UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 27, 2015

or

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

Commission File Number: 001-13057

Ralph Lauren Corporation
(Exact name of registrant as specified in its charter)

Delaware	**13-2622036**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
650 Madison Avenue, New York, New York	**10022**
(Address of principal executive offices)	*(Zip Code)*

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	o
Non-accelerated filer	o (Do not check if a smaller reporting company)	Smaller reporting company	o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No ☑

At July 31, 2015, 59,766,590 shares of the registrant's Class A common stock, $.01 par value, and 25,881,276 shares of the registrant's Class B common stock, $.01 par value, were outstanding.

RALPH LAUREN CORPORATION

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RALPH LAUREN CORPORATION

CONSOLIDATED BALANCE SHEETS

	June 27, 2015	March 28, 2015
	(millions) (unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 490	$ 500
Short-term investments	661	644
Accounts receivable, net of allowances of $223 million and $251 million	390	655
Inventories	1,270	1,042
Income tax receivable	69	57
Deferred tax assets	146	145
Prepaid expenses and other current assets	278	281
Total current assets	3,304	3,324
Property and equipment, net	1,419	1,436
Deferred tax assets	50	45
Goodwill	901	903
Intangible assets, net	260	267
Other non-current assets	134	131
Total assets	$ 6,068	$ 6,106
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt	$ 155	$ 234
Accounts payable	207	210
Income tax payable	35	27
Accrued expenses and other current liabilities	832	715
Total current liabilities	1,229	1,186
Long-term debt	297	298
Non-current liability for unrecognized tax benefits	102	116
Other non-current liabilities	633	615
Commitments and contingencies (Note 14)		
Total liabilities	2,261	2,215
Equity:		
Class A common stock, par value $.01 per share; 100.7 million and 100.0 million shares issued; 59.8 million and 60.4 million shares outstanding	1	1
Class B common stock, par value $.01 per share; 25.9 million shares issued and outstanding	—	—
Additional paid-in-capital	2,170	2,117
Retained earnings	5,808	5,787
Treasury stock, Class A, at cost; 40.9 million and 39.6 million shares	(4,018)	(3,849)
Accumulated other comprehensive loss	(154)	(165)
Total equity	3,807	3,891
Total liabilities and equity	$ 6,068	$ 6,106

See accompanying notes.

RALPH LAUREN CORPORATION

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended	
	June 27, 2015	**June 28, 2014**
	(millions, except per share data) (unaudited)	
Net sales	$ 1,577	$ 1,668
Licensing revenue	41	40
Net revenues	1,618	1,708
Cost of goods sold[a]	(652)	(665)
Gross profit	966	1,043
Selling, general, and administrative expenses[a]	(822)	(788)
Amortization of intangible assets	(6)	(6)
Impairment of assets	(8)	(1)
Restructuring charges	(34)	(4)
Total other operating expenses, net	(870)	(799)
Operating income	96	244
Foreign currency losses	(1)	(3)
Interest expense	(4)	(4)
Interest and other income, net	2	1
Equity in losses of equity-method investees	(3)	(3)
Income before provision for income taxes	90	235
Provision for income taxes	(26)	(73)
Net income	$ 64	$ 162
Net income per common share:		
Basic	$ 0.74	$ 1.82
Diluted	$ 0.73	$ 1.80
Weighted average common shares outstanding:		
Basic	86.5	88.9
Diluted	87.5	90.2
Dividends declared per share	$ 0.50	$ 0.45
[a] Includes total depreciation expense of:	$ (68)	$ (63)

See accompanying notes.

RALPH LAUREN CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended	
	June 27, 2015	June 28, 2014
	(millions) (unaudited)	
Net income	$ 64	$ 162
Other comprehensive income (loss), net of tax:		
Foreign currency translation gains (losses)	19	(3)
Net gains (losses) on cash flow hedges	(8)	2
Other comprehensive income (loss), net of tax	11	(1)
Total comprehensive income	$ 75	$ 161

See accompanying notes.

RALPH LAUREN CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended	
	June 27, 2015	June 28, 2014
	(millions) (unaudited)	
Cash flows from operating activities:		
Net income	$ 64	$ 162
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	74	69
Deferred income tax benefit	(18)	(3)
Equity in losses of equity-method investees	3	3
Non-cash stock-based compensation expense	32	23
Non-cash impairment of assets	8	1
Excess tax benefits from stock-based compensation arrangements	(6)	(4)
Other non-cash charges, net	1	5
Changes in operating assets and liabilities:		
Accounts receivable	265	230
Inventories	(226)	(158)
Prepaid expenses and other current assets	12	5
Accounts payable and accrued liabilities	114	79
Income tax receivables and payables	(9)	27
Deferred income	(3)	(4)
Other balance sheet changes, net	21	(20)
Net cash provided by operating activities	332	415
Cash flows from investing activities:		
Capital expenditures	(68)	(85)
Purchases of investments	(329)	(411)
Proceeds from sales and maturities of investments	325	236
Acquisitions and ventures	(3)	(4)
Change in restricted cash deposits	(2)	—
Net cash used in investing activities	(77)	(264)
Cash flows from financing activities:		
Proceeds from issuance of short-term debt	1,238	—
Repayments of short-term debt	(1,317)	—
Payments of capital lease obligations	(5)	(5)
Payments of dividends	(43)	(40)
Repurchases of common stock, including shares surrendered for tax withholdings	(169)	(211)
Proceeds from exercises of stock options	15	14
Excess tax benefits from stock-based compensation arrangements	6	4
Net cash used in financing activities	(275)	(238)
Effect of exchange rate changes on cash and cash equivalents	10	1
Net decrease in cash and cash equivalents	(10)	(86)
Cash and cash equivalents at beginning of period	500	797
Cash and cash equivalents at end of period	$ 490	$ 711

See accompanying notes.

1. Description of Business

Ralph Lauren Corporation ("RLC") is a global leader in the design, marketing, and distribution of premium lifestyle products, including apparel, accessories, home furnishings, and other licensed product categories. RLC's long-standing reputation and distinctive image have been consistently developed across an expanding number of products, brands, sales channels, and international markets. RLC's brand names include Ralph Lauren, Ralph Lauren Collection, Purple Label, Black Label, Polo, Polo Ralph Lauren, Double RL, RLX Ralph Lauren, Lauren Ralph Lauren, Ralph Lauren Childrenswear, Denim & Supply Ralph Lauren, Chaps, Club Monaco, and American Living, among others. RLC and its subsidiaries are collectively referred to herein as the "Company," "we," "us," "our," and "ourselves," unless the context indicates otherwise.

The Company classifies its businesses into three segments: Wholesale, Retail, and Licensing. The Company's wholesale sales are made principally to major department stores and specialty stores around the world. The Company also sells directly to consumers through its integrated retail channel, which includes its retail stores, concession-based shop-within-shops, and e-commerce operations around the world. In addition, the Company licenses to unrelated third parties for specified periods the right to operate retail stores and/or to use its various trademarks in connection with the manufacture and sale of designated products, such as certain apparel, eyewear, fragrances, and home furnishings.

2. Basis of Presentation

Interim Financial Statements

These interim consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC") and are unaudited. In the opinion of management, these consolidated financial statements contain all normal and recurring adjustments necessary to present fairly the consolidated financial position, income, comprehensive income, and cash flows of the Company for the interim periods presented. In addition, certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the U.S. ("U.S. GAAP") have been condensed or omitted from this report as is permitted by the SEC's rules and regulations. However, the Company believes that the disclosures provided herein are adequate to prevent the information presented from being misleading.

This report should be read in conjunction with the Company's Annual Report on Form 10-K filed with the SEC for the fiscal year ended March 28, 2015 (the "Fiscal 2015 10-K").

Basis of Consolidation

These unaudited interim consolidated financial statements present the consolidated financial position, income, comprehensive income, and cash flows of the Company, including all entities in which the Company has a controlling financial interest and is determined to be the primary beneficiary. All significant intercompany balances and transactions have been eliminated in consolidation.

Fiscal Periods

The Company utilizes a 52-53 week fiscal year ending on the Saturday closest to March 31. As such, fiscal year 2016 will end on April 2, 2016 and will be a 53-week period ("Fiscal 2016"). Fiscal year 2015 ended on March 28, 2015 and was a 52-week period ("Fiscal 2015"). The first quarter of Fiscal 2016 ended on June 27, 2015 and was a 13-week period. The first quarter of Fiscal 2015 ended on June 28, 2014 and was also a 13-week period.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and footnotes thereto. Actual results could differ materially from those estimates.

Significant estimates inherent in the preparation of the consolidated financial statements include reserves for bad debt, customer returns, discounts, end-of-season markdowns, operational chargebacks, and certain cooperative advertising allowances; the realizability of inventory; reserves for litigation and other contingencies; useful lives and impairments of long-lived tangible and intangible assets; fair value measurements; accounting for income taxes and related uncertain tax positions; valuation of stock-based compensation awards and related estimated forfeiture rates; reserves for restructuring activity; and accounting for business combinations, among others.

Reclassifications

Certain reclassifications have been made to the prior period's financial information in order to conform to the current period's presentation.

Seasonality of Business

The Company's business is typically affected by seasonal trends, with higher levels of wholesale sales in its second and fourth fiscal quarters and higher retail sales in its second and third fiscal quarters. These trends result primarily from the timing of seasonal wholesale shipments and key vacation travel, back-to-school, and holiday shopping periods impacting the Retail segment. In addition, fluctuations in sales, operating income, and cash flows in any fiscal quarter may be affected by other events affecting retail sales, such as changes in weather patterns. Accordingly, the Company's operating results and cash flows for the three-month period ended June 27, 2015 are not necessarily indicative of the operating results and cash flows that may be expected for the full Fiscal 2016.

3. Summary of Significant Accounting Policies

Revenue Recognition

Revenue is recognized across all segments of the business when there is persuasive evidence of an arrangement, delivery has occurred, the price has been fixed or is determinable, and collectability is reasonably assured.

Revenue within the Company's Wholesale segment is recognized at the time title passes and risk of loss is transferred to customers. Wholesale revenue is recorded net of estimates of returns, discounts, end-of-season markdowns, operational chargebacks, and certain cooperative advertising allowances. Returns and allowances require pre-approval from management and discounts are based on trade terms. Estimates for end-of-season markdown reserves are based on historical trends, actual and forecasted seasonal results, an evaluation of current economic and market conditions, retailer performance, and, in certain cases, contractual terms. Estimates for operational chargebacks are based on actual customer notifications of order fulfillment discrepancies and historical trends. The Company reviews and refines these estimates on at least a quarterly basis. The Company's historical estimates of these costs have not differed materially from actual results.

Retail store and concession-based shop-within-shop revenue is recognized net of estimated returns at the time of sale to consumers. E-commerce revenue from sales of products ordered through the Company's e-commerce sites is recognized upon delivery of the shipment to its customers. Such revenue is also reduced by an estimate of returns.

Gift cards issued by the Company are recorded as a liability until they are redeemed, at which point revenue is recognized. The Company recognizes income for unredeemed gift cards when the likelihood of redemption by a customer is remote and the Company determines that it does not have a legal obligation to remit the value of the unredeemed gift card to the relevant jurisdiction as unclaimed or abandoned property.

Revenue from licensing arrangements is recognized when earned in accordance with the terms of the underlying agreements, generally based upon the higher of (i) contractually guaranteed minimum royalty levels or (ii) actual sales and royalty data, or estimates thereof, received from the Company's licensees.

The Company accounts for sales taxes and other related taxes on a net basis, excluding such taxes from revenue.

Shipping and Handling Costs

The costs associated with shipping goods to customers are reflected as a component of selling, general, and administrative ("SG&A") expenses in the consolidated statements of income. Shipping costs were approximately $9 million during each of the three-month periods ended June 27, 2015 and June 28, 2014. The costs of preparing merchandise for sale, such as picking, packing, warehousing, and order charges ("handling costs") are also included in SG&A expenses. Handling costs were approximately $41 million and $42 million during the three-month periods ended June 27, 2015 and June 28, 2014, respectively. Shipping and handling costs billed to customers are included in revenue.

Net Income per Common Share

Basic net income per common share is computed by dividing net income attributable to common shares by the weighted-average number of common shares outstanding during the period. Weighted-average common shares include shares of the Company's Class A and Class B common stock. Diluted net income per common share adjusts basic net income per common share for the dilutive effects of outstanding stock options, restricted stock, restricted stock units ("RSUs"), and any other potentially dilutive instruments, only in the periods in which such effects are dilutive under the treasury stock method.

The weighted-average number of common shares outstanding used to calculate basic net income per common share is reconciled to shares used to calculate diluted net income per common share as follows:

	Three Months Ended	
	June 27, 2015	June 28, 2014
	(millions)	
Basic shares	86.5	88.9
Dilutive effect of stock options, restricted stock, and RSUs	1.0	1.3
Diluted shares	87.5	90.2

All earnings per share amounts have been calculated using unrounded numbers. Options to purchase shares of the Company's Class A common stock at an exercise price greater than the average market price of the common stock during the reporting period are anti-dilutive and therefore not included in the computation of diluted net income per common share. In addition, the Company has outstanding RSUs that are issuable only upon the achievement of certain service and/or performance goals. Performance-based RSUs are included in the computation of diluted shares only to the extent that the underlying performance conditions (and any applicable market condition modifiers) (i) have been satisfied as of the end of the reporting period or (ii) would be considered satisfied if the end of the reporting period were the end of the related contingency period and the result would be dilutive under the treasury stock method. As of June 27, 2015 and June 28, 2014, there were approximately 2.6 million and 1.2 million, respectively, additional shares issuable upon exercise of anti-dilutive options and contingent vesting of performance-based RSUs, which were excluded from the diluted share calculations.

Accounts Receivable

In the normal course of business, the Company extends credit to wholesale customers that satisfy defined credit criteria. Accounts receivable is recorded at carrying value, which approximates fair value, and is presented in the Company's consolidated balance sheets net of certain reserves and allowances. These reserves and allowances consist of (i) reserves for returns, discounts, end-of-season markdowns, operational chargebacks, and certain cooperative advertising allowances (see the *Revenue Recognition* section above for further discussion of related accounting policies) and (ii) allowances for doubtful accounts.

A rollforward of the activity in the Company's reserves for returns, discounts, end-of-season markdowns, operational chargebacks, and certain cooperative advertising allowances is presented below:

	Three Months Ended	
	June 27, 2015	June 28, 2014
	(millions)	
Beginning reserve balance	$ 240	$ 254
Amount charged against revenue to increase reserve	150	157
Amount credited against customer accounts to decrease reserve	(181)	(165)
Foreign currency translation	1	(1)
Ending reserve balance	$ 210	$ 245

An allowance for doubtful accounts is determined through analysis of periodic aging of accounts receivable, assessments of collectability based on an evaluation of historical and anticipated trends, the financial condition of the Company's customers, and an evaluation of the impact of economic conditions, among other factors. The Company's allowance for doubtful accounts was $13 million and $11 million as of June 27, 2015 and March 28, 2015, respectively. The change in the allowance for doubtful accounts was not material during either of the three-month periods ended June 27, 2015 and June 28, 2014.

Concentration of Credit Risk

The Company sells its wholesale merchandise primarily to major department and specialty stores around the world, and extends credit based on an evaluation of each customer's financial capacity and condition, usually without requiring collateral. In the Company's wholesale business, concentration of credit risk is relatively limited due to the large number of customers and their dispersion across many geographic areas. However, the Company has three key wholesale customers that generate significant sales volume. During Fiscal 2015, the Company's sales to its largest wholesale customer, Macy's, Inc. ("Macy's"), accounted for approximately 12% of its total net revenues, and the Company's sales to its three largest wholesale customers (including Macy's) accounted for approximately 24% of total net revenues. As of June 27, 2015, these three key wholesale customers constituted approximately 34% of total gross accounts receivable.

Derivative Financial Instruments

The Company records all derivative financial instruments on its consolidated balance sheets at fair value. For derivative instruments that qualify for hedge accounting, the effective portion of changes in their fair value is either (i) offset against the changes in fair value of the related hedged assets, liabilities, or firm commitments through earnings or (ii) recognized in equity as a component of accumulated other comprehensive income ("AOCI") until the hedged item is recognized in earnings, depending on whether the derivative is being used to hedge against changes in fair value or cash flows and net investments, respectively.

Each derivative instrument that qualifies for hedge accounting is expected to be highly effective at reducing the risk associated with the exposure being hedged. For each derivative instrument that is designated as a hedge, the Company formally documents the related risk management objective and strategy, including identification of the hedging instrument, the hedged item, and the risk exposure, as well as how hedge effectiveness will be assessed prospectively and retrospectively over the instrument's term. To assess hedge effectiveness, the Company generally uses regression analysis, a statistical method, to compare the change in the fair value of the derivative instrument to the change in fair value or cash flows of the related hedged item. The extent to which a hedging instrument has been and is expected to remain highly effective in achieving offsetting changes in fair value or cash flows is assessed and documented by the Company on at least a quarterly basis.

As a result of its use of derivative instruments, the Company is exposed to the risk that counterparties to such contracts will fail to meet their contractual obligations. To mitigate this counterparty credit risk, the Company has a policy of only entering into contracts with carefully selected financial institutions based upon an evaluation of their credit ratings and certain other factors, adhering to established limits for credit exposure. The Company's established policies and procedures for mitigating credit risk from derivative transactions include ongoing review and assessment of its counterparties' creditworthiness. The Company also enters into master netting arrangements with counterparties, when possible, to mitigate credit risk associated with its derivative instruments. In the event of default or termination (as such terms are defined within the respective master netting arrangement), these arrangements allow the Company to net-settle amounts payable and receivable related to multiple derivative transactions with the same counterparty. The master netting arrangements specify a number of events of default and termination, including, among others, the failure to make timely payments.

The fair values of the Company's derivative instruments are recorded on its consolidated balance sheets on a gross basis. For cash flow reporting purposes, proceeds received or amounts paid upon the settlement of a derivative instrument are classified in the same manner as the related item being hedged, primarily within cash flows from operating activities.

Forward Foreign Currency Exchange Contracts

The Company enters into forward foreign currency exchange contracts to reduce its risk related to exchange rate fluctuations on inventory transactions, intercompany royalty payments made by certain of its international operations, intercompany contributions made to fund certain marketing efforts of its international operations, and other foreign currency-denominated operational cash flows. To the extent forward foreign currency exchange contracts are designated as cash flow hedges and are highly effective in offsetting changes in the value of the hedged items, the related gains or losses are initially deferred in equity as a component of AOCI and are subsequently recognized in the consolidated statements of income as follows:

- *Forecasted Inventory Transactions* — recognized as part of the cost of the inventory being hedged within cost of goods sold when the related inventory is sold to a third party.

- *Intercompany Royalty Payments and Marketing Contributions* — recognized within foreign currency gains (losses) generally in the period in which the related payments or contributions being hedged are received or paid.

To the extent that a derivative instrument designated as a cash flow hedge is not considered effective, any change in its fair value relating to such ineffectiveness is immediately recognized in earnings within foreign currency gains (losses). If it is determined that a derivative instrument has not been highly effective, and will continue not to be highly effective in hedging the designated exposure, hedge accounting is discontinued and further gains (losses) are immediately recognized in earnings within foreign currency gains (losses). Upon discontinuance of hedge accounting, the cumulative change in fair value of the derivative instrument previously recorded in AOCI is recognized in earnings when the related hedged item affects earnings, consistent with the originally-documented hedging strategy, unless the forecasted transaction is no longer probable of occurring, in which case the accumulated amount is immediately recognized in earnings within foreign currency gains (losses).

Hedge of a Net Investment in a Foreign Operation

Changes in the fair value of a derivative instrument or the carrying value of a non-derivative instrument that is designated as a hedge of a net investment in a foreign operation are reported in the same manner as a translation adjustment, to the extent it is effective. In assessing the effectiveness of a derivative financial instrument that is designated as a hedge of a net investment, the Company uses a method based on changes in spot rates to measure the impact of foreign currency exchange rate changes on both its foreign subsidiary net investment and the related hedging instrument. If the notional amount of the instrument designated as the hedge of a net investment is greater than the portion of the net investment being hedged, hedge ineffectiveness is recognized immediately in earnings within foreign currency gains (losses). To the extent the instrument remains effective, changes in its value are recorded in equity as foreign currency translation gains (losses), a component of AOCI, and are recognized in earnings within foreign currency gains (losses) only upon the sale or liquidation of the hedged net investment.

Fair Value Hedges

Changes in the fair value of a derivative instrument that is designated as a fair value hedge, along with offsetting changes in the fair value of the related hedged item attributable to the hedged risk, are recorded in earnings. Hedge ineffectiveness is recorded in earnings to the extent that the change in the fair value of the hedged item does not offset the change in the fair value of the hedging instrument.

Undesignated Hedges

All of the Company's undesignated hedges are entered into to hedge specific economic risks, particularly foreign currency exchange rate risk. Changes in the fair value of undesignated derivative instruments are immediately recognized in earnings within foreign currency gains (losses).

See Note 13 for further discussion of the Company's derivative financial instruments.

Refer to Note 3 in the Fiscal 2015 10-K for a summary of all of the Company's significant accounting policies.

4. Recently Issued Accounting Standards

Revenue from Contracts with Customers

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers" ("ASU 2014-09"). ASU 2014-09 provides a single, comprehensive accounting model for revenues arising from contracts with customers that will supersede most existing revenue recognition guidance, including industry-specific guidance. Under this model, revenue is recognized at an amount that an entity expects to be entitled to upon transferring control of goods or services to a customer, as opposed to when risks and rewards transfer to a customer under existing revenue recognition guidance. ASU 2014-09 is effective for the Company beginning in its fiscal year 2018. However, the FASB is expected to issue a separate ASU that would defer the effective date of ASU 2014-09 by one year. ASU 2014-09 may be applied retrospectively to all prior periods presented or through a cumulative adjustment to the opening retained earnings balance in the year of adoption. The Company is currently in the process of evaluating the impact of ASU 2014-09 on its consolidated financial statements.

Proposed Amendments to Current Accounting Standards

The FASB is currently working on amendments to existing accounting standards governing a number of areas including, but not limited to, accounting for leases. In May 2013, the FASB issued an exposure draft, "Leases" (the "Exposure Draft"), which would replace the existing guidance in ASC Topic 840, "Leases." Under the Exposure Draft, among other changes in practice, a lessee's rights and obligations under most leases, including existing and new arrangements, would be recognized as assets and liabilities on the balance sheet. The comment period for the Exposure Draft ended in September 2013, and the FASB has now substantially completed its redeliberations on certain portions of the proposal. If and when effective, this proposed standard will likely have a significant impact on the Company's consolidated financial statements. However, as the standard-setting process is still ongoing, the Company is currently unable to determine the impact that this proposed change in accounting would have on its consolidated financial statements.

5. Inventories

Inventories consist of the following:

	June 27, 2015	March 28, 2015	June 28, 2014
		(millions)	
Raw materials	$ 3	$ 3	$ 3
Work-in-process	1	2	2
Finished goods	1,266	1,037	1,175
Total inventories	$ 1,270	$ 1,042	$ 1,180

6. Property and Equipment

Property and equipment, net consists of the following:

	June 27, 2015	March 28, 2015
	(millions)	
Land and improvements	$ 17	$ 17
Buildings and improvements	408	409
Furniture and fixtures	690	686
Machinery and equipment	320	317
Capitalized software	422	402
Leasehold improvements	1,208	1,185
Construction in progress	103	99
	3,168	3,115
Less: accumulated depreciation	(1,749)	(1,679)
Property and equipment, net	$ 1,419	$ 1,436

7. Other Assets and Liabilities

Prepaid expenses and other current assets consist of the following:

	June 27, 2015	March 28, 2015
	(millions)	
Other taxes receivable	$ 94	$ 93
Derivative financial instruments	43	65
Prepaid rent expense	35	31
Prepaid samples	14	12
Tenant allowances receivable	13	14
Prepaid advertising and marketing	12	7
Restricted cash	7	2
Other prepaid expenses and current assets	60	57
Total prepaid expenses and other current assets	$ 278	$ 281

Other non-current assets consist of the following:

	June 27, 2015	March 28, 2015
	(millions)	
Restricted cash	$ 33	$ 36
Security deposits	31	28
Derivative financial instruments	29	22
Other non-current assets	41	45
Total other non-current assets	$ 134	$ 131

Accrued expenses and other current liabilities consist of the following:

	June 27, 2015	March 28, 2015
	(millions)	
Accrued inventory	$ 205	$ 75
Accrued operating expenses	194	183
Other taxes payable	119	108
Accrued payroll and benefits	111	162
Accrued capital expenditures	52	62
Dividends payable	43	43
Deferred income	41	38
Restructuring reserve	34	5
Capital lease obligations	19	19
Other accrued expenses and current liabilities	14	20
Total accrued expenses and other current liabilities	$ 832	$ 715

Other non-current liabilities consist of the following:

	June 27, 2015	March 28, 2015
	(millions)	
Deferred rent obligations	$ 238	$ 219
Capital lease obligations	222	238
Deferred tax liabilities	87	87
Derivative financial instruments	17	1
Deferred income	15	20
Deferred compensation	9	9
Other non-current liabilities	45	41
Total other non-current liabilities	$ 633	$ 615

8. Impairment of Assets

During the three months ended June 27, 2015, the Company recorded non-cash impairment charges of $8 million, primarily to write off certain fixed assets related to its domestic and international stores and shop-within-shops in connection with the Global Reorganization Plan (see Note 9).

During the three months ended June 28, 2014, the Company recorded non-cash impairment charges of $1 million, primarily to write off certain fixed assets related to its European operations.

9. Restructuring Charges

A description of significant restructuring activities and related costs is included below.

Fiscal 2016

Global Reorganization Plan

On May 12, 2015, the Company's Board of Directors approved a reorganization and restructuring plan comprised of the following major actions: (i) the reorganization of the Company from its current channel and regional structure to an integrated global brand-based operating structure, which will streamline the Company's business processes to better align its cost structure with its long-term growth strategy; (ii) a strategic store and shop-within-shop performance review conducted by region and brand; (iii) a targeted corporate functional area review; and (iv) the consolidation of certain of the Company's luxury lines (collectively, the "Global Reorganization Plan"). The Global Reorganization Plan will result in a reduction in workforce and, once a performance review is complete, the closure of certain stores and shop-within-shops. The Global Reorganization Plan is expected to be substantially implemented by the end of Fiscal 2016.

