral. Credit risk is driven by conditions or occurrences within the economy and the retail industry and is principally dependent on each customer's financial condition. A decision by the controlling owner of a group of stores or any substantial customer to decrease the amount of merchandise purchased from us or to cease carrying our products could have a material adverse effect. We had three customers who in aggregate constituted approximately 52.0% and 54.0% of trade accounts receivable outstanding at March 31, 2001 and April 1, 2000.

We had three significant customers who accounted for approximately 11.0%, 10.0% and 10.0% each of net sales in fiscal 2001, and for approximately 12.0%, 11.0% and 10.0% each of net sales in fiscal 2000. We had two significant customers who accounted for approximately 10.0% each of net sales in fiscal 1999. Additionally, we had four significant licensees who in aggregate constituted approximately 53.0%, 58.0% and 55.0% of licensing revenue in fiscal 2001, 2000 and 1999.

We monitor credit levels and the financial condition of our customers on a continuing basis to minimize credit risk. We believe that adequate provision for credit loss has been made in the accompanying consolidated financial statements.

We are also subject to concentrations of credit risk with respect to our cash and cash equivalents, marketable securities, interest rate swap agreements and forward foreign exchange contracts which we attempt to minimize by entering into these arrangements with major banks

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

and financial institutions and investing in high-quality instruments. We do not expect any counterparties to fail to meet their obligations.

11. EMPLOYEE BENEFITS

PROFIT SHARING RETIREMENT SAVINGS PLANS

We sponsor two defined contribution benefit plans covering substantially all eligible U.S. employees not covered by a collective bargaining agreement. The plans include a savings plan feature under Section 401(k) of the Internal Revenue Code. We make discretionary contributions to the plans and contribute an amount equal to 50% of the first 6% of an employee's contribution. Under the terms of the plans, a participant is 100% vested in our matching and discretionary contributions after five years of credited service. Contributions under these plans approximated \$7.4 million, \$4.3 million and \$8.7 million in fiscal 2001, 2000 and 1999.

UNION PENSION

We participate in a multi-employer pension plan and are required to make contributions to the Union of Needletrades Industrial and Textile Employees (the "Union") for dues based on wages paid to union employees. A portion of these dues is allocated by the Union to a retirement fund which provides defined benefits to substantially all unionized workers. We do not participate in the management of the plan and have not been furnished with information with respect to the type of benefits provided, vested and nonvested benefits or assets.

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

DEFERRED COMPENSATION

We have deferred compensation arrangements for certain key executives which generally provide for payments upon retirement, death or termination of employment. The amounts accrued under these plans were \$18.1 million and \$16.7 million at March 31, 2001 and April 1, 2000, and are reflected in other noncurrent liabilities in the accompanying consolidated balance sheets. Total compensation expense recorded was \$3.2 million, \$2.6 million and \$2.7 million in fiscal 2001, 2000 and 1999. We fund a portion of these obligations through the establishment of trust accounts on behalf of the executives participating in the plans. The trust accounts are reflected in other assets in the accompanying consolidated balance sheets.

12. COMMON STOCK

All of our outstanding Class B Common Stock is owned by Mr. Ralph Lauren and related entities and all of our outstanding Class C Common Stock is owned by certain investment funds affiliated with The Goldman Sachs Group, Inc. (collectively, the "GS Group"). Shares of Class B Common Stock are convertible at any time into shares of Class A Common Stock on a one-for-one basis and may not be transferred to anyone other than affiliates of Mr. Lauren. Shares of Class C Common Stock are convertible at any time into shares of Class A Common Stock on a one-for-one basis and may not be transferred to anyone other than among members of the GS Group or, until April 15, 2002, any successor of a member of the GS Group. The holders of Class A Common Stock generally have rights identical to holders of Class B Common Stock and

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Class C Common Stock, except that holders of Class A Common Stock and Class C Common Stock are entitled to one vote per share and holders of Class B Common Stock are entitled to ten votes per share. Holders of all classes of Common Stock entitled to vote will vote together as a single class on all matters presented to the stockholders for their vote or approval except for the election and the removal of directors and as otherwise required by applicable law. Class A Common Stock, Class B Common Stock and Class C Common Stock are collectively referred to herein as "Common Stock."

13. STOCK INCENTIVE PLANS

On June 9, 1997, our Board of Directors adopted the 1997 Long-Term Stock Incentive Plan (the "Stock Incentive Plan"). The Stock Incentive Plan authorizes the grant of awards to any officer or other employee, consultant to, or director with respect to a maximum of 10.0 million shares of our Class A Common Stock (the "Shares"), subject to adjustment to avoid dilution or enlargement of intended benefits in the event of certain significant corporate events, which awards may be made in the form of: (i) nonqualified stock options; (ii) stock options intended to qualify as incentive stock options under Section 422 of the Internal Revenue Code; (iii) stock appreciation rights; (iv) restricted stock and/or restricted stock units; (v) performance awards; and (vi) other stock-based awards. On June 13, 2000, our Board of Directors increased the maximum number of Shares that can be granted under the Stock Incentive Plan to 20.0 million shares. At March 31, 2001, we had an additional 11.0 million Shares reserved for issuance under this plan.

On June 9, 1997, our Board of Directors adopted the 1997 Stock Option Plan for Non-Employee Directors (the "Non-Employee Directors Plan"). Under the Non-Employee Directors Plan, grants of options to purchase up to 500,000 Shares may be granted to non-employee directors. Stock options vest in equal installments over two years and expire ten years from the date of grant. In fiscal 2001, 2000 and 1999, our Board of Directors granted options to purchase 12,250, 12,000 and 28,500 Shares with exercise prices equal to the stock's fair market value on the date of grant. At March 31, 2001, we had 417,250 options reserved for issuance under this plan.

Stock options were granted in fiscal 2001, 2000 and 1999 under the plans with an exercise price equal to the stock's fair market value on the date of grant. These options vest in equal installments primarily over three years for officers and other key employees and over two years for all remaining employees and non-employee directors. The options expire ten years from the date of grant. No compensation cost has been recognized in the accompanying consolidated financial statements in accordance with APB No. 25. If compensation cost had been recognized for stock options granted under the plans based on the fair value of the stock options at the grant date in accordance with SFAS No. 123, our historical net income and net income per share in fiscal 2001, 2000 and 1999 would have been reduced to the following pro forma amounts:

FISCAL YEAR	2001	2000	1999	Pro forma net income
	\$128,000	\$77,953		\$43,120
				Pro forma net income per share
				--
Basic	0.45	1.29	0.78	
Diluted	0.44	1.29	0.78	

We used the Black-Scholes option-pricing model to determine the fair value of grants made. The weighted average fair value of options granted was \$11.14, \$12.33 and \$14.02 per share in

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

fiscal 2001, 2000 and 1999. The following assumptions were applied in determining the fair value of options granted:

FISCAL YEAR -----	2001	2000	1999	---
----- Risk-free interest				
rate.....	6.35%	5.81%	5.46%	Expected
				dividend
yield.....	0%	0%	0%	Weighted average
				expected option
life.....	6.0yrs	6.0yrs	6.0yrs	
	6.0yrs	Expected	stock price	
volatility.....	85.0%	65.0%	44.0%	

Stock option activity for the Stock Incentive Plan and Non-Employee Directors Plan in fiscal 2001, 2000 and 1999 was as follows:

WEIGHTED NUMBER OF AVERAGE SHARES EXERCISE PRICE -----				
----- BALANCE AT MARCH 28,				
1998.....	4,084	\$26.00		
Granted.....				
	1,736	27.70		
Exercised.....				
	(4)	26.00		
Forfeited.....				
	(518)	26.24	-----	BALANCE AT APRIL 3,
1999.....	5,298	\$26.53		
Granted.....				
	2,767	19.07		
Exercised.....				
	--	--		
Forfeited.....				
	(815)	25.64	-----	BALANCE AT APRIL 1,
2000.....	7,250	\$23.77		
Granted.....				
	2,831	14.73		
Exercised.....				
	(449)	22.95		
Forfeited.....				
	(764)	22.00	-----	BALANCE AT MARCH 31,
2001.....	8,868	\$20.79	=====	
			=====	

Additional information relating to options outstanding as of March 31, 2001, was as follows:

WEIGHTED-  
 WEIGHTED-  
 WEIGHTED-  
 AVERAGE  
 AVERAGE  
 AVERAGE  
 EXERCISE  
 EXERCISE  
 REMAINING  
 PRICE  
 PRICE  
 RANGE OF  
 NUMBER  
 CONTRACTUAL  
 OF OPTIONS  
 NUMBER OF  
 EXERCISABLE  
 EXERCISE  
 PRICES  
 OUTSTANDING  
 LIFE  
 OUTSTANDING  
 EXERCISABLE  
 OPTIONS -





NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

14. COMMITMENTS AND CONTINGENCIES

LEASES

We lease office, warehouse and retail space and office equipment under operating leases which expire through 2029. As of March 31, 2001, aggregate minimum annual rental payments under noncancelable operating leases with lease terms in excess of one year were payable as follows:

FISCAL YEAR ENDING - -----	
2002.....	\$ 80,842
2003.....	73,473
2004.....	69,055
2005.....	62,669
2006.....	54,891
Thereafter.....	318,553 ----- \$659,483 =====

Rent expense charged to operations was \$75.6 million, \$66.7 million and \$59.6 million, net of sublease income of \$2.2 million, \$1.7 million and \$1.6 million, in fiscal 2001, 2000 and 1999. Substantially all outlet and retail store leases provide for contingent rentals based upon sales and require us to pay taxes, insurance and occupancy costs. Certain rentals are based solely on a percentage of sales, and one significant lease requires a fair market value adjustment at January 1, 2004. Contingent rental charges included in rent expense were \$6.1 million, \$5.3 million and \$4.1 million in fiscal 2001, 2000 and 1999.

EMPLOYMENT AGREEMENTS

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

TAXES

The predecessor of Poloco, which we acquired in January 2000, has been subject to a tax audit in France for the years 1996, 1997 and 1998. In late December 1999, the French tax authorities issued a notification preliminarily advising that additional taxes, penalties and interest would be due for the years in question. Poloco and its former parent, S.A. Louis Dreyfus ("Dreyfus") are contesting the assessment. We are indemnified by Dreyfus under the purchase agreement.

LEGAL MATTERS

In January 1999, two actions were filed in California naming as defendants more than a dozen United States-based companies that source apparel garments from Saipan (Commonwealth of the Northern Mariana Islands) and a large number of Saipan-based factories. The actions assert that the Saipan factories engage in unlawful practices relating to the recruitment and employment of foreign workers and that the apparel companies, by virtue of their alleged relationships with the factories, have violated various Federal and state laws. One action, filed in California Superior Court in San Francisco by a union and three public interest groups, alleges unfair competition and false advertising and seeks equitable relief, unspecified amounts

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

for restitution and disgorgement of profits, interest and an award of attorney's fees. The second, filed in Federal Court for the Central District of California and subsequently transferred to the United States District Court for the District of Hawaii, is brought on behalf of a purported class consisting of the Saipan factory workers. It alleges claims under the Federal civil RICO statute, Federal peonage and involuntary servitude laws, the Alien Tort Claims Act, and state tort law, and seeks equitable relief and unspecified damages, including treble and punitive damages, interest and an award of attorney's fees. Although we were not named as a defendant in these suits, we source products in Saipan, and counsel for the plaintiffs in these actions informed us that we are a potential defendant in these or similar actions. We have since entered into an agreement to settle any claims for nonmaterial consideration. The settlement agreement is subject to court approval. We have denied any liability and are not in a position to evaluate the likelihood of a favorable or unfavorable outcome if the settlement is not approved and litigation proceeds.

As part of the settlement, we have since been named as a defendant, along with certain other apparel companies, in a State Court action in California styled Union of Needletrades Industrial and Textile Employees, et al. v. Brylane, L.P., et al., in the San Francisco County Superior Court for the District of Hawaii, that mirrors portions of the larger State and Federal Court actions but does not include RICO and certain of the other claims alleged in those actions. The newly filed actions are expected to remain inactive unless settlement is not finally approved by the Federal Court.

We are from time to time involved in legal claims, involving trademark and intellectual property, licensing, employee relations and other matters incidental to our business. In our opinion, the resolution of any matter currently pending will not have a material adverse effect on our consolidated financial condition or results of operations.

15. QUARTERLY INFORMATION (UNAUDITED)

The following is a summary of certain unaudited quarterly financial information for fiscal 2001 and 2000:

	JULY 1, 2001	SEPT. 30, 2000	DEC. 30, 2000	MARCH 31, 2000
	2001	2000	2000	2000
revenues.....	\$487,297	\$586,217	\$613,740	
		\$538,520	Gross	
profit.....	252,547	250,133	297,520	262,847
		Net income		
(loss).....	(62,821)	50,603	47,497	23,983
		Net income		
		(loss) per share --		
Basic.....	\$ 0.25	\$ (0.65)	\$ 0.52	\$ 0.49
Diluted.....	0.25	(0.65)	0.52	0.48
	Shares	outstanding -- Basic.....		
	97,092	96,713	96,530	96,740
	Shares	outstanding --		
Diluted.....	97,347	97,350	97,256	
		97,347	98,164	

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

	JULY 3, 1, 2000	OCT. 2, 1999	JAN. 1, 1999	APRIL 1, 2000
revenues.....	\$434,421	\$543,885	\$510,299	
	\$466,923	Gross		
profit.....	216,975	269,415	239,580	227,168
		Net		
income.....	24,110	55,349	32,268	31,770
		Net		
income per share -- Basic and Diluted.....	\$ 0.56	\$ 0.33	\$ 0.32	\$ 0.24
		Shares		
outstanding -- Basic.....	99,533	99,118	98,808	98,243
		Shares outstanding --		
Diluted.....	99,704	99,251		
	98,938	98,347		

16. SEGMENT REPORTING

We have three reportable business segments: wholesale, retail and licensing. Our reportable segments are individual business units that offer different products and services. The segments are managed separately because 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.