The Company expects to incur total estimated charges of $70 million to $100 million in connection with the Global Reorganization Plan, comprised of restructuring charges totaling $55 million to $80 million, to be settled in cash, and non-cash charges totaling $15 million to $20 million. The Company anticipates that these restructuring and non-cash charges will be incurred over the course of Fiscal 2016, primarily during the first half of the year.

A summary of the restructuring and non-cash charges recorded in connection with the Global Reorganization Plan is as follows:

	Three Months Ended June 27, 2015
	(millions)
Restructuring charges:	
Severance and benefit costs	$ 32
Lease termination and store closure costs	1
Other cash charges	1
Total restructuring charges	34
Non-cash charges:	
Impairment of assets[a]	8
Inventory-related charges[b]	3
Total non-cash charges	11
Total restructuring and non-cash charges	$ 45

[a] See Note 8 for additional information.

[b] Inventory-related charges are recorded within cost of goods sold in the unaudited interim consolidated statements of income.

A summary of the activity in the restructuring reserve related to the Global Reorganization Plan is as follows:

	Severance and Benefit Costs	Lease Termination and Store Closure Costs	Other Costs	Total
		(millions)		
Balance at March 28, 2015	$ —	$ —	$ —	$ —
Additions charged to expense	32	1	1	34
Cash payments charged against reserve	(3)	—	—	(3)
Balance at June 27, 2015	$ 29	$ 1	$ 1	$ 31

Fiscal 2015

During Fiscal 2015, the Company recorded restructuring charges of $10 million, $4 million of which were recorded during the three months ended June 28, 2014. These charges were primarily related to severance and benefit costs associated with certain of its retail, wholesale, and corporate operations. At March 28, 2015, the restructuring reserve related to these charges was $5 million, which was reduced by payments to $3 million at June 27, 2015.

10. Income Taxes

Effective Tax Rate

The Company's effective tax rate, which is calculated by dividing each fiscal period's provision for income taxes by pretax income, was 29.0% and 31.1% during the three-month periods ended June 27, 2015 and June 28, 2014, respectively. The effective tax rates in both periods were lower than the U.S. federal statutory income tax rate of 35% principally as a result of the proportion of earnings generated in lower taxed foreign jurisdictions versus the U.S. In addition, the effective tax rate for the three months ended June 27, 2015 was favorably impacted by the reversal of certain tax reserves due to the expiration of statutes of limitations, partially offset by additional tax reserves largely associated with the conclusion of a tax examination.

Uncertain Income Tax Benefits

The Company classifies interest and penalties related to unrecognized tax benefits as part of its provision for income taxes. The total amount of unrecognized tax benefits, including interest and penalties, was $102 million and $116 million as of June 27, 2015 and March 28, 2015, respectively, and is included within non-current liability for unrecognized tax benefits in the consolidated balance sheets. The reduction in unrecognized tax benefits, including interest and penalties, primarily related to the reversal of $9 million of tax reserves due to the expiration of statutes of limitations and tax audit settlements of $8 million, partially offset by additional tax reserves associated with the conclusion of a tax examination.

The total amount of unrecognized tax benefits that, if recognized, would affect the Company's effective tax rate was $75 million and $85 million as of June 27, 2015 and March 28, 2015, respectively.

Future Changes in Unrecognized Tax Benefits

The total amount of unrecognized tax benefits relating to the Company's tax positions is subject to change based on future events including, but not limited to, settlements of ongoing tax audits and assessments and the expiration of applicable statutes of limitations. Although the outcomes and timing of such events are highly uncertain, the Company does not anticipate that the balance of gross unrecognized tax benefits, excluding interest and penalties, will change significantly during the next twelve months. However, changes in the occurrence, expected outcomes, and timing of such events could cause the Company's current estimate to change materially in the future.

The Company files a consolidated U.S. federal income tax return, as well as tax returns in various state, local, and foreign jurisdictions. The Company is generally no longer subject to examinations by the relevant tax authorities for years prior to its fiscal year ended March 31, 2007.

11. Debt

Debt consists of the following:

	June 27, 2015	March 28, 2015
	(millions)	
$300 million 2.125% Senior Notes[a]	$ 297	$ 298
Commercial paper notes	155	234
Total debt	452	532
Less: short-term debt	155	234
Total long-term debt	$ 297	$ 298

(a) During the first quarter of Fiscal 2016, the Company entered into an interest rate swap contract which it designated as a hedge against changes in the fair value of its fixed-rate Senior Notes (see Note 13). Accordingly, the carrying value of the Senior Notes as of June 27, 2015 reflects an adjustment of $2 million for the change in fair value attributable to the benchmark interest rate. The carrying value of the Senior Notes is also net of unamortized debt issuance costs of $1 million and $2 million as of June 27, 2015 and March 28, 2015, respectively.

Senior Notes

In September 2013, the Company completed a registered public debt offering and issued $300 million aggregate principal amount of unsecured senior notes due September 26, 2018 (the "Senior Notes") at a price equal to 99.896% of their principal amount. The Senior Notes bear interest at a fixed rate of 2.125%, payable semi-annually. The proceeds from this offering were used for general corporate purposes, including repayment of the Company's previously outstanding €209 million principal amount of 4.5% Euro-denominated notes, which matured on October 4, 2013.

The Company has the option to redeem the Senior Notes, in whole or in part, at any time at a price equal to accrued interest on the redemption date, plus the greater of (i) 100% of the principal amount of Senior Notes to be redeemed or (ii) the sum of the present value of Remaining Scheduled Payments, as defined in the indenture governing the Senior Notes (the "Indenture"). The Indenture contains certain covenants that restrict the Company's ability, subject to specified exceptions, to incur certain liens; enter into sale and leaseback transactions; consolidate or merge with another party; or sell, lease, or convey all or substantially all of the Company's property or assets to another party. However, the Indenture does not contain any financial covenants.

Commercial Paper

In May 2014, the Company initiated a commercial paper borrowing program (the "Commercial Paper Program") that allowed it to issue up to $300 million of unsecured commercial paper notes through private placement using third-party broker-dealers. In May 2015, the Company initiated an expansion of its Commercial Paper Program to allow for a total issuance of up to $500 million of unsecured commercial paper notes.

Borrowings under the Commercial Paper Program are supported by the Global Credit Facility, as defined below, and may be used to support the Company's general working capital and corporate needs. Maturities of commercial paper notes vary, but cannot exceed 397 days from the date of issuance. Commercial paper notes issued under the Commercial Paper Program rank equally with the Company's other forms of unsecured indebtedness. As of June 27, 2015, the Company had $155 million in borrowings outstanding under its Commercial Paper Program, with a weighted-average annual interest rate of 0.30% and a weighted-average remaining term of 21 days.

Revolving Credit Facilities

Global Credit Facility

In February 2015, the Company entered into an amended and restated credit facility that provides for a $500 million senior unsecured revolving line of credit through February 11, 2020 (the "Global Credit Facility") under terms and conditions substantially similar to those previously in effect. The Global Credit Facility is also used to support the issuance of letters of credit and the maintenance of the Commercial Paper Program. Borrowings under the Global Credit Facility may be denominated in U.S. Dollars and other currencies, including Euros, Hong Kong Dollars, and Japanese Yen. The Company has the ability to expand its borrowing availability under the Global Credit Facility to $750 million, subject to the agreement of one or more new or existing lenders under the facility to increase their commitments. There are no mandatory reductions in borrowing ability throughout the term of the Global Credit Facility. As of June 27, 2015, there were no borrowings outstanding under the Global Credit Facility and the Company was contingently liable for $9 million of outstanding letters of credit.

The Global Credit Facility contains a number of covenants that, among other things, restrict the Company's ability, subject to specified exceptions, to incur additional debt; incur liens; sell or dispose of assets; merge with or acquire other companies; liquidate or dissolve itself; engage in businesses that are not in a related line of business; make loans, advances, or guarantees; engage in transactions with affiliates; and make certain investments. The Global Credit Facility also requires the Company to maintain a maximum ratio of Adjusted Debt to Consolidated EBITDAR (the "leverage ratio") of no greater than 3.75 as of the date of measurement for the four most recent consecutive fiscal quarters. Adjusted Debt is defined generally as consolidated debt outstanding plus eight times consolidated rent expense for the last four consecutive fiscal quarters. Consolidated EBITDAR is defined generally as consolidated net income plus (i) income tax expense, (ii) net interest expense, (iii) depreciation and amortization expense, and (iv) consolidated rent expense. As of June 27, 2015, no Event of Default (as such term is defined pursuant to the Global Credit Facility) has occurred under the Company's Global Credit Facility.

Domestic Credit Facility

In August 2014, the Company entered into an uncommitted credit facility (the "Domestic Credit Facility") with Santander Bank, N.A. ("Santander"), which provides for a revolving line of credit up to $100 million through August 19, 2015. Borrowings under the Domestic Credit Facility are granted at the sole discretion of Santander, subject to availability of its funds, and bear interest at a rate equal to the London Interbank Offered Rate plus a spread determined by Santander at the time of borrowing. The Domestic Credit Facility does not contain any financial covenants. As of June 27, 2015, there were no borrowings outstanding under the Domestic Credit Facility.

Pan-Asia Credit Facilities

Certain of the Company's subsidiaries in Asia have uncommitted credit facilities with regional branches of JPMorgan Chase (the "Banks") in China, Malaysia, South Korea, and Taiwan (the "Pan-Asia Credit Facilities"). These credit facilities are subject to annual renewal and may be used to fund general working capital and corporate needs of the Company's operations in the respective countries. Borrowings under the Pan-Asia Credit Facilities are guaranteed by the parent company and are granted at the sole discretion of the Banks, subject to availability of the Banks' funds and satisfaction of certain regulatory requirements. The Pan-Asia Credit Facilities do not contain any financial covenants. The Company's Pan-Asia Credit Facilities by country are as follows:

- China Credit Facility — provides Ralph Lauren Trading (Shanghai) Co., Ltd. with a revolving line of credit of up to 100 million Chinese Renminbi (approximately $16 million) through April 7, 2016, and may also be used to support bank guarantees. As of June 27, 2015, bank guarantees supported by this facility were not material.

- Malaysia Credit Facility — provides Ralph Lauren (Malaysia) Sdn Bhd with a revolving line of credit of up to 16 million Malaysian Ringgit (approximately $4 million) through September 30, 2015.

- South Korea Credit Facility — provides Ralph Lauren (Korea) Ltd. with a revolving line of credit of up to 11 billion South Korean Won (approximately $10 million) through October 31, 2015.

- Taiwan Credit Facility — provides Ralph Lauren (Hong Kong) Retail Company Ltd., Taiwan Branch with a revolving line of credit of up to 59 million New Taiwan Dollars (approximately $2 million) through October 15, 2015.

As of June 27, 2015, there were no borrowings outstanding under any of the Pan-Asia Credit Facilities.

Refer to Note 14 of the Fiscal 2015 10-K for additional disclosure of the terms and conditions of the Company's debt and credit facilities.

12. Fair Value Measurements

U.S. GAAP establishes a three-level valuation hierarchy for disclosure of fair value measurements. The determination of the applicable level within the hierarchy for a particular asset or liability depends on the inputs used in its valuation as of the measurement date, notably the extent to which the inputs are market-based (observable) or internally-derived (unobservable). A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows:

- Level 1 — inputs to the valuation methodology based on quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 — inputs to the valuation methodology based on quoted prices for similar assets and liabilities in active markets for substantially the full term of the financial instrument; quoted prices for identical or similar instruments in markets that are not active for substantially the full term of the financial instrument; and model-derived valuations whose inputs or significant value drivers are observable.
- Level 3 — inputs to the valuation methodology based on unobservable prices or valuation techniques that are significant to the fair value measurement.

The following table summarizes the Company's financial assets and liabilities that are measured and recorded at fair value on a recurring basis, excluding accrued interest components:

	June 27, 2015	March 28, 2015
	(millions)	
Financial assets recorded at fair value:		
Corporate bonds — non-U.S.[(a)]	$ 8	$ 8
Derivative financial instruments[(b)]	72	87
Total	$ 80	$ 95
Financial liabilities recorded at fair value:		
Derivative financial instruments[(b)]	$ 28	$ 19
Total	$ 28	$ 19

(a) Based on Level 1 measurements.

(b) Based on Level 2 measurements.

To the extent the Company invests in bonds, such investments are classified as available-for-sale and recorded at fair value in its consolidated balance sheets based upon quoted prices in active markets.

The Company's derivative financial instruments are recorded at fair value in its consolidated balance sheets and are valued using pricing models that are primarily based on market observable external inputs, including spot and forward currency exchange rates, benchmark interest rates, and discount rates consistent with the instrument's tenor, and consider the impact of the Company's own credit risk, if any. Changes in counterparty credit risk are also considered in the valuation of derivative financial instruments.

The Company's cash and cash equivalents, restricted cash, and time deposits are recorded at carrying value, which approximates fair value based on Level 1 measurements.

The Company's debt instruments are recorded at their carrying values in its consolidated balance sheets, which may differ from their respective fair values. The fair value of the Senior Notes is estimated based on external pricing data, including available quoted market prices, and with reference to comparable debt instruments with similar interest rates, credit ratings, and trading frequency, among other factors. The fair value of the Company's commercial paper notes is estimated using external pricing data, based on interest rates and credit ratings for similar issuances with the same remaining term as the Company's outstanding borrowings. Due to their short-term nature, the fair value of commercial paper notes outstanding at June 27, 2015 approximates their carrying value.

The following table summarizes the carrying values and the estimated fair values of the Company's debt instruments:

	June 27, 2015		March 28, 2015	
	Carrying Value	Fair Value[a]	Carrying Value	Fair Value[a]
	(millions)			
$300 million 2.125% Senior Notes	$ 297 [b]	$ 303	$ 298 [b]	$ 304
Commercial paper notes	155	155	234	234

(a) Based on Level 2 measurements.

(b) See Note 11 for discussion of the carrying value of the Senior Notes as of June 27, 2015 and March 28, 2015.

Unrealized gains or losses resulting from changes in the fair value of the Company's debt do not result in the realization or expenditure of cash, unless the debt is retired prior to its maturity.

Non-financial Assets and Liabilities

The Company's non-financial assets, which primarily consist of goodwill, other intangible assets, and property and equipment, are not required to be measured at fair value on a recurring basis and are reported at carrying value. However, on a periodic basis or whenever events or changes in circumstances indicate that their carrying value may not be fully recoverable (and at least annually for goodwill and indefinite-lived intangible assets), non-financial instruments are assessed for impairment and, if applicable, written down to and recorded at fair value, considering external market participant assumptions.

During the three-month periods ended June 27, 2015 and June 28, 2014, the Company recorded non-cash impairment charges to reduce the carrying values of certain long-lived store and shop-within-shop assets to their fair values. The fair values of these assets were determined based on Level 3 measurements. Inputs to these fair value measurements included estimates of the amount and timing of the stores' or shop-within-shops' net future discounted cash flows based on historical experience, current trends, and market conditions.

The following table summarizes the impairment charges recorded during the three-month periods ended June 27, 2015 and June 28, 2014:

	Three Months Ended	
	June 27, 2015	June 28, 2014
	(millions)	
Aggregate carrying value of long-lived assets written down to fair value	$ 8	$ 1
Impairment charges (see Note 8)	(8)	(1)

No goodwill impairment charges were recorded during either of the three-month periods ended June 27, 2015 or June 28, 2014.

13. Financial Instruments

Derivative Financial Instruments

The Company is exposed to changes in foreign currency exchange rates, primarily relating to certain anticipated cash flows and the value of reported net assets of its international operations, as well as changes in the fair value of its fixed-rate debt attributed to changes in the benchmark interest rate. Consequently, the Company uses derivative financial instruments to manage and mitigate such risks. The Company does not enter into derivative transactions for speculative or trading purposes.

The following table summarizes the Company's outstanding derivative instruments on a gross basis as recorded in its consolidated balance sheets as of June 27, 2015 and March 28, 2015:

	Notional Amounts		Derivative Assets				Derivative Liabilities			
Derivative Instrument[a]	June 27, 2015	March 28, 2015	June 27, 2015		March 28, 2015		June 27, 2015		March 28, 2015	
			Balance Sheet Line[b]	Fair Value	Balance Sheet Line[b]	Fair Value	Balance Sheet Line[b]	Fair Value	Balance Sheet Line[b]	Fair Value
	(millions)									
Designated Hedges:										
FC — Inventory purchases	$ 578	$ 587	[c]	$ 36	PP	$ 49	AE	$ 8	AE	$ 9
FC — Other[d]	101	118	PP	5	PP	5	—	—	AE	1
IRS — Senior Notes	300	—	—	—	—	—	ONCL	2	—	—
CCS — NI	313	—	—	—	—	—	ONCL	12	—	—
Total Designated Hedges	$ 1,292	$ 705		$ 41		$ 54		$ 22		$ 10
Undesignated Hedges:										
FC — Other[e]	$ 546	$ 464	[f]	$ 31	[g]	$ 33	[h]	$ 6	[i]	$ 9
Total Hedges	$ 1,838	$ 1,169		$ 72		$ 87		$ 28		$ 19

[a] FC = Forward foreign currency exchange contracts; IRS = Interest rate swap contract; Senior Notes = $300 million 2.125% senior notes; CCS = Cross-currency swap contract; NI = Net investment hedge.

[b] PP = Prepaid expenses and other current assets; AE = Accrued expenses and other current liabilities; ONCL = Other non-current liabilities.

[c] $35 million included within prepaid expenses and other current assets and $1 million included within other non-current assets.

[d] Primarily includes designated hedges of foreign currency-denominated intercompany royalty payments and other operational exposures.

[e] Primarily includes undesignated hedges of foreign currency-denominated intercompany loans.

[f] $3 million included within prepaid expenses and other current assets and $28 million included within other non-current assets.

[g] $11 million included within prepaid expenses and other current assets and $22 million included within other non-current assets.

[h] $3 million included within accrued expenses and other current liabilities and $3 million included within other non-current liabilities.

[i] $8 million included within accrued expenses and other current liabilities and $1 million included within other non-current liabilities.

The Company records and presents the fair values of all of its derivative assets and liabilities in its consolidated balance sheets on a gross basis, even though they are subject to master netting arrangements. However, if the Company were to offset and record the asset and liability balances of all of its derivative instruments on a net basis in accordance with the terms of each of its master netting arrangements, spread across eight separate counterparties, the amounts presented in the consolidated balance sheets as of June 27, 2015 and March 28, 2015 would be adjusted from the current gross presentation as detailed in the following table:

	June 27, 2015			March 28, 2015		
Derivative Instrument	Gross Amounts Presented in the Balance Sheet	Gross Amounts Not Offset in the Balance Sheet that are Subject to Master Netting Agreements	Net Amount	Gross Amounts Presented in the Balance Sheet	Gross Amounts Not Offset in the Balance Sheet that are Subject to Master Netting Agreements	Net Amount
	(millions)					
Derivative assets	$ 72	$ (24)	$ 48	$ 87	$ (14)	$ 73
Derivative liabilities	$ 28	$ (24)	$ 4	$ 19	$ (14)	$ 5

The Company's master netting arrangements do not require cash collateral to be pledged by the Company or its counterparties. Refer to Note 3 for further discussion of the Company's master netting arrangements.

The following table summarizes the pretax impact of the effective portion of gains and losses from the Company's designated derivative instruments on its unaudited interim consolidated financial statements for the three-month periods ended June 27, 2015 and June 28, 2014:

	Gains (Losses) Recognized in OCI		Gains (Losses) Reclassified from AOCI to Earnings		
	Three Months Ended		Three Months Ended		
Derivative Instrument	June 27, 2015	June 28, 2014	June 27, 2015	June 28, 2014	Location of Gains (Losses) Reclassified from AOCI to Earnings
	(millions)				
Designated Cash Flow Hedges:					
FC — Inventory purchases	$ (2)	$ 1	$ 7	$ (1)	Cost of goods sold
FC — Other	1	(2)	—	(2)	Foreign currency gains (losses)
	$ (1)	$ (1)	$ 7	$ (3)	
Designated Hedge of Net Investment:					
CCS	$ (12)	$ —	$ —	$ —	[(a)]
Total Designated Hedges	$ (13)	$ (1)	$ 7	$ (3)	

(a) Amounts are to be recognized in earnings only upon the sale or liquidation of the hedged net investment.

As of June 27, 2015, it is expected that approximately $37 million of net gains deferred in AOCI related to derivative instruments will be recognized in earnings over the next twelve months. No material gains or losses relating to ineffective cash flow hedges were recognized during any of the fiscal periods presented.

The following table summarizes the pretax impact of gains and losses from the Company's undesignated derivative instruments on its unaudited interim consolidated financial statements for the three-month periods ended June 27, 2015 and June 28, 2014:

Derivative Instrument	Gains (Losses) Recognized in Earnings — Three Months Ended June 27, 2015	Gains (Losses) Recognized in Earnings — Three Months Ended June 28, 2014	Location of Gains (Losses) Recognized in Earnings
	(millions)		
Undesignated Hedges:			
FC — Other	$ 4	$ (2)	Foreign currency gains (losses)
Total Undesignated Hedges	$ 4	$ (2)	

Risk Management Strategies

Forward Foreign Currency Exchange Contracts

The Company primarily enters into forward foreign currency exchange contracts to reduce its risk related to exchange rate fluctuations on inventory transactions made in an entity's non-functional currency, intercompany royalty payments made by certain of its international operations, intercompany contributions made to fund certain marketing efforts of its international operations, and other foreign currency-denominated operational and intercompany cash flows. As part of its overall strategy to manage the level of exposure to the risk of foreign currency exchange rate fluctuations, primarily to changes in the value of the Euro, the Japanese Yen, the South Korean Won, the Australian Dollar, the Canadian Dollar, the British Pound Sterling, and the Hong Kong Dollar, the Company hedges a portion of its foreign currency exposures anticipated over a two-year period. In doing so, the Company uses forward foreign currency exchange contracts that generally have maturities of two months to two years to provide continuing coverage throughout the hedging period.

Interest Rate Swap Contract

During the first quarter of Fiscal 2016, the Company entered into a pay-floating rate, receive-fixed rate interest rate swap contract which it designated as a hedge against changes in the fair value of its fixed-rate Senior Notes attributed to changes in the benchmark interest rate (the "Interest Rate Swap"). The Interest Rate Swap, which matures on September 26, 2018, has a notional amount of $300 million and swaps the 2.125% fixed interest rate on the Company's Senior Notes for a variable interest rate based on the 3-month London Interbank Offered Rate ("LIBOR") plus a fixed spread. Changes in the fair value of the Interest Rate Swap were offset by changes in the fair value of the Senior Notes, with no resulting ineffectiveness recognized in earnings during the three months ended June 27, 2015.

Cross-Currency Swap Contract

During the first quarter of Fiscal 2016, the Company entered into a €280 million notional amount pay-floating rate, receive-floating rate cross-currency swap contract which it designated as a hedge of its net investment in certain of its European subsidiaries (the "Cross-Currency Swap"). The Cross-Currency Swap, which matures on September 26, 2018, swaps the USD-based variable interest rate payment based on the 3-month LIBOR plus a fixed spread (as paid under the Interest Rate Swap described above) for a Euro-based variable interest rate payment based on the 3-month Euro Interbank Offered Rate plus a fixed spread. As a result, the Cross-Currency Swap, in conjunction with the Interest Rate Swap, economically converts the Company's $300 million fixed-rate Senior Notes to a €280 million floating-rate Euro-denominated liability. No material gains or losses related to the ineffective portion, or the amount excluded from effectiveness testing, were recognized in earnings during the three months ended June 27, 2015.

See Note 3 for further discussion of the Company's accounting policies relating to its derivative financial instruments.

Investments

As of June 27, 2015, the Company's short-term and non-current investments consisted of $661 million of time deposits and $8 million of non-U.S. corporate bonds, respectively. As of March 28, 2015, the Company's short-term and non-current investments consisted of $644 million of time deposits and $8 million of non-U.S. corporate bonds, respectively.

No significant realized or unrealized gains or losses on available-for-sale investments or other-than-temporary impairment charges were recorded during either of the three-month periods ended June 27, 2015 and June 28, 2014.

See Note 3 to the Fiscal 2015 10-K for further discussion of the Company's accounting policies relating to its investments.

14. Commitments and Contingencies

Customs Audit

In September 2014, one of the Company's international subsidiaries received a pre-assessment notice from the relevant customs officials concerning the method used to determine the dutiable value of imported inventory. The notice communicated the customs officials' assertion that the Company should have applied an alternative duty method, which could result in up to approximately $46 million in incremental duty and non-creditable value-added tax, including approximately $11 million in interest and penalties. The Company believes that the alternative duty method claimed by the customs officials is not applicable to the Company's facts and circumstances and is vigorously contesting their asserted methodology.

In October 2014, the Company filed an appeal of the pre-assessment notice in accordance with the standard procedures established by the relevant customs authorities. In response to the filing of the Company's appeal of the pre-assessment notice, the review committee instructed the customs officials to reconsider their assertion of the alternative duty method and conduct a re-audit to evaluate the facts and circumstances noted in the pre-assessment notice. As a result, the pre-assessment notice has been retracted by the customs authorities and the Company believes the re-audit will result in the realization of the prior customs officials' claims not being meritorious and that the Company will ultimately prevail. Management does not expect that the ultimate resolution of this matter will have a material adverse effect on the Company’s consolidated financial statements.

Litigation

Wathne Imports Litigation

On September 13, 2005, Wathne Imports, Ltd. ("Wathne"), the Company's former domestic licensee for luggage and handbags, filed suit against the Company in the Supreme Court of the State of New York, County of New York, alleging, among other things, that the Company had breached a 1999 License Agreement and Design Services Agreement with Wathne and had engaged in deceptive trade practices, fraud, and negligent misrepresentation. The complaint originally sought, among other things, injunctive relief, compensatory damages in excess of $250 million, and punitive damages in excess of $750 million. Following a motion to dismiss, a motion for summary judgment, and several appeals, only two claims remained against the Company, both related to an alleged breach of the License Agreement: (i) whether the Company discontinued the "Polo Sport" trademark on handbags and luggage without providing a replacement mark; and (ii) whether the Company usurped Wathne's right to manufacture and sell certain high-end handbags under the "Ralph Lauren" trademark. Wathne sought damages of up to approximately $100 million, plus interest, for these remaining claims. The Court recently granted the Company's motion to strike Wathne's jury demand, and that decision was affirmed on appeal. A bench trial began on July 29, 2015, and the remaining claims were subsequently settled on August 5, 2015. The settlement of this matter did not have a material adverse effect on the Company's consolidated financial statements.

Other Matters

The Company is otherwise involved, from time to time, in litigation, other legal claims, and proceedings involving matters associated with or incidental to its business, including, among other things, matters involving credit card fraud, trademark and other intellectual property, licensing, importation and exportation of its products, taxation, unclaimed property, and employee relations. The Company believes at present that the resolution of currently pending matters, other than those separately discussed above, will not individually or in the aggregate have a material adverse effect on its consolidated financial statements. However, the Company's assessment of the current litigation or other legal claims could potentially change in light of the discovery of facts not presently known or determinations by judges, juries, or other finders of fact which are not in accord with management's evaluation of the possible liability or outcome of such litigation or claims.

In the normal course of business, the Company enters into agreements that provide general indemnifications. The Company has not made any significant indemnification payments under such agreements in the past, and does not currently anticipate incurring any material indemnification payments.

15. Equity

Summary of Changes in Equity

A reconciliation of the beginning and ending amounts of equity is presented below:

	Three Months Ended	
	June 27, 2015	June 28, 2014
	(millions)	
Balance at beginning of period	$ 3,891	$ 4,034
Comprehensive income	75	161
Dividends declared	(43)	(39)
Repurchases of common stock, including shares surrendered for tax withholdings	(169)	(211)
Stock-based compensation	32	23
Shares issued and tax benefits recognized pursuant to stock-based compensation arrangements	21	18
Conversion of stock-based compensation awards	—	(14)
Balance at end of period	$ 3,807	$ 3,972

Common Stock Repurchase Program

A summary of the Company's repurchases of Class A common stock under its common stock repurchase program is presented below:

	Three Months Ended	
	June 27, 2015	June 28, 2014
	(millions)	
Cost of shares repurchased	$ 150	$ 180
Number of shares repurchased	1.1	1.2

As of June 27, 2015, the remaining availability under the Company's Class A common stock repurchase program was approximately $430 million, reflecting the May 12, 2015 approval by the Company's Board of Directors to expand the program by up to an additional $500 million of Class A common stock repurchases. Repurchases of shares of Class A common stock are subject to overall business and market conditions.

In addition, during each of the three-month periods ended June 27, 2015 and June 28, 2014, 0.2 million shares of Class A common stock, at a cost of $19 million and $31 million, respectively, were surrendered to, or withheld by, the Company in satisfaction of withholding taxes in connection with the vesting of awards under the Company's 1997 Long-Term Stock Incentive Plan, as amended (the "1997 Incentive Plan"), and its Amended and Restated 2010 Long-Term Stock Incentive Plan (the "2010 Incentive Plan").

Repurchased and surrendered shares are accounted for as treasury stock at cost and held in treasury for future use.

Dividends

Since 2003, the Company has maintained a regular quarterly cash dividend program on its common stock. On February 3, 2015, the Company's Board of Directors approved an increase to the Company's quarterly cash dividend on its common stock from $0.45 per share to $0.50 per share. The first quarter Fiscal 2016 dividend of $0.50 per share was declared on June 11, 2015, was payable to stockholders of record at the close of business on June 26, 2015, and was paid on July 10, 2015. Dividends paid amounted to $43 million and $40 million during the three-month periods ended June 27, 2015 and June 28, 2014, respectively.

Conversion of Stock-based Compensation Awards

During the three months ended June 28, 2014, the Company converted certain fully-vested and expensed stock-based compensation awards to a cash contribution into a deferred compensation account. The Company recorded the excess of these awards' then current redemption value over their original grant-date fair value to retained earnings, with a corresponding increase to other non-current liabilities in the consolidated balance sheet.

16. Accumulated Other Comprehensive Income

The following table presents the components of other comprehensive income (loss), net of tax, accumulated in equity:

	Foreign Currency Translation Gains (Losses)[a]	Net Unrealized Gains (Losses) on Cash Flow Hedges	Net Unrealized Losses on Defined Benefit Plans	Total Accumulated Other Comprehensive Income (Loss)
		(millions)		
Balance at March 29, 2014	$ 125	$ (4)	$ (7)	$ 114
Other comprehensive income (loss), net of tax:				
OCI before reclassifications[b]	(3)	—	—	(3)
Amounts reclassified from AOCI to earnings	—	2	—	2
Other comprehensive income (loss), net of tax	(3)	2	—	(1)
Balance at June 28, 2014	$ 122	$ (2)	$ (7)	$ 113
Balance at March 28, 2015	$ (193)	$ 43	$ (15)	$ (165)
Other comprehensive income (loss), net of tax:				
OCI before reclassifications[b]	19	(1)	—	18
Amounts reclassified from AOCI to earnings	—	(7)	—	(7)
Other comprehensive income (loss), net of tax	19	(8)	—	11
Balance at June 27, 2015	$ (174)	$ 35	$ (15)	$ (154)

(a) Includes losses of $7 million (net of a $5 million income tax benefit) during the three months ended June 27, 2015 related to the effective portion of changes in the fair value of the Cross-Currency Swap designated as a hedge of the Company's net investment in certain of its European subsidiaries (see Note 13).

(b) Amounts are presented net of taxes. Foreign currency translation gains (losses) reflect a $4 million income tax benefit for the three months ended June 27, 2015. The tax effects relating to all other components of OCI before reclassification are immaterial for the periods presented.

The following table presents reclassifications from AOCI to earnings for cash flow hedges, by component:

	Three Months Ended		
	June 27, 2015	June 28, 2014	Location of Gains (Losses) Reclassified from AOCI to Earnings
	(millions)		
Gains (losses) on cash flow hedges[a]:			
FC — Inventory purchases	$ 7	$ (1)	Cost of goods sold
FC — Other	—	(2)	Foreign currency gains (losses)
Tax effect	—	1	Provision for income taxes
Net of tax	$ 7	$ (2)	

(a) FC = Forward foreign currency exchange contracts.

17. Stock-based Compensation

The Company's stock-based compensation awards are currently issued under the 2010 Incentive Plan, which was approved by its stockholders on August 5, 2010. However, any prior awards granted under the 1997 Incentive Plan remain subject to the terms of that plan. Any awards that expire, are forfeited, or are surrendered to the Company in satisfaction of taxes are available for issuance under the 2010 Incentive Plan.

Stock-based compensation awards that may be issued under the 2010 Incentive Plan include, but are not limited to, (i) stock options, (ii) restricted stock, and (iii) RSUs. In recent years, the Company's annual grants of stock-based compensation awards to its employees primarily consisted of stock options and RSUs. However, in Fiscal 2016, the annual grants consisted entirely of RSUs, as the Company elected to issue service-based RSUs in lieu of stock options. Additionally, new vesting provisions for certain awards granted to retirement-eligible employees were introduced. Specifically, beginning in Fiscal 2016, for certain service-based and performance-based RSUs granted to retirement-eligible employees, or employees who will become retirement-eligible prior to the end of the awards' respective stated vesting periods, vesting continues post-retirement for all or a portion of the remaining unvested RSUs. Accordingly, the related stock-based compensation expense is recognized on an accelerated basis over a term commensurate with the period that the employee is required to provide service in order to vest in the award.

Refer to Note 20 in the Fiscal 2015 10-K for additional details surrounding the Company's stock-based compensation awards, including information related to vesting terms, service and performance conditions, and payout percentages.

Impact on Results

A summary of total stock-based compensation expense recorded within SG&A expenses and the related income tax benefits recognized during the three-month periods ended June 27, 2015 and June 28, 2014 is as follows:

	Three Months Ended	
	June 27, 2015	June 28, 2014
	(millions)	
Compensation expense	$ 32	$ 23
Income tax benefit	$ (12)	$ (8)

The Company issues its annual grants of stock-based compensation awards in the first half of each fiscal year. Due to the timing of the annual grants and other factors, including the composition of the retirement-eligible employee population, stock-based compensation expense recognized during the three-month period ended June 27, 2015 is not indicative of the level of compensation expense expected to be incurred for the full Fiscal 2016.

Stock Options

A summary of stock option activity under all plans for the three months ended June 27, 2015 is as follows:

	Number of Options
	(thousands)
Options outstanding at March 28, 2015	3,225
Granted	—
Exercised	(306)
Cancelled/Forfeited	(55)
Options outstanding at June 27, 2015	2,864

Restricted Stock Awards and Service-based RSUs

The fair values of restricted stock awards granted to non-employee directors are determined based on the fair value of the Company's Class A common stock on the date of grant. The weighted-average grant date fair values of restricted stock awards granted, which entitle holders to receive cash dividends in connection with the payments of dividends on the Company's Class A common stock, were $131.40 and $162.36 per share during the three-month periods ended June 27, 2015 and June 28, 2014, respectively.

The fair values of service-based RSUs granted to certain of the Company's senior executives, as well as to certain of its other employees, are based on the fair value of the Company's Class A common stock on the date of grant, adjusted to reflect the absence of dividends for any awards not entitled to accrue dividend equivalents while outstanding. The weighted-average grant date fair values of service-based RSU awards granted were $128.92 and $153.05 per share during the three-month periods ended June 27, 2015 and June 28, 2014, respectively.

A summary of restricted stock and service-based RSU activity during the three months ended June 27, 2015 is as follows:

	Number of Shares	
	Restricted Stock	Service-based RSUs
	(thousands)	
Nonvested at March 28, 2015	5	47
Granted	8	429
Vested	(3)	(8)
Forfeited	(1)	(10)
Nonvested at June 27, 2015	9	458

Performance-based RSUs

The fair value of the Company's performance-based RSUs that are not subject to a market condition in the form of a total shareholder return ("TSR") modifier is based on the fair value of the Company's Class A common stock on the date of grant, adjusted to reflect the absence of dividends for those securities that are not entitled to dividend equivalents. The weighted-average grant date fair values of performance-based RSUs that do not contain a TSR modifier granted during the three-month periods ended June 27, 2015 and June 28, 2014 were $128.97 and $158.00 per share, respectively.

The fair value of the Company's performance-based RSUs with a TSR modifier is determined on the date of grant using a Monte Carlo simulation valuation model. This pricing model uses multiple simulations to evaluate the probability of the Company achieving various stock price levels to determine its expected TSR performance ranking. No such awards were granted during the three months ended June 27, 2015. The weighted-average grant date fair value of performance-based RSUs with a TSR modifier granted during the three months ended June 28, 2014 was $169.47.

A summary of performance-based RSU activity during the three months ended June 27, 2015 is as follows:

	Number of Shares	
	Performance-based RSUs — without TSR Modifier	Performance-based RSUs — with TSR Modifier
	(thousands)	
Nonvested at March 28, 2015	697	214
Granted	304	—
Change due to performance/market condition achievement	(8)	(20)
Vested	(293)	(50)
Forfeited	(21)	—
Nonvested at June 27, 2015	679	144

18. Segment Information

The Company has three reportable segments based on its business activities and organization: Wholesale, Retail, and Licensing. These segments offer a variety of products through different channels of distribution. The Wholesale segment consists of apparel, accessories, home furnishings, and related products which are sold to major department stores, specialty stores, golf and pro shops, and the Company's owned, licensed, and franchised retail stores in the U.S. and overseas. The Retail segment consists of the Company's integrated worldwide retail operations, which sell products through its retail stores, concession-based shop-within-shops, and e-commerce sites, which are purchased from the Company's licensees, suppliers, and Wholesale segment. The Licensing segment generates revenues from royalties earned on the sale of the Company's apparel, home, and other products internationally and domestically through licensing alliances. The licensing agreements grant the licensees rights to use the Company's various trademarks in connection with the manufacture and sale of designated products in specified geographical areas for specified periods.

The accounting policies of the Company's segments are consistent with those described in Notes 2 and 3 to the Company's consolidated financial statements included in the Fiscal 2015 10-K. Sales and transfers between segments are generally recorded at cost and treated as transfers of inventory. All intercompany revenues, including such sales between segments, are eliminated in consolidation and are not reviewed when evaluating segment performance. Each segment's performance is evaluated based upon operating income before restructuring charges and certain other one-time items, such as legal charges, if any. Certain corporate overhead expenses related to global functions, most notably the Company's executive office, information technology, finance and accounting, human resources, and legal departments, largely remain at corporate. Additionally, other costs that cannot be allocated to the segments based on specific usage are also maintained at corporate, including corporate advertising and marketing expenses, depreciation and amortization of corporate assets, and other general and administrative expenses resulting from corporate-level activities and projects.

Net revenues and operating income for each of the Company's reportable segments are as follows:

	Three Months Ended	
	June 27, 2015	June 28, 2014
	(millions)	
Net revenues:		
Wholesale	$ 642	$ 708
Retail	935	960
Licensing	41	40
Total net revenues	$ 1,618	$ 1,708

	Three Months Ended	
	June 27, 2015	June 28, 2014
	(millions)	
Operating income:		
Wholesale[a]	$ 137	$ 180
Retail[b]	110	168
Licensing	36	36
	283	384
Unallocated corporate expenses	(153)	(136)
Unallocated restructuring charges[c]	(34)	(4)
Total operating income	$ 96	$ 244

(a) During the three-month period ended June 27, 2015, the Company recorded non-cash impairment charges of $3 million, primarily to write off certain fixed assets related to its shop-within-shops in connection with the Global Reorganization Plan. During the three-month period ended June 28, 2014, the Company recorded non-cash impairment charges of $1 million, primarily to write off certain fixed assets related its European operations. See Notes 8 and 9 for additional information.

(b) During the three-month period ended June 27, 2015, the Company recorded non-cash impairment charges of $5 million, primarily to write off certain fixed assets related to its stores and concession-based shop-within-shops in connection with the Global Reorganization Plan. See Notes 8 and 9 for additional information.

(c) The three-month periods ended June 27, 2015 and June 28, 2014 included certain unallocated restructuring charges (see Note 9), which are detailed below:

	Three Months Ended	
	June 27, 2015	June 28, 2014
	(millions)	
Unallocated restructuring charges:		
Wholesale-related	$ (8)	$ (2)
Retail-related	(11)	(2)
Licensing-related	(1)	—
Corporate operations-related	(14)	—
Total unallocated restructuring charges	$ (34)	$ (4)

Depreciation and amortization expense for the Company's segments is as follows:

	Three Months Ended	
	June 27, 2015	June 28, 2014
	(millions)	
Depreciation and amortization:		
Wholesale	$ 15	$ 17
Retail	39	34
Unallocated corporate expenses	20	18
Total depreciation and amortization	$ 74	$ 69

Net revenues by geographic location of the reporting subsidiary are as follows:

	Three Months Ended	
	June 27, 2015	June 28, 2014
	(millions)	
Net revenues[(a)]:		
The Americas[(b)]	$ 1,079	$ 1,139
Europe[(c)]	333	360
Asia[(d)]	206	209
Total net revenues	$ 1,618	$ 1,708

(a) Net revenues for certain of the Company's licensed operations are included within the geographic location of the reporting subsidiary which holds the respective license.

(b) Includes the U.S., Canada, and Latin America. Net revenues earned in the U.S. during the three-month periods ended June 27, 2015 and June 28, 2014 were $1.029 billion and $1.084 billion, respectively.

(c) Includes the Middle East.

(d) Includes Australia and New Zealand.

19. Additional Financial Information

Cash Interest and Taxes

Cash paid for interest and income taxes is as follows:

	Three Months Ended	
	June 27, 2015	June 28, 2014
	(millions)	
Cash paid for interest	$ 2	$ 2
Cash paid for income taxes	$ 43	$ 50

Non-cash Transactions

Non-cash investing activities included the capitalization of fixed assets and recognition of related obligations in the net amount of $52 million and $38 million for the three-month periods ended June 27, 2015 and June 28, 2014, respectively. In addition, non-cash investing activities for the three months ended June 28, 2014 included the capitalization of a fixed asset, for which a $19 million non-binding advance payment was made during the Company's fiscal year ended March 29, 2014 and recorded within prepaid expenses and other current assets as of March 29, 2014.

There were no other significant non-cash investing or financing activities for the periods presented.

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

Special Note Regarding Forward-Looking Statements

Various statements in this Form 10-Q, or incorporated by reference into this Form 10-Q, in future filings by us with the Securities and Exchange Commission (the "SEC"), in our press releases, and in oral statements made from time to time by us or on our behalf 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 the future results, performance, or achievements expressed in or implied by such forward-looking statements. These risks, uncertainties, and other factors include, among others:

- the loss of key personnel, including Mr. Ralph Lauren;
- our ability to achieve anticipated operating enhancements and/or cost reductions from our restructuring plans, including our transition to a global brand-based operating structure;
- our ability to successfully implement our anticipated growth strategies and to capitalize on our repositioning initiatives in certain regions and merchandise categories;
- our exposure to currency exchange rate fluctuations from both a transactional and translational perspective, and risks associated with increases in the costs of raw materials, transportation, and labor;
- our ability to secure our facilities and systems and those of our third-party service providers from, among other things, cybersecurity breaches, acts of vandalism, computer viruses, or similar Internet or email events;
- our ability to continue to maintain our brand image and reputation and protect our trademarks;
- the impact of global economic conditions on us, our customers, our suppliers, and our vendors and on our ability and their ability to access sources of liquidity;
- the impact of the volatile state of the global economy or consumer preferences on purchases of premium lifestyle products that we offer for sale and our ability to forecast consumer demand, which could result in a build-up of inventory;
- changes in the competitive marketplace, including the introduction of new products or pricing changes by our competitors, and consolidations, liquidations, restructurings, and other ownership changes in the retail industry;
- a variety of legal, regulatory, tax, political, and economic risks, including risks related to the importation and exportation of products, tariffs, and other trade barriers which our international operations are subject to and other risks associated with our international operations, such as compliance with the Foreign Corrupt Practices Act or violations of other anti-bribery and corruption laws prohibiting improper payments, and the burdens of complying with a variety of foreign laws and regulations, including tax laws, trade and labor restrictions, and related laws that may reduce the flexibility of our business;
- the impact to our business of events of unrest and instability that are currently taking place in certain parts of the world, as well as from any terrorist action, retaliation, and the threat of further action or retaliation;
- our ability to continue to expand or grow our business internationally and the impact of related changes in our customer, channel, and geographic sales mix as a result;
- changes to our effective tax rates;
- changes in our relationships with department store customers and licensing partners;
- our efforts to improve the efficiency of our distribution system and to continue to enhance and upgrade our global information technology systems and our global e-commerce platform;
- our intention to introduce new products or enter into or renew alliances and exclusive relationships;

- our ability to access sources of liquidity to provide for our cash needs, including our debt obligations, payment of dividends, capital expenditures, and potential repurchases of our Class A common stock;

- our ability to open new retail stores, concession shops, and e-commerce sites in an effort to expand our direct-to-consumer presence;

- our ability to make certain strategic acquisitions and successfully integrate the acquired businesses into our existing operations;

- the impact to our business resulting from potential costs and obligations related to the early termination of our long-term, non-cancellable leases;

- the potential impact to the trading prices of our securities if our Class A common stock share repurchase activity and/or cash dividend rate differs from investors' expectations;

- our ability to maintain our credit profile and ratings within the financial community; and

- the potential impact on our operations and on our customers resulting from natural or man-made disasters.

These forward-looking statements are based largely on our expectations and judgments and are subject to a number of risks and uncertainties, many of which are unforeseeable and beyond our control. A detailed discussion of significant risk factors that have the potential to cause our actual results to differ materially from our expectations is included in our Annual Report on Form 10-K for the fiscal year ended March 28, 2015 (the "Fiscal 2015 10-K"). There are no material changes to such risk factors, nor are there any identifiable previously undisclosed risks as set forth in Part II, Item 1A — "*Risk Factors*" of this Form 10-Q. 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 this Form 10-Q, references to "Ralph Lauren," "ourselves," "we," "our," "us," and the "Company" refer to Ralph Lauren Corporation and its subsidiaries, unless the context indicates otherwise. We utilize a 52-53 week fiscal year ending on the Saturday closest to March 31. As such, fiscal year 2016 will end on April 2, 2016 and will be a 53-week period ("Fiscal 2016"). Fiscal year 2015 ended on March 28, 2015 and was a 52-week period ("Fiscal 2015"). The first quarter of Fiscal 2016 ended on June 27, 2015 and was a 13-week period. The first quarter of Fiscal 2015 ended on June 28, 2014 and was also a 13-week period.

INTRODUCTION

Management's discussion and analysis of financial condition and results of operations ("MD&A") is provided as a supplement to the accompanying unaudited interim consolidated financial statements and footnotes to help provide an understanding of our results of operations, financial condition, and liquidity. MD&A is organized as follows:

- *Overview.* This section provides a general description of our business, current trends and outlook, and a summary of our financial performance for the three-month period ended June 27, 2015. In addition, this section includes a discussion of recent developments and transactions affecting comparability that we believe are important in understanding our results of operations and financial condition, and in anticipating future trends.

- *Results of operations.* This section provides an analysis of our results of operations for the three-month period ended June 27, 2015 compared to the three-month period ended June 28, 2014.

- *Financial condition and liquidity.* This section provides a discussion of our financial condition and liquidity as of June 27, 2015, which includes (i) an analysis of our financial condition compared to the prior fiscal year-end; (ii) an analysis of changes in our cash flows for the three-month period ended June 27, 2015 compared to the three-month period ended June 28, 2014; (iii) an analysis of our liquidity, including common stock repurchases, payments of dividends, our outstanding debt and covenant compliance, and the availability under our credit facilities and our commercial paper borrowing program; and (iv) any material changes in our contractual and other obligations since March 28, 2015.

- *Market risk management.* This section discusses any significant changes in our risk exposures related to foreign currency exchange rates, interest rates, and our investments since March 28, 2015.

- *Critical accounting policies.* This section discusses any significant changes in our critical accounting policies since March 28, 2015. Critical accounting policies typically require significant judgment and estimation on the part of management in their application. In addition, all of our significant accounting policies, including our critical accounting policies, are summarized in Note 3 of the Fiscal 2015 10-K.

- *Recently issued accounting standards.* This section discusses the potential impact on our reported results of operations and financial condition of certain accounting standards that have been recently issued or proposed.

OVERVIEW

Our Business

Our Company is a global leader in the design, marketing, and distribution of premium lifestyle products, including apparel, accessories, home furnishings, and other licensed product categories. Our long-standing reputation and distinctive image have been consistently developed across an expanding number of products, brands, sales channels, and international markets. Our brand names include Ralph Lauren, Ralph Lauren Collection, Purple Label, Black Label, Polo, Polo Ralph Lauren, Double RL, RLX Ralph Lauren, Lauren Ralph Lauren, Ralph Lauren Childrenswear, Denim & Supply Ralph Lauren, Chaps, Club Monaco, and American Living, among others.

We classify our businesses into three segments: Wholesale, Retail, and Licensing. Our Wholesale business, which represented approximately 46% of our Fiscal 2015 net revenues, consists of sales made principally to major department stores and specialty stores around the world. Our Retail business, which represented approximately 52% of our Fiscal 2015 net revenues, consists of sales made directly to consumers through our integrated retail channel, which includes our retail stores, concession-based shop-within-shops, and our e-commerce operations around the world. Our Licensing business, which represented approximately 2% of our Fiscal 2015 net revenues, consists of royalty-based arrangements under which we license to unrelated third parties for specified periods the right to operate retail stores and/or to use our various trademarks in connection with the manufacture and sale of designated products, such as certain apparel, eyewear, fragrances, and home furnishings. Approximately 37% of our Fiscal 2015 net revenues were earned outside of the U.S.

Our business is typically affected by seasonal trends, with higher levels of wholesale sales in our second and fourth fiscal quarters and higher retail sales in our second and third fiscal quarters. These trends result primarily from the timing of seasonal wholesale shipments and key vacation travel, back-to-school, and holiday shopping periods impacting our Retail segment. In addition, fluctuations in net sales, operating income, and cash flows in any fiscal quarter may be affected by other events impacting retail sales, such as changes in weather patterns. Accordingly, our operating results and cash flows for the three-month period ended June 27, 2015 are not necessarily indicative of the operating results and cash flows that may be expected for the full Fiscal 2016.

Current Trends and Outlook

Although the global economy has shown signs of modest recovery, future expectations of growth reflect sustained uncertainty. Certain worldwide events, including political unrest, disease epidemic, monetary policy changes, and foreign exchange rate volatility in various parts of the world, as well as the recent debt crisis in Greece, have contributed to this uncertainty and continue to impact the global economy as a whole, as well as the world's stock markets. Adverse weather conditions in certain parts of the world, including the U.S., have also resulted in a challenging Spring/Summer selling season for many retailers. As a result of these factors, among others, several organizations that monitor the world’s economy, including the International Monetary Fund and the World Bank, have recently scaled back their predictions of economic growth for 2015. While certain geographic regions are withstanding these pressures better than others, the level of consumer travel and spending on discretionary items remains constrained due to the continued economic uncertainty. Consequently, consumer retail traffic remains relatively weak and inconsistent, which has led to increased competition and a desire to offset traffic declines with increased levels of conversion. Certain of our operations have experienced and have been impacted by these dynamics, with variations across the geographic regions and businesses in which we operate.

If the economic uncertainty and challenging industry trends continue or worsen, the constrained level of worldwide consumer spending and modified consumption behavior may continue to have a negative effect on our sales, inventory levels, and operating margin for the remainder of Fiscal 2016. Furthermore, our results have been, and are expected to continue to be, negatively impacted by unfavorable foreign exchange rate fluctuations. Despite these challenges, we remain optimistic about our future growth prospects and continue to invest in our longer-term growth initiatives, including our restructuring activities and transition to a global brand-based operating structure as described within "*Recent Developments*" below, while continually monitoring macroeconomic risks and remaining focused on disciplined expense management. Although we continue to expect that the dilutive effects of investments that we are making in our business will create operating margin pressure in the near-term, we expect that these initiatives will create longer-term shareholder value. We will continue to monitor these risks and evaluate and adjust our operating strategies and foreign currency and cost management opportunities to mitigate the related impact on our results of operations, while remaining focused on the long-term growth of our business and protecting the value of our brand.