Our wholesale segment consists of two operating units: Polo Brands and Collection Brands. Each unit designs, sources, markets and distributes discrete brands. Both units primarily sell products to major department and specialty stores and to our owned and licensed retail stores.

The retail segment operates two types of stores: outlet and full price stores, including flagship stores. The stores sell our products purchased from our wholesale segment, our licensees and our suppliers.

The licensing segment, which consists of product, international and home collection, generates revenues from royalties through its licensing alliances. The licensing agreements grant the licensee rights to use our various trademarks in connection with the manufacture and sale of designated products in specified geographical areas.

The accounting policies of the segments are consistent with those described in Note 2, Significant Accounting Policies. Intersegment sales and transfers are recorded at cost and treated as a transfer of inventory. All intercompany revenues and profits or losses are eliminated in consolidation. We do not review these sales when evaluating segment performance. We evaluate each segment's performance based upon income or loss from operations before interest, nonrecurring gains and losses and income taxes. Corporate overhead expenses are allocated to each segment based upon each segment's usage of corporate resources.

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Our net revenues, income from operations, depreciation and amortization expense and capital expenditures for fiscal 2001, 2000 and 1999, and total assets as of March 31, 2001, April 1, 2000 and April 3, 1999, for each segment were as follows:

FISCAL YEAR -----	2001	2000	1999	----	----	NET
REVENUES:						
Wholesale.....	\$1,053,842	\$ 885,246	\$ 859,498			
Retail.....	928,577	833,980	659,352			
Licensing.....	243,355	236,302	208,009	-----		
				-----	\$2,225,774	\$1,955,528
	\$1,726,859	=====	=====			
===== INCOME FROM OPERATIONS:						
Wholesale.....	\$ 127,040	\$ 81,139	\$ 59,796			
Retail.....	27,710	26,176	31,840			
Licensing.....	145,598	149,900	122,509	-----		
				-----	300,348	257,215
					214,145	
	Less: Unallocated restructuring and special					
	charges.....					
	183,127	-- 58,560	Add: Cumulative effect			
			of pretax accounting			
	change.....					
	-- 6,696	--		-----		
	-- \$ 117,221	\$ 263,911	\$ 155,585			
	=====	=====	=====			
DEPRECIATION AND AMORTIZATION:						
Wholesale.....	\$ 31,642	\$ 23,004	\$ 21,111			
Retail.....	35,896	36,393	20,349			
Licensing.....	11,061	6,883	4,954	-----		
				-----	\$ 78,599	\$ 66,280
					\$ 46,414	
	=====	=====	=====			
CAPITAL EXPENDITURES:						
Wholesale.....	\$ 20,957	\$ 16,219	\$ 32,013			
Retail.....	57,836	60,778	59,568			
Licensing.....	6,217	3,813	7,817			
Corporate.....	20,160	41,200	42,294	-----		
				-----	\$ 105,170	\$ 122,010
					\$ 141,692	
	=====	=====	=====			
MARCH 31, APRIL 1, APRIL 3, 2001 2000 1999						
----- TOTAL ASSETS:						
Wholesale.....	\$ 604,834	\$ 524,223	\$ 376,154			
Retail.....	528,836	596,989	424,203			
Licensing.....	154,714	202,090	73,389			
Corporate.....	337,709	297,260	230,838	-----		
				-----	\$1,626,093	\$1,620,562
	\$1,104,584	=====	=====			
	=====					

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Our net revenues for fiscal 2001, 2000 and 1999, and our long-lived assets as of March 31, 2001 and April 1, 2000, by geographic location were as follows:

FISCAL YEAR	2001	2000	1999
NET REVENUES: United States.....	\$1,875,223	\$1,802,246	\$1,648,092
Foreign countries.....	350,551	153,282	78,767
			\$2,225,774
	\$1,955,528	\$1,726,859	=====
	=====	=====	

MARCH 31, APRIL 1, 2001	2000	
LONG-LIVED ASSETS: United States.....	\$286,257	\$306,439
Foreign countries.....	42,672	66,538
		\$328,929
		\$372,977
	=====	=====

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 29, 2001	MARCH 31, 2001	2001	2001
(UNAUDITED) (IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA) ASSETS			
Current assets			
Cash and cash equivalents.....	\$ 294,569	\$	
102,219 Accounts receivable, net of allowances of \$9,187 and \$12,090.....	245,615	269,010	
Inventories.....	355,152	425,594	Deferred tax assets..... 34,276
31,244 Prepaid expenses and other.....	43,006	73,654	-----
TOTAL CURRENT ASSETS..... 972,618 901,721			
Property and equipment, net..... 334,821 328,929			
Deferred tax assets..... 63,179			
61,056 Goodwill, net.....			
280,760 249,391 Other assets, net..... 90,367			
84,996 ----- \$1,741,745 \$1,626,093			
===== LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Short term bank borrowings.....	\$ 73,920	\$	
86,112 Accounts payable.....	195,255		
178,293 Income taxes payable.....	36,940	--	
Accrued expenses and other.....	96,816	175,172	----
TOTAL CURRENT LIABILITIES..... 402,931 439,577			
Long-term debt.....			
298,033 296,988 Other noncurrent liabilities..... 93,391 80,219			
Stockholders' equity			
Common Stock Class A, par value \$.01 per share; 500,000,000 shares authorized; 35,688,098 and 34,948,730 shares issued and outstanding..... 356 349			
Class B, par value \$.01 per share; 100,000,000 shares authorized; 43,280,021 shares issued and outstanding..... 433			
433 Class C, par value \$.01 per share; 70,000,000 shares authorized; 22,720,979 shares issued and outstanding..... 227			
227 Additional paid-in-capital..... 479,823 463,001			
Retained earnings..... 554,489			
430,047 Treasury Stock, Class A, at cost (3,876,506 and 3,771,806 shares).....			
(73,246) (71,179) Accumulated other comprehensive loss..... (12,250) (10,529) Unearned compensation..... (2,442)			
(3,040) ----- TOTAL STOCKHOLDERS' EQUITY..... 947,390 809,309 -----			
----- \$1,741,745 \$1,626,093 =====			

See accompanying notes to consolidated financial statements.

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

THREE MONTHS ENDED NINE  
MONTHS ENDED -----

----- DECEMBER 29,  
DECEMBER 30, DECEMBER 29,  
DECEMBER 30, 2001 2000 2001  
2000 -----

(IN THOUSANDS, EXCEPT SHARE  
AND PER SHARE DATA)  
(UNAUDITED) Net

sales.....  
\$ 560,293 \$ 555,650 \$  
1,549,553 \$ 1,508,871  
Licensing  
revenue.....  
56,802 58,090 181,066  
178,383 -----

NET

REVENUES.....  
617,095 613,740 1,730,619  
1,687,254 Cost of goods  
sold..... 330,086  
316,220 895,608 887,054 ----

----- GROSS

PROFIT.....  
287,009 297,520 835,011  
800,200 Selling, general and  
administrative  
expenses..... 212,561  
208,172 620,844 633,189  
Restructuring  
charges..... -- -- --  
128,571 -----

INCOME FROM

OPERATIONS..... 74,448  
89,348 214,167 38,440  
Foreign currency  
(gain)..... (3,036) --  
(199) -- Interest  
expense.....  
4,501 5,704 15,204 18,992 --

----- INCOME

BEFORE INCOME TAXES.....  
72,983 83,644 199,162 19,448  
Income tax  
provision.....  
27,369 33,041 74,685 7,683 -

----- NET

INCOME.....  
\$ 45,614 \$ 50,603 \$ 124,477  
\$ 11,765 =====

===== Net income per  
share -- Basic.... \$ 0.47 \$  
0.52 \$ 1.28 \$ 0.12

===== Net  
income per share --  
Diluted... \$ 0.46 \$ 0.52 \$  
1.26 \$ 0.12 =====

===== Weighted average  
common shares outstanding --  
Basic..... 97,506,076  
96,530,102 97,350,775  
96,778,511 =====

===== Weighted average

common shares outstanding --  
Diluted..... 98,504,094  
97,347,194 98,433,333  
97,245,629 =====  
===== =====  
=====

See accompanying notes to consolidated financial statements.  
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POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

NINE MONTHS ENDED ----- DECEMBER  
 29, DECEMBER 30, 2001 2000 ----- (IN  
 THOUSANDS) (UNAUDITED) CASH FLOWS FROM OPERATING  
 ACTIVITIES Net

income.....			
\$124,477	\$ 11,765	Adjustments to reconcile net income to	
		net cash provided by operating activities: Depreciation	
		and amortization.....	63,234
		60,084	Deferred income
taxes.....	(3,791)		
	(27,924)	Provision for restructuring	
charges.....	-- 98,836	Provision for	
losses on accounts receivable.....	1,184	1,314	
Other.....			
(274)	(3,924)	Changes in assets and liabilities, net of	
		acquisitions Accounts receivable,	
net.....	19,880	(15,886)	
Inventories.....			
	79,047	(15,963)	Prepaid expenses and
other.....	30,379	(16,263)	Other
assets.....	1,506		
	9,633	Accounts	
payable.....	4,649	641	
Income taxes payable, accrued expenses and other.....			
(42,538)	2,983	-----	NET CASH PROVIDED BY
			OPERATING ACTIVITIES.....
			277,753 105,296 -
			-----
			CASH FLOWS FROM INVESTING ACTIVITIES
			Purchases of property and
equipment.....	(61,052)	(67,860)	
			Acquisition, net of cash
acquired.....	(23,702)	(20,929)	Cash
surrender value -- officers' life insurance.....			
(2,315)	(3,482)	-----	NET CASH USED IN
			INVESTING ACTIVITIES.....
			(87,069)
			(92,271) -----
			CASH FLOWS FROM FINANCING
			ACTIVITIES Repurchases of common
stock.....	(2,067)	(13,833)	
			Proceeds from issuance of common
stock.....	15,642	453	(Repayments of)
			Proceeds from short term bank borrowings,
net.....			
	(10,357)	2,944	Repayments of long-term
debt.....	(1,256)	(6,496)	-----
--	-----	NET CASH PROVIDED BY (USED IN) FINANCING	
ACTIVITIES.....	1,962	(16,932)	-----
			Effect of exchange rate changes on
cash.....	(296)	(3,336)	-----
			Net increase (decrease) in cash and cash
equivalents.....	192,350	(7,243)	Cash and cash
equivalents at beginning of period.....	102,219		
164,571	-----	-----	Cash and cash equivalents at
			end of period.....
			\$294,569 \$157,328
=====	=====	SUPPLEMENTAL CASH FLOW INFORMATION	Cash
paid for interest.....	\$		
19,410	\$ 26,910	=====	=====
			Cash paid for income
taxes.....	\$ 33,773	\$ 52,870	
	=====	=====	

See accompanying notes to consolidated financial statements.

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)  
(INFORMATION FOR DECEMBER 29, 2001 AND DECEMBER 30, 2000 IS UNAUDITED)  
(IN THOUSANDS, EXCEPT WHERE OTHERWISE INDICATED)

1 BASIS OF PRESENTATION

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"). 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, the Company believes that the disclosures are adequate to make the information presented not misleading. The consolidated balance sheet data for March 31, 2001 is derived from the audited financial statements which are included in the Company's report on Form 10-K, which should be read in conjunction with these financial statements.

In the opinion of management, the accompanying unaudited consolidated financial statements contain all 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.

2 ACQUISITIONS

On October 31, 2001, the Company completed the acquisition of substantially all of the assets of PRL Fashions of Europe SRL ("PRL Fashions" or "Italian Licensee") which held licenses to sell our women's Ralph Lauren apparel in Europe, our men's and boys' Polo Ralph Lauren apparel in Italy and men's and women's Polo Jeans Co. collections in Italy. PRL Fashions had revenues of approximately \$75.0 million for their fiscal year 2000. The purchase price of this transaction was approximately \$22.0 million in cash plus the assumption of certain liabilities and earn-out payments based on achieving profitability targets over the first three years with a guaranteed minimum annual payment of \$3.5 million each year.

Consistent with SFAS No. 141 and SFAS No. 142, this acquisition was accounted for as a purchase and the goodwill recorded will not be amortized. The assets acquired of \$15,147 and liabilities assumed of \$15,106 were recorded at estimated fair values as determined by the Company's management based on information currently available. Goodwill of approximately \$32.5 million has been recognized for the excess of the purchase price over the preliminary estimate of fair market value of the net assets acquired.

The Company is in the process of obtaining independent appraisals of the intangible assets acquired. Accordingly, the allocation of the purchase price is subject to revision, which is not expected to be material, based on the final determination of appraised and other fair values.