For a detailed discussion of significant risk factors that have the potential to cause our actual results to differ materially from our expectations, see Part I, Item 1A — "*Risk Factors*" in our Fiscal 2015 10-K.

Summary of Financial Performance

Operating Results

During the three months ended June 27, 2015, we reported net revenues of $1.618 billion, net income of $64 million, and net income per diluted share of $0.73, as compared to net revenues of $1.708 billion, net income of $162 million, and net income per diluted share of $1.80 during the three months ended June 28, 2014. The comparability of our operating results has been affected by restructuring and non-cash charges incurred in connection with the Global Reorganization Plan (as defined within "*Recent Developments*" below) and unfavorable foreign currency effects, as discussed further below.

Our operating performance for the three months ended June 27, 2015 reflected a decline in net revenues of 5.3% on a reported basis and 0.4% on a constant currency basis, as defined within "*Transactions and Trends Affecting Comparability of Results of Operations and Financial Condition*" below. On a reported basis, the decline in net revenues for the three months ended June 27, 2015 reflected lower net revenues from our wholesale and retail businesses, primarily driven by unfavorable foreign currency effects and a shift in the timing of certain shipments related to our domestic wholesale business. Our gross margin percentage declined 130 basis points to 59.7% during the three months ended June 27, 2015, primarily driven by unfavorable foreign currency effects. Selling, general, and administrative ("SG&A") expenses increased due to increased investments in our stores, facilities, and infrastructure consistent with our longer-term initiatives.

Net income declined by $98 million during the three months ended June 27, 2015 as compared to the three months ended June 28, 2014, primarily due to a $148 million decrease in operating income, partially offset by a $47 million decline in our provision for income taxes. The lower income tax provision for the three months ended June 27, 2015 was primarily driven by lower pretax income and a decline in our reported effective tax rate of 210 basis points. Net income per diluted share declined by $1.07 to $0.73 per share during the three months ended June 27, 2015, as compared to the three months ended June 28, 2014, primarily due to lower net income, partially offset by lower weighted-average diluted shares outstanding. Our operating results during the three months ended June 27, 2015 were also negatively impacted by $45 million of pretax restructuring and non-cash charges recorded in connection with the Global Reorganization Plan, which had an after-tax effect of reducing net income by $31 million, or approximately $0.36 per diluted share.

Financial Condition and Liquidity

We ended the first quarter of Fiscal 2016 in a net cash and investments position (cash and cash equivalents plus short-term and non-current investments, less total debt) of $707 million, as compared to $620 million as of the end of Fiscal 2015. The increase in our net cash and investments position at June 27, 2015 as compared to March 28, 2015 was primarily due to our operating cash flows of $332 million, partially offset by our use of cash to support Class A common stock repurchases of $169 million, including withholdings in satisfaction of tax obligations for stock-based compensation awards, to invest in our business through $68 million in capital expenditures, and to make cash dividend payments of $43 million.

We generated $332 million of cash from operations during the three months ended June 27, 2015, compared to $415 million during the three months ended June 28, 2014. The decline in our operating cash flows primarily related to the decline in net income before non-cash charges, partially offset by a net favorable change related to our operating assets and liabilities during the three months ended June 27, 2015 as compared to the prior fiscal year period.

Our equity declined to $3.807 billion as of June 27, 2015 compared to $3.891 billion as of March 28, 2015, primarily attributable to our share repurchase activity and dividends declared, partially offset by our comprehensive income and the net impact of stock-based compensation arrangements during the three months ended June 27, 2015.

Recent Developments

Global Reorganization Plan

On May 12, 2015, our Board of Directors approved a reorganization and restructuring plan comprised of the following major actions: (i) the reorganization of the Company from its current channel and regional structure to an integrated global brand-based operating structure, which will streamline our business processes to better align our cost structure with our long-term growth strategy; (ii) a strategic store and shop-within-shop performance review conducted by region and brand; (iii) a targeted corporate functional area review; and (iv) the consolidation of certain of our luxury lines (collectively, the "Global Reorganization Plan"). The Global Reorganization Plan will result in a reduction in workforce and, once a performance review is complete, the closure of certain stores and shop-within-shops. When substantially implemented by the end of Fiscal 2016, the Global Reorganization Plan is expected to result in improved operational efficiencies by reducing annual operating expenses by approximately $100 million.

In connection with the Global Reorganization Plan, we expect to incur total estimated charges of $70 million to $100 million, comprised of restructuring charges totaling $55 million to $80 million, to be settled in cash, and non-cash charges totaling $15 million to $20 million. We anticipate that these restructuring and non-cash charges will be incurred over the course of Fiscal 2016, primarily during the first half of the year. Refer to Notes 8 and 9 to our accompanying unaudited financial statements for detailed discussions of the restructuring and non-cash charges recorded during the three-month period ended June 27, 2015.

Transactions and Trends Affecting Comparability of Results of Operations and Financial Condition

The comparability of our operating results for the three-month periods ended June 27, 2015 and June 28, 2014 has been affected by certain events, including:

- pretax asset impairment and restructuring charges recorded during the periods presented. A summary of the effect of these items on pretax income for each fiscal period is summarized below (references to "Notes" are to the notes to the accompanying unaudited interim consolidated financial statements):

	Three Months Ended	
	June 27, 2015	**June 28, 2014**
	(millions)	
Impairment of assets (see Note 8)	$ (8)	$ (1)
Restructuring charges (see Note 9)	(34)	(4)

Since we are a global company, the comparability of our operating results reported in U.S. Dollars is also affected by foreign currency exchange rate fluctuations because the underlying currencies in which we transact change in value over time compared to the U.S. Dollar. These rate fluctuations can have a significant effect on our reported results. As such, in addition to financial measures prepared in accordance with generally accepted accounting principles ("GAAP"), our discussions often contain references to constant currency measures, which are calculated by translating the current-year and prior-year reported amounts into comparable amounts using a single foreign exchange rate for each currency. We present constant currency financial information, which is a non-GAAP financial measure, as a supplement to our reported operating results. We use constant currency information to provide a framework to assess how our businesses performed excluding the effects of foreign currency exchange rate fluctuations. We believe this information is useful to investors to facilitate comparisons of operating results and better identify trends in our businesses. The constant currency performance measures should be viewed in addition to, and not in lieu of or superior to, our operating performance measures calculated in accordance with U.S. GAAP.

Our "Results of Operations" discussion that follows includes the significant changes in operating results arising from these items affecting comparability. However, unusual items or transactions may occur in any period. Accordingly, investors and other financial statement users should consider the types of events and transactions that have affected operating trends.

RESULTS OF OPERATIONS

Three Months Ended June 27, 2015 Compared to Three Months Ended June 28, 2014

The following table summarizes our results of operations and expresses the percentage relationship to net revenues of certain financial statement captions. All percentages shown in the below table and the discussion that follows have been calculated using unrounded numbers.

	Three Months Ended			
	June 27, 2015	June 28, 2014	$ Change	% / bps Change
	(millions, except per share data)			
Net revenues	$ 1,618	$ 1,708	$ (90)	(5.3%)
Cost of goods sold[a]	(652)	(665)	13	(2.0%)
Gross profit	966	1,043	(77)	(7.4%)
Gross profit as % of net revenues	*59.7%*	*61.0%*		*(130 bps)*
Selling, general, and administrative expenses[a]	(822)	(788)	(34)	4.2%
SG&A expenses as % of net revenues	*50.7%*	*46.1%*		*460 bps*
Amortization of intangible assets	(6)	(6)	—	NM
Impairment of assets	(8)	(1)	(7)	NM
Restructuring charges	(34)	(4)	(30)	NM
Operating income	96	244	(148)	(60.5%)
Operating income as % of net revenues	*6.0%*	*14.3%*		*(830 bps)*
Foreign currency losses	(1)	(3)	2	(59.5%)
Interest expense	(4)	(4)	—	NM
Interest and other income, net	2	1	1	(7.2%)
Equity in losses of equity-method investees	(3)	(3)	—	NM
Income before provision for income taxes	90	235	(145)	(61.7%)
Provision for income taxes	(26)	(73)	47	(64.3%)
Effective tax rate[b]	*29.0%*	*31.1%*		*(210 bps)*
Net income	$ 64	$ 162	$ (98)	(60.6%)
Net income per common share:				
Basic	$ 0.74	$ 1.82	$ (1.08)	(59.3%)
Diluted	$ 0.73	$ 1.80	$ (1.07)	(59.4%)

(a) Includes total depreciation expense of $68 million and $63 million for the three-month periods ended June 27, 2015 and June 28, 2014, respectively.

(b) Effective tax rate is calculated by dividing the provision for income taxes by income before provision for income taxes.

NM Not meaningful.

Net Revenues. Net revenues decreased by $90 million, or 5.3%, to $1.618 billion for the three months ended June 27, 2015 from $1.708 billion for the three months ended June 28, 2014. On a constant currency basis, net revenues decreased by $6 million, or 0.4%.

Net revenues for our three business segments, as well as a discussion of the changes in each segment's net revenues from the comparable prior year period, are provided below:

	Three Months Ended			% Change	
	June 27, 2015	June 28, 2014	$ Change	As Reported	Constant Currency
	(millions)				
Net Revenues:					
Wholesale	$ 642	$ 708	$ (66)	(9.3%)	(5.7%)
Retail	935	960	(25)	(2.7%)	3.2%
Licensing	41	40	1	2.7%	6.0%
Total net revenues	$ 1,618	$ 1,708	$ (90)	(5.3%)	(0.4%)

Wholesale net revenues — Net revenues decreased $66 million, or 9.3%, during the three months ended June 27, 2015 as compared to the three months ended June 28, 2014, including net unfavorable foreign currency effects of $26 million, primarily related to the weakening of the Euro against the U.S. Dollar. On a constant currency basis, net revenues declined by $40 million, or 5.7%.

The $66 million decline in Wholesale net revenues was driven by:

- a $63 million net decrease related to our business in the Americas, reflecting lower sales across all of our major apparel and accessories businesses, largely driven by the acceleration in the timing of certain shipments which occurred during the fourth quarter of Fiscal 2015. The net decrease related to our business in the Americas also reflected net unfavorable foreign currency effects of $2 million due to the weakening of the Canadian Dollar against the U.S. Dollar; and

- a $4 million net decrease related to our European business, primarily reflecting net unfavorable foreign currency effects of $22 million, partially offset by increased sales across all of our major apparel and accessories businesses. On a constant currency basis, net revenues related to our European business increased by $18 million, or 14.9%.

Retail net revenues — Net revenues decreased $25 million, or 2.7%, during the three months ended June 27, 2015 as compared to the three months ended June 28, 2014, including net unfavorable foreign currency effects of $57 million, primarily related to the weakening of the Euro and the Japanese Yen against the U.S. Dollar. On a constant currency basis, net revenues increased by $32 million, or 3.2%.

The $25 million decline in Retail net revenues was driven by:

- a $62 million, or 8%, net decline in consolidated comparable store sales, including net unfavorable foreign currency effects of $46 million. Our total comparable store sales decreased by $16 million, or 2%, on a constant currency basis, primarily driven by lower sales from certain retail stores and concession shops, partially offset by an increase from our Ralph Lauren e-commerce operations. Comparable store sales related to our e-commerce operations was approximately flat on a reported basis and increased by approximately 2% on a constant currency basis over the related prior period, and had a favorable impact on our total comparable store sales of approximately flat up to 1% on both a reported and constant currency basis. Our consolidated comparable store sales excluding e-commerce declined between approximately 8% and 9% on a reported basis and declined between approximately 2% and 3% on a constant currency basis.

  Comparable store sales refer to the growth of sales in stores that are open for at least one full fiscal year. Sales for stores that are closed during a fiscal year are excluded from the calculation of comparable store sales. Sales for stores that are either relocated, enlarged (as defined by gross square footage expansion of 25% or greater), or generally closed for 30 or more consecutive days for renovation are also excluded from the calculation of comparable store sales until such stores have been in their new location or in their newly renovated state for at least one full fiscal year. Sales from our e-commerce sites are included within comparable store sales for those geographies that have been serviced by the related site for at least one full fiscal year. Consolidated comparable store sales information includes our Ralph Lauren stores (including concession-based shop-within-shops), factory stores, Club Monaco stores and e-commerce sites, and certain Ralph Lauren e-commerce sites. We use an integrated omni-channel strategy to operate our retail business, in which our e-commerce operations are interdependent with our physical stores.

This decline was partially offset by:

- a $37 million, or a 27%, net increase in non-comparable store sales, including net unfavorable foreign currency effects of $11 million. On a constant currency basis, non-comparable store sales increased by $48 million, or 34%, primarily driven by new global store openings and the expansion of our e-commerce operations within the past twelve months, which more than offset the impact of store closings.

Our global average store count increased by 76 stores and concession shops during the three months ended June 27, 2015 compared with the three months ended June 28, 2014, due to new global store openings, primarily in Asia, partially offset by store closures. The following table details our retail store and e-commerce presence as of the periods presented:

	June 27, 2015	June 28, 2014
Stores:		
Freestanding stores	467	436
Concession shops	558	503
Total stores	1,025	939
E-commerce Sites:		
North American sites[a]	3	3
European sites[b]	3	3
Asian sites[c]	4	3
Total e-commerce sites	10	9

[a] Includes www.RalphLauren.com and www.ClubMonaco.com (servicing the U.S.) and www.ClubMonaco.ca (servicing Canada).

[b] Includes www.RalphLauren.co.uk (servicing the United Kingdom), www.RalphLauren.fr (servicing Belgium, France, Italy, Luxembourg, the Netherlands, Portugal, and Spain), and www.RalphLauren.de (servicing Austria, Denmark, Estonia, Finland, Germany, Latvia, Slovakia, and Sweden).

[c] Includes www.RalphLauren.co.jp (servicing Japan), www.RalphLauren.co.kr (servicing South Korea), www.RalphLauren.asia (servicing Hong Kong, Macau, Malaysia, and Singapore), and www.RalphLauren.com.au, which was launched during the third quarter of Fiscal 2015 (servicing Australia and New Zealand).

Licensing revenues — Net revenues increased $1 million, or 2.7%, during the three months ended June 27, 2015 as compared to the three months ended June 28, 2014, including net unfavorable foreign currency effects of $1 million, primarily related to the weakening of the Euro and the Japanese Yen against the U.S. Dollar. On a constant currency basis, net revenues increased by $2 million, or 6.0%.

Gross Profit. Gross profit decreased by $77 million, or 7.4%, to $966 million for the three months ended June 27, 2015, from $1.043 billion for the three months ended June 28, 2014. Gross profit as a percentage of net revenues declined by 130 basis points to 59.7% for the three months ended June 27, 2015, from 61.0% for the three months ended June 28, 2014, primarily driven by unfavorable foreign currency effects. On a constant currency basis, gross profit as a percentage of net revenues for the three months ended June 27, 2015 was approximately flat to the comparable prior year period.

Gross profit as a percentage of net revenues is dependent upon a variety of factors, including changes in the relative sales mix among distribution channels, changes in the mix of products sold, the timing and level of promotional activities, foreign currency exchange rates, and fluctuations in material costs. These factors, among others, may cause gross profit as a percentage of net revenues to fluctuate from period to period.

Selling, General, and Administrative Expenses. SG&A expenses primarily include compensation and benefits, advertising and marketing, distribution, bad debt, information technology, facilities, legal, and other costs associated with finance and administration. SG&A expenses increased by $34 million, or 4.2%, to $822 million for the three months ended June 27, 2015, from $788 million for the three months ended June 28, 2014. This increase included a net favorable foreign currency effect of $40 million, primarily related to the weakening of the Euro and the Japanese Yen against the U.S. Dollar. SG&A expenses as a percentage of net revenues increased to 50.7% in the three months ended June 27, 2015, from 46.1% in the three months ended June 28, 2014. The 460 basis point increase was primarily due to operating deleverage on lower net revenues due in part to unfavorable foreign currency effects, as previously discussed, and an increase in operating expenses in support of the continued investment in our retail businesses (which typically carry higher operating expense margins); increased investments in our facilities and infrastructure; increased advertising and marketing costs; and investments in new business initiatives. These increases were partially offset by our operational discipline.

The $34 million net increase in SG&A expenses was driven by:

	Three Months Ended June 27, 2015 Compared to Three Months Ended June 28, 2014	
	(millions)	
SG&A expense category:		
Compensation-related expenses[(a)]	$	14
Consulting fees		12
Depreciation expense		5
Other		3
Total change in SG&A expenses	$	34

(a) Includes a $9 million increase in stock-based compensation expense, primarily related to the introduction of new vesting provisions for certain awards granted to retirement-eligible employees beginning in Fiscal 2016 (see Note 17 to the accompanying unaudited interim consolidated financial statements).

During the remainder of Fiscal 2016, we continue to expect a certain amount of operating expense deleverage due to foreign exchange rate volatility and continued investment in our long-term strategic growth initiatives, including expansion of the Polo-branded store concept around the world, retail store expansion, department store renovations, and continued investment in our infrastructure, partially offset by anticipated cost savings related to our transition to a global brand-based operating structure (see "*Recent Developments*").

Amortization of Intangible Assets. Amortization of intangible assets remained flat at $6 million during the three-month periods ended June 27, 2015 and June 28, 2014.

Impairment of Assets. During the three months ended June 27, 2015, we recorded non-cash impairment charges of $8 million, primarily to write off certain fixed assets related to our domestic and international stores and shop-within-shops in connection with the Global Reorganization Plan. During the three months ended June 28, 2014, we recorded non-cash impairment charges of $1 million, primarily to write off certain fixed assets related to our European operations.

Restructuring Charges. During the three months ended June 27, 2015, we recorded restructuring charges of $34 million in connection with the Global Reorganization Plan, consisting of severance and benefit costs, lease termination and store closure costs, and other cash charges. During the three months ended June 28, 2014, we recorded restructuring charges of $4 million, primarily related to severance and benefit costs associated with our retail and wholesale operations (see Note 9 to the accompanying unaudited interim consolidated financial statements).

Operating Income. Operating income decreased by $148 million, or 60.5%, to $96 million for the three months ended June 27, 2015, from $244 million for the three months ended June 28, 2014. This decrease included $45 million of restructuring and non-cash charges recorded in connection with the Global Reorganization Plan. Operating income as a percentage of net revenues declined 830 basis points to 6.0% for the three months ended June 27, 2015, from 14.3% for the three months ended June 28, 2014. The overall decline in operating income as a percentage of net revenues was primarily driven by the decrease in our gross profit margin and the increase in SG&A as a percentage of net revenues, both of which are inclusive of unfavorable foreign currency effects, as well as the increase in restructuring and non-cash impairment charges, all as previously discussed.

Operating income and margin for each of our three reportable segments are provided below:

	Three Months Ended					
	June 27, 2015		June 28, 2014			
	Operating Income (millions)	Operating Margin	Operating Income (millions)	Operating Margin	$ Change (millions)	Margin Change
Segment:						
Wholesale	$ 137	21.3%	$ 180	25.5%	$ (43)	(420 bps)
Retail	110	11.8%	168	17.5%	(58)	(570 bps)
Licensing	36	88.6%	36	90.2%	—	(160 bps)
	283		384		(101)	
Unallocated corporate expenses	(153)		(136)		(17)	
Unallocated restructuring charges	(34)		(4)		(30)	
Total operating income	$ 96	6.0%	$ 244	14.3%	$ (148)	(830 bps)

Wholesale operating margin declined by 420 basis points, primarily attributable to the unfavorable impact of 370 basis points related to decreased profitability in our core wholesale businesses, primarily driven by an increase in SG&A as a percentage of net revenues and the impact of a more competitive retail environment. The remaining 50 basis point decline in Wholesale operating margin was due to non-cash charges recorded in connection with the Global Reorganization Plan.

Retail operating margin declined by 570 basis points, primarily attributable to the unfavorable impact of 290 basis points related to decreased profitability in our core retail businesses, primarily driven by an increase in SG&A as a percentage of net revenues, as well as an 80 basis point decline attributable to non-cash charges recorded in connection with the Global Reorganization Plan. The remaining decline in Retail operating margin was primarily attributable to net unfavorable foreign currency effects.

Licensing operating margin declined by 160 basis points, primarily due to an increase in SG&A as a percentage of net revenues.

Unallocated corporate expenses increased by $17 million, primarily due to higher compensation-related costs of $15 million, largely related to the introduction of new vesting provisions for certain stock-based compensation awards granted to retirement-eligible employees beginning in Fiscal 2016, as previously discussed, and higher consulting fees of $8 million. These increases were partially offset by a decline in other operating expenses of $6 million.

Unallocated restructuring charges increased by $30 million to $34 million during the three months ended June 27, 2015, from $4 million during the three months ended June 28, 2014, as previously described above and in Note 9 to the accompanying unaudited interim consolidated financial statements.

Non-operating Expense, net. Non-operating expense, net is comprised of foreign currency gains (losses), interest expense, interest and other income, net, and equity in losses from our joint venture, the Ralph Lauren Watch and Jewelry Company Sárl, which is accounted for under the equity method of accounting. Non-operating expense, net decreased by $3 million to $6 million for the three months ended June 27, 2015, compared to $9 million for the three months ended June 28, 2014. The decline in non-operating expense, net was largely driven by a net decrease in foreign currency losses, primarily related to gains recognized on forward foreign currency exchange contracts, partially offset by the revaluation and settlement of foreign currency-denominated intercompany receivables and payables attributable to the weakening of the Canadian Dollar and the Japanese Yen against the U.S. Dollar. Foreign currency gains (losses) do not result from the translation of the operating results of our foreign subsidiaries to U.S. Dollars.

Provision for Income Taxes. The provision for income taxes represents federal, foreign, state and local income taxes. The provision for income taxes decreased by $47 million, or 64.3%, to $26 million for the three months ended June 27, 2015, from $73 million for the three months ended June 28, 2014. The decrease in the provision for income taxes was primarily due to the decline in pretax income, coupled with a decrease in our reported effective tax rate of 210 basis points, to 29.0% for the three months ended June 27, 2015, from 31.1% for the three months ended June 28, 2014. The lower effective tax rate for the three months ended June 27, 2015 was primarily due to income tax benefits resulting from the expiration of statutes of limitations, partially offset by the absence of tax benefits derived from the legal entity restructuring of certain of our foreign operations during Fiscal 2015 and additional tax reserves largely associated with the conclusion of a tax examination during the three months ended June 27, 2015. The effective tax rate differs from the statutory tax rate due to the effect of state and local taxes, tax rates in foreign jurisdictions, and certain nondeductible expenses. Our effective tax rate will change from period to period based on various factors including, but not limited to, the geographic mix of earnings, the timing and amount of foreign dividends, enacted tax legislation, state and local taxes, tax audit findings and settlements, and the interaction of various global tax strategies.

Net Income. Net income declined by $98 million, or 60.6%, to $64 million for the three months ended June 27, 2015, from $162 million for the three months ended June 28, 2014. The decline in net income was primarily due to the $148 million decrease in operating income, which is inclusive of unfavorable foreign currency effects, partially offset by the $47 million reduction in our provision for income taxes, as previously discussed. Our operating results during the three months ended June 27, 2015 were also negatively impacted by $45 million of pretax restructuring and non-cash charges recorded in connection with the Global Reorganization Plan, which had an after-tax effect of reducing net income by $31 million.

Net Income per Diluted Share. Net income per diluted share declined by $1.07, or 59.4%, to $0.73 per share for the three months ended June 27, 2015, from $1.80 per share for the three months ended June 28, 2014. The decline was due to lower net income, as previously discussed, partially offset by lower weighted-average diluted shares outstanding during the three months ended June 27, 2015 driven by our share repurchases over the last twelve months. Net income per diluted share for the three months ended June 27, 2015 was negatively impacted by approximately $0.36 per share as a result of restructuring and non-cash charges recorded in connection with the Global Reorganization Plan.

FINANCIAL CONDITION AND LIQUIDITY

Financial Condition

The following table presents our financial condition as of June 27, 2015 and March 28, 2015:

	June 27, 2015	March 28, 2015	$ Change
		(millions)	
Cash and cash equivalents	$ 490	$ 500	$ (10)
Short-term investments	661	644	17
Non-current investments[(a)]	8	8	—
Short-term debt	(155)	(234)	79
Long-term debt[(b)]	(297)	(298)	1
Net cash and investments[(c)]	$ 707	$ 620	$ 87
Equity	$ 3,807	$ 3,891	$ (84)

[(a)] Recorded within other non-current assets in our consolidated balance sheets.

[(b)] During the first quarter of Fiscal 2016, we entered into an interest rate swap contract which we designated as a hedge against changes in the fair value of our fixed-rate Senior Notes (see Note 13 to the accompanying unaudited interim consolidated financial statements). Accordingly, the carrying value of the Senior Notes as of June 27, 2015 reflects an adjustment of $2 million for the change in fair value attributable to the benchmark interest rate. The carrying value of the Senior Notes is also net of unamortized debt issuance costs of $1 million and $2 million as of June 27, 2015 and March 28, 2015, respectively.

[(c)] "Net cash and investments" is defined as cash and cash equivalents, plus short-term and non-current investments, less total debt.

The increase in our net cash and investments position at June 27, 2015 as compared to March 28, 2015 was primarily due to our operating cash flows of $332 million, partially offset by our use of cash to support Class A common stock repurchases of $169 million, including withholdings in satisfaction of tax obligations for stock-based compensation awards, to invest in our business through $68 million in capital expenditures, and to make cash dividend payments of $43 million.

The decline in equity was primarily attributable to our share repurchase activity and dividends declared, partially offset by our comprehensive income and the net impact of stock-based compensation arrangements during the three months ended June 27, 2015.