On October 22, 2001, we acquired the Polo Brussels SA store from one of our licensees. The purchase price of this transaction was approximately \$3.0 million in cash. Consistent with SFAS No. 141 and SFAS No. 142, the transaction was accounted for as a purchase and the goodwill is not being amortized. The sales and total assets were not material. The pro forma effect of these two acquisitions on the historical results were not material.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) -- (CONTINUED)

3 RESTRUCTURING AND SPECIAL CHARGES

(a) 2001 OPERATIONAL PLAN

During the second quarter of Fiscal 2001, we completed an internal operational review and formalized our plans to enhance the growth of our worldwide luxury retail business, to better manage inventory and to increase overall profitability (the "Operational Plan"). The major initiatives of the Operational Plan included: refining our retail strategy; developing efficiencies in our supply chain; and consolidating corporate strategic business functions and internal processes.

In connection with refining our retail strategy, we closed all 12 Polo Jeans Co. full-price retail stores and 11 under-performing Club Monaco retail stores. Costs associated with this aspect of the Operational Plan included lease and contract termination costs, store fixed asset write downs (primarily leasehold improvements of \$21.5 million) and severance and termination benefits.

Additionally, as a result of changes in market conditions combined with our change in retail strategy in certain locations in which we operate full-price retail stores, we performed an evaluation of the recoverability of the assets of certain of these stores in accordance with Statements of Financial Accounting Standards ("SFAS") No. 121, Accounting For The Impairment of Long-Lived Assets To Be Disposed Of. We concluded from the results of this evaluation that a significant permanent impairment of long-lived assets had occurred. Accordingly, we recorded a write down of these assets (primarily leasehold improvements) to their estimated fair value based on discounted future cash flows.

In connection with the implementation of the Operational Plan, we recorded a pretax restructuring charge of \$128.6 million in the second quarter of Fiscal 2001, subsequently adjusted for a \$5.0 million reduction of liabilities in the fourth quarter of Fiscal 2001. The activity for the nine months ended December 29, 2001, was as follows:

	SEVERANCE LEASE AND AND CONTRACT TERMINATION TERMINATION BENEFITS COSTS	TOTAL
	Balance at March 31,	
2001.....	\$ 2,942	\$
	4,951	\$ 7,893
activity.....		
(1,934) (3,931) (5,865)		
	----- Balance at December 29,	
2001.....	\$ 1,008	\$ 1,020
	2,028	=====

Total severance and termination benefits as a result of the Operational Plan related to approximately 550 employees, all of whom have been terminated. Total cash outlays related to the Operational Plan are expected to be approximately \$24.7 million, \$22.7 million of which have been paid to date. We completed the implementation of the Operational Plan in Fiscal 2002 and expect to settle the remaining liabilities in accordance with contract terms which extend until Fiscal 2003.

(b) 1999 RESTRUCTURING PLAN

During the fourth quarter of Fiscal 1999, we formalized our plans to streamline operations within our wholesale and retail operations and reduce our overall cost structure ("Restructuring Plan"). The major initiatives of the Restructuring Plan included the following: (1) an evaluation of our retail operations and site locations; (2) the realignment and operational integration of our wholesale operating units; and (3) the realignment and consolidation of corporate strategic business functions and internal processes.

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) -- (CONTINUED)

In connection with the implementation of the Restructuring Plan, we recorded a pretax restructuring charge of \$58.6 million in our fourth quarter of Fiscal 1999. The activity for the nine months ended December 29, 2001, was as follows:

	LEASE AND SEVERANCE AND CONTRACT	
	TERMINATION TERMINATION BENEFITS COSTS	
	TOTAL -----	
	Balance at March 31,	
2001.....	\$ 4,246	\$1,747
	\$ 5,993	2002
activity.....		
(2,446) (521) (2,967) -----		
	-- Balance at December 29,	
2001.....	\$ 1,800	\$1,226
	3,026	=====

Total severance and termination benefits as a result of the Restructuring Plan related to approximately 280 employees, all of whom have been terminated. Total cash outlays related to the Restructuring Plan are approximately \$39.5 million, \$36.5 million of which have been paid to date. We completed the implementation of the Restructuring Plan in Fiscal 2000 and expect to settle the remaining liabilities in accordance with contract terms which extend until Fiscal 2003.

4 INVENTORIES

Inventories are valued at lower of cost (first-in, first-out, "FIFO") or market and consist of the following:

DECEMBER 29, MARCH 31, 2001 2001 -----	
--- Raw	
materials.....	
\$ 2,826 \$ 7,024	Work-in-
process.....	
5,868 6,251	Finished
goods.....	
346,458 412,319 -----	\$355,152 \$425,594
	=====

5 PROPERTY AND EQUIPMENT

DECEMBER 29, MARCH 31, 2001 2001 -----	
Land and	
improvements.....	\$ 3,700
	\$ 3,408
Buildings.....	
10,178 10,178	Furniture and
fixtures.....	253,516
229,824	Machinery and
equipment.....	62,299
	56,833 Leasehold
improvements.....	331,842
304,681 -----	661,535 604,924 Less:
accumulated depreciation and amortization.....	
\$326,714 \$275,995 -----	\$334,821 \$328,929
	=====

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) -- (CONTINUED)

6 ACCRUED EXPENSES AND OTHER

DECEMBER 29, 2001	MARCH 31, 2001	2001	-----
-----	-----	-----	-----
expenses.....	Accrued operating		
\$63,014	\$108,441	Accrued payroll and	
		benefits.....	
16,507	37,760	Accrued restructuring	
		charges.....	
5,054	13,886	Accrued shop-within-	
		shops.....	
12,241	15,085	-----	-----
			\$96,816
	\$175,172	=====	=====

7 FINANCING AGREEMENTS

On June 9, 1997, we entered into a credit facility with a syndicate of banks which consists of a \$225.0 million revolving line of credit available for the issuance of letters of credit, acceptances and direct borrowings and matures on December 31, 2002 (the "Credit Facility"). Borrowings under the Credit Facility bear interest, at our option, at a Base Rate equal to the higher of the Federal Funds Rate, as published by the Federal Reserve Bank of New York, plus 1/2 of one percent, and the prime commercial lending rate of The Chase Manhattan Bank in effect from time to time, or at the Eurodollar Rate plus an interest margin.

On March 30, 1999, in connection with our acquisition of Club Monaco, we entered into a \$100.0 million senior credit facility (the "1999 Credit Facility") with a syndicate of banks consisting of a \$20.0 million revolving line of credit and an \$80.0 million term loan (the "Term Loan"). The revolving line of credit is available for working capital needs and general corporate purposes and matures on June 30, 2003. The Term Loan was used to finance the acquisition of the stock of Club Monaco and to repay existing indebtedness of Club Monaco. The Term Loan is repayable on June 30, 2003. Borrowings under the 1999 Credit Facility bear interest, at our option, at a Base Rate equal to the higher of the Federal Funds Rate, as published by the Federal Reserve Bank of New York, plus 1/2 of one percent, and the prime commercial lending rate of The Chase Manhattan Bank in effect from time to time, or at the Eurodollar Rate plus an interest margin. In April 1999, we entered into interest rate swap agreements with a notional amount of \$100.0 million to convert the variable interest rate on the 1999 Credit Facility to a fixed rate of 5.5% (see Note 8).

The Credit Facility and 1999 Credit Facility (the "Credit Facilities") contain customary representations, warranties, covenants and events of default, including covenants regarding maintenance of net worth and leverage ratios, limitations on indebtedness, loans, investments and incurrences of liens, and restrictions on sales of assets and transactions with affiliates. Additionally, the agreements provide that an event of default will occur if Mr. Lauren and related entities fail to maintain a specified minimum percentage of the voting power of our common stock. On October 18, 2000, we received consent from our lenders under the Credit Facilities permitting us to incur the charges we recorded in connection with the Operational Plan (see Note 3) up to specified thresholds.

On November 22, 1999, we issued Euro 275.0 million of 6.125 percent Notes (the "Eurobonds") due November 2006 (the "Eurobond Offering"). The Eurobonds are listed on the London Stock Exchange. The net proceeds from the Eurobond Offering were \$281.5 million based on the Euro exchange rate on the issuance date. A portion of the net proceeds from the issuance was used to finance the acquisition of stock and certain assets of Poloco while the remaining net proceeds were retained for general corporate purposes. Interest on the Eurobonds is payable annually. During fiscal 2001, we repurchased 27.5 million of our outstanding

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) -- (CONTINUED)

Eurobonds, or \$25.3 million based on Euro exchange rates. The loss on this early extinguishment of debt was not material.

In connection with the Poloco acquisition, we assumed borrowings under short-term facilities which represent overdraft positions on bank accounts. These borrowings bore interest at .5% to 1.0% over the Euro Overnight Indexed Average which was 5.16% and 3.75% at March 31, 2001 and April 1, 2000.

At December 29, 2001, we had \$74.0 million outstanding in direct borrowings, \$80.0 million outstanding under the Term Loan and \$218.0 million outstanding in Euro based on the quarter end exchange rate. We were also contingently liable for \$18.2 million in outstanding letters of credit related primarily to commitments for the purchase of inventory. At December 30, 2000, we had \$84.7 million outstanding in direct borrowings, \$80.0 million outstanding under the Term Loan and \$248.9 million outstanding in Eurobonds based on the quarter end exchange rate. In December 2000, we retired Euro 7.3 million, or \$6.5 million, of the outstanding Eurobonds. We were also contingently liable for \$50.2 million in outstanding letters of credit related to commitments for the purchase of inventory and in connection with its leases. The Credit Facilities bore interest primarily at the Institution's prime rate (ranging from 2.8% to 4.8% at December 30, 2001 and 7.3% to 9.5% at December 30, 2000). The weighted average interest rate on outstanding borrowings was 5.9% and 6.1% at December 29, 2001 and December 30, 2000, respectively.

## 8 FINANCIAL INSTRUMENTS

In April 1999, we entered into interest rate swap agreements with commercial banks which expire in 2003 to hedge against interest rate fluctuations. The swap agreements effectively convert borrowings under the 1999 Credit Facility from variable rate to fixed rate obligations. Under the terms of these agreements, we make payments at a fixed rate of 5.5% and receive payments from the counterparty based on the notional amount of \$100.0 million at a variable rate based on the London Inter-Bank Offer Rate ("LIBOR"). The net interest paid or received on this arrangement is included in interest expense. The fair value of these agreements was an unrealized loss of \$4.1 million and \$1.4 million at December 29, 2001 and March 31, 2001 respectively, based upon the estimated amount that we would have to pay or would receive to terminate the agreements, as determined by the financial institutions.

We entered into forward foreign exchange contracts as hedges relating to identifiable currency positions to reduce our risk from exchange rate fluctuations. Gains and losses on these contracts are deferred and recognized as adjustments to the basis of those assets. These gains and losses were not material. At March 31, 2001, we had foreign exchange contracts outstanding as follows: (i) to receive 60 million French Francs in fiscal 2001 in exchange for 5.6 million British Pounds; (ii) to deliver 279 million French Francs in fiscal 2001 in exchange for \$50.0 million; (iii) to deliver 1.5 million British Pounds in fiscal 2001 in exchange for Euro 2.5 million; and (iv) to deliver \$1.3 million in fiscal 2001 in exchange for Euro 1.5 million. The fair value of these contracts resulted in an unrealized gain of approximately \$10.0 million at March 31, 2001.

The carrying amounts of financial instruments reported in the accompanying consolidated balance sheets at December 29, 2001 and March 31, 2001, approximated their estimated fair values, except for the Eurobonds, primarily due to either the short-term maturity of the instruments or their adjustable market rate of interest. The fair value of the Eurobonds, net of discounts, was \$218.0 and \$217.1 million as of December 29, 2001 and March 31, 2001, based on its quoted market price as listed on the London Stock Exchange. Considerable judgment is

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) -- (CONTINUED)

required in interpreting certain market data to develop estimated fair values for certain financial instruments. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that we could realize in a current market exchange.

9 COMPREHENSIVE INCOME

For the three and nine months ended December 29, 2001 and December 30, 2000, comprehensive income was as follows:

THREE MONTHS ENDED -----		DECEMBER 29, DECEMBER 30, 2001 2000 ----- -	
		----- Net	
Income.....			
\$45,614	\$50,603	Other comprehensive income (loss),	
		net of taxes: Foreign currency translation	
		adjustments.....	105 (10,276)
		Unrealized losses on cash flow hedge contracts,	
		net.....	(4,584)
		-- ----- Comprehensive	
		Income.....	\$41,135
			\$40,327 =====

The income tax effect related to foreign currency translation adjustments and unrealized losses on cash flow hedge contracts, net was an expense of \$2.7 million in the three months ended December 29, 2001 and a benefit of \$6.7 million in the three months ended December 30, 2000.

NINE MONTHS ENDED -----		DECEMBER 29, DECEMBER 30, 2001 2000 ----- -	
		----- Net	
Income.....			
\$124,477	\$11,765	Other comprehensive income	
		(loss), net of taxes: Foreign currency translation	
		adjustments.....	817 (6,802)
		Cumulative translation adjustment gains, net.....	4,028
		- Unrealized losses on cash flow hedge contracts,	
		net.....	(6,566)
		-- ----- Comprehensive	
		Income.....	\$122,756
			\$ 4,963 =====

The income tax effect related to foreign currency translation adjustments, cumulative translation adjustment gains, net and unrealized losses on cash flow hedge contracts, net was a benefit of \$1.0 million in the nine months ended December 29, 2001 and a benefit of \$4.4 million in the nine months ended December 30, 2000.

10 SEGMENT REPORTING

Our operations are comprised of three reportable business segments: wholesale, retail and licensing. Our reportable segments are individual business units that offer different products and services and are managed separately because 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.

The Company measures segment profit as income from operations before foreign currency gains and losses, interest, and taxes. Summarized below are our net revenues and income from

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) -- (CONTINUED)

operations for the three and nine months ended December 29, 2001 and December 30, 2000, by segment:

THREE MONTHS ENDED -----		DECEMBER 29, 2001		DECEMBER 30, 2000	
----- NET REVENUES:					
Wholesale.....		\$279,955	\$269,494		
Retail.....		280,338	286,156		
Licensing.....		56,802	58,090	\$617,095	\$613,740
		=====	=====		

THREE MONTHS ENDED -----		DECEMBER 29, 2001		DECEMBER 30, 2000	
----- INCOME FROM OPERATIONS:					
Wholesale.....		\$30,211	\$32,403		
Retail.....		13,648	24,967		
Licensing.....		30,589	31,978	\$74,448	\$89,348
		=====	=====	=====	=====

NINE MONTHS ENDED -----		DECEMBER 29, 2001		DECEMBER 30, 2000	
----- NET REVENUES:					
Wholesale.....		\$ 805,565	\$ 758,190		
Retail.....		743,988	750,681		
Licensing.....		181,066	178,383	\$1,730,619	
		\$1,687,254	=====	=====	

INCOME FROM OPERATIONS		
Wholesale.....	\$ 79,898	\$ 79,691
Retail.....	32,582	41,531
Licensing.....	101,687	101,722
	-----	-----
	214,167	222,944
Less: Unallocated restructuring and non-recurring charges.....	--	(184,504)
	-----	-----
	\$ 214,167	\$ 38,440
	=====	=====



POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) -- (CONTINUED)

Summarized below are our net revenues for the three and nine months ended December 29, 2001 and December 30, 2000 and our long-lived assets as of December 29, 2001 and March 31, 2001, by geographic location:

THREE MONTHS ENDED -----			
DECEMBER 29, DECEMBER 30, 2001 2000 -----			
----- NET REVENUES: United			
States.....			
	\$474,742	\$494,283	
France.....			
	75,156	52,601	Other
countries.....			
	67,197	66,856	----- \$617,095 \$613,740
			=====

NINE MONTHS ENDED -----			
DECEMBER 29, DECEMBER 30, 2001 2000 -----			
----- NET REVENUES: United			
States.....			
	\$1,403,380	\$1,412,023	
France.....			
	169,554	124,235	Other
countries.....			
	157,685	150,996	----- \$1,730,619
			\$1,687,254 =====

DECEMBER 29, MARCH 31, 2001 2001 -----			
----- LONG-LIVED ASSETS: United			
States.....			
	\$283,727	\$286,257	
Canada.....			
	32,160	31,295	Other
countries.....			
	18,934	11,377	----- \$334,821 \$328,929
			=====

11 CONCENTRATION OF CREDIT RISK

We sell our merchandise primarily to major upscale department stores across the United States and extend credit based on an evaluation of the customer's financial condition generally without requiring collateral. Credit risk is driven by conditions or occurrences within the economy and the retail industry and is principally dependent on each customer's financial condition. A decision by the controlling owner of a group of stores or any substantial customer to decrease the amount of merchandise purchased from us or to cease carrying our products could have a material adverse effect. We had three customers who in aggregate constituted approximately 48.7% and 52.0% of trade accounts receivable outstanding at December 29, 2001 and March 31, 2001.

We had three significant customers who accounted for approximately 19.2%, 19.1% and 17.6% each of net sales for the nine months ended December 29, 2001 and 11.0%, 10.0% and 10.0% each of net sales in fiscal 2001. Additionally, we had four significant licensees who in aggregate constituted approximately 58.3% and 53.0% of licensing revenue for the nine months ended December 29, 2001 and in fiscal 2001.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) -- (CONTINUED)

We monitor credit levels and the financial condition of our customers on a continuing basis to minimize credit risk. We believe that adequate provision for credit loss has been made in the accompanying consolidated financial statements.

We are also subject to concentrations of credit risk with respect to our cash and cash equivalents, marketable securities, interest rate swap agreements and forward foreign exchange contracts which we attempt to minimize by entering into these arrangements with major banks and financial institutions and investing in high-quality instruments. We do not expect any counterparties to fail to meet their obligations.

12 COMMON STOCK

All of our outstanding Class B Common Stock is owned by Mr. Ralph Lauren and related entities and all of our outstanding Class C Common Stock is owned by certain investment funds affiliated with The Goldman Sachs Group, Inc. (collectively, the "GS Group"). Shares of Class B Common Stock are convertible at any time into shares of Class A Common Stock on a one-for-one basis and may not be transferred to anyone other than affiliates of Mr. Lauren. Shares of Class C Common Stock are convertible at any time into shares of Class A Common Stock on a one-for-one basis and may not be transferred to anyone other than among members of the GS Group or, until April 15, 2002, any successor of a member of the GS Group. The holders of Class A Common Stock generally have rights identical to holders of Class B Common Stock and Class C Common Stock, except that holders of Class A Common Stock and Class C Common Stock are entitled to one vote per share and holders of Class B Common Stock are entitled to ten votes per share. Holders of all classes of Common Stock entitled to vote will vote together as a single class on all matters presented to the stockholders for their vote or approval except for the election and the removal of directors and as otherwise required by applicable law. Class A Common Stock, Class B Common Stock and Class C Common Stock are collectively referred to herein as "Common Stock."

13 RECENTLY ISSUED PRONOUNCEMENTS

In August 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 143, Accounting For Asset Retirement Obligations. This Statement addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. The Statement requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. SFAS No. 143 is effective for the first quarter in the Fiscal year ending April 3, 2004. The Company is currently evaluating the impact of adopting this pronouncement on our consolidated results of operations.

In October 2001, the FASB issued SFAS No. 144, Accounting for The Impairment or Disposal of Long-Lived Assets. This Statement addresses financial accounting and reporting for the impairment of long-lived assets and for long-lived assets to be disposed of. SFAS No. 144 supersedes FASB Statement No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of. However, this Statement retains the fundamental provisions of Statement 121 for (a) recognition and measurement of the impairment of long-lived assets to be held and used and (b) measurement of long-lived assets to be disposed of by sale. SFAS No. 144 is effective for the first quarter in the Fiscal year ending March 29, 2003. The Company is currently evaluating the impact of adopting this pronouncement on our consolidated results of operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) -- (CONTINUED)

In July 2001, the FASB issued (SFAS) No. 141, Business Combinations and SFAS No. 142, Goodwill and Other Intangible Assets. In addition to requiring the use of the purchase method for all business combinations, SFAS No. 141 requires intangible assets that meet certain criteria to be recognized as assets apart from goodwill. SFAS No. 142 addresses accounting and reporting standards for acquired goodwill and other intangible assets and generally, requires that goodwill and indefinite life intangible assets no longer be amortized but be tested for impairment annually. Intangible assets that have finite lives will continue to be amortized over their useful lives. SFAS No. 141 and SFAS No. 142 are effective for the Company's first quarter in the Fiscal year ending March 29, 2003 or for any business combinations initiated after June 30, 2001. As a result of these pronouncements, goodwill arising from the acquisitions of PRL Fashions and the Polo Brussels SA store are not being amortized. The Company is currently evaluating the impact of adopting these pronouncements on its consolidated financial position and results of operations.

In April 2001, the FASB's Emerging Issues Task Force reached a consensus on Issue No. 00-25, Vendor Income Statement Characteristics of Consideration Paid To A Reseller of the Vendor's Products ("EITF No. 00-25"). In November 2001, EITF No. 00-25 was codified by the Emerging Issues Task Force in EITF Issue No. 01-09, Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products). EITF No. 01-09 concluded that consideration from a vendor to a reseller of the vendor's products is presumed to be a reduction of the selling prices of the vendor's products and, therefore, should be characterized as a reduction of revenue when recognized in the vendor's income statement. That presumption is overcome and the consideration characterized as a cost incurred if a benefit is or will be received from the recipient of the consideration if certain conditions are met. This pronouncement is effective for the Company's fourth quarter in the fiscal year ended March 30, 2002. The Company is currently evaluating the impact of adopting this pronouncement on our consolidated results of operations.

The Company adopted the provisions of SFAS No. 133 as of April 1, 2001. As of this date, the Company had outstanding interest rate swap agreements and forward foreign exchange contracts that qualify as cash flow hedges under SFAS No. 133. In accordance with SFAS No. 133, the Company recorded the fair value of these derivatives at April 1, 2001, and the resulting net unrealized gain, after taxes, of approximately \$4.0 million was recorded in other comprehensive income as a cumulative transition adjustment.

14 RECLASSIFICATION

Certain prior year amounts have been reclassified to conform to the current year's presentation.

15 QUARTERLY INFORMATION (UNAUDITED)

The following is a summary of certain unaudited quarterly financial information for fiscal 2002 and 2001:

	JUNE 30,	SEPTEMBER 29,	DECEMBER 29,	
FISCAL	2002	2001	2001	2001
	-----			
	-----			
	Net			
revenues.....	\$517,829	\$595,695	\$617,095	Gross
profit.....	262,361	285,640	287,009	Net
income.....	31,051	47,810	45,614	Net income per share --
Basic.....	\$ 0.32	\$ 0.49	\$ 0.47	
Diluted.....	0.32	0.49	0.46	Shares outstanding --
	Basic.....		97,109	97,437
			97,506	Shares outstanding --
	Diluted.....		98,493	98,483
			98,504	

POLO RALPH LAUREN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) -- (CONTINUED)

JULY 1, SEPT. 30, DEC. 30,  
 MARCH 31, FISCAL 2001 2000 2000  
 2000 2001 - -----  
 - -----

Net

revenues.....  
 \$487,297 \$586,217 \$613,740  
 \$538,520 Gross

profit.....  
 252,547 250,133 297,520 262,847  
 Net

income(loss).....  
 23,983 (62,821) 50,603 47,497

Net income(loss) per share --

Basic.....  
 \$ 0.25 \$ (0.65) \$ 0.52 \$ 0.49

Diluted.....  
 0.25 (0.65) 0.52 0.48 Shares

outstanding -- Basic.....

97,092 96,713 96,530 96,740

Shares outstanding --

Diluted..... 97,350 97,256

97,347 98,164

[PICTURE OF STORE AND LOGO.]

PART II

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the estimated expenses in connection with the offering described in this Registration Statement. Except for certain expenses to be paid by the Selling Stockholders the Company will pay the costs and expenses of this offering. Except for the SEC registration fee and National Association of Securities Dealers, Inc. filing fee, all of these amounts are estimates.

SEC registration fee.....	\$ 31,900.00
National Association of Securities Dealers, Inc. filing fee.....	30,500.00
Printing costs.....	250,000.00
Transfer agent fees.....	3,500.00
Legal fees and expenses.....	250,000.00
Accounting fees and expenses.....	250,000.00
Blue Sky fees and legal expenses.....	10,000.00
Miscellaneous.....	100,000.00
	-----
Total.....	\$925,900.00
	=====

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

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

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

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

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

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

The Underwriting Agreement filed herewith as Exhibit 1.1 provides for indemnification of the selling stockholders and directors, certain officers, and controlling persons of the Company by the underwriters against certain civil liabilities, including liabilities under the Securities Act.

ITEM 16. EXHIBITS.

- 1.1 Form of Underwriting Agreement.
- 4.1 Amended and Restated Certificate of Incorporation of the Company (filed as Exhibit 3.1 to the Company's Registration Statement on Form S-1 (File No. 333-24733) (the "S-1").
- 4.2 Amended and Restated Bylaws of the Company (filed as Exhibit 3.2 to the S-1).
- 5.1\* Opinion of Paul, Weiss, Rifkind, Wharton & Garrison re: Legality of securities.
- 8.1\* Tax opinion of Paul, Weiss, Rifkind, Wharton & Garrison.
- 10.1\* Employment Agreement, dated July 1, 2001, between Gerald M. Chaney and the Company.
- 10.2\* Employment Agreement, dated July 1, 2001, between Mitchell A. Kosh and the Company.
- 23.1\* Consent of Paul, Weiss, Rifkind, Wharton & Garrison (contained in Exhibits 5.1 and 8.1).
- 23.2 Consent of Deloitte & Touche LLP.
- 24.1\* Power of Attorney (included on the signature page to the Company's Registration Statement on Form S-3 (File No. 333-83500) filed on February 27, 2002).

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\* Previously filed

ITEM 17. UNDERTAKINGS.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b) (1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

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

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



SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York on April 22, 2002.

POLO RALPH LAUREN CORPORATION

By: /s/ GERALD M. CHANEY

-----  
Gerald M. Chaney  
Senior Vice President and  
Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities and on the dates indicated.