Cash Flows

The following table details our cash flows for the three-month periods ended June 27, 2015 and June 28, 2014:

	Three Months Ended		
	June 27, 2015	June 28, 2014	$ Change
	(millions)		
Net cash provided by operating activities	$ 332	$ 415	$ (83)
Net cash used in investing activities	(77)	(264)	187
Net cash used in financing activities	(275)	(238)	(37)
Effect of exchange rate changes on cash and cash equivalents	10	1	9
Net decrease in cash and cash equivalents	$ (10)	$ (86)	$ 76

Net Cash Provided by Operating Activities. Net cash provided by operating activities decreased to $332 million during the three months ended June 27, 2015, as compared to $415 million during the three months ended June 28, 2014. The $83 million net decrease in cash provided by operating activities was primarily due to the decline in net income before non-cash charges, partially offset by a net favorable change related to our operating assets and liabilities. The net favorable change related to our operating assets and liabilities was largely driven by fluctuations associated with our non-current derivative instruments, partially offset by a net decline in our working capital. The net decline in our working capital was driven by a year-over-year increase in our inventory levels to support our new brands and new and expanded stores, and an unfavorable change in income tax receivables and payables due to the timing of tax payments. These decreases in our working capital were partially offset by favorable changes in our accounts receivable and accounts payable and accrued liabilities balances, primarily related to the timing of cash collections and payments, respectively.

Net Cash Used in Investing Activities. Net cash used in investing activities was $77 million during the three months ended June 27, 2015, as compared to $264 million during the three months ended June 28, 2014. The $187 million net decrease in cash used in investing activities was primarily driven by:

- a $171 million decline in cash used to purchase investments, less proceeds from sales and maturities of investments. During the three months ended June 27, 2015, we made net investment purchases of $4 million, as compared to net investment purchases of $175 million during the three months ended June 28, 2014; and

- a $17 million decline in capital expenditures. During the three months ended June 27, 2015, we spent $68 million on capital expenditures, as compared to $85 million during the three months ended June 28, 2014. Our capital expenditures during the three months ended June 27, 2015 primarily related to our global retail store expansion, department store renovations, enhancements to our global information technology systems, and further development of our infrastructure.

Net Cash Used in Financing Activities. Net cash used in financing activities was $275 million during the three months ended June 27, 2015, as compared to $238 million during the three months ended June 28, 2014. The $37 million net increase in cash used in financing activities was primarily driven by:

- a $79 million increase in repayments of debt, less proceeds from debt issuances, related to our Commercial Paper Program (as defined within "*Commercial Paper*" below); and

- a $3 million increase in cash used to pay dividends. During the three months ended June 27, 2015, we used $43 million to pay dividends, as compared to $40 million during the three months ended June 28, 2014.

The above increases in cash used in financing activities were partially offset by:

- a $42 million decline in cash used to repurchase shares of our Class A common stock. During the three months ended June 27, 2015, we used $150 million to repurchase shares of Class A common stock pursuant to our common stock repurchase program, and an additional $19 million in shares of Class A common stock were surrendered or withheld in satisfaction of withholding taxes in connection with the vesting of awards under our 1997 Long-Term Stock Incentive Plan, as amended (the "1997 Incentive Plan") and our Amended and Restated 2010 Long-Term Stock Incentive Plan (the "2010 Incentive Plan"). On a comparative basis, during the three months ended June 28, 2014, we used $180 million to repurchase shares of Class A common stock pursuant to our common stock repurchase program, and an additional $31 million in shares of Class A common stock were surrendered or withheld for taxes.

Liquidity

Our primary sources of liquidity are the cash flows generated from our operations, availability under our Global Credit Facility, Domestic Credit Facility, and Pan-Asia Credit Facilities (all as defined below), our Commercial Paper Program (as defined below), our available cash and cash equivalents and short-term investments, and other available financing options. As of June 27, 2015, we had $1.151 billion in cash, cash equivalents, and short-term investments, of which $1.111 billion were held by our subsidiaries domiciled outside the U.S. We are not dependent on foreign cash to fund our domestic operations and do not expect to repatriate these balances to meet our domestic cash needs. However, if our plans change and we choose to repatriate any funds to the U.S. in the future, we would be subject to applicable U.S. and foreign taxes.

Our sources of liquidity are used to fund our ongoing cash requirements, including working capital requirements, global retail store and e-commerce development and expansion, construction and renovation of shop-within-shops, investment in infrastructure, including technology, acquisitions, joint ventures, payment of dividends, debt repayments, common stock repurchases, settlement of contingent liabilities (including uncertain tax positions), and other corporate activities. We believe that our existing sources of cash, the availability under our credit facilities, and our ability to access capital markets will be sufficient to support our operating, capital, and debt service requirements for the foreseeable future, the ongoing development of our businesses, and our plans for further business expansion.

As discussed in the "*Debt and Covenant Compliance*" section below, we had $155 million in commercial paper notes outstanding as of June 27, 2015. We had no borrowings outstanding under our Global Credit Facility, Domestic Credit Facility, or Pan-Asia Credit Facilities as of June 27, 2015.

We believe that our Global Credit Facility is adequately diversified with no undue concentration in any one financial institution. In particular, as of June 27, 2015, there were nine financial institutions participating in the Global Credit Facility, with no one participant maintaining a maximum commitment percentage in excess of 20%. We have no reason to believe that the participating institutions will be unable to fulfill their obligations to provide financing in accordance with the terms of the Global Credit Facility, the Domestic Credit Facility, and the Pan-Asia Credit Facilities in the event of our election to draw funds in the foreseeable future.

Common Stock Repurchase Program

A summary of our repurchases of Class A common stock under our common stock repurchase program is presented below:

	Three Months Ended	
	June 27, 2015	June 28, 2014
	(millions)	
Cost of shares repurchased	$ 150	$ 180
Number of shares repurchased	1.1	1.2

As of June 27, 2015, the remaining availability under our Class A common stock repurchase program was approximately $430 million, reflecting the May 12, 2015 approval by our Board of Directors to expand the program by up to an additional $500 million of Class A common stock repurchases. Repurchases of shares of Class A common stock are subject to overall business and market conditions.

In addition, during each of the three-month periods ended June 27, 2015 and June 28, 2014, 0.2 million shares of Class A common stock, at a cost of $19 million and $31 million, respectively, were surrendered or withheld in satisfaction of withholding taxes in connection with the vesting of awards under the 1997 Incentive Plan and the 2010 Incentive Plan.

Repurchased and surrendered shares are accounted for as treasury stock at cost and held in treasury for future use.

Dividends

Since 2003, we have maintained a regular quarterly cash dividend program on our common stock. On February 3, 2015, our Board of Directors approved an increase to the quarterly cash dividend on our common stock from $0.45 per share to $0.50 per share. The first quarter Fiscal 2016 dividend of $0.50 per share was declared on June 11, 2015, was payable to stockholders of record at the close of business on June 26, 2015, and was paid on July 10, 2015. Dividends paid amounted to $43 million and $40 million during the three-month periods ended June 27, 2015 and June 28, 2014, respectively.

We intend to continue to pay regular quarterly dividends on our outstanding common stock. However, any decision to declare and pay dividends in the future will be made at the discretion of our Board of Directors and will depend on our results of operations, cash requirements, financial condition, and other factors that the Board of Directors may deem relevant.

Debt and Covenant Compliance

Senior Notes

In September 2013, we completed a registered public debt offering and issued $300 million aggregate principal amount of Senior Notes due September 26, 2018 at a price equal to 99.896% of their principal amount. The Senior Notes bear interest at a fixed rate of 2.125%, payable semi-annually. The proceeds from this offering were used for general corporate purposes, including repayment of the previously outstanding €209 million principal amount of 4.5% Euro-denominated notes, which matured on October 4, 2013.

The Indenture governing the Senior Notes (the "Indenture") contains certain covenants that restrict our ability, subject to specified exceptions, to incur certain liens; enter into sale and leaseback transactions; consolidate or merge with another party; or sell, lease, or convey all or substantially all of our property or assets to another party. However, the Indenture does not contain any financial covenants.

Commercial Paper

In May 2014, we initiated a commercial paper borrowing program (the "Commercial Paper Program") that allowed us to issue up to $300 million of unsecured commercial paper notes through private placement using third-party broker-dealers. In May 2015, we initiated an expansion of the Commercial Paper Program to allow for a total issuance of up to $500 million of unsecured commercial paper notes.

Borrowings under the Commercial Paper Program are supported by the Global Credit Facility, as defined below, and may be used to support our general working capital and corporate needs. Maturities of commercial paper notes vary, but cannot exceed 397 days from the date of issuance. Commercial paper notes issued under the Commercial Paper Program rank equally with our other forms of unsecured indebtedness. As of June 27, 2015, we had $155 million in borrowings outstanding under our Commercial Paper Program, with a weighted-average annual interest rate of 0.30% and a weighted-average remaining term of 21 days.

Revolving Credit Facilities

Global Credit Facility

In February 2015, we entered into an amended and restated credit facility that provides for a $500 million senior unsecured revolving line of credit through February 11, 2020 (the "Global Credit Facility") under terms and conditions substantially similar to those previously in effect. The Global Credit Facility is also used to support the issuance of letters of credit and the maintenance of the Commercial Paper Program. Borrowings under the Global Credit Facility may be denominated in U.S. Dollars and other currencies, including Euros, Hong Kong Dollars, and Japanese Yen. We have the ability to expand our borrowing availability under the Global Credit Facility to $750 million, subject to the agreement of one or more new or existing lenders under the facility to increase their commitments. There are no mandatory reductions in borrowing ability throughout the term of the Global Credit

Facility. As of June 27, 2015, there were no borrowings outstanding under the Global Credit Facility and we were contingently liable for $9 million of outstanding letters of credit.

The Global Credit Facility contains a number of covenants that, among other things, restrict our ability, subject to specified exceptions, to incur additional debt; incur liens; sell or dispose of assets; merge with or acquire other companies; liquidate or dissolve; engage in businesses that are not in a related line of business; make loans, advances, or guarantees; engage in transactions with affiliates; and make certain investments. The Global Credit Facility also requires us to maintain a maximum ratio of Adjusted Debt to Consolidated EBITDAR (the "leverage ratio") of no greater than 3.75 as of the date of measurement for the four most recent consecutive fiscal quarters. Adjusted Debt is defined generally as consolidated debt outstanding plus eight times consolidated rent expense for the last four consecutive fiscal quarters. Consolidated EBITDAR is defined generally as consolidated net income plus (i) income tax expense, (ii) net interest expense, (iii) depreciation and amortization expense, and (iv) consolidated rent expense. As of June 27, 2015, no Event of Default (as such term is defined pursuant to the Global Credit Facility) has occurred under our Global Credit Facility.

Domestic Credit Facility

In August 2014, we entered into an uncommitted credit facility (the "Domestic Credit Facility") with Santander Bank, N.A. ("Santander"), which provides for a revolving line of credit up to $100 million through August 19, 2015. Borrowings under the Domestic Credit Facility are granted at the sole discretion of Santander, subject to availability of its funds, and bear interest at a rate equal to the London Interbank Offered Rate plus a spread determined by Santander at the time of borrowing. The Domestic Credit Facility does not contain any financial covenants. As of June 27, 2015, there were no borrowings outstanding under the Domestic Credit Facility.

Pan-Asia Credit Facilities

Certain of our subsidiaries in Asia have uncommitted credit facilities with regional branches of JPMorgan Chase (the "Banks") in China, Malaysia, South Korea, and Taiwan (the "Pan-Asia Credit Facilities"). These credit facilities are subject to annual renewal and may be used to fund general working capital and corporate needs of our operations in the respective countries. Our subsidiaries' borrowings under the Pan-Asia Credit Facilities are guaranteed by the parent company. The Pan-Asia Credit Facilities do not contain any financial covenants. As of June 27, 2015, the Pan-Asia Credit Facilities provided for revolving lines of credit of up to $32 million, granted at the sole discretion of the Banks, subject to availability of the Banks' funds and satisfaction of certain regulatory requirements. As of June 27, 2015, there were no borrowings outstanding under any of the Pan-Asia Credit Facilities.

Refer to Note 11 to the accompanying unaudited interim consolidated financial statements and Note 14 of the Fiscal 2015 10-K for detailed disclosure of the terms and conditions of our debt and credit facilities.

MARKET RISK MANAGEMENT

As discussed in Note 16 of the Fiscal 2015 10-K and Note 13 to the accompanying unaudited interim consolidated financial statements, we are exposed to a variety of risks, including changes in foreign currency exchange rates relating to certain anticipated cash flows from our international operations and possible declines in the value of reported net assets of certain of our foreign operations, as well as changes in the fair value of our fixed-rate debt relating to changes in interest rates. Consequently, at times, in the normal course of business, we employ established policies and procedures, including the use of derivative financial instruments, to manage such risks. We do not enter into derivative transactions for speculative or trading purposes.

As a result of the use of derivative instruments, we are exposed to the risk that counterparties to our contracts will fail to meet their contractual obligations. To mitigate this counterparty credit risk, we have a policy of only entering into contracts with carefully selected financial institutions based upon an evaluation of their credit ratings and certain other factors, adhering to established limits for credit exposure. Our established policies and procedures for mitigating credit risk from derivative transactions include ongoing review and assessment of the creditworthiness of our counterparties. We also enter into master netting arrangements with counterparties, when possible, to mitigate credit risk associated with our derivative instruments. As a result of the above considerations, we do not believe that we are exposed to any undue concentration of counterparty risk with respect to our derivative contracts as of June 27, 2015. However, we do have in aggregate approximately $48 million of derivative instruments in net asset positions with six creditworthy financial institutions.

Foreign Currency Risk Management

We manage our exposure to changes in foreign currency exchange rates through the use of forward foreign currency exchange contracts. Refer to Note 13 to the accompanying unaudited interim consolidated financial statements for a summary of the notional amounts and fair values of our forward foreign currency exchange contracts outstanding as of June 27, 2015.

Forward Foreign Currency Exchange Contracts

We enter into forward foreign currency exchange contracts as hedges to reduce our risk related to exchange rate fluctuations on inventory transactions made in an entity's non-functional currency, intercompany royalty payments made by certain of our international operations, intercompany contributions made to fund certain marketing efforts of our international operations, and other foreign currency-denominated operational cash flows. As part of our overall strategy to manage the level of exposure to the risk of foreign currency exchange rate fluctuations, primarily to changes in the value of the Euro, the Japanese Yen, the South Korean Won, the Australian Dollar, the Canadian Dollar, the British Pound Sterling, and the Hong Kong Dollar, we hedge a portion of our foreign currency exposures anticipated over a two-year period. In doing so, we use forward foreign currency exchange contracts that generally have maturities of two months to two years to provide continuing coverage throughout the hedging period.

Our foreign exchange risk management activities are governed by our Company's established policies and procedures. These policies and procedures provide a framework that allows for the management of currency exposures while ensuring the activities are conducted within our established guidelines. Our policies include guidelines for the organizational structure of our risk management function and for internal controls over foreign exchange risk management activities, including, but not limited to, authorization levels, transaction limits, and credit quality controls, as well as various measurements for monitoring compliance. We monitor foreign exchange risk using different techniques, including a periodic review of market values and sensitivity analyses.

Cross-Currency Swap Contract

During the first quarter of Fiscal 2016, we entered into a €280 million notional amount pay-floating rate, receive-floating rate cross-currency swap which we designated as a hedge of our net investment in certain of our European subsidiaries (the "Cross-Currency Swap"). The Cross-Currency Swap, which matures on September 26, 2018, swaps a USD-based variable interest rate based on the 3-month London Interbank Offered Rate ("LIBOR") plus a fixed spread for a Euro-based variable interest rate based on the 3-month Euro Interbank Offered Rate plus a fixed spread. As a result, the Cross-Currency Swap, in conjunction with the Interest Rate Swap (as defined below), economically converted our $300 million fixed-rate Senior Notes to a €280 million floating-rate Euro-denominated liability.

As of June 27, 2015, there have been no other significant changes in our foreign currency exposures, or in the types of derivative instruments used to hedge such exposures. See Note 3 to the accompanying unaudited interim consolidated financial statements for further discussion of our foreign currency exposures, and the types of derivative instruments used to hedge those exposures.

Interest Rate Risk Management

During the first quarter of Fiscal 2016, we entered into a pay-floating rate, receive-fixed rate interest rate swap contract which we designated as a hedge against changes in the fair value of our Senior Notes attributed to changes in the benchmark interest rate (the "Interest Rate Swap"). The Interest Rate Swap, which matures on September 26, 2018, has an aggregate notional amount of $300 million and swaps the 2.125% fixed interest rate on our Senior Notes for a variable interest rate based on the 3-month LIBOR plus a fixed spread.

Investment Risk Management

As of June 27, 2015, we had cash and cash equivalents on-hand of $490 million, consisting of deposits in interest bearing accounts and invested in money market funds and time deposits with original maturities of 90 days or less. Our other significant investments included $661 million of short-term investments, consisting of time deposits with original maturities greater than 90 days, and $40 million of restricted cash placed in escrow with certain banks as collateral, primarily to secure guarantees in connection with certain international tax matters.

We actively monitor our exposure to changes in the fair value of our global investment portfolio in accordance with our established policies and procedures, which include monitoring both general and issuer-specific economic conditions, as discussed further below. Our investment objectives include capital preservation, maintaining adequate liquidity, diversification to minimize liquidity and credit risk, and achievement of maximum returns within the guidelines set forth in our investment policy. See Note 13 to the accompanying unaudited interim consolidated financial statements for further detail of the composition of our investment portfolio as of June 27, 2015.

We evaluate investments held in unrealized loss positions for other-than-temporary impairment on a quarterly basis. This evaluation involves a variety of considerations, including assessments of risks and uncertainties associated with general economic conditions and distinct conditions affecting specific issuers. We consider the following factors: (i) the length of time and the extent to which the fair value has been below cost, (ii) the financial condition, credit worthiness, and near-term prospects of the issuer, (iii) the length of time to maturity, (iv) anticipated future economic conditions and market forecasts, (v) our intent and ability to retain our investment for a period of time sufficient to allow for recovery of market value, and (vi) an assessment of whether it is more likely than not that we will be required to sell our investment before recovery of market value. No material realized or unrealized gains or losses on available-for-sale investments or other-than-temporary impairment charges were recorded in any of the fiscal periods presented.

CRITICAL ACCOUNTING POLICIES

Our significant accounting policies are described in Note 3 of the Fiscal 2015 10-K. Our estimates are often based on complex judgments, assessments of probability, and assumptions that management believes to be reasonable, but that are inherently uncertain and unpredictable. It is also possible that other professionals, applying reasonable judgment to the same set of facts and circumstances, could develop and support a range of alternative estimated amounts. For a complete discussion of our critical accounting policies, see the "Critical Accounting Policies" section of the MD&A in our Fiscal 2015 10-K.

There have been no significant changes in the application of our critical accounting policies since March 28, 2015.

RECENTLY ISSUED ACCOUNTING STANDARDS

See Note 4 to the accompanying unaudited interim consolidated financial statements for a description of certain recently issued or proposed accounting standards which may impact our consolidated financial statements in future reporting periods.

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

For a discussion of the Company's exposure to market risk, see "Market Risk Management" presented in Part I, Item 2 — *"MD&A"* of this Form 10-Q and incorporated herein by reference.

Item 4. *Controls and Procedures.*

The Company maintains disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in the reports that the Company files or submits under the Securities and Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

The Company carried out an evaluation based on criteria established in the *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) under the supervision and with the participation of its management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rules 13(a)-15(e) and 15(d)-15(e) of the Securities and Exchange Act of 1934. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective at the reasonable assurance level as of June 27, 2015. Except as discussed below, there has been no change in the Company's internal control over financial reporting during the fiscal quarter ended June 27, 2015 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Global Operating and Financial Reporting System Implementation

We are in the process of implementing a global operating and financial reporting information technology system, SAP, as part of a multi-year plan to integrate and upgrade our systems and processes, which began during our fiscal year ended April 2, 2011 and will continue in phases over the next several years. We substantially completed the migration of our North America operations to SAP during Fiscal 2015, and we are currently in the process of executing the migration of our European operations to SAP, which is expected to be completed during the Company's fiscal year ending April 1, 2017.

As the phased implementation of this system occurs, we are experiencing certain changes to our processes and procedures which, in turn, result in changes to our internal control over financial reporting. While we expect SAP to strengthen our internal financial controls by automating certain manual processes and standardizing business processes and reporting across our organization, management will continue to evaluate and monitor our internal controls as processes and procedures in each of the affected areas evolve. For a discussion of risks related to the implementation of new systems, see Item 1A — "*Risk Factors — Risks Related to Our Business — Risks and uncertainties associated with the implementation of information systems may negatively impact our business*" in our Annual Report on Form 10-K for the fiscal year ended March 28, 2015.

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings.*

Reference is made to the information disclosed under Item 3 — "Legal Proceedings" in our Annual Report on Form 10-K for the fiscal year ended March 28, 2015. The following is a summary of recent litigation developments.

Wathne Imports Litigation

On September 13, 2005, Wathne Imports, Ltd. ("Wathne"), our former domestic licensee for luggage and handbags, filed suit against us in the Supreme Court of the State of New York, County of New York, alleging, among other things, that we had breached a 1999 License Agreement and Design Services Agreement with Wathne and had engaged in deceptive trade practices, fraud, and negligent misrepresentation. The complaint originally sought, among other things, injunctive relief, compensatory damages in excess of $250 million, and punitive damages in excess of $750 million. Following a motion to dismiss, a motion for summary judgment, and several appeals, only two claims remained against us, both related to an alleged breach of the License Agreement: (i) whether we discontinued the "Polo Sport" trademark on handbags and luggage without providing a replacement mark; and (ii) whether we usurped Wathne's right to manufacture and sell certain high-end handbags under the "Ralph Lauren" trademark. Wathne sought damages of up to approximately $100 million, plus interest, for these remaining claims. The Court recently granted our motion to strike Wathne's jury demand, and that decision was affirmed on appeal. A bench trial began on July 29, 2015, and the remaining claims were subsequently settled on August 5, 2015. The settlement of this matter did not have a material adverse effect on our consolidated financial statements.

Other Matters

We are otherwise involved, from time to time, in litigation, other legal claims, and proceedings involving matters associated with or incidental to our business, including, among other things, matters involving credit card fraud, trademark and other intellectual property, licensing, importation and exportation of products, taxation, unclaimed property, and employee relations. We believe at present that the resolution of currently pending matters, other than those separately discussed above, will not individually or in the aggregate have a material adverse effect on our consolidated financial statements. However, our assessment of the current litigation or other legal claims could potentially change in light of the discovery of facts not presently known or determinations by judges, juries, or other finders of fact which are not in accord with management's evaluation of the possible liability or outcome of such litigation or claims.

Item 1A. *Risk Factors.*

The Company's Annual Report on Form 10-K for the fiscal year ended March 28, 2015 contains a detailed discussion of certain risk factors that could materially adversely affect the Company's business, operating results, and/or financial condition. There are no material changes to the risk factors previously disclosed, nor has the Company identified any previously undisclosed risks that could materially adversely affect the Company's business, operating results, and/or financial condition.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds.***

(a) Sales of Unregistered Securities

Shares of the Company's Class B Common Stock may be converted immediately into Class A Common Stock on a one-for-one basis by the holder. There is no cash or other consideration paid by the holder converting the shares and, accordingly, there is no cash or other consideration received by the Company. The shares of Class A Common Stock issued by the Company in such conversions are exempt from registration pursuant to Section 3(a)(9) of the Securities Act of 1933, as amended.

No shares of the Company's Class B common stock were converted into Class A common stock during the fiscal quarter ended June 27, 2015.

(b) Not Applicable

(c) Stock Repurchases

The following table sets forth the repurchases of shares of the Company's Class A common stock during the fiscal quarter ended June 27, 2015:

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet be Purchased Under the Plans or Programs[a]
				(millions)
March 29, 2015 to April 25, 2015	1,738 [b]	$ 139.74	—	$ 80
April 26, 2015 to May 23, 2015	378,709	132.03	378,709	530
May 24, 2015 to June 27, 2015	897,766 [c]	133.04	748,878	430
	1,278,213		1,127,587	

[a] On May 12, 2015, the Company's Board of Directors approved an expansion of the program that allows it to repurchase up to an additional $500 million of Class A common stock. Repurchases of shares of Class A common stock are subject to overall business and market conditions.

[b] Represents shares surrendered to or withheld by the Company in satisfaction of withholding taxes in connection with the vesting of awards issued under the 2010 Long-Term Stock Incentive Plan.

[c] Includes approximately 0.2 million shares surrendered to or withheld by the Company in satisfaction of withholding taxes in connection with the vesting of awards issued under the incentive plans referenced above.

Item 5. ***Other Information.***

Amendments to the Code of Business Conduct and Ethics

On August 6, 2015, in connection with the Company's regular review of its corporate governance policies, the Company's Board of Directors approved amendments to the Company's Code of Business Conduct and Ethics (the "Code"). The amendments include, among other things, updated sections regarding the Company's existing process, procedures and compliance with respect to applicable competition, international trade, and whistleblower protection laws, and the Company's internal policies relating to data privacy, protection of intellectual property, and political activity.

The description of the amendments to the Code above is qualified in its entirety by reference to the full text of the Code, filed as Exhibit 14.1 to this Form 10-Q. The Company's Code, as amended, is also available on the Company's Investor Relations website, http://investor.ralphlauren.com.

Item 6. ***Exhibits.***

3.1	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)).
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Company (filed as Exhibit 3.1 to the Form 8-K filed August 16, 2011).
3.3	Third Amended and Restated By-laws of the Company (filed as Exhibit 3.1 to the Form 8-K dated February 4, 2014).
10.1*	Form of Restricted Stock Unit Award Agreement under the Amended and Restated 2010 Long-Term Stock Incentive Plan†
12.1*	Computation of Ratio of Earnings to Fixed Charges.
14.1*	Code of Business Conduct and Ethics of the Company, as amended and restated on August 6, 2015.
31.1*	Certification of Ralph Lauren, Chairman and Chief Executive Officer, pursuant to 17 CFR 240.13a-14(a).
31.2*	Certification of Robert L. Madore, Senior Vice President and Chief Financial Officer, pursuant to 17 CFR 240.13a-14(a).
32.1*	Certification of Ralph Lauren, Chairman and Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Robert L. Madore, Senior Vice President and Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101*	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) the Consolidated Balance Sheets at June 27, 2015 and March 28, 2015, (ii) the Consolidated Statements of Income for the three-month periods ended June 27, 2015 and June 28, 2014, (iii) the Consolidated Statements of Comprehensive Income for the three-month periods ended June 27, 2015 and June 28, 2014, (iv) the Consolidated Statements of Cash Flows for the three-month periods ended June 27, 2015 and June 28, 2014, and (v) the Notes to the Consolidated Financial Statements.

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

***** Filed herewith.

† Management contract or compensatory plan or arrangement.

SIGNATURES

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

RALPH LAUREN CORPORATION

By: /s/ ROBERT L. MADORE

Robert L. Madore

Senior Vice President and Chief Financial Officer

(Principal Financial and Accounting Officer)

Date: August 6, 2015

RALPH LAUREN CORPORATION

RESTRICTED STOCK UNIT AWARD AGREEMENT

THIS AGREEMENT (the "Agreement"), is made, effective as of the [Date] (the "Grant Date"), between Ralph Lauren Corporation, a Delaware corporation (hereinafter called the "Company"), and [Employee Name] (hereinafter called the "Participant").

R E C I T A L S:

WHEREAS, the Company has adopted the Ralph Lauren Corporation 2010 Long-Term Stock Incentive Plan (the "Plan") which Plan is incorporated herein by reference, made part of this Agreement, and may be reviewed through the website link at the end of the Agreement. Capitalized terms not otherwise defined herein shall have the same meanings as in the Plan; and

WHEREAS, the Committee has determined that it would be in the best interests of the Company and its stockholders to grant the restricted stock unit award provided for herein ("Restricted Stock Unit Award" or "RSU Award") to Participant pursuant to the Plan and the terms set forth herein.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Grant of the Restricted Stock Units. Subject to the terms and conditions of the Plan and the additional terms and conditions set forth in this Agreement as well as the Appendices to this Agreement, the Company hereby grants to the Participant a Restricted Stock Unit Award consisting of [Number of Share Units] Restricted Stock Units ("RSUs"). The RSUs shall vest and become non-forfeitable in accordance with Section 2 hereof.

2. Vesting.
   (a) Subject to the Participant's continued service as an Employee of the Company, the RSUs shall vest and become non-forfeitable with respect to one-third (1/3) of the RSUs initially granted hereunder on each of (i) the first anniversary of the Grant Date, (ii) the second anniversary of the Grant Date, and (iii) the third anniversary of the Grant Date.

   (b) Once vested, the RSUs shall be paid to Participant in Shares as soon as administratively practicable, but not later than thirty (30) days, after their applicable vesting date.

(c) Notwithstanding the foregoing, in the event the above vesting schedule results in the vesting of any fractional Shares, such fractional Shares shall not be deemed vested hereunder but shall instead only vest and become non-forfeitable when such fractional Shares aggregate whole Shares.

(d) If the Participant's service as an Employee of the Company is terminated for any reason other than due to the Participant's death or Disability, or due to Participant's Retirement (as defined below), the RSUs shall, to the extent not then vested, be forfeited by the Participant without consideration.

(e) In the event that Participant's employment is terminated by reason of death, Disability or Retirement of the Participant within the first year following the Grant Date of this Agreement, Participant shall be entitled to vest in the RSUs that would have otherwise vested had service continued through the first anniversary of the Grant Date, with such RSUs vesting on that date. All RSUs that do not vest in accordance with the preceding sentence shall be forfeited and cancelled automatically at the time of the Participant's death, Disability or Retirement. In the event that Participant's employment is terminated by reason of death, Disability or Retirement after the first year following the Grant Date of this Agreement, Participant shall be entitled to vest in all remaining unvested RSUs on the same dates they would have vested had Participant's employment continued through such dates.

(f) For purposes of this Agreement, "Retirement" shall mean Participant's termination of employment for any reason (other than for Misconduct as defined in Appendix A to this Agreement) after: (a) Participant has attained age 55 and completed at least seven (7) years of continuous service as an employee of the Company or an Affiliate; or (b) Participant has attained age 65. Notwithstanding the foregoing, if the Company determines, in its sole discretion, that Participant has violated any of the Obligations in Appendix A to this Agreement, the Participant shall not be deemed to be eligible for Retirement and all RSUs that have not been settled shall be forfeited effective as of the date that the violation first occurred.

3. Rights as a Stockholder. Neither the Participant or any person claiming under or through the Participant will have any of the rights or privileges of a stockholder of the Company in respect of any RSUs unless and until the RSUs have vested and been issued as Shares in accordance with the Plan, recorded on the records of the Company or its transfer agents or registrars, and delivered to the Participant. After such vesting, issuance,

recordation, and delivery, the Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

4. No Right to Continued Employment. Participant understands and agrees that this Agreement does not impact in any way the right of the Company to terminate or change the terms of the employment of Participant at any time for any reason whatsoever, with or without good cause provided in accordance with applicable local law. Participant understands and agrees that, unless contrary to applicable local law or there is an employment contract in place providing otherwise, his or her employment is "at-will," and that either the Company or Participant may terminate Participant's employment at any time and for any reason subject to applicable local law.

5. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or his or her acquisition or sale of the underlying RSUs. The Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding the Participant's participation in the Plan before taking any action related to the Plan.

6. Compliance with Section 409A. The parties acknowledge and agree that, to the extent applicable, this Agreement shall be interpreted in accordance with, and the parties agree to use their best efforts to achieve timely compliance with, Section 409A of the Code and the Department of Treasury Regulations and other interpretive guidance issued thereunder ("Section 409A"), including without limitation any such regulations or other guidance that may be issued after the Grant Date. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines that anything provided hereunder may be subject to Section 409A, the Company reserves the right (without any obligation to do so or to indemnify the Participant for failure to do so) to adopt such limited amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Company reasonably determines are necessary or appropriate to (a) exempt the RSU Award under this Agreement from Section 409A and/or preserve the intended tax treatment of the RSU Award provided with respect to this Agreement or (b) comply with the requirements of Section 409A. Notwithstanding any provision in this Agreement to the contrary, if and to the extent that any amount payable hereunder constitutes deferred compensation (or may be nonqualified deferred compensation) under Section 409A and such deferral is required to comply with the requirements of Section 409A (and not exempt therefrom), then: (a) to the extent required by Section 409A any references to termination of employment (or similar references) shall be deemed a reference to a "separation from service" within the meaning of Section 1.409A-1(h) of the Department of Treasury

Regulations; and (b) if Participant is determined to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, then no payment that is payable on account of Participant's "separation from service" shall be made before the date that is at least six months after Participant's "separation from service" (or if earlier, the date of Participant's death), but rather all such payments shall be made on the date that is five business days after the expiration of that six month period. For the avoidance of doubt, no payment shall be delayed for six months after Participant's "separation from service" if it constitutes a "short term deferral" within the meaning of Section 1.409A-1(a)(4) of the Department of Treasury Regulations. For purposes of Section 409A, Participant's right to receive payments hereunder shall be treated as a right to receive a series of separate and distinct payments. The determination of whether Participant is a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code as of the time of Participant's separation from service shall be made by the Company in accordance with the terms of Section 409A.

7. Notices. Any notice necessary under this Agreement shall be addressed to the Company in care of its Secretary at the principal executive office of the Company and to the Participant at the address appearing in the records of the Company with respect to such Participant or to either party at such other address as either party hereto may hereafter designate in writing to the other. Any such notice shall be deemed effective upon receipt thereof by the addressee.

8. Appendices. Appendix A attached hereto, entitled "Post-Employment Obligations," and Appendix B attached hereto, entitled "Terms and Conditions for Non-U.S. Participants," are fully incorporated into, and form a part of, this Agreement.

9. Withholding. As authorized by Section 14(d) of the Plan, when Shares are distributed after vesting, a portion of the Shares may be withheld to satisfy tax withholding requirements, and the net Shares shall then be delivered.

10. Choice of Law. This Agreement, including its Appendices, shall be governed by, and construed in accordance with, the laws of the State of New York without regard to principles of conflict of laws. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or the Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of New York and agree that such litigation shall be conducted only in the courts of New York County, New York, or the federal courts of the United States for the Southern District of New York, and no other courts.

11. Non-U.S. Participants. Notwithstanding any provision of the Plan to the contrary, to comply with securities, exchange control, labor, tax, or other applicable laws, rules or regulations in countries outside of the United States in which the Company and its Subsidiaries operate or have Employees, Consultants, or directors, and/or for the purpose of taking advantage of tax favorable treatment for RSU Awards granted to Participants in such countries, the Committee, in its sole discretion, shall have the power and authority to (i) amend or modify the terms and conditions of any RSU Awards granted to a Participant; (ii) establish, adopt, interpret, or revise any rules and procedures to the extent such actions may be necessary or advisable, including adoption of rules or procedures applicable to particular Subsidiaries or Participants residing in particular locations; and (iii) take any action, before or after an RSU Award is made, that it deems advisable to obtain approval or comply with any necessary local governmental regulatory exemptions or approvals. Without limiting the generality of the foregoing, the Committee is specifically authorized to adopt rules or procedures with provisions that limit or modify rights on eligibility to receive RSU Awards under the Plan or on termination of service, available methods of vesting or settlement of a RSU Award, payment of tax-related items, the shifting of employer tax liability to the Participant, tax withholding procedures, restrictions on the sale of shares of Class A Common Stock of the Company, and the handling of stock certificates or other indicia of ownership. Notwithstanding the foregoing, the Committee may not take actions hereunder, and no RSU Awards shall be granted, that would violate the U.S. Securities Act of 1933, as amended, the Exchange Act, the Code, any securities law or governing statute.

12. Exchange Rates. Neither the Company nor any Subsidiary shall be liable to a Participant for any foreign exchange rate fluctuation between the Participant's local currency and the U.S. Dollar that may affect the value of the Participant's RSU Award or of any amounts due to the Participant pursuant to the vesting or other settlement of the RSU Award or, if applicable, the subsequent sale of Shares acquired upon vesting.

13. RSU Award Subject to Plan. By accepting this Agreement and the Award evidenced hereby, the Participant agrees and acknowledges that the Participant has received and read a copy of the Plan, that the Plan forms a part of this Agreement, and that if there is a conflict between this Agreement and either the Plan or the provision under which the Plan is administered and governed by the Committee, the Plan and/or the determination of the Committee will govern, as applicable. This Agreement is qualified in its entirety based on the determinations, interpretations and other decisions made within the sole discretion of the Committee.

14. Conflict with any Employment Contract. If Participant has entered into an authorized, written employment contract with the Company, the terms of that authorized, written employment contract shall prevail over any conflicting provisions in this Agreement.

15. Acknowledgments. By participating in the Plan, the Participant understands and agrees that:

a) the Plan is established voluntarily by the Company, is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

b) the grant of RSU Awards is voluntary and occasional and does not create any contractual or other right to receive future RSU Awards, or benefits in lieu of these awards, even if RSU Awards have been granted in the past;

c) all decisions with respect to future RSU Awards, if any, will be at the sole discretion of the Committee;

d) the Participant is subject to the Company's Securities Trading Policy;

e) the Participant is voluntarily participating in the Plan;

f) any RSU Awards and the Company's Class A Common Stock subject to awards, and the income and value of same, are not part of the Participant's normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments, if any; and

g) no claim or entitlement to compensation or damages shall arise from the forfeiture of a RSU Award (either in whole or in part) resulting from the Participant's termination of employment or service.

PARTICIPANT MUST EXECUTE THIS AGREEMENT BY NO LATER THAN AUGUST 31, ____, OR THE RSU AWARD SHALL BE FORFEITED

2010 Long-Term Stock Incentive Plan [insert link here]

APPENDIX A

POST-EMPLOYMENT OBLIGATIONS

As a recipient of the Company equity award (the "Award") described in the agreement to which this Appendix is attached (the "Agreement"), you have the opportunity to build long-term personal financial value. In exchange for this opportunity, in the event you leave the Company you will be subject to a Confidentiality, a Non-Compete and a Non-Solicitation obligation, as defined below (the "Obligations"), which may restrict your conduct after your employment with the Company ends. If you execute the Agreement, you will receive the Award described in the Agreement and be subject to these Obligations.

Confidentiality

You will at all times during and after your employment with the Company faithfully hold the Company's Confidential Information (as defined below) in the strictest confidence, and you will use your best efforts and highest diligence to guard against its disclosure to anyone other than as required in the performance of your duties in good faith to the Company. You will not use Confidential Information for your personal benefit or for the benefit of any competitor or other person. "Confidential Information" means certain proprietary techniques and confidential information as described below, which have great value to the Company's business and which you acknowledge is and shall be the sole and exclusive property of the Company. Confidential Information includes all proprietary information that has or could have commercial value or other utility in the business in which the Company is engaged or contemplates engaging, and all proprietary information the unauthorized disclosure of which could be detrimental to the interests of the Company. By way of example and without limitation, Confidential Information includes any and all information developed, obtained or owned by the Company and/or its subsidiaries, affiliates or licensees concerning trade secrets, techniques, know-how (including designs, plans, procedures, processes and research records), software, computer programs, marketing data and plans, business plans, strategies, forecasts, unpublished financial information, orders, agreements and other forms of documents, price and cost information, merchandising opportunities, expansion plans, designs, store plans, budgets, projections, customer, supplier and subcontractor identities, characteristics and agreements, and salary, staffing and employment information. Upon termination of your employment with the Company, regardless of the reason for such termination, you will return to the Company all documents and other materials of any kind that contain Confidential Information. You understand that nothing in this Appendix A or otherwise in this Agreement shall be construed to prohibit you from reporting possible violations of law or regulation to any governmental agency or regulatory body or making other disclosures that are protected under any law or regulation, or from filing a charge with or participating in any investigation or proceeding conducted by any governmental agency or regulatory body.

Non-Compete	You covenant and agree that during your period of employment, and for a period of six (6) months following the termination of your employment if such termination is voluntarily initiated by you for any reason, or if such termination is initiated by the Company because of your Misconduct, as that term is defined in the Addendum below, you shall not provide any labor, work, services or assistance (whether as an officer, director, employee, partner, agent, owner, independent contractor, consultant, stockholder or otherwise) to a "Competing Business." For purposes hereof, "Competing Business" shall mean any business engaged in the designing, marketing or distribution of premium lifestyle products, including but not limited to apparel, home, accessories and fragrance products, which competes in any material respects with the Company or any of its subsidiaries, affiliates or licensees. Nothing in this Non-Compete prohibits you from owning, solely as an investment, securities of any entity which are traded on a national securities exchange if you are not a controlling person of, or a member of a group that controls such entity, and you do not, directly or indirectly, own 5% or more of any class of securities of such entity.
Non-Solicit	You covenant and agree that during your period of employment, other than in the course of performing your duties in good faith, and for a period of one (1) year following the termination of your employment for any reason whatsoever hereunder, you shall not directly or indirectly solicit or influence any other employee of the Company, or any of its subsidiaries, affiliates or licensees, to terminate such employee's employment with the Company, or any of its subsidiaries, affiliates or licensees, as the case may be. As used herein, "solicit" shall include, without limitation, requesting, encouraging, enticing, assisting, or causing, directly or indirectly.

All determinations regarding enforcement, waiver, or modification of any provision of this Agreement shall be made in the Company's sole discretion. Such determinations need not be uniform and may be made selectively among individuals, whether or not such individuals are similarly situated.

This Appendix A to the Agreement shall be enforceable to the fullest extent allowed by law. In the event that a court holds any provision of this Appendix A to the Agreement to be invalid or unenforceable, then, if allowed by law, that provision shall be reduced, modified or otherwise conformed to the relevant law, judgment or determination to the degree necessary to render it valid and enforceable without affecting the rest of this Appendix A to the Agreement.

The Obligations in this Appendix A to the Agreement are in addition to, and independent of, any other non-compete, non-solicit, confidentiality, or other post-employment obligation you may have with the Company, whether under the Company's employment policies or under applicable law. Notwithstanding the foregoing, if you have entered into a written, authorized employment agreement with the Company, or with one of its subsidiaries or affiliates, which contains a non-compete provision, than this Appendix A shall not be enforceable against you.

Except as provided in the preceding paragraph, this Appendix A to the Agreement contains the entire agreement between the parties with respect to the subject matter therein and supersedes all prior oral and written agreements between the parties pertaining to such matters. This Agreement cannot be modified except in a writing signed by the Company and you.

The terms of this Appendix A to the Agreement shall be governed by the laws of the State of New York without regards to its principles of conflicts of laws. Recipients of an Award subject to the Agreement are deemed to submit to the exclusive jurisdiction and venue of the federal and state courts of New York, County of New York, to resolve any and all issues that may arise out of or relate to the Agreement, including but not limited to any and all issues that may arise out of this Appendix A to the Agreement.

By executing the Agreement, you acknowledge and agree that in exchange for the Company granting you the equity award described in the Agreement, you will be subject to the Obligations set forth above.

ADDENDUM

The term "Misconduct" shall be defined for purposes of this Appendix A as follows:

i. an act of fraud, embezzlement, theft, breach of fiduciary duty, dishonesty, or any other misconduct or any violation of law (other than a traffic violation) committed by you; or

ii. any action by you causing damage to or misappropriation of Company assets; or

iii. your wrongful disclosure of Confidential Information of the Company or any of its affiliates; or

iv. your engagement in any competitive activity which would constitute a breach of your duty of loyalty to the Company; or

v. your breach of any employment policy of the Company, including, but not limited to, conduct relating to falsification of business records, violation of the Company's code of business conduct & ethics, harassment, creation of a hostile work environment, excessive absenteeism, insubordination, violation of the Company's policy on drug & alcohol use, or violent acts or threats of violence; or

vi. the commission of any act by you, whether or not performed in the workplace, which subjects or, if publicly known, would be likely to subject the Company to public ridicule or embarrassment, or would likely be detrimental or damaging to the Company's reputation, goodwill, or relationships with its customers, suppliers, vendors, licensees or employees.

APPENDIX B

TERMS AND CONDITIONS FOR NON-U.S. PARTICIPANTS

This Appendix to the Agreement applies to Participants whose primary work location is outside the United States. This Appendix applies to RSUs, PSUs and PRSUs, as the case may be (collectively, the "Awards").

1. Responsibility of Taxes. Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer or the entity to which Participant otherwise provides services (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to Participant ("Tax-Related Items") is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. Participant further acknowledges that the Company and/or the Employer (a) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of an Award, including, but not limited to, the grant, vesting or settlement of an Award, the subsequent sale of Shares acquired pursuant to such vesting and the receipt of any dividends; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of an Award to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable or tax withholding event, as applicable, Participant agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations with regard to all Tax-Related Items by one or a combination of the following:

(a) withholding from the proceeds of the sale of Shares acquired at vesting of an Award, as applicable, either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization);

(b) withholding from Participant's wages or other cash compensation paid to Participant by the Company or any Subsidiary or Affiliate; or

(c) withholding Shares to be issued upon vesting of an Award, as applicable;

provided, however, that if Participant is a Section 16 officer of the Company under the Exchange Act, then the Company will withhold in Shares upon the relevant taxable or tax withholding event, as applicable, unless the use of such withholding method is problematic under applicable law or has adverse accounting consequences in which case the obligation for Tax-Related Items may be satisfied by one or a combination of methods (a) and (b) above.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent. If the obligation for Tax-Related Items is satisfied by withholding Shares, for tax purposes, Participant is deemed to have been issued the full number of Shares subject to a vested Award, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

Finally, Participant agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares, or the proceeds of the sale of Shares, if Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

2. Nature of Grant. In accepting an Award, Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of Awards is voluntary and occasional and does not create any contractual or other right to receive future Awards, or benefits in lieu of Awards, even if Awards have been granted in the past;

(c) all decisions with respect to future Awards, if any, will be at the sole discretion of the Compensation & Organizational Development Committee of the Board of Directors (the "Committee");

(d) Participant's participation in the Plan shall not create a right to further employment or service with the Employer and shall not interfere with the ability of the Employer to terminate Participant's employment or service relationship at any time with or without cause;

(e) Participant is voluntarily participating in the Plan;

(f) any Awards and the Shares subject to Awards, and the income and value of same, are not intended to replace any pension rights or compensation;

(g) unless otherwise agreed with the Company, the Awards and Shares subject to the Awards, and the income and value of same, are not granted as consideration for, or in connection with, any service Participant may provide as a director of a Subsidiary or Affiliate;

(h) any Awards and the Shares subject to Awards, and the income and value of same, are not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments;

(i) an Award grant will not be interpreted to form an employment or service contract or relationship with the Company or any Subsidiary or Affiliate;

(j) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(k) neither the Company, the Employer nor any other Subsidiary or Affiliate shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of an Award or of any proceeds due to Participant pursuant to the vesting of an Award or the sale of Shares;

(l) no claim or entitlement to compensation or damages shall arise from forfeiture of an Award resulting from Participant's termination of employment or service (for any reason whatsoever and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or rendering services or the terms of Participant's employment or service agreement, if any), and in consideration of the grant of an Award to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company or any Subsidiary or Affiliate, waives his or her ability, if any, to bring such claim, and releases the Company and any Subsidiary or Affiliate from any such claim; if notwithstanding the foregoing, any such claim is allowed by a competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim; and

(m) unless otherwise provided in the Plan or by the Committee in its discretion, an Award does not create any entitlement to have the Award or any benefits thereunder transferred to, or assumed by, another company nor exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares.

3. **No Advice Regarding Grant**. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding Participant's participation in the Plan before taking any action related to the Plan.

4. **Termination Date**. For purposes of an Award, Participant's employment or service relationship is considered terminated as of the earlier of (a) the date on which Participant ceases to provide active service to the Company or any Subsidiary or Affiliate and (b) the date on which Participant receives a notice of termination (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or rendering services or the terms of Participant's employment or service contract, if any) from the Employer. Participant's right to participate in the Plan will not be extended by any notice period (*e.g.*, employment would not include any contractual notice or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment agreement, if any). The Committee shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of an Award (including whether Participant may still be considered to be providing services while on a leave of absence).

5. **Retirement**. If the Company receives a legal opinion that there has been a legal judgment and/or legal development in Participant's jurisdiction that likely would result in the favorable treatment that may apply to an Award if Participant terminates employment after attaining age 65 or after attaining any other age (possibly with a certain number of years of service) being deemed unlawful and/or discriminatory, the Company may determine that any such favorable treatment shall not be applicable to Participant.

6. **Data Privacy**. Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in any Award grant materials by and among, as applicable, the Employer, the Company, and its other Subsidiaries or Affiliates for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.

Participant understands that the Company and the Employer may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number (e.g., resident registration number), salary, nationality, job title, any Shares or directorships held in the Company, details of all Awards or any other

entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

Participant understands that Data will be transferred to Merrill Lynch or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that Participant may request a list with the names and addresses of any potential recipients of the Data by contacting Participant's local partner or human resources representative. Participant authorizes the Company, the Employer and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing Participant's participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that Participant may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Participant's local partner or human resources representative. Further, Participant understands that Participant is providing the consents herein on a purely voluntary basis. If Participant does not consent, or later seeks to revoke Participant's consent, Participant's employment or service status and career with the Employer will not be adversely affected. The only consequence of refusing or withdrawing consent is that the Company would not be able to grant Awards or other equity awards to Participant or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing Participant's consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that Participant may contact Participant's local partner or human resources representative.

7. Imposition of Other Requirements. The Company reserves the right to impose other requirements on Participant's participation in the Plan, on Awards and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

8. Language. If Participant received any document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

9. Insider Trading/Market Abuse Laws. Participant acknowledges that Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect Participant's ability to acquire or sell Shares or rights to Shares (*e.g.,* Awards) under the Plan during such times as Participant is considered to have "inside information" regarding the Company (as defined by the laws in Participant's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Participant acknowledges that it is Participant's responsibility to be informed of and compliant with such regulations, and are advised to speak to Participant's personal advisor on this matter.

10. Foreign Asset/Account Reporting Requirements and Exchange Controls. Participant acknowledges that Participant's country may have certain foreign asset and/or foreign account reporting requirements and exchange controls which may affect Participant's ability to acquire or hold Shares acquired under the Plan or cash received from participating in the Plan (including from any dividends paid on Shares acquired under the Plan) in a brokerage or bank account outside Participant's country. Participant may be required to report such accounts, assets or transactions to the tax or other authorities in Participant's country. Participant also may be required to repatriate sale proceeds or other funds received as a result of Participant's participation in the Plan to Participant's country through a designated bank or broker within a certain time after receipt. Participant acknowledges that it is Participant's responsibility to be compliant with such regulations, and Participant is advised to consult his or her personal legal advisor for any details.

11. **Governing Law/Venue.** The Awards are governed by, and subject to, United States federal and New York state law (without regard to the conflict of law provisions). For purposes of litigating any dispute that arises from an Award, the parties hereby submit and consent to the jurisdiction of the State of New York, agree that such litigation shall be conducted in the courts of New York County, or the federal courts for the United States for the Southern District of New York, where the Award is made and/or to be performed, and waive, to the fullest extent permitted by law, any objection that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in any such court is improper or that such proceedings have been brought in an inconvenient forum.

12. **Electronic Delivery and Acceptance**. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means and/or require Participant to accept an Award by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to accept Awards through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

13. **Severability.** The provisions of the Agreement (including the Post-Employment Obligations, Terms and Conditions for Non-U.S. Participants and the Country-Specific Terms and Conditions), are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

14. **Waiver.** The waiver by the Company with respect to compliance of any provision of the Agreement (including the Post-Employment Obligations, Terms and Conditions for Non-U.S. Participants and the Country-Specific Terms and Conditions) by Participant shall not operate or be construed as a waiver of any other provision of the Agreement (including the Post Employment Obligations, Terms and Conditions for Non-U.S. Participants or Country-Specific Terms and Conditions), or of any subsequent breach by Participant or any other participant.

15. **Country-Specific Terms and Conditions**. Any Awards shall also be subject to the Country-Specific Terms and Conditions for Participant's country, if any, set forth below. Moreover, if Participant relocates to one of the countries included in the Country-Specific Terms and Conditions, the special terms and conditions for such country will apply to Participant, to the extent that the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons.