SIGNATURE TITLE

DATE -----

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Chairman of the  
Board, Chief  
April 22, 2002 -

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--- Executive  
Officer and  
Director Ralph  
Lauren  
(Principal  
Executive  
Officer) \* Vice  
Chairman of the  
Board of April  
22, 2002 - -----

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Directors F.  
Lance Isham \*  
President, Chief  
Operating  
Officer April  
22, 2002 - -----

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and Director  
Roger N. Farah  
/s/ GERALD M.  
CHANEY Senior  
Vice President  
and Chief April  
22, 2002 - -----

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Financial  
Officer (Principal  
Gerald M. Chaney  
Financial and  
Accounting  
Officer) \*  
Director April  
22, 2002 - -----

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Frank A.  
Bennack, Jr. \*  
Director April

22, 2002 - -----

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Joel L.

Fleishman \*

Director April

22, 2002 - -----

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Richard Friedman

\* Director April

22, 2002 - -----

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SIGNATURE

TITLE

DATE ---

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- \*

Director

April

22, 2002

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Terry S.

Semel \*

Director

April

22, 2002

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Judith

A.

McHale \*

Director

April

22, 2002

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Attorney-  
in-fact

EXHIBIT INDEX

EXHIBIT ----  
--- EXHIBIT  
NO. - -----  
- 1.1 Form  
of  
Underwriting  
Agreement.  
4.1 Amended  
and Restated  
Certificate  
of  
Incorporation  
of the  
Company  
(filed as  
Exhibit 3.1  
to the  
Company's  
Registration  
Statement on  
Form S-1  
(File No.  
333-24733)  
(the "S-1").  
4.2 Amended  
and Restated  
Bylaws of  
the Company  
(filed as  
Exhibit 3.2  
to the S-1).  
5.1\* Opinion  
of Paul,  
Weiss,  
Rifkind,  
Wharton &  
Garrison re:  
legality of  
securities.  
8.1\* Tax  
opinion of  
Paul, Weiss,  
Rifkind,  
Wharton &  
Garrison.  
10.1\*  
Employment  
Agreement,  
dated July  
1, 2001,  
between  
Gerald M.  
Chaney and  
the Company.  
10.2\*  
Employment  
Agreement,  
dated July  
1, 2001,  
between  
Mitchell A.  
Kosh and the  
Company.  
23.1\*  
Consent of  
Paul, Weiss,  
Rifkind,  
Wharton &  
Garrison  
(contained  
in Exhibits  
5.1 and  
8.1). 23.2  
Consent of  
Deloitte &

Touche LLP.  
24.1\* Power  
of Attorney  
(included on  
the  
signature  
page to the  
Company's  
Registration  
Statement on  
Form S-3  
(File No.  
333-83500)  
filed on  
February 27,  
2002).

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\* Previously filed

POLO RALPH LAUREN CORPORATION

Class A Common Stock

(par value \$.01 per share)

Underwriting Agreement

May \_\_, 2002

Goldman, Sachs & Co.  
Credit Suisse First Boston Corporation  
UBS Warburg LLC

As representatives of the several  
Underwriters named in Schedule I hereto,  
c/o Goldman, Sachs & Co.  
85 Broad Street  
New York, New York 10004

Ladies and Gentlemen:

Certain stockholders named in Schedule II (the "Selling Stockholders") of Polo Ralph Lauren Corporation, a Delaware corporation (the "Company"), propose, subject to the terms and conditions stated herein, to issue and sell to the Underwriters named in Schedule I hereto (the "Underwriters") an aggregate of 11,000,000 shares (the "Firm Shares") and, at the election of the Underwriters, up to 1,650,000 additional shares (the "Optional Shares") of Class A Common Stock, par value \$.01 per share (the "Stock"), of the Company. The Firm Shares and the Optional Shares that the Underwriters elect to purchase pursuant to Section 2 hereof are herein collectively called the "Shares." Except as used in Sections 2, 3, 4, 5, 9 and 11 herein, and except as the context may otherwise require, references hereinafter to the Shares shall include all the shares of Stock which may be sold pursuant to this Agreement.

1. (a) The Company represents and warrants to, and agrees with, each of the Underwriters that:

(i) A registration statement on Form S-3 (File No. 333-83500) (the "Initial Registration Statement") in respect of the Shares has been filed with the Securities and Exchange Commission (the "Commission"); the Initial Registration Statement and any post-effective amendment thereto, each in the form heretofore delivered to you, and, excluding exhibits thereto, but including all documents incorporated by reference in the prospectus contained therein, to you for each of the other Underwriters, have been declared effective by the Commission in such form; other than a registration statement, if any, increasing the size of the offering (a "Rule 462(b) Registration Statement"), filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "Act"), which became effective upon filing, no other document with respect to the Initial Registration Statement or document incorporated by reference therein has heretofore been filed with the Commission; and no stop order suspending the effectiveness of the Initial Registration Statement, any post-effective

amendment thereto or the Rule 462(b) Registration Statement, if any, has been issued and no proceeding for that purpose has been initiated or threatened by the Commission (any preliminary prospectus included in the Initial Registration Statement or filed with the Commission pursuant to Rule 424(a) of the rules and regulations of the Commission under the Act is hereinafter called a "Preliminary Prospectus"; the various parts of the Initial Registration Statement and the Rule 462(b) Registration Statement, if any, including all exhibits thereto and including (i) the information contained in the form of final prospectus filed with the Commission pursuant to Rule 424(b) under the Act in accordance with Section 5(a) hereof and deemed by virtue of Rule 430A under the Act to be part of the Initial Registration Statement at the time it was declared effective and (ii) the documents incorporated by reference in the prospectus contained in the Initial Registration Statement at the time such part of the Initial Registration Statement became effective, or such part of the Rule 462(b) Registration Statement, if any, which became or hereafter becomes effective, each as amended at the time such part of the registration statement became effective, are hereinafter collectively called the "Registration Statement"; such final prospectus, in the form first filed pursuant to Rule 424(b) under the Act, is hereinafter called the "Prospectus"; any reference herein to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Act, as of the date of such Preliminary Prospectus or Prospectus, as the case may be; any reference to any amendment or supplement to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents filed after the date of such Preliminary Prospectus or Prospectus, as the case may be, under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and incorporated by reference in such Preliminary Prospectus or Prospectus, as the case may be; and any reference to any amendment to the Registration Statement shall be deemed to refer to and include any annual report of the Company filed pursuant to Section 13(a) or 15(d) of the Exchange Act after the effective date of the Initial Registration Statement that is incorporated by reference in the Registration Statement);

(ii) No order preventing or suspending the use of any Preliminary Prospectus has been issued by the Commission, and each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder, and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through Goldman, Sachs & Co. expressly for use therein or by a Selling Stockholder expressly for use in the preparation of the answers therein to Item 7 of Form S-3;

(iii) The documents incorporated by reference in the Prospectus, when they became effective or were filed with the Commission, as the case may be, conformed in all material respects to the requirements of the Exchange Act, and the rules and regulations of the Commission thereunder, and none of such documents contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and any further documents so filed and incorporated by reference in the Prospectus or any further amendment or supplement thereto, when such documents become effective or are filed with the Commission, as the case may

be, will conform in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through Goldman, Sachs & Co. expressly for use therein;

(iv) The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement or the Prospectus will conform, in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder and do not and will not, as of the applicable effective date as to the Registration Statement and any amendment thereto and as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through Goldman, Sachs & Co. expressly for use therein or by a Selling Stockholder expressly for use in the preparation of the answers therein to Item 7 of Form S-3;

(v) Neither the Company nor any of its subsidiaries has sustained since the date of the latest audited financial statements included or incorporated by reference in the Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus; and, since the respective dates as of which information is given in the Registration Statement and the Prospectus, there has not been any change in the capital stock (other than the issuance of Stock upon the exercise of outstanding stock options or the repurchase of Stock by the Company pursuant to the repurchase plan previously authorized by the Company's Board of Directors, in each case to the extent set forth or contemplated by the Prospectus) or long-term debt (other than accretion or scheduled repayment or open market purchases thereof, in each case to the extent set forth or contemplated by the Prospectus) of the Company or any of its subsidiaries, or any material adverse change, or any development related to the Company involving a prospective material adverse change, in or affecting the business affairs, financial condition, stockholders' equity or results of operations of the Company and its subsidiaries, taken as a whole, otherwise than as set forth or contemplated by the Prospectus;

(vi) The Company and its subsidiaries listed on Schedule III hereto (the "Principal Subsidiaries") have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them, in each case free and clear of all liens, encumbrances and defects except such as are described in the Prospectus or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and its subsidiaries or such as do not and would not, individually or in the aggregate, have a material adverse effect on the business, prospects, operations, financial condition, stockholders' equity or results of operations of the Company and its subsidiaries, taken as a whole (a "Material Adverse Effect"); any real property and buildings held under lease by the Company and its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are



not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries or such as do not and would not, individually or in the aggregate, have a Material Adverse Effect; and other than the Principal Subsidiaries, there are no subsidiaries of the Company which would constitute significant subsidiaries as defined in Rule 1-02(w) of Regulation S-X;

(vii) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with corporate power and authority to own its properties and conduct its business as described in the Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, or is subject to no material liability or disability by reason of the failure to be so qualified in any such jurisdiction; and each subsidiary of the Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation, except where the failure to so qualify as a foreign corporation or be in such good standing would not have a Material Adverse Effect;

(viii) The Company has an authorized capitalization as set forth in the Prospectus, and all of the issued and outstanding shares of capital stock of the Company have been duly authorized and issued, are fully paid and non-assessable and conform in all material respects to the description of the capital stock contained in the Prospectus; and all of the issued and outstanding shares of capital stock of each subsidiary of the Company have been duly authorized and issued, are fully paid and non-assessable and (except for directors' qualifying shares and except as set forth in the Prospectus) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances or claims or as may have been pledged to the lenders under certain of the Company's credit agreements;

(ix) The compliance by the Company with all of the provisions of this Agreement and the consummation of the transactions herein (i) will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject except any such conflict, breach, violation or default which has been consented to or waived by the appropriate counterparty thereto, prior to the execution and delivery of this Agreement, (ii) will not result in any violation of the provisions of the Certificate of Incorporation or By-laws of the Company, and (iii) will not result in any violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties, except for conflicts, breaches, violations or defaults (other than any relating to the Certificate of Incorporation or By-laws of the Company) that would not, individually or in the aggregate, have a Material Adverse Effect or, individually or in the aggregate, impair the Company's ability to consummate the transactions herein contemplated; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the consummation by the Company of the transactions contemplated by this Agreement, except the registration under the Act of the Shares and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters;

(x) Neither the Company nor any of its Principal Subsidiaries is in violation of its respective Certificate of Incorporation or By-laws or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound which default would have a Material Adverse Effect;

(xi) The Company has all requisite corporate power and authority to enter into this Agreement; and this Agreement has been duly authorized by the Company and has been validly executed and delivered by the Company;

(xii) The statements set forth in the Prospectus under the caption "Description of Capital Stock," insofar as they purport to constitute a summary of the terms of the Stock are accurate and fair in all material respects;

(xiii) Other than as set forth in the Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property of the Company or any of its subsidiaries is the subject which, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a material adverse effect on the current or future consolidated financial position, stockholders' equity or results of operations of the Company and its subsidiaries; and, to the best of the Company's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(xiv) The financial statements included in the Registration Statement and the Prospectus, together with the related schedules and notes, present fairly the financial position of the Company and its subsidiaries on a consolidated basis as of the dates indicated and the results of operations, stockholders' equity and cash flows of the Company and its subsidiaries on a combined basis for the periods indicated. Such financial statements have been prepared in conformity with generally accepted accounting principles in the United States ("GAAP") applied on a consistent basis throughout the periods involved. The financial statement schedules, if any, included in the Registration Statement present fairly the information required to be stated therein. The selected financial data included in the Prospectus present fairly the information shown therein and have been compiled on a basis consistent in all material respects with that of the audited financial statements included in the Registration Statement;

(xv) There are no contracts or documents of a character required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement that are not so described, or filed or incorporated by reference therein;

(xvi) Except as disclosed in the Prospectus, the Company and its subsidiaries own or possess all foreign and domestic governmental licenses, permits, certificates, consents, orders, approvals and other authorizations (collectively, "Governmental Licenses") necessary to own or lease, as the case may be, and to operate their properties and to carry on their business as presently conducted, except to the extent that the failure to own or possess such Governmental Licenses would not, individually or in the

aggregate, have a Material Adverse Effect; all of the Governmental Licenses are valid and in full force and effect, except to the extent that the failure to have such Governmental Licenses would not, individually or in the aggregate, have a Material Adverse Effect; and neither the Company nor any of its subsidiaries has received any notice of proceedings relating to revocation or modification of any such Governmental Licenses, except to the extent that individually or in the aggregate, if subject to an unfavorable decision, ruling or finding, such proceedings would not have a Material Adverse Effect;

(xvii) Except as disclosed in this Prospectus, each of the Company and its subsidiaries owns or has rights to adequate foreign and domestic trademarks, service marks, trade names, inventions, copyrights and know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures) (collectively, the "Intellectual Property") necessary to carry on their respective businesses as of the date hereof, and neither the Company nor any of its subsidiaries is aware that it would interfere with, infringe upon or otherwise come into conflict with any Intellectual Property rights of third parties as a result of the operation of the business of the Company or any subsidiary as of the date hereof that, individually or in the aggregate, if subject to an unfavorable decision, ruling or finding would have a Material Adverse Effect;

(xviii) Except as disclosed in the Prospectus, there are no holders of securities (debt or equity) of the Company or any of its subsidiaries, or holders of rights (including, without limitation, preemptive rights), warrants or options to obtain securities of the Company or any of its subsidiaries, who have the right to request the Company or any of its subsidiaries to register securities held by them under the Act;

(xix) Except as disclosed in the Prospectus, there are no labor disputes between the Company or any of its subsidiaries, on the one hand, and the employees of the Company or any of its subsidiaries, on the other hand that could reasonably be expected to have a material adverse effect on the current or future consolidated financial position, stockholders' equity or results of operations of the Company and its subsidiaries;

(xx) The Company is not and, after giving effect to the offering and sale of the Shares, will not be an "investment company" or an entity "controlled" by an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended (the "Investment Company Act"); and

(xxi) Deloitte & Touche LLP, who have certified certain financial statements of the Company and its subsidiaries, are independent public accountants as required by the Act and the rules and regulations of the Commission thereunder.