COUNTRY-SPECIFIC TERMS AND CONDITIONS

Terms and Conditions

This document includes additional terms and conditions that govern Awards granted under the Plan if Participant works and/or resides in one of the countries listed below. If Participant is a citizen or resident of a country other than the one in which Participant currently is residing and/or working, transfer employment after the Grant Date or is considered a resident of another country for local law purposes, the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall apply to Participant.

Notifications

This document also includes information regarding exchange controls and certain other issues of which Participant should be aware with respect to Participant's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of March 2015. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the information noted in this document as the only source of information relating to the consequences of Participant's participation in the Plan because the information may be out of date by the time Participant vests in Awards or sells Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to Participant's particular situation, and the Company is not in a position to assure Participant of a particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in Participant's country may apply to his or her situation.

If Participant is a citizen or resident of a country other than the one in which Participant currently is residing and/or working, transfers employment after the Grant Date or is considered a resident of another country for local law purposes, the notifications contained herein may not apply to Participant.

Australia

Notifications

Compliance with Laws. Notwithstanding anything else in the Plan or the Terms and Conditions for Non-U.S. Participants, Participant will not be entitled to and shall not claim any benefits under the Plan if the provision of such benefit would give rise to a breach of Part 2D.2 of the Corporations Act 2001 (*Cth.*) (the "Act"), any other provision of the Act, or any other applicable statute, rule or regulation which limits or restricts the giving of such benefits. Further, the Employer is under no obligation to seek or obtain the approval of its shareholders in a general meeting for the purpose of overcoming any such limitation or restriction.

Securities Law Information. If Participant acquires Shares pursuant to an Award and offers the Shares for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. Participant should obtain legal advice on disclosure obligations prior to making any such offer.

Exchange Control Information. Exchange control reporting is required for cash transactions exceeding A$10,000 and international fund transfers. The Australian bank assisting with the transaction will file the report. If there is no Australian bank involved in the transfer, Participant will be required to file the report.

Canada

Terms and Conditions

Form of Settlement. Notwithstanding any terms and conditions in the Plan or any grant materials, the Awards will be settled in Shares only, not cash.

Termination of Service. This provision replaces Section 4 of the Terms and Conditions for Non-U.S. Participants:

For purposes of an Award, Participant's employment or service relationship is considered terminated as of the earlier of (a) the date Participant's employment with the Company or any Subsidiary or Affiliate is terminated; (b) the date on which Participant ceases to provide active service to the Company or any Subsidiary or Affiliate; or (c) the date on which Participant receives a notice of termination from the Employer (in all cases regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or rendering services or the terms of Participant's employment or service contract, if any). Participant's rights to participate in the Plan will not be extended by any notice period (*e.g.*, employment would not include any contractual notice or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment agreement, if any). The Committee shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of an Award (including whether Participant may still be considered to be providing services while on a leave of absence).

Notifications

Securities Law Information. Participant is permitted to sell Shares acquired under the Plan through the designated broker, if any, provided the resale of such Shares takes place outside of Canada through the facilities of a stock exchange on which the Shares are listed (*i.e.*, New York Stock Exchange ("NYSE")).

Foreign Asset/Account Reporting Information. Participant is required to report his or her foreign property on Form T1135 (Foreign Income Verification Statement) if the total cost of the foreign property exceeds C$100,000 at any time during the year. Foreign property includes Shares acquired under the Plan and may include unvested Awards. The unvested Awards must be reported -- generally at a nil cost -- if the $100,000 cost threshold is exceeded because of other foreign property Participant holds. If Shares are acquired, their cost generally is the adjusted cost base ("ACB") of the Shares. The ACB would normally equal the Fair Market Value of the Shares at vesting, but if Participant owns other shares, this ACB may have to be averaged with the ACB of the other shares. If due, the Form must be filed by April 30 of the following year. Participant should speak with a personal tax advisor to determine the scope of foreign property that must be considered for purposes of this requirement.

China

The following provisions apply only if Participant is subject to exchange control restrictions or regulations in China, as determined by the Company in its sole discretion.

Terms and Conditions

Settlement of Awards and Sale of Shares. To comply with exchange control regulations in China, Participant agrees that the Company is authorized to force the sale of Shares to be issued to Participant upon vesting and settlement of the Awards at any time (including immediately upon settlement or after termination of Participant's employment, as described below), and Participant expressly authorizes the Company's designated broker to complete the sale of such Shares (on Participant's behalf pursuant to this authorization without further consent). Participant agrees to sign any agreements, forms and/or consents that may be reasonably requested by the Company (or the designated broker) to effectuate the sale of the Shares and shall otherwise cooperate with the Company with respect to such matters, provided that Participant shall not be permitted to exercise any influence over how, when or whether the sales occur. Participant acknowledges that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price.

Upon the sale of the Shares, the Company agrees to pay the cash proceeds from the sale of Shares (less any applicable Tax-Related Items, brokerage fees or commissions) to Participant in accordance with applicable exchange control laws and regulations including, but not limited to, the restrictions set forth below under "Exchange Control Requirements."

Participant understands and agrees that the Company, in its discretion in the future, may require that any Shares acquired upon settlement of the Awards be immediately sold.

Treatment of Award Upon Termination of Employment or Service. Due to exchange control regulations in China, Participant understands and agrees that any Shares held by Participant under the Plan must be sold within six (6) months following Participant's termination of employment or service, or within such other period as determined by the Company or required by the China State Administration of Foreign Exchange ("SAFE") (the "Mandatory Sale Date"). This includes any portion of Shares that vest upon Participant's termination of employment or service. Participant understands that any Shares held by Participant under the Plan that have not been sold by the Mandatory Sale Date will automatically be sold by the Company's designated broker at the Company's direction (on Participant's behalf pursuant to this authorization without further consent).

If all or a portion of Shares subject to Participant's Awards become distributable at some time following Participant's termination of employment or service, that portion will vest and become distributable immediately upon termination of Participant's employment or service based on the assumption that the target performance criteria are achieved; provided, however, that if Participant is a "covered employee," within the meaning of Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended, the Awards shall become forfeitable as of the date of termination of Participant's employment. Any Shares acquired by Participant according to this paragraph must be sold by the Mandatory Sale Date, as described above.

Exchange Control Requirements. Participant understands and agrees that, to facilitate compliance with exchange control requirements, Participant is required to immediately repatriate to China the cash proceeds from the sale of the Shares and any dividends paid on such Shares. Participant further understands that such repatriation of the cash proceeds will be effectuated through a special exchange control account established by the Company or its Subsidiaries or Affiliates, and Participant hereby consents and agrees that the proceeds may be transferred to such special account prior to being delivered to Participant. The Company may deliver the proceeds to Participant in U.S. dollars or local currency at the Company's discretion. If the proceeds are paid in U.S. dollars, Participant understands that he or she will be required to set up a U.S. dollar bank account in China so that the proceeds may be deposited into this account. If the proceeds are converted to local currency, there may be delays in delivering the proceeds to Participant and due to fluctuations in the Share trading price and/or the U.S. dollar/PRC exchange rate between the sale/payment date and (if later) when the proceeds can be converted into local currency, the proceeds that Participant receives may be more or less than the market value of the Shares on the sale/payment date (which is the amount relevant to determining Participant's tax liability). Participant agrees to bear the risk of any currency fluctuation between the sale/payment date and the date of conversion of the proceeds into local currency.

Participant further agrees to comply with any other requirements that may be imposed by the Company in the future to facilitate compliance with exchange control requirements in China.

Notifications

Foreign Asset/Account Reporting Information. PRC residents are required to report to SAFE details of their foreign financial assets and liabilities, as well as details of any economic transactions conducted with non-PRC residents, either directly or through financial institutions. Under these rules, Participant may be subject to reporting obligations for the Awards and any cash proceeds acquired under the Plan and Plan-related transactions. It is Participant's responsibility to comply with this reporting obligation and Participant should consult his or her personal advisor in this regard.

France

Terms and Conditions

Language Acknowledgement. *En acceptant l'attribution (the "Award"), vous confirmez ainsi avoir lu et compris les documents relatifs á cette attribution qui vous ont été communiqués en langue anglaise.*

By accepting the Award, Participant confirms having read and understood the documents relating to the Award which were provided to Participant in English.

Notifications

Foreign Asset/Account Reporting Information. If Participant holds Shares outside of France or maintains a foreign bank account (including accounts that were opened and closed during the tax year), Participant is required to report such to the French tax authorities when filing Participant's annual tax return. Further, if Participant has a foreign account balance exceeding €1,000,000, Participant may have additional monthly reporting obligations. Failure to comply could trigger significant penalties.

Germany

Notifications

Exchange Control Information. Cross-border payments in excess of €12,500 must be reported to the German Federal Bank. From September 2013, the German Federal Bank no longer will accept reports in paper form and all reports must be filed electronically. The electronic "General Statistics Reporting Portal" (*Allgemeines Meldeportal Statistik*) can be accessed on the German Federal Bank's website: www.bundesbank.de.

Hong Kong

Terms and Conditions

Restrictions on Sale and Transferability. In the event that Shares are vested pursuant to an Award within six months of the Grant Date, Participant (and Participant's heirs) hereby agrees that such Shares may not be offered to the public or otherwise disposed of prior to the six-month anniversary of the Grant Date. Any Shares acquired under the Plan are accepted as a personal investment.

Form of Settlement. Notwithstanding any terms and conditions in the Plan or any grant materials, the Awards will be settled in Shares only, not cash.

Notifications

Securities Warning. An Award and any Shares issued thereunder do not constitute a public offering of securities under Hong Kong law and are available only to service providers of the Company or its Subsidiaries or Affiliates. The Plan, the Plan prospectus and any other incidental communication materials (i) have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong, (ii) have not been reviewed by any regulatory authority in Hong Kong, and (iii) are intended only for Participant's personal use and may not be distributed to any other person. If Participant is in any doubt about any of the contents of the Plan or the Plan prospectus, Participant should obtain independent professional advice.

Occupational Retirement Schemes Ordinance Information. The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance.

India

Terms and Conditions

Notifications

Exchange Control Information. Participant must repatriate all proceeds received from the sale of Shares to India within 90 days of receipt and any cash dividends paid on such Shares within 180 days of receipt. Participant will receive a foreign inward remittance certificate ("FIRC") from the bank where Participant deposits the foreign currency. Participant should maintain the FIRC as evidence of the repatriation of funds in the event that the Reserve Bank of India or the Employer requests proof of repatriation. It is Participant's responsibility to comply with applicable exchange control laws in India.

Foreign Account/Asset Reporting Information. Participant is required to declare in his or her annual tax return (a) any foreign assets held by Participant or (b) any foreign bank accounts for which Participant has signing authority. It is Participant's responsibility to comply with this reporting obligation, and Participant is advised to confer with his or her personal tax advisor in this regard.

Italy

Terms and Conditions

Data Privacy Notice. The following provision replaces in its entirety Section 6 of the Terms and Conditions for Non-U.S. Participants:

Pursuant to Section 13 of Legislative decree 196/2003 (the "Privacy Code"), the Company informs Participant of the following in relation to the collection, use and transfer, in electronic or other form, of Participant's personal data by and among, as applicable, the Employer and the Company exclusively for the purpose of implementing, administering, and managing Participant's participation in the Plan.

Participant understands that the Company and the Employer may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number or code, salary, nationality, job title, e-mail address, designated beneficiary, any Shares or directorships held in the Company, details of all awards or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in Participant's favor ("Data"). Said Data will be processed by the Company exclusively for the purpose of implementing, administering and managing the Plan. For example, Participant understands that the Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in Participant's country or elsewhere, and that the recipient's country may have different data privacy laws and protections than Participant's country. Participant is aware that providing the Company with the Data is necessary for the implementation, administration and management of Participant's participation in the Plan and that Participant's refusal to provide such Data would make it impossible for the Company to perform its obligations under the Plan and may affect Participant's ability to participate in the Plan.

According to Art. 3 of the Privacy Code (data minimization principle), the information systems and software are configured by minimizing the use of personal and identification data which are not necessary to meet the purposes for which Data have been collected. Participant is aware that Participant Data shall be accessible within the Company only by the persons who need to access it because of their duties and position in relation to the implementation, management and administration of Participant's participation in the Plan in their capacity as persons specifically charged with data processing operations by the Representative of the Controller as below specified and by the Data Processor, if appointed. The Controller of personal data processing is Carla Reggiani at V.le Aldo Moro, 27 Casalecchio di Reno (Bo), Italy.

Participant understands that Data may be transferred to Merrill Lynch or such other third parties assisting in the implementation, administration and management of the Plan, including Participant's requisite transfer of such Data as may be required to a broker or other third party with whom Participant may elect to deposit any Shares acquired pursuant to Participant's participation in the Plan. The Data also may be communicated to other companies of the Company, to professionals, independent consultants and business partners of the Company, and to whomever is the legitimate addressee of communications as provided by applicable laws and regulations. The Data will under no circumstances be further disseminated. Furthermore, these recipients, who may receive, possess, use, retain and transfer such Data as data Controller or Processor, as applicable, for the above mentioned purposes, may be located in any country, or elsewhere, also outside of the European Union and the recipient's country may have different data privacy laws and protections than Participant's country.

The processing activity, including any communication, of the transfer of Data abroad, out of the European Union, as herein specified and pursuant to applicable laws and regulations, does not require Participant's consent thereto as the processing is necessary to the performance of contractual obligations related to the implementation, administration and management of the Plan. Participant understands that Data processing relating to the purposes specified above shall take place under automatised or non-automatised conditions that comply with the purposes for which Data are collected and with confidentiality and security provisions as set forth by applicable laws and regulations, with specific but not limited reference to Annex B to the Privacy Code (Technical Specifications Concerning Minimum Security Measures).

Participant understands that his or her Data will be held only as long as is required by the law or is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that, pursuant to Art. 7 of D.lgd 196/2003, Participant has the right including, but not limited to, at any moment, to access, delete, update, request the rectification of Participant's Data and cease, for legitimate reasons, the date processing. Furthermore, Participant is aware that his or her Data will not be used for direct marketing purposes. In addition, the Data provided can be reviewed and questions or complaints can be addressed by contacting the Representative of the Controller as above specified.

Plan Document Acknowledgment. Participant acknowledges that her or she has read and specifically and expressly approve the sections of the Plan and the Terms and Conditions for Non-U.S. Participants, as well as the Data Privacy Notice above.

Notifications

Foreign Asset/Account Reporting Information. If Participant is an Italian resident who, at any time during the fiscal year, holds foreign financial assets (including cash and Shares) which may generate income taxable in Italy, Participant is required to report these assets on Participant's annual tax return for the year during which the assets are held, or on a special form if no tax return is due. These reporting obligations also apply if Participant is the beneficial owner of foreign financial assets under Italian money laundering provisions.

Tax Information. Italian residents may be subject to tax on the value of financial assets held outside of Italy. The taxable amount will be the fair market value of the financial assets, assessed at the end of the calendar year. For the purposes of the market value assessment, the documentation issued by the Plan broker may be used.

Japan

Notifications

Foreign Asset/Account Reporting Information. If Participant is a resident of Japan or a foreign national who has established permanent residency in Japan, Participant will be required to report details of any assets (including any Shares acquired under the Plan) held outside of Japan as of December 31st of each year, to the extent such assets have a total net fair market value exceeding ¥50,000,000. Such report will be due by March 15th of the following year. Participant should consult with his or her personal tax advisor as to whether the reporting obligation applies to Participant and whether he or she will be required to report details of any outstanding Awards or Shares held by Participant in the report.

Korea

Notifications

Exchange Control Information. Korean residents who realize US$500,000 or more from the sale of shares of Stock or receipt of dividends in a single transaction are required to repatriate the proceeds to Korea within 18 months of receipt.

Foreign Asset/Account Reporting Information. Participant will be required to declare all foreign accounts (*i.e*., non-Korean bank accounts, brokerage accounts, etc.) in countries that have not entered into an "intergovernmental agreement for automatic exchange of tax information" with Korea to the Korean tax authorities and file a report if the monthly balance of such accounts exceeds a certain limit (currently KRW 1 billion or an equivalent amount in foreign currency). Participant should consult his or her personal tax advisor regarding reporting requirements in Korea, including whether or not there is an applicable intergovernmental agreement between Korea and any other country where Participant may hold Shares or cash acquired in connection with the Plan.

Panama

There are no country-specific provisions.

Singapore

Notifications

Securities Law Information. The grant of Awards is being made in reliance on section 273(1)(f) of the Securities and Futures Act (Chap. 289, 2006 Ed.) ("SFA") for which it is exempt from the prospectus and registration requirements under the SFA and is not made to Participant with a view to the Awards being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. Participant should note that the Awards are subject to section 257 of the SFA and Participant will not be able to make (i) any subsequent sale of the Shares in Singapore or (ii) any offer of such subsequent sale of the Shares subject to the Awards in Singapore, unless such sale or offer is made (a) after six months of the Grant Date or (b) pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

Chief Executive Officer and Director Reporting Information. If Participant is the Chief Executive Officer ("CEO") or a director, associate director or shadow director of a Singapore Subsidiary or Affiliate, Participant is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore Subsidiary or Affiliate in writing when Participant receives an interest (*e.g*., Award, Shares) in the Company or any related companies. In addition, Participant must notify the Singapore Subsidiary or Affiliate when Participant sells Shares of the Company or any related company (including when Participant sells Shares acquired pursuant to the Awards). These notifications must be made within two business days of acquiring or disposing of any interest in the Company or any related company. In addition, a notification must be made of Participant's interests in the Company or any related company within two business days of becoming the CEO or a director, associate director or shadow director.

<u>Spain</u>

Terms and Conditions

<u>Labor Law Acknowledgment</u>. By accepting an Award, Participant consents to participate in the Plan and acknowledges that he or she has received a copy of the Plan document.

Participant understands and agrees that, unless otherwise provided in the Plan or any other Award document, the Awards will be forfeited without entitlement to the underlying Shares or to any amount as indemnification in the event of a termination of Participant's employment or service prior to vesting by reason of, including, but not limited to: resignation, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without good cause (*i.e.*, subject to a "despido improcedente"), individual or collective layoff on objective grounds, whether adjudged to be with cause or adjudged or recognized to be without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer, and under Article 10.3 of Royal Decree 1382/1985.

Furthermore, Participant understands that the Company has unilaterally, gratuitously and discretionally decided to grant Awards under the Plan to individuals who may be employees or other service providers of the Company or a Subsidiary or Affiliate. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any Subsidiary or Affiliate on an ongoing basis, other than as expressly set forth in the Agreement. Consequently, Participant understands that the Awards are granted on the assumption and condition that the Awards and the Shares underlying the Awards shall not become a part of any employment or service contract (either with the Company, the Employer or any other Subsidiary or Affiliate) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, Participant understands that the Awards would not be granted to Participant but for the assumptions and conditions referred to above; thus, Participant acknowledges and freely accepts that, should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any Award shall be null and void.

Notifications

<u>Securities Law Notification</u>. No "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the grant of an Award. The Plan has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

<u>Exchange Control Information</u>. If Participant acquires Shares issued pursuant to an Award and wishes to import the ownership title of such Shares (*i.e.*, share certificates) into Spain, Participant must declare the importation of such securities to the Spanish *Direccion General de Política Comercial y de Inversiones Extranjeras* (the "<u>DGPCIE</u>"). Generally, the declaration must be made in January for Shares acquired or sold during (or owned as of December 31 of) the prior year; however, if the value of Shares acquired or sold exceeds the applicable threshold (currently €1,502,530) (or Participant holds 10% or more of the share capital of the Company or such other amount that would entitle Participant to join the Company's board of directors), the declaration must be filed within one month of the acquisition or sale, as applicable. In addition, Participant also must file a declaration of ownership of foreign securities with the Directorate of Foreign Transactions each January.

When receiving foreign currency payments derived pursuant to the Awards (*e.g.*, proceeds from the sale of Shares), Participant must inform the financial institution receiving the payment of the basis upon which such payment is made if the payment exceeds €50,000. Upon request, Participant will need to provide the institution with the following information: Participant's name, address, and fiscal identification number; the name and corporate domicile of the Company; the amount of the payment; the currency used; the country of origin; the reasons for the payment; and any additional information required.

Foreign Asset/Account Reporting Information. Participant is required to electronically declare to the Bank of Spain any security accounts (including brokerage accounts held abroad), as well as the security (including Shares acquired under the Plan) held in such accounts and any transactions carried out with non-residents if the value of the transactions for all such accounts during the prior year or the balances in such accounts as of December 31 of the prior year exceeds €1,000,000. If neither the total balances nor total transactions with non-residents during the relevant period exceed €50,000,000, a summarized form declaration may be used. More frequent reporting is required if such transaction value or account balance exceeds €100,000,000.

In addition, to the extent Participant holds Shares and/or have bank accounts outside of Spain with a value in excess of €50,000 (for each type of asset) as of December 31, Participant will be required to report information on such assets on Participant's tax return for such year. After such Shares and/or accounts are initially reported, the reporting obligation will apply for subsequent years only if the value of any previously reported Shares or accounts increases by more than €20,000 as of each subsequent December 31.

Sweden

There are no country-specific provisions.

Switzerland

Notifications

Securities Law Information. The Plan is considered a private offering in Switzerland; therefore, it is not subject to registration under Swiss securities laws. Neither this document nor any other materials relating to the Awards constitute a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, and neither this document nor any other materials relating to the Awards may be publicly distributed nor otherwise made publicly available in Switzerland.

Taiwan

Notifications

Securities Law Information. The offer of participation in the Plan is available only for employees of the Company and its Subsidiaries and Affiliates. The offer of participation in the Plan is not a public offer of securities by a Taiwanese company.

Exchange Control Information. Participant may remit foreign currency (including proceeds from the sale of shares of Stock) into or out of Taiwan up to US$5,000,000 per year without special permission. If the transaction amount is TWD500,000 or more in a single transaction, Participant must submit a Foreign Exchange Transaction Form to the remitting bank and provide supporting documentation to the satisfaction of the remitting bank.

United Kingdom

Terms and Conditions

Responsibility for Taxes. The following provision supplements Section 1 of the Terms and Conditions for Non-U.S. Participants:

Participant agrees that, if Participant does not pay or the Employer or the Company does not withhold from Participant the full amount of income tax that Participant owes in relation to an Award within 90 days after the end of U.K. the tax year in which the taxable event occurs, or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003 (the "Due Date"), then the amount of income tax that should have been withheld shall constitute a loan owed by Participant to the Employer, effective as of the Due Date. Participant agrees that the loan will bear interest at Her Majesty's Revenue & Customs' ("HMRC") official rate and will be immediately due and repayable by Participant, and the Company and/or the Employer may recover it at any time thereafter by any of the means referred to in Section 1 of the Terms and Conditions for Non-U.S. Participants.

Notwithstanding the foregoing, if Participant is an executive officer or director (as within the meaning of Section 13(k) of the Exchange Act), the terms of the immediately foregoing provision will not apply. In the event that Participant is an executive officer or director and the income tax that is due is not collected from or paid by Participant by the Due Date, the amount of any uncollected income tax may constitute a benefit to Participant on which additional income tax and national insurance contributions may be payable. Participant is responsible for reporting and paying any income tax due on this additional benefit directly to the HMRC under the self-assessment regime and for reimbursing the Company or the Employer (as appropriate) for the value of any employee national insurance contributions due on this additional benefit, which the Company or the Employer may recover from Participant by any of the means referred to in Section 1 of the Terms and Conditions for Non-U.S. Participants.

EXHIBIT 12.1

RALPH LAUREN CORPORATION

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	Three Months Ended	Fiscal Years Ended				
	June 27, 2015	March 28, 2015	March 29, 2014	March 30, 2013	March 31, 2012	April 2, 2011
	(millions)					
Earnings, as defined:						
Income before provision for income taxes	$ 90	$ 987	$ 1,096	$ 1,089	$ 1,015	$ 825
Add:						
Equity in losses of equity-method investees	3	11	9	10	9	8
Fixed charges	42	172	170	162	164	124
Subtract:						
Income attributable to noncontrolling interests	—	—	—	1	—	—
Earnings available to cover fixed charges	**$ 135**	**$ 1,170**	**$ 1,275**	**$ 1,260**	**$ 1,188**	**$ 957**
Fixed Charges:						
Interest expense	$ 4	$ 17	$ 19	$ 19	$ 22	$ 18
Interest component of rent expense	38	155	151	143	142	106
Total fixed charges	**$ 42**	**$ 172**	**$ 170**	**$ 162**	**$ 164**	**$ 124**
Ratio of earnings to fixed charges[a]	**3.2**	**6.8**	**7.5**	**7.8**	**7.3**	**7.7**

[a] All ratios shown in the above table have been calculated using unrounded numbers.

RALPH LAUREN CORPORATION

CODE OF BUSINESS CONDUCT & ETHICS

(Amended and Restated as of August 6, 2015)

The Code of Business Conduct and Ethics (the "Code") sets forth basic principles to guide you in your day-to-day activities as an employee, officer or director of Ralph Lauren Corporation or any of its subsidiaries (the "Company"). The Code should be read together with other Company policies and procedures, including the policies and procedures set out in the Company's employee handbook. It does not cover every legal or ethical issue that you may confront at the Company. Indeed, no Code can attempt to anticipate the myriad issues that arise in a business as global and dynamic as our Company. However, by following this Code and other Company policies and procedures and applying sound judgment to your activities, you can help ensure the Company's continued success and its reputation as a good corporate citizen. Violations of this Code may subject you to disciplinary action up to and including termination of employment. In addition, a violation of any of these policies may result in legal action against you by the Company and/or other government authorities. For more information, including resources you may contact if you have questions about this Code or other Company policies, see the *Company Resources* section at the end of this Code. You may find the Company policies referenced in this Code on the Company's intranet, Polo Express.

Follow Both the Letter and the Spirit of the Law

As a global business, the Company is subject to numerous laws and regulations in jurisdictions around the world. Following both the letter and the spirit of these laws requires that you avoid not only actual misconduct but also even the appearance of impropriety. Assume that any action you take could ultimately be publicized, and consider how you and the Company would be perceived. When in doubt, stop and reflect. Ask questions. The Company strongly encourages and expects you to discuss freely any concerns you may have. In particular, if you are unclear about the applicability of the law to your job responsibilities, or if you are unsure about the legality or integrity of a particular course of action, you should seek the advice of the Legal Department. You should never assume that an activity is acceptable merely because others in the industry engage in it. Trust your instincts- if something does not appear to be lawful or ethical, it may not be.

Competition and Fair Dealing

The Company seeks to further its success as a global leader in the fashion industry fairly and honestly through superior design and performance. Every employee, officer and director must therefore always keep the best interests of the Company's clients paramount and endeavor to deal fairly with suppliers, vendors, competitors, the public and one another. No one should take unfair advantage of anyone through manipulation, abuse of confidential information, misrepresentation of facts or any other unfair dealing practice.

Many of the countries where the Company does business have laws prohibiting practices that interfere with fair competition in the marketplace, including, but not limited to:

- Agreeing or consulting with competitors on prices or production, i.e. "price fixing"
- Agreeing with competitors regarding bids to be submitted during auction, i.e. "bid rigging"

- Agreeing with competitors not to deal with certain vendors, suppliers, or customers, i.e. “group boycotting”
- Agreeing with competitors to split territories or customers, i.e. “territory or customer allocation”

You should be cautious in your conversations with the Company’s competitors and avoid discussion of any of the above topics. The Company is expected to comply with all applicable competition laws wherever the Company does business. Failure to comply with these competition laws could result in serious fines and/or penalties for the Company and the individuals involved. If you have any questions about how competition laws may apply to a particular business situation, contact the Legal Department for guidance.

Gifts and Entertainment

Gifts and entertainment may create an inappropriate expectation or feeling of obligation. You and members of your family may not accept gifts or special favors (other than an occasional non-cash gift of less than $200) from any person or organization with which the Company has a current or potential business relationship. Further, business gifts to, and entertainment of, non-government employees in connection with business discussions or the development of business relationships are only appropriate if they are in the ordinary course of business and their value is modest. If you have any questions about the appropriateness of a business gift or expense, you should contact the Legal Department. See the Company’s Gift Giving and Receiving Policy for more information.

Giving gifts to, or entertaining, government employees, whether in the United States or in other countries, may be illegal. The United States Foreign Corrupt Practices Act, for example, prohibits giving anything of value, directly or indirectly, to any “foreign official” for the purpose of obtaining or retaining business. In addition, virtually every country has enacted a domestic anti-bribery statute. Check with the Legal Department if you have any questions about the acceptability of conduct under these laws or the rules of a country in which you are doing business, including whether prior Company approval is required. See the Company’s Anti-Bribery and Corruption Policy for more information.

Conflicts of Interest

All employees, officers and directors have an obligation to act in the best interests of the Company. You should avoid any activity, interest or association outside the Company that could impair your ability to perform your work objectively and effectively or that could give the appearance of interfering with your responsibilities on behalf of the Company or its clients.

A conflict of interest may also occur as a result of the actions, employment or investments of an immediate family member. Therefore, you must consider the impact of your immediate family on your compliance with this Code. For this purpose, “immediate family” includes your spouse or domestic partner, parents, grandparents, children, siblings, nieces, nephews, and cousins, as well as your spouse’s or domestic partner’s parents, grandparents, children, siblings, nieces, nephews and cousins.

In reviewing your compliance with the Company’s policies, you must solicit information from all members of your immediate family who live in your household. While you do not need to solicit information from other members of your family, you must inform the Legal Department if you are aware of any matters involving an immediate family member that might be a violation of the Company’s policies.

It is not possible to describe every situation in which a conflict of interest may arise. The following are examples of situations that may raise a conflict of interest (unless permitted by law and Company policies):

- Accepting special favors, cash, gifts, discounts, services or anything else of non-nominal value (usually valued at more than $200) as a result of your position with the Company from any person or organization with whom the Company has a current or potential business relationship
- Competing with the Company for the purchase or sale of property, services or other interests
- Acquiring an interest in a transaction involving the Company, a customer or supplier (excluding routine investments in publicly traded companies unless an employee’s judgment might be affected by such investment)
- Directing business to a supplier owned or managed by, or which employs, an immediate family member, other relative or friend
- Receiving a personal loan or guarantee of an obligation as a result of your position with the Company
- Working in any capacity for a competitor, supplier, customer or vendor while an employee of the Company or participating in any activity that competes with or diverts income opportunities away from the Company

Employees and officers must promptly report any potential relationships, actions or transactions (including those involving immediate family members) that reasonably could be expected to give rise to a conflict of interest to their manager and the Legal Department. In addition, employees who intend to seek outside employment of any kind while remaining a Company employee should notify their managers and the Legal Department of their interest and obtain approval from both before accepting such other employment.

Directors should also disclose any actual or potential conflicts of interest to the Chairman of the Board of Directors (the “Board”) and the General Counsel. All directors must recuse themselves from any Board discussion or decision affecting their personal, business or professional interests.

Political Activity

Consistent with United States federal law, the Company does not make political contributions to United States candidates for federal office, national political party committees or other federal political committees. The Company prohibits donations to political action or legislative advocacy groups or any other organizations whose prime purpose is to influence legislation. In addition, the Company requires that any donation that it may make to an organization that has a division that supports political action or influences legislation not be used to support these initiatives. The Company does not have a political action committee.

The Company respects and supports your right to participate in the political process. If you choose to contribute your personal time, money, or resources to any political activity, you should make clear at all times that your views and actions are your own, and not those of the Company.

Corporate Opportunities

You owe a duty to the Company to advance its interests. You may not use your position or corporate property or information for personal gain and may not take Company opportunities for sales or purchases of products, services or interests for yourself. Business opportunities that arise as a result of your position in the Company or through the use of corporate property or information belong to the Company.

Confidential and Personal Information; Data Privacy

Confidential information generated and gathered in our business is a valuable asset. Protecting this information from unauthorized use and disclosure is critical to the Company's continued success, reputation for integrity and business relationships with its suppliers, licensees and customers. Accordingly, you should maintain all confidential information in strict confidence, except when disclosure is authorized by the Company or required by law.

For purposes of this Code, "confidential information" includes the Company's proprietary and/or trade secret information, as well as the proprietary and/or trade secret information disclosed or entrusted to the Company by its licensees, suppliers, customers or other persons with whom the Company has a business relationship.

In addition, "confidential information" includes non-public information relating to the Company's:

- Designs for products, advertising and promotional materials and store environments
- Business and marketing analyses, plans, strategies and methods
- Financial, sales and pricing information
- Product and services information, know-how, formulas, processes, systems and technologies
- Client books, records and databases
- Techniques and programs for finding, analyzing and distributing data or information

"Confidential information" also includes, but is not limited to, the following types of personal information about the Company's employees, customers, contractors, licensees, suppliers, vendors or competitors:

- E-mail or physical addresses
- Telephone numbers
- Credit card, bank account, or other financial information
- Social Security numbers or other government-issued identification information
- Employee medical information maintained by the Company in accordance with applicable law
- Any other personally identifiable information

If you have access to this type of information during your affiliation with the Company, you must treat such information with care so that the Company may comply with all applicable privacy and data protection laws around the world. You should exercise caution in handling, storing and/or destroying personal or confidential information. This type of information should only be used for legitimate business purposes and not for personal gain.

Unauthorized use or distribution of confidential information not only violates Company policy, but it may be illegal. Such use or distribution could result in negative consequences for both the Company and the individuals involved, including potential legal and/or disciplinary actions. Your obligation to protect the

Company's proprietary and confidential information continues even after you leave the Company and you must return all such information in your possession upon your departure.

If an employee has access to the confidential information of any other company as a result of prior employment or otherwise, the employee may not disclose, use or rely upon that information in any fashion in performing any work for the Company. Employees concerned that an assignment with the Company may jeopardize another company's proprietary and/or trade secret information should contact Human Resources and/or the Legal Department immediately.

Nothing in this Code, however, is intended to or shall be deemed to interfere with or restrict the right of employees to discuss their terms and conditions of employment with others or to exercise any other right protected by the National Labor Relations Act or other applicable law.

See the Company's Information Security and Privacy Policies for more information. If you have any questions about these policies, contact the Legal Department or the Global IT Service Desk for guidance.

Company Systems and Assets

Company policies regulate use of the Company's systems, including telephones, computer networks, electronic mail and remote access capabilities. Generally, you should use the Company's systems and property only for legitimate Company business. Under no conditions may you use the Company's system to view, store or send unlawful, offensive or other inappropriate materials. In addition, protecting Company assets against loss, theft, waste or other misuse is the responsibility of every employee, officer and director. Any suspected misuse should be reported to your manager and the Legal Department. In addition, please consult the Company's other employment policies for information about the Company's Make a Difference program and how to report violations anonymously, and for further information about the Company's Electronic Communications and other IT policies.

Intellectual Property

The Company's intellectual property rights, which include its brands, logos, trademarks, trade secrets, and any other copyrighted, patented or proprietary material, are some of its most valuable assets. It is critical that these intellectual property rights be safeguarded against unauthorized use or disclosure, and that all authorized usage of our intellectual property be consistent with the Company's brand image and reputation. You are expected to protect the Company's intellectual property. If you see any potential instances of unauthorized use of the Company's intellectual property, including, for example, counterfeit merchandise bearing the Company's name, logos or trademarks, you should promptly notify the Legal Department.

Misuse of Inside Information

Using inside information to trade securities, or to "tip" a family member, friend or any other person, is illegal. All non-public information about the Company that might have a significant impact on the price of the Company's securities, or that a reasonable investor would be likely to consider important in making an investment decision with respect to the Company's securities, should be considered inside information. You may never, under any circumstances, trade, encourage others to trade or recommend securities or other financial instruments based on (and in some circumstances, while in the possession of) inside information.

The misuse of inside information may result in disciplinary action by the Company, up to and including termination of your employment. Misusing inside information may also result in civil and criminal penalties, including imprisonment.

To protect against insider trading or even the appearance of insider trading, the Company has a Securities Trading Policy governing employee, officer and director trading, which is contained elsewhere in this handbook. You are required to familiarize yourself and comply with the Securities Trading Policy. If you have any questions about your ability to buy or sell securities, you should contact the Company's securities trading desk at RLTrading@RalphLauren.com. For more information, see the Company's Securities Trading Policy and the FAQ on the employee stock trading process on Polo Express.

Provide Fair and Truthful Disclosures to the Public

The Company has a responsibility under the law to communicate effectively so that the public is provided with full and accurate information in all material respects. To the extent that you are involved in the preparation of materials for dissemination to the public, you should be careful to ensure that the information in these materials is truthful, accurate and complete. In particular, the Company's senior financial officers, executive officers and directors shall endeavor to promote full, fair, accurate, timely and understandable disclosure in the Company's public communications, including documents that the Company files with or submits to the United States Securities and Exchange Commission (the "SEC") and other regulators. If you become aware of a materially inaccurate or misleading statement in a public communication, you should report it immediately to the Legal and Investor Relations Departments. For more information, see the Company's Regulation FD Policy.

Employees are not allowed to discuss any Company-related information with the media unless specifically authorized by the Company. This type of information would include, but is not limited to, any information relating to the Company's sales, products, employees, finances or other information not generally known to the public. If an employee is contacted by a member of the press, including any author or writer, the employee should not respond to the request and must refer the inquiry to the Corporate Communications Department. If an employee receives a request for information from any governmental agency or legal counsel, the employee should not respond to the request and must refer the individual or agency to the Legal Department. For more information, see the Company's Media Policy.

Maintain Accurate Books and Records

The Company must maintain accurate and complete books and records. Every business transaction undertaken by the Company must be recorded correctly and in a timely manner in the Company's books and records. The Company therefore expects you to be candid and accurate when providing or entering information for these documents and systems. You are specifically prohibited from making false or misleading entries in the Company's books and records. In particular, senior financial officers must endeavor to ensure that financial information, including the Company's books and records, is correct and complete in all material respects.

Treat Others with Respect and Dignity

Consistent with our core values, including respect for individuals and cultures, the Company is committed to a workplace in which all individuals are treated with dignity and respect without regard to race, color, religion, sex, gender, gender identity, sexual orientation, marital status, age, ethnic or national origin, disability, veteran status and any other characteristic prohibited by applicable law. Each individual should have the ability to work in an environment that promotes equal employment opportunities and prohibits discriminatory practices, including harassment. Therefore, the Company expects that all relationships among persons in the workplace will be professional and free of bias, harassment or violence.

Misconduct, including discrimination, harassment, retaliation or other forms of unprofessional behavior, even if not unlawful, may subject you to disciplinary action by the Company up to and including termination. In addition, conduct that is unlawful may subject you to civil, and in some cases criminal, liability.

You should refer to the Company's Fair Employment Practice Policy and Anti-Harassment Policy contained in the Company's employee handbook for information regarding the Fair Employment Practice Department and specific procedures for reporting unprofessional behavior.

The Company has adopted a separate Code of Ethics for Principal Executive Officers and Senior Financial Officers that is posted on its Investor Relations website (http://investor.ralphlauren.com).

Promote a Safe and Healthy Working Environment

The Company is committed to conducting its business in compliance with all applicable environmental and workplace health and safety laws and regulations. The Company strives to provide a safe and healthy work environment for employees and to avoid adverse impact and injury to the environment and communities in which it conducts its business. Achieving this goal is the responsibility of all employees, officers and directors.

International Trade and Boycott Laws

International trade laws affect the import and export of goods, services, information and technology across national borders, and may apply to certain aspects of the Company's business.

The Company is also required to comply with the anti-boycott laws of the United States, which are intended to prevent the Company from taking any action in support of a boycott imposed by one country upon another country that is considered "friendly" to the United States. Requests to support boycotts are often found in documents such as shipping instructions, certificates of origin, or letters of credit. If you become aware of any such request, you should contact the Legal and Customs Compliance Departments.

Failure to comply with these international trade and boycott laws could result in serious fines and/or penalties for the Company and the individuals involved. If you have any questions about how these laws may apply in the areas where you work or in the countries where you do business, contact the Legal or Customs Compliance Departments for guidance.

ENFORCEMENT & ADMINISTRATION OF THE CODE

Reporting Violations

You are the Company's first line of defense against unethical business practices and violations of the law. If you observe or become aware of any conduct that you believe may be unethical or unlawful-whether by another employee or a consultant, supplier, licensee or other third party-you must communicate that information to your direct manager or other persons designated under the Company's policies and procedures. If appropriate or necessary (including if you reported a concern and feel that it was not properly acted upon), you may make a report to the Legal Department. All reported concerns will be appropriately reviewed or investigated and appropriate steps will be taken to stop any violation and prevent its recurrence.

If your concerns relate to the conduct of the Chief Executive Officer, any other senior executive or financial officer or a member of the Board, you may report your concerns to the General Counsel, who will notify the Chair of the Audit Committee of the Company's Board (the "Audit Committee") if the allegations of unlawful or unethical conduct have merit. You may report concerns regarding accounting, internal controls or auditing matters pursuant to the *Procedures for Reporting and Investigating Employee Complaints Regarding Accounting, Internal Controls and Auditing Matters* section of this Code below.

If you prefer to report an allegation anonymously, you must provide enough information about the incident or situation to allow the Company to investigate properly.

If you are a supervisor, you have an additional responsibility to take appropriate steps to stop any misconduct that you are aware of and to prevent its recurrence. Supervisors that do not take appropriate action may be held responsible for failure to supervise properly.

The Company will not tolerate any kind of retaliation for reports or complaints regarding the misconduct of others that were made in good faith. Open communication of issues and concerns by all employees without fear of retribution or retaliation is vital to the continued success of the Company. Unless appropriate Company management learns of a problem, the Company cannot deal with it. Concealing improper conduct often compounds the problem and may delay or hamper responses that could prevent or mitigate actual damage. If you have any questions regarding your obligations under this Code, you should promptly contact the Legal Department.

Consequences of Violating the Code

If you are an employee or officer, this Code forms part of the terms and conditions of your employment at the Company. Employees, officers and directors are expected to cooperate in internal investigations of allegations of violations of the Code and actual violations may subject you to the full range of disciplinary action, including-with respect to employees and officers-discharge from the Company. Violations of this Code may also constitute violations of law and may result in civil or criminal penalties.

Waivers and Amendments

Any waivers of the provisions of this Code for executive officers or directors may be granted only in exceptional circumstances by the Board and will be promptly disclosed to the Company’s shareholders as required by applicable law, rule or regulation.

Amendments to this Code must also be approved by the Board. It is your responsibility to continue to be familiar with the Code as it may be revised from time to time.

PROCEDURES FOR REPORTING AND INVESTIGATING EMPLOYEE COMPLAINTS REGARDING ACCOUNTING, INTERNAL CONTROLS AND AUDITING MATTERS

Purpose

It is the policy of the Company to promote ethical behavior. The Company recognizes that each employee has an important role to play in achieving this goal. This *Procedures for Reporting and Investigating Employee Complaints Regarding Accounting, Internal Controls and Auditing Matters* section of the Code governs the procedure by which employees (either by name or anonymously) can notify representatives of the Company’s management and the Audit Committee of potential violations or concerns regarding accounting, internal controls and auditing matters. This section of the Code also sets forth the mechanism by which the Company will respond to, and keep records of, any reports or complaints from employees regarding such potential violations or concerns.

It is important to note that nothing in this Code, nor in any other Company employment policy or agreement entered into with any employee, will act to prohibit any employee from making reports of possible violations of federal law or regulation to any governmental agency or entity in accordance with any SEC rules, or any other whistleblower protection provisions of state or federal law or regulation, and no employee will require notification or prior approval by the Company of any such reporting.

Conduct Regarding Accounting, Internal Controls and Auditing Matters

Employees are strongly encouraged to report any misconduct that they become aware of in the course of their employment or otherwise in connection with their employment. The Company expects employees to report the following conduct in accordance with the *Reporting Alleged Violations or Concerns* section of this Code below:

- Criminal conduct
- Fraud or deliberate error in the preparation, evaluation, review or audit of any of our financial statements
- Fraud, misappropriation or other questionable practices related to the preparation or maintenance of our financial records
- Misrepresentations or false statements to or by a senior officer or outside accountant regarding a matter contained in our financial records, financial reports or audit reports
- Deviations from full and fair reporting of our financial condition
- Failure to comply with, or efforts to circumvent, our internal compliance policies or internal controls

Reporting Alleged Violations or Concerns

NOTE: The following procedures should be used only to report potential violations or concerns <u>regarding accounting, internal controls and auditing matters</u>.

To report any other matter, please speak with your supervisor, manager or other appropriate personnel, consistent with the other reporting procedures set forth in this Code or as provided elsewhere in the Company's policies. However, if appropriate or necessary (or if an employee reported a concern and feels that it was not properly acted upon), an employee may make a report to any of the following individuals by letter, e-mail or telephone:

<u>The General Counsel</u>:

Avery Fischer
625 Madison Avenue
New York, NY 10022

<u>The Chief Executive Officer</u>:

Ralph Lauren
650 Madison Avenue
New York, NY 10022

The Chairman of the Audit Committee:

Frank A. Bennack, Jr.
c/o The Hearst Corporation
300 West 57th Street
New York, NY 10019

An employee may sign the correspondence, use an e-mail that identifies him or her as the sender or disclose his or her name in the phone call. An employee may also communicate anonymously. Anonymous letters, e-mails and phone calls will be investigated and acted upon in the same manner as if the identity of the sender were known. Signed correspondence will be acknowledged by the recipient.

You do not need absolute proof of misconduct to make a report or complaint, but we expect that you would have some basis for voicing your concerns. It will not always be clear that any particular action rises to the level of misconduct or illegal conduct. You should use your judgment. We would prefer that you raise concerns and not keep them to yourself. If you make a report in good faith and it turns out that you were wrong, your concern will be nonetheless appreciated and will not subject you to disciplinary action.

All reports should contain as much specific information as possible to allow the appropriate personnel to conduct an investigation of the reported matter. All material information that the employee knows regarding the allegation or concern should be included. The Company may, in its reasonable discretion, determine not to commence an investigation if a complaint contains only unspecified or broad allegations of wrongdoing without appropriate informational support.

Investigation of Complaints

Upon receipt, complaints or reports will be forwarded to the Audit Committee. The Audit Committee or its member designee shall then make a determination whether a reasonable basis exists for commencing an investigation into the matter. To assist in making this determination, the Audit Committee or its member designee may conduct an initial, informal inquiry. Members of management and other parties may become involved in the initial inquiry based on their oversight responsibilities or expertise.

If the Audit Committee or its member designee determines that a reasonable basis exists for conducting a formal investigation into the complaint or report, the Audit Committee shall direct and supervise the Company's investigation. The Audit Committee has overall responsibility for implementation of this Code, and may retain independent legal counsel, accountants and other advisors as it deems necessary to conduct an investigation in accordance with this Code and its charter.

Confidentiality

To the extent possible, all reports and complaints will be handled in a confidential manner. In no event should information concerning a report or complaint be released to persons without a specific need to know about it. The Audit Committee's determination with respect to any report or complaint submitted pursuant to this Code will be communicated to the employee who made it, unless he or she is anonymous, and to the appropriate members of management.

Corrective Action

The Audit Committee, with the input of Company management, if requested, will determine the validity of a report or complaint and any corrective action to be taken. Management shall take such corrective action, including, where appropriate, reporting any violation to the relevant federal, state or regulatory authorities. Directors, officers and employees who are found to have violated any laws, governmental regulations or Company policies will face appropriate disciplinary action, which may include demotion or discharge.

No Retaliation for Submitting Complaints, Providing Information or Participating in Investigations

Neither the Company nor any of its employees may discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee who: (a) provides information regarding any conduct encouraged to be reported under this Code that the employee in good faith believes has occurred to any supervisor or manager; (b) submits a complaint pursuant to this Code regarding any conduct encouraged to be reported under this Code that the employee in good faith believes has occurred, even if after investigation the Company determines that there has not been a violation; or (c) participates in, or otherwise assists, in good faith, with a proceeding relating to conduct encouraged to be reported under this Code. Disciplinary action will be taken against any supervisor who retaliates, directly or indirectly, or encourages others to do so, against an employee who takes any of the above-mentioned actions.

Reporting and Retention of Complaints and Documents

The General Counsel shall maintain a log of certain reports or complaints submitted pursuant to this Code, tracking their receipt, investigation and resolution. All written or e-mail complaints or reports, along with the General Counsel's log and any written results of any investigations, shall be retained by the Company according to its Record Retention Policy.

Compliance with this Code

All employees are required to follow the procedures outlined herein and to cooperate with any investigation initiated pursuant to this Code. The Company must have the opportunity to investigate and remedy any alleged violations or employee concerns. Disciplinary action may be taken against employees for violating this Code.

This Code does not constitute a contractual commitment of the Company. This Code does not change the at-will employment status of an employee. Specifically, employment is for an indefinite period of time and is terminable at any time with or without cause.

Company Resources

<table>
<tr><th>If you have a question about…</th><th>…you should…</th></tr>
<tr><td>Anti-bribery and corruption laws</td><td>Contact: Legal Department
Review: Anti-Bribery and Corruption Policy</td></tr>
<tr><td>Boycott requests</td><td>Contact: Legal and Customs Compliance Departments</td></tr>
<tr><td>Competition laws</td><td>Contact: Legal Department</td></tr>
<tr><td>Conflicts of interest</td><td>Contact: Legal Department</td></tr>
<tr><td>Data privacy or confidential information</td><td>Contact: Legal Department or Global IT Service Desk
Review: Information Security and Privacy Policies</td></tr>
<tr><td>Discrimination or harassment</td><td>Contact: Human Resources or Fair Employment Practice Departments</td></tr>
<tr><td>Giving or receiving gifts</td><td>Contact: Legal Department
Review: Gift Giving and Receiving Policy</td></tr>
<tr><td>International trade laws</td><td>Contact: Legal and Customs Compliance Departments</td></tr>
<tr><td>Political activities</td><td>Contact: Legal Department
Review: Donations and Charitable Contributions Policy</td></tr>
<tr><td>Securities trading</td><td>Contact: RLTrading@RalphLauren.com
Review: Securities Trading Policy; FAQ on employee stock trading</td></tr>
<tr><td>Trademark, copyright, or other intellectual property issues</td><td>Contact: Legal Department</td></tr>
<tr><td>Concerns or potential violations of the Code</td><td>If your question or concern is related to:
<table>
<tr><td>Conduct of the CEO, a senior or financial officer or a member of the Board</td><td>Contact: General Counsel</td></tr>
<tr><td>Accounting, internal controls or auditing matters</td><td>Contact: General Counsel, CEO, or Chairman of the Audit Committee</td></tr>
<tr><td>Any other potential violation of the Code</td><td>Contact: Your supervisor or appropriate personnel designated under the relevant Company policies or procedures*

*However, if appropriate or necessary in your judgment, you may also contact the Legal Department, or the General Counsel, CEO, or Chairman of the Audit Committee</td></tr>
</table></td></tr>
</table>

*****General questions about the Code may be directed to the Legal Department.*****

External Inquiries

If you receive inquiries from…	…you should…
Media or press	Contact: Corporate Communications Department Review: Media Policy
Anyone asking about the Company’s financial performance	Contact: Legal and Investor Relations Departments Review: Regulation FD Policy
Any government agency or legal counsel	Contact: Legal Department

The resources above are not intended to be exhaustive and do not cover every policy the Company may have in place. You should regularly check the Company’s list of policies on the Company’s intranet, Polo Express, and familiarize yourself with all of the policies, as they may be updated from time to time.

EXHIBIT 31.1

CERTIFICATION

I, Ralph Lauren, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ralph Lauren Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ RALPH LAUREN

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

Date: August 6, 2015

EXHIBIT 31.2

CERTIFICATION

I, Robert L. Madore, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ralph Lauren Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ ROBERT L. MADORE

Robert L. Madore
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: August 6, 2015

EXHIBIT 32.1

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

In connection with the Quarterly Report of Ralph Lauren Corporation (the "Company") on Form 10-Q for the period ended June 27, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ralph Lauren, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ RALPH LAUREN

Ralph Lauren

August 6, 2015

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

EXHIBIT 32.2

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

In connection with the Quarterly Report of Ralph Lauren Corporation (the "Company") on Form 10-Q for the period ended June 27, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert L. Madore, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ ROBERT L. MADORE

Robert L. Madore

August 6, 2015

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