(b) Each of the Selling Stockholders severally represents and warrants to, and agrees with, each of the Underwriters and the Company that:

(i) All consents, approvals, authorizations and orders necessary for the execution and delivery by such Selling Stockholder of this Agreement and for the sale and delivery of the Shares to be sold by such Selling Stockholder hereunder, have been obtained; such Selling Stockholder has full right, power and authority to enter into this Agreement, and to sell, assign, transfer and deliver the Shares to be sold by such Selling Stockholder hereunder; and such Selling Stockholder has duly executed and delivered this Agreement;

(ii) The sale of the Shares to be sold by such Selling Stockholder hereunder and the compliance by such Selling Stockholder with all of the provisions of this Agreement and the consummation of the transactions herein contemplated (i) will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any

statute, indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument to which such Selling Stockholder is a party or by which such Selling Stockholder is bound or to which any of the property or assets of such Selling Stockholder is subject, except any such conflict, breach, violation or default which has been consented to or waived, by the appropriate counterparty thereto, prior to the execution and delivery hereof, (ii) will not result in any violation of the provisions of the Certificate of Incorporation or By-laws of such Selling Stockholder if such Selling Stockholder is a corporation or the Partnership Agreement of such Selling Stockholder if such Selling Stockholder is a partnership and (iii) will not result in any violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over such Selling Stockholder or the property of such Selling Stockholder;

(iii) Such Selling Stockholder has good and valid title to shares of the Company's Class C Common Stock, par value \$.01 per share, that such Selling Stockholder intends to convert into the Shares to be sold by such Selling Stockholder hereunder, and immediately prior to each Time of Delivery (as defined in Section 4 hereof), such Selling Stockholder will have, good and valid title to the Shares to be sold by such Selling Stockholder hereunder, free and clear of all liens, encumbrances or claims; and, upon delivery of such Shares hereunder and payment therefor pursuant hereto, good and valid title to such Shares, free and clear of all liens, encumbrances or claims, will pass to the several Underwriters;

(iv) During the period beginning from the date hereof and continuing to and including the date 90 days after the date of the Prospectus, such Selling Stockholder will not directly or indirectly offer, sell, contract to sell or otherwise distribute or dispose of, except as provided hereunder, Stock or any securities of the Company that are substantially similar to the Stock, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, Stock or any substantially similar securities, without the prior written consent of Goldman, Sachs & Co., as representative of the Underwriters;

(v) Such Selling Stockholder has not taken and will not take, directly or indirectly, any action which is designed to or which has constituted or which might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares;

(vi) (A) The Registration Statement, when it became effective, did not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and (B) the Preliminary Prospectus and the Prospectus do not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that, in each case, the representations and warranties set forth in this paragraph 1(b)(vi) apply only to statements or omissions in the Registration Statement, Preliminary Prospectus or the Prospectus based upon, and in conformity with, information relating to such Selling Stockholder furnished to the Company in writing by such Selling Stockholder expressly for use therein;

(vii) In order to document the Underwriters' compliance with the reporting and withholding provisions of the Tax Equity and Fiscal Responsibility Act of 1982 with respect to the transactions herein contemplated, such Selling Stockholder will deliver to you prior to or at

the First Time of Delivery (as hereinafter defined) a properly completed and executed United States Treasury Department Form W-9 (or other applicable form or statement specified by Treasury Department regulations in lieu thereof); and

(viii) The Shares represented by the certificates held by each Selling Stockholder are subject to the interests of the Underwriters hereunder; the obligations of the Selling Stockholder hereunder shall not be terminated by operation of law, or in the case of a partnership or corporation, by the dissolution of such partnership or corporation, or by the occurrence of any other event; if any such partnership or corporation should be dissolved, or if any other such event should occur, before the delivery of the Shares hereunder, certificates representing the Shares shall be delivered by or on behalf of the Selling Stockholder in accordance with the terms and conditions of this Agreement.

2. Subject to the terms and conditions herein set forth, (a) each of the Selling Stockholders agrees, severally and not jointly, to sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from each of the Selling Stockholders, at a purchase price per share of \$ , the number of Firm Shares (to be adjusted by you so as to eliminate fractional shares) determined by multiplying the aggregate number of Firm Shares to be sold by each of the Selling Stockholders as set forth opposite their respective names in Schedule II hereto by a fraction, the numerator of which is the aggregate number of Firm Shares to be purchased by such Underwriter as set forth opposite the name of such Underwriter in Schedule I hereto and the denominator of which is the aggregate number of Firm Shares to be purchased by all of the Underwriters from all of the Selling Stockholders hereunder and (b) in the event and to the extent that the Underwriters shall exercise the election to purchase Optional Shares as provided below, each of the Selling Stockholders agrees, severally and not jointly, to sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from such Selling Stockholders, at the purchase price per share set forth in clause (a) of this Section 2, that portion of the number of Optional Shares as to which such election shall have been exercised (to be adjusted by you so as to eliminate fractional shares) determined by multiplying such number of Optional Shares by a fraction the numerator of which is the maximum number of Optional Shares which such Underwriter is entitled to purchase as set forth opposite the name of such Underwriter in Schedule I hereto and the denominator of which is the maximum number of Optional Shares that all of the Underwriters are entitled to purchase hereunder.

The Selling Stockholders, as and to the extent indicated in Schedule II hereto, hereby grant, severally and not jointly, to the Underwriters the right to purchase at their election up to 1,650,000 Optional Shares, at the purchase price per share set forth in the paragraph above, for the sole purpose of covering sales of shares in excess of the number of Firm Shares. Any such election to purchase Optional Shares may be exercised from time to time only by written notice from you to such Selling Stockholders (with a copy to the Company), given within a period of 30 calendar days after the date of this Agreement and setting forth the aggregate number of Optional Shares to be purchased and the date on which such Optional Shares are to be delivered, as determined by you but in no event earlier than the First Time of Delivery (as defined in Section 4 hereof) or, if other than the First Time of Delivery, unless you and such Selling Stockholders otherwise agree in writing, earlier than two or later than ten business days after the date of such notice.

3. Upon the authorization by you of the release of the Firm Shares, the several Underwriters propose to offer the Firm Shares for sale upon the terms and conditions set forth in the Prospectus.

4. (a) The Shares to be purchased by each Underwriter hereunder in such authorized denominations and registered in such names as Goldman, Sachs & Co. may request upon at least forty-eight hours' prior notice to the Selling Stockholders shall be delivered by or on behalf of the Selling Stockholders to Goldman, Sachs & Co. through the facilities of the Depository Trust Company ("DTC") for the account of such Underwriter, against payment by or on behalf of such Underwriter of the purchase price therefor by wire transfer or certified or official bank check or checks, payable to the order of such Selling Stockholder, in immediately available (same-day) funds. The time and date of such delivery and payment shall be, with respect to the Firm Shares, 9:30 a.m., New York City time, on May \_\_, 2002 or such other time and date as Goldman, Sachs & Co. and the Selling Stockholders may agree upon in writing, and with respect to the Optional Shares, 9:30 a.m., New York City time, on the date specified by Goldman, Sachs & Co. in the written notice given by Goldman, Sachs & Co. of the Underwriters' election to purchase such Optional Shares, or such other time and date as Goldman, Sachs & Co. and the Selling Stockholders may agree upon in writing. Such time and date for delivery of the Firm Shares is herein called the "First Time of Delivery," such time and date for delivery of the Optional Shares, if not the First Time of Delivery, is herein called the "Second Time of Delivery," and each such time and date for delivery is herein called a "Time of Delivery."

(b) The documents to be delivered at each Time of Delivery by or on behalf of the parties hereto pursuant to Section 7 hereof, including the cross receipt for the Shares and any additional documents requested by the Underwriters pursuant to Section 7(k) hereof, will be delivered at the offices of Fried, Frank, Harris, Shriver & Jacobson, One New York Plaza, New York, New York 10004 (the "Closing Location"). A meeting will be held at the Closing Location at 2 p.m., New York City time, on the New York Business Day next preceding each Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. For the purposes of this Section 4, "New York Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close.

5. The Company agrees with each of the Underwriters:

(a) To prepare the Prospectus in a form approved by you and to file such Prospectus pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement, or, if applicable, such earlier time as may be required by Rule 430A(a)(3) under the Act; to make no further amendment or any supplement to the Registration Statement or Prospectus prior to the last date on which the Underwriters may be required to deliver a Prospectus which shall be disapproved by you promptly after reasonable notice thereof, except for any such amendment or supplement that in the reasonable written opinion of counsel to the Company is required by applicable law; to advise you, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any supplement to the Prospectus or any amended Prospectus has been filed and to furnish you with copies thereof; to file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of the Prospectus and for so long as the delivery of a prospectus is required in connection with the offering or sale of

the Shares; to advise you, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or prospectus, of the suspension of the qualification of the Shares for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or prospectus or suspending any such qualification, promptly to use its best efforts to obtain the withdrawal of such order;

(b) Promptly from time to time to take such action as you may reasonably request to qualify the Shares for offering and sale under the securities laws of such jurisdictions as you may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Shares, provided that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction or to take any other action which would subject it to taxation, other than as to matters and transactions relating to the offer and sale of the Shares in each jurisdiction in which the Shares have been qualified as provided above;

(c) Prior to 10:00 a.m., New York City time, on the New York Business Day next succeeding the date of this Agreement and from time to time, to furnish the Underwriters with copies of the Prospectus in New York City in such quantities as you may reasonably request, and, if the delivery of a prospectus is required at any time in connection with the offering or sale of the Shares and if at such time any events shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary during such period to amend or supplement the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Act or the Exchange Act, to notify you and upon your request to file such document and to prepare and furnish without charge to each Underwriter and to any dealer in securities as many copies as you may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statement or omission or effect such compliance, and in case any Underwriter is required to deliver a prospectus in connection with sales of any of the Shares at any time nine months or more after the time of issue of the Prospectus, upon your request but at the expense of such Underwriter, to prepare and deliver to such Underwriter as many copies as you may request of an amended or supplemented Prospectus complying with Section 10(a)(3) of the Act;

(d) To make generally available to its securityholders as soon as practicable, but in any event not later than eighteen months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act), an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations of the Commission thereunder (including, at the option of the Company, Rule 158);

(e) During the period beginning from the date hereof and continuing to and including the date 90 days after the date of the Prospectus, not to directly or indirectly offer, sell, contract to sell or

otherwise dispose of, except as provided hereunder, any Stock or any securities of the Company that are substantially similar to the Stock, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, Stock or any such substantially similar securities (other than pursuant to the Company's 1997 Long-Term Stock Incentive Plan or other employee or director stock option plans existing on the date of this Agreement), or to file any registration statement with the Commission under the Act relating to any such securities, without the prior written consent of Goldman, Sachs & Co., as representative of the Underwriters; provided, however, that the foregoing agreement shall not limit the Company's ability to (i) issue shares of Stock, warrants or convertible securities as consideration for acquisitions of assets or stock of a third party, provided that the recipients of all such shares of Stock, warrants or convertible securities agree with the Company (which agreement may not be amended without the prior written consent of Goldman, Sachs & Co.) to be subject to the foregoing lock-up agreement in this Subsection 5(e) with respect to such shares of Stock, warrants or convertible securities; or (ii) issue shares of Stock upon the exercise of any warrants or convertible securities issued pursuant to the preceding clause provided that such shares of Stock will be subject to the foregoing lock-up to the same extent, if any, as the warrants or convertible securities pursuant to which such shares of Stock were issued; provided that the aggregate amount of shares of Stock, warrants and convertible securities (on an as converted basis) that may be issued under these clauses (i) and (ii) may not exceed 5,000,000 shares;

(f) If not otherwise available on the Commission's Electronic Data Gathering, Analysis and Retrieval System or similar system, during a period of five years from the effective date of the Registration Statement, to furnish to its stockholders as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, stockholders' equity and cash flows of the Company and its consolidated subsidiaries certified by independent public accountants) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the effective date of the Registration Statement), consolidated summary financial information of the Company and its subsidiaries for such quarter in reasonable detail;

(g) During a period of five years from the effective date of the Registration Statement, to furnish to you copies of all reports or other communications (financial or other) furnished to stockholders, and to deliver to you (i) as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange on which any class of securities of the Company is listed; and (ii) such additional information that is available without undue expense concerning the business and financial condition of the Company as you may from time to time reasonably request in writing (such financial statements to be prepared on a consolidated basis to the extent the accounts of the Company and its subsidiaries are consolidated in reports furnished to its stockholders generally or to the Commission); provided that the Company shall not be required to deliver any information that would cause the Company to make a filing under Regulation FD as promulgated under the Exchange Act;

(h) To use its best efforts to maintain the listing of the Shares on the New York Stock Exchange (the "Exchange"); and

(i) If the Company elects to rely upon Rule 462(b), the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) by 10:00 P.M., Washington, D.C. time, on the date of this Agreement, and the Company shall at the time of filing either pay to the Commission the filing fee for the Rule 462(b) Registration



Statement or give irrevocable instructions for the payment of such fee pursuant to Rule 111(b) under the Act.

6. The Company and each of the Selling Stockholders covenant and agree with one another and with the several Underwriters that (a) the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Shares under the Act and all other expenses in connection with the preparation, printing and filing of the Registration Statement, any Preliminary Prospectus and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (ii) the cost of printing or producing this Agreement, the Blue Sky Memorandum, closing documents (including any compilations thereof) and any other documents in connection with the offering, purchase, sale and delivery of the Shares; (iii) all expenses in connection with the qualification of the Shares for offering and sale under state securities laws as provided in Section 5(b) hereof, including the reasonable fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky survey; (iv) all fees and expenses in connection with listing the Shares on the Exchange; (v) the filing fees incident to, and the reasonable fees and disbursements of counsel for the Underwriters in connection with, securing any required review by the National Association of Securities Dealers, Inc. of the terms of the sale of the Shares; (vi) the cost of preparing stock certificates; (vii) the cost and charges of any transfer agent or registrar; (viii) all reasonable fees and disbursements of one counsel for the Selling Stockholders; and (ix) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section; and (b) each Selling Stockholder will pay or cause to be paid all costs and expenses incident to the performance of such Selling Stockholder's obligations hereunder which are not otherwise specifically provided for in this Section 6, including all expenses and taxes incident to the sale and delivery of the Shares to be sold by such Selling Stockholder to the Underwriters hereunder. In connection with clause (b) of the preceding sentence, Goldman, Sachs & Co. agrees to pay New York State stock transfer tax, and each Selling Stockholder agrees to reimburse Goldman, Sachs & Co. for associated carrying costs if such tax payment is not rebated on the day of payment and for any portion of such tax payment not rebated. It is understood that the Company shall bear, and the Selling Stockholder shall not be required to pay or to reimburse the Company for, the cost of any other matters not directly relating to the sale and purchase of the Shares pursuant to this Agreement, and that, except as provided in this Section, and Sections 8 and 11 hereof, the Underwriters will pay all of their own costs and expenses, including the fees and disbursements of their counsel, stock transfer taxes on resale of any of the Shares by them, and any advertising expenses connected with any offers they may make.

7. The obligations of the Underwriters hereunder, as to the Shares to be delivered at each Time of Delivery, shall be subject, in their discretion, to the condition that all representations and warranties and other statements of the Company and of the Selling Stockholders herein are, at and as of such Time of Delivery, true and correct, the condition that the Company and the Selling Stockholders shall have performed all of its and their obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section 5(a) hereof; if the Company has elected to rely upon Rule 462(b), the Rule 462(b) Registration Statement shall have become effective by 10:00 P.M., Washington, D.C. time, on the date of this Agreement; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no

proceeding for that purpose shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to your reasonable satisfaction;

(b) Fried, Frank, Harris, Shriver & Jacobson, counsel for the Underwriters, shall have furnished to you such opinion or opinions, dated such Time of Delivery, with respect to the matters covered in paragraphs (i), (ii), (vi), (ix) and (xii) of subsection (c) below as well as such other related matters as you may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;

(c) Paul, Weiss, Rifkind, Wharton & Garrison, counsel for the Company, shall have furnished to you their written opinion (a draft of such opinion is attached as Annex II(a) hereto), dated such Time of Delivery, in form and substance satisfactory to you, to the effect that:

(i) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of Delaware, with corporate power and authority to own its properties and conduct its business as described in the Prospectus;

(ii) The Company has an authorized capitalization as set forth in the Prospectus, and all of the issued and outstanding shares of capital stock of the Company have been duly authorized and are validly issued, fully paid and non-assessable; and the Shares conform in all material respects as to legal matters to the description of the Stock contained in the Prospectus;

(iii) Based solely on such counsel's review of certificates from public officials, the Company has been duly qualified as a foreign corporation for the transaction of business in, and is in good standing under the laws of, the states of California, Georgia, Illinois, Kentucky, New Jersey, New York, North Carolina, Pennsylvania, Texas and Washington;

(iv) Based solely on such counsel's review of certificates from public officials, each of the Principal Subsidiaries has been duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation; and all of the issued and outstanding shares (or other equity interest) of capital stock of each such Principal Subsidiary have been duly authorized and validly issued, and are fully paid and non-assessable, and (except for directors' qualifying shares) are owned of record directly or indirectly by the Company, and, to such counsel's knowledge are owned free and clear of all liens, encumbrances or claims other than those as may have been created by pledges to lenders under certain of the Company's credit agreements (such counsel being entitled to rely in respect of the opinion in this clause upon an opinion of local counsel with respect to Aqui Polo C.V. and in respect of matters of fact upon a certificate of an officer of the Company or its subsidiaries);

(v) To such counsel's knowledge and other than as set forth in the Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property of the Company or any of its subsidiaries is the subject which, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate reasonably be expected to have a material adverse effect on the current or future consolidated financial position, stockholders' equity or results of operations of the Company and its subsidiaries; and, to

such counsel's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(vi) This Agreement has been duly authorized, executed and delivered by the Company;

(vii) The compliance by the Company with all of the provisions of this Agreement and the performance by the Company of its obligation thereunder (i) will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument which is either filed as an Exhibit to the Registration Statement or filed as an Exhibit to any document incorporated by reference in the Registration Statement, (ii) will not result in any violation of the provisions of the Certificate of Incorporation or By-laws of the Company or any Applicable Law, or (iii) to the knowledge of such counsel, based solely on an officer's certificate from an officer of the Company and without independent inquiry, any order applicable to the Company or any of its Principal Subsidiaries. As used herein, "Applicable Law" shall mean the federal laws of the United States, the laws of the State of New York and the General Corporation Law of the State of Delaware, in each case which, in such counsel's experience, are normally applicable to transactions of the type contemplated by this Agreement;

(viii) Based on such counsel's review of Applicable Law, but without any investigation concerning any other laws, rules or regulations, no consent, approval, authorization, order of, or registration or qualification with any United States federal, New York or Delaware court or governmental agency or body is required for the performance by the Company of its obligations under this Agreement, except the registration under the Act of the Shares (which has been obtained) or under state securities or Blue Sky laws of the Shares;

(ix) The statements set forth in the Prospectus under the caption "Description of Capital Stock," insofar as they purport to constitute a summary of the terms of the Stock are accurate and fair in all material respects; the statements set forth in the Prospectus under the caption "United States Tax Consequences to Non-United States Holders," to the extent that they constitute summaries of United States federal law or regulations or legal conclusions, have been reviewed by such counsel and fairly summarize the matters described under that caption in all material respects;

(x) The Company is not required to register as an "investment company" under the Investment Company Act and the rules and regulations promulgated thereunder;

(xi) Each document incorporated by reference in the Prospectus or any further amendment or supplement thereto made by the Company prior to the Time of Delivery (other than the financial statements, financial statements schedules and other financial data included in or omitted therefrom and related schedules therein, as to which such counsel need express no opinion), when it became effective or was filed with the Commission, as the case may be, appears on its face to be appropriately responsive in all material respects with the requirements of the Exchange Act and the rules and regulations of the Commission thereunder; assuming that the statements made in such documents are complete and correct.

(xii) Each of the Registration Statement and the Prospectus as of their respective effective or issue dates and any further amendments and supplements thereto made by the Company prior to such Time of Delivery (other than the financial statements, financial statement schedules and other financial data included in or omitted therefrom and related schedules therein, as to which such counsel need express no belief) appears on its face to be appropriately responsive in all material respects to the requirements of the Act and the rules and regulations thereunder; although they do not assume any responsibility for the accuracy or fairness of the statements contained in the Registration Statement or the Prospectus, except for those referred to in the opinion in subsection (ix) of this Section 7(c); in addition, such counsel shall state that, in connection with the preparation of the Registration Statement and Prospectus, it has participated in conferences with directors, officers and other representatives of the Company, representatives of various of the Selling Stockholders, representatives of the independent auditors for the Company, representatives of the Underwriters and representatives of counsel for the Underwriters, at which conferences the contents of the Registration Statement and the Prospectus and related matters were discussed and, on the basis of such participation, (relying as to various questions of fact relevant to the opinion expressed therein upon the representations and statements of officers and other representatives of the Company) but without independent verification of the accuracy, completeness, or fairness of the statements contained in the Registration Statement, the Prospectus, or any amendment or supplement thereto, no facts have come to the attention of such counsel to lead such counsel to believe that (a) the Registration Statement or any amendment thereto made by the Company prior to the Time of Delivery (except for the financial statements, financial statement schedules and other financial data included or incorporated by reference in or omitted therefrom, as to which such counsel need express no belief), at the time the Registration Statement became effective and on the date of such written opinion, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading or (b) the Prospectus or any amendment or supplement thereto made by the Company prior to the Time of Delivery (except for the financial statements, financial statement schedules and other financial data included or incorporated by reference in or omitted therefrom, as to which such counsel need express no belief), at the time the Prospectus was issued and on the date of such written opinion, contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and they do not know of any amendment to the Registration Statement required to be filed or of any contracts or other documents of a character required to be filed as an exhibit to the Registration Statement or required to be described in the Registration Statement or the Prospectus which are not filed or described as required.

(d) Amster, Rothstein & Ebenstein ("AR&E"), counsel for the Company, shall have furnished to you their written opinion (a draft of such opinion is attached as Annex II(b) hereto), dated such Time of Delivery, in form and substance satisfactory to you, to the effect that except as disclosed in the Prospectus, the Company and its subsidiaries together own or

have rights to use the trademarks Polo, Ralph Lauren and Chaps/Ralph Lauren (the "Principal Trademarks") in their businesses as described in the Prospectus, without any conflict known to such counsel with any intellectual property rights of third parties that would, individually or in the aggregate, have a material adverse effect on the current or future consolidated financial position, stockholders' equity or results of operations of the Company and its subsidiaries and, to such counsel's knowledge, there is no infringement by others of the Principal Trademarks that would, individually or in the aggregate, have a material adverse effect on the current or future consolidated financial position, stockholders' equity or results of operations of the Company and its subsidiaries, except that no opinion need be given as to any jurisdiction outside the United States;

(e) The counsel for each of the Selling Stockholders shall have furnished to you their written opinion with respect to each of the Selling Stockholders (drafts of such opinions are attached as Annex II(c) hereto), dated the Time of Delivery, in form and substance satisfactory to you, to the effect that:

(i) Based on such counsel's review of Applicable Law, but without any investigation concerning any other laws, rules or regulations, this Agreement has been duly authorized, executed and delivered by or on behalf of such Selling Stockholder; and the sale of the Shares to be sold by such Selling Stockholder hereunder and compliance by such Selling Stockholder with all of the provisions of this Agreement and the consummation of the transactions herein contemplated will not conflict with or result in a breach or violation of any terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument known to such counsel to which such Selling Stockholder is a party or by which such Selling Stockholder is bound or to which any of the property or assets of such Selling Stockholder is subject based on such counsel's review of Applicable Law, but without any investigation concerning any other laws, rules or regulations; nor will such action result in any violation of (i) the provisions of the Partnership Agreement of such Selling Stockholder, (ii) any Applicable Law, or (iii) to the knowledge of such counsel, any order, rule or regulation known to such counsel of any court or governmental agency or body having jurisdiction over such Selling Stockholder or the property of such Selling Stockholder;

(ii) Based on such counsel's review of Applicable Law, but without any investigation concerning any other laws, rules or regulations, no consent, approval, authorization or order of any court or governmental agency or body is required for the consummation of the transactions contemplated by this Agreement in connection with the Shares to be sold by such Selling Stockholder hereunder, except such as have been obtained under the Act and such as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of such shares by the Underwriters; and

(iii) Good and valid title to such Shares, free and clear of all liens, encumbrances or claims, has been transferred to each of the several Underwriters who have purchased such Shares in good faith and without notice of any such lien, encumbrance or claim or any other adverse claim within the meaning of the New York Uniform Commercial Code.

(f) On the date of the Prospectus at a time prior to the execution of this Agreement, at 9:30 a.m., New York City time, on the effective date of any post-effective amendment to the Registration Statement filed subsequent to the date of this Agreement and also at each Time of Delivery, Deloitte & Touche LLP shall have furnished to you a letter or letters, dated the respective dates of delivery thereof, in form and substance satisfactory to you, to the effect set forth in Annex I hereto (the executed copy of the letter delivered prior to the execution of this Agreement is attached as Annex 1(a) hereto and a draft of the form of letter to be delivered on the effective date of any post-effective amendment to the Registration Statement and as of each Time of Delivery is attached as Annex 1(b) hereto);

(g)(i) Neither the Company nor any of its Principal Subsidiaries shall have sustained since the date of the latest audited financial statements included or incorporated by reference in the Prospectus any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus, and (ii) since the respective dates as of which information is given in the Prospectus there shall not have been any change in the capital stock (other than the issuance of Stock upon the exercise of outstanding stock options or the repurchases of the Stock by the Company pursuant to the repurchase plan previously authorized by the Company's Board of Directors, in each case to the extent set forth or contemplated by the Prospectus) and or long-term debt (other than accretion or schedule repayments thereof, in each case to the extent set forth or contemplated by the Prospectus) of the Company or any of its subsidiaries, or any change, or any development related to the Company involving a prospective change, in or affecting the general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, taken as a whole, otherwise than as set forth or contemplated in the Prospectus, the effect of which, in any such case described in clause (i) or (ii), is in the judgment of the Representatives so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Prospectus;

(h) On or after the date hereof there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the Exchange; (ii) a suspension or material limitation in trading in the Company's securities on the Exchange; (iii) a general moratorium on commercial banking activities declared by either Federal or New York State authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States; (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war or (v) the occurrence of any other calamity or crisis or any change in financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (iv) or (v) in the judgment of the Representatives makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares on the terms and in the manner contemplated in the Prospectus;

(i) The Shares at such Time of Delivery shall have been duly listed on the Exchange;

(j) The Company has obtained and delivered to the Underwriters executed copies of an agreement from each of the directors and executive officers of the Company and certain members or entites associated with the Lauren family and related trusts (the "Non-Selling Stockholders"), substantially to the effect set forth in Subsection 1(b)(iv) hereof in form and substance satisfactory to you;

(k) The Company and the Selling Stockholders shall have furnished or caused to be furnished to you at such Time of Delivery certificates of officers of the Company and of the Selling Stockholders, respectively, reasonably satisfactory to you as to the accuracy of the representations and warranties of the Company and the Selling Stockholders, respectively, herein at and as of such Time of Delivery, as to the performance by each of the Company and the Selling Stockholders of all of their respective obligations hereunder to be performed at or prior to such Time of Delivery, and as to such other matters as you may reasonably request, and the Company shall have furnished or caused to be furnished certificates as to the matters set forth in subsections (a) and (g) of this Section;

(l) The Company shall have complied with the provisions of Section 5(c) hereof with respect to the furnishing of prospectuses on the New York Business Day next succeeding the date of this Agreement; and

(m) Each of the Selling Stockholders shall have delivered to the Underwriters certificates required by Treasury Regulation section 1.1445-2(b)(2) in order to avoid withholding of tax under Section 1445 of the Internal Revenue Code of 1986, as amended.

8. (a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements in the Registration Statement or any amendment or supplement thereto not misleading or to make the statements in any Preliminary Prospectus or the Prospectus not misleading in light of the circumstances under which they were made, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement or the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by any Underwriter through Goldman, Sachs & Co. expressly for use therein.

(b) Each of the Selling Stockholders will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements in the Registration Statement or any amendment or supplement thereto not misleading or to make the statements in any Preliminary Prospectus or the Prospectus not misleading in light of the circumstances under which they were made, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any Preliminary Prospectus, the Registration Statement or the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such Selling Stockholder expressly for use therein; and will reimburse

each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that such Selling Stockholder shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement or the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by any Underwriter through Goldman, Sachs & Co. expressly for use therein; provided, further, that the liability of such Selling Stockholder pursuant to this subsection (b) shall not exceed the product of the number of Shares sold by such Selling Stockholder (including any Optional Shares) and the initial public offering price as set forth in the Prospectus.

(c) Each Underwriter will indemnify and hold harmless the Company and each Selling Stockholder against any losses, claims, damages or liabilities to which the Company or such Selling Stockholder may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any Preliminary Prospectus, the Registration Statement or the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such Underwriter through Goldman, Sachs & Co. expressly for use therein; and will reimburse the Company and each Selling Stockholder for any legal or other expenses reasonably incurred by the Company or such Selling Stockholder in connection with investigating or defending any such action or claim as such expenses are incurred.

(d) Promptly after receipt by an indemnified party under subsection (a), (b) or (c) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection, except to the extent that such indemnifying party is prejudiced by the failure to give such notice. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with a single counsel (in addition to any local counsel) satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability



arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party. Notwithstanding anything to the contrary contained herein, an indemnifying party will not be liable for the settlement of any claim or action effected without its prior written consent, which consent shall not be unreasonably withheld.

(e) If the indemnification provided for in this Section 8 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a), (b) or (c) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other from the offering of the Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (d) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company and the Selling Stockholders on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company and the Selling Stockholders bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Selling Stockholders on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, each of the Selling Stockholders and the Underwriters agree that it would not be just and equitable if contributions pursuant to this subsection (e) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (e). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (e) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (e), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (e) to contribute are several in proportion to their respective underwriting obligations and not joint.

(f) The obligations of the Company and the Selling Stockholders under this Section 8 shall be in addition to any liability which the Company and the respective Selling Stockholders may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under

this Section 8 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company (including any person who, with his or her consent, is named in the Registration Statement as someone who will become a director of the Company and who becomes such a director) and to each person, if any, who controls the Company or any Selling Stockholder within the meaning of the Act.

9. (a) If any Underwriter shall default in its obligation to purchase the Shares which it has agreed to purchase hereunder at a Time of Delivery, you may in your discretion arrange for you or another party or other parties to purchase such Shares on the terms contained herein. If within thirty-six hours after such default by any Underwriter you do not arrange for the purchase of such Shares, then the Selling Stockholders shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to you to purchase such Shares on such terms. In the event that, within the respective prescribed periods, you notify the Selling Stockholders and the Company that you have so arranged for the purchase of such Shares, or the Selling Stockholders notify you that they have so arranged for the purchase of such Shares, you or the Selling Stockholders shall have the right to postpone such Time of Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments to the Registration Statement or the Prospectus which in your opinion may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Shares.

(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you and the Selling Stockholders as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased does not exceed one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, then the Selling Stockholders shall have the right to require each non-defaulting Underwriter to purchase the number of Shares which such Underwriter agreed to purchase hereunder at such Time of Delivery and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the number of Shares which such Underwriter agreed to purchase hereunder) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you and the Selling Stockholders as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased exceeds one-eleventh of the aggregate number of all of the Shares to be purchased at such Time of Delivery, or if the Selling Stockholders shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Shares of a defaulting Underwriter or Underwriters, then this Agreement (or, with respect to the Second Time of Delivery, the obligations of the Underwriters to purchase and of the Selling Stockholders to sell the Optional Shares) shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company or the Selling Stockholders, except for the expenses to be borne by the Company and the Selling Stockholders and the Underwriters as provided in Section 6 hereof and the indemnity and contribution agreements in Section 8 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

10. The respective indemnities, agreements, representations, warranties and other statements of the Company, the Selling Stockholders and the several Underwriters, as set forth in

this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company, or any of the Selling Stockholders, or any officer or director or controlling person of the Company, or any controlling person of any Selling Stockholder, and shall survive delivery of and payment for the Shares.

Anything herein to the contrary notwithstanding, the indemnity agreement of the Company in subsection (a) of Section 8 hereof, the representations and warranties in subsections (a)(ii) and (a)(iv) of Section 1 hereof and any representation or warranty as to the accuracy of the Registration Statement or the Prospectus contained in any certificate furnished by the Company pursuant to Section 7 hereof, insofar as they may constitute a basis for indemnification for liabilities (other than payment by the Company of expenses incurred or paid in the successful defense of any action, suit or proceeding) arising under the Act, shall not extend to the extent of any interest therein of a controlling person or partner of an Underwriter who is a director, officer or controlling person of the Company when the Registration Statement has become effective, except in each case to the extent that an interest of such character shall have been determined by a court of appropriate jurisdiction as not against public policy as expressed in the Act. Unless in the opinion of counsel for the Company the matter has been settled by controlling precedent, the Company will, if a claim for such indemnification is asserted, submit to a court of appropriate jurisdiction the question of whether such interest is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

11. If this Agreement shall be terminated pursuant to Section 9 hereof, neither the Company nor the Selling Stockholders shall then be under any liability to any Underwriter except as provided in Sections 6 and 8 hereof; but, if for any other reason any Shares are not delivered by or on behalf of the Selling Stockholders as provided herein, the Company will reimburse the Underwriters through you for all out-of-pocket expenses approved in writing by you, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Shares not so delivered, but the Company and the Selling Stockholders shall then be under no further liability to any Underwriter in respect of the Shares not so delivered except as provided in Sections 6 and 8 hereof.

12. In all dealings hereunder, you shall act on behalf of each of the Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by you jointly or by Goldman, Sachs & Co. on behalf of you as the representatives; and in all dealings with any of the Selling Stockholders hereunder, you and the Company shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of such Selling Stockholders made or given by either of the Attorneys-in-Fact for such Selling Stockholders.

All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail, by messenger or facsimile transmission to you as the representatives in care of Goldman, Sachs & Co., 85 Broad Street, New York, New York 10004, Attention: Registration Department; if to any Selling Stockholders shall be delivered or sent by mail, by messenger or facsimile transmission to counsel for such Selling Stockholders at its address set forth in Schedule II hereto; and if to the Company shall be delivered or sent by mail, by messenger or facsimile transmission to the address of the Company set forth in the Registration Statement, Attention: Secretary; provided, however, that any notice to an Underwriter pursuant to Section 8(d) hereof shall be delivered or sent by mail, by messenger or facsimile transmission to such Underwriter

at its address set forth in its Underwriters' Questionnaire or telex constituting such Questionnaire, which address will be supplied to the Company or the Selling Stockholders by you on request. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

13. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company and the Selling Stockholders and, to the extent provided in Sections 8 and 10 hereof, the officers and directors of the Company and each person who controls the Company, any Selling Stockholders or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Shares from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

14. Time shall be of the essence of this Agreement. As used herein, the term "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

15. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

16. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

17. The Company and the Selling Stockholders are authorized, subject to applicable law, to disclose any and all aspects of this potential transaction that are necessary to support any U.S. federal income tax benefits expected to be claimed with respect to such transaction, without the Underwriters imposing any limitation of any kind.

If the foregoing is in accordance with your understanding, please sign and return to us one for the Company and each of the Representatives plus one for each counsel counterparts hereof, and upon the acceptance hereof by you, on behalf of each of the Underwriters, this letter and such acceptance hereof shall constitute a binding agreement among each of the Underwriters, the Company and each of the Selling Stockholders. It is understood that your acceptance of this letter on behalf of each of the Underwriters is pursuant to the authority set forth in a form of Agreement among Underwriters, the form of which shall be submitted to the Company and the Selling Stockholders for examination, upon request, but without warranty on your part as to the authority of the signers thereof.

Any person executing and delivering this Agreement as Attorney-in-Fact for a Selling Stockholder represents by so doing that he has been duly appointed as Attorney-in-Fact by such Selling Stockholders pursuant to a validly existing and binding Power-of-Attorney which authorizes such Attorney-in-Fact to take such action.

Very truly yours,

POLO RALPH LAUREN CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

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

By: \_\_\_\_\_  
Name:  
Title:

Accepted as of the date hereof:  
Goldman, Sachs & Co.  
Credit Suisse First Boston Corporation  
UBS Warburg LLC

STONE STREET FUND 1994, L.P.  
By: Stone Street 1994, L.L.C.,  
General Partner

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
(Goldman, Sachs & Co.)

On behalf of each of the Underwriters

BRIDGE STREET FUND 1994, L.P.  
By: Stone Street 1994, L.L.C.,  
Managing General Partner

By: \_\_\_\_\_  
Name:  
Title:

SCHEDULE I

UNDERWRITER	TOTAL NUMBER OF FIRM SHARES TO BE PURCHASED	NUMBER OF OPTIONAL SHARES TO BE PURCHASED IF MAXIMUM OPTION EXERCISED
Goldman, Sachs & Co.....		
Credit Suisse First Boston Corporation.....		
UBS Warburg LLC.....		
Total.....	----- =====	----- =====

SCHEDULE II

	Total Number of Firm Shares to be Sold	Number of Optional Shares to be Sold if Maximum Option Exercised
The Selling Stockholder(s):		
GS Capital Partners, L.P. (a).....		
Stone Street Fund 1994, L.P. (a).....		
Bridge Street Fund 1994, L.P. (a).....		
Total.....		

(a) This Selling Stockholder is represented by John F. Brown of Goldman, Sachs & Co., whose address is 85 Broad Street, New York, New York 10004.

SCHEDULE III

PRINCIPAL SUBSIDIARIES

PRL International, Inc.

PRL USA, Inc.

Fashions Outlet of America, Inc.

Aqui Polo C.V.



[Deloitte & Touche Letterhead]

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Amendment No. 3 to Registration Statement No. 333-83500 of Polo Ralph Lauren Corporation and subsidiaries on Form S-3 of our reports dated May 23, 2001 (which reports express an unqualified opinion and include an explanatory paragraph relating to a change in a method of accounting), included in the Annual Report on Form 10-K of Polo Ralph Lauren Corporation and subsidiaries for the year ended March 31, 2001, and to the use of our report dated May 23, 2001 (which report expresses an unqualified opinion and includes an explanatory paragraph relating to a change in a method of accounting), appearing in the Prospectus, which is part of this Registration Statement. We also consent to the reference to us under the headings "Summary Consolidated Financial Data", "Selected Consolidated Financial Data" and "Experts" in such Prospectus.

DELOITTE & TOUCHE LLP

New York, New York  
April 22, 2002