

PHILLIPS VAN HEUSEN CORP /DE/
Form 424B3
November 12, 2003

Filed pursuant to rule 424(b)(3)
Registration Statement No. 333-108329

PROSPECTUS

PHILLIPS-VAN HEUSEN CORPORATION

OFFER TO EXCHANGE UP TO \$150,000,000
8 1/8% SENIOR NOTES DUE 2013
FOR ANY AND ALL OUTSTANDING
\$150,000,000 8 1/8% SENIOR NOTES DUE 2013

THE EXCHANGE OFFER

- o We are offering to exchange all of our outstanding 8 1/8 % Senior Notes due 2013 (outstanding notes) that are validly tendered and not withdrawn for an equal principal amount of exchange notes which have been registered under the Securities Act (exchange notes).
- o You may withdraw tenders of outstanding notes at any time prior to the expiration or termination of this exchange offer.
- o This exchange offer expires at 5:00 p.m., New York City time, on December 11, 2003, unless extended. We do not currently intend to extend the expiration date.
- o We will not receive any proceeds from this exchange offer.

THE EXCHANGE NOTES

- o The terms of the exchange notes to be issued in this exchange offer are substantially identical in all material respects to those of the outstanding notes, except that the exchange notes will be freely tradeable.

RESALES OF EXCHANGE NOTES

- o There is no existing public market for the outstanding notes or the exchange notes. We do not intend to list the exchange notes on any securities exchange or seek approval for quotation through any automated trading system. The exchange notes may be sold in the over-the-counter market, in negotiated transactions or through a combination of these methods.

BROKERS-DEALERS

- o Each broker-dealer that receives exchange notes for its own account pursuant to this exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of those exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

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- o This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding notes where the outstanding notes were acquired by the broker-dealer as a result of market-making activities or other trading activities.
- o We have agreed that, for a period of 180 days after the expiration date of this exchange offer, we will make this prospectus available to any broker-dealer for use in connection with the resale of exchange notes. See "Plan of Distribution."

YOU SHOULD CONSIDER CAREFULLY THE RISK FACTORS BEGINNING ON PAGE 20 OF THIS PROSPECTUS BEFORE PARTICIPATING IN THIS EXCHANGE OFFER.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is November 7, 2003.

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CERTAIN INTRODUCTORY MATTERS

As used in this prospectus, the terms "we," "our" or "us" refer to Phillips-Van Heusen Corporation and its subsidiaries taken as a whole, unless the context otherwise indicates.

References to our acquisition of Calvin Klein refer to our February 2003 acquisition of Calvin Klein, Inc., Calvin Klein (Europe), Inc., Calvin Klein (Europe II) Corp., Calvin Klein Europe S.r.l. and CK Service Corp., which companies we refer to collectively as "Calvin Klein."

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This prospectus incorporates by reference important business and financial information about us that is not included in or delivered with this document. Copies of this information are available without charge to any person to whom this prospectus is delivered, upon written or oral request. Written requests should be sent to:

Phillips-Van Heusen Corporation
200 Madison Avenue
New York, New York 10016
Attention: Investor Relations

Oral requests should be made by calling (212) 381-3500.

IN ORDER TO OBTAIN TIMELY DELIVERY, YOU MUST REQUEST THE INFORMATION NO LATER THAN DECEMBER 4, 2003, WHICH IS FIVE BUSINESS DAYS BEFORE THE EXPIRATION DATE OF THIS EXCHANGE OFFER.

You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

Van Heusen, (R) Bass, (R) G.H. Bass & Co., (R) IZOD, (R) IZOD Club, (R) Calvin Klein, (R) cK(R) and cK Calvin Klein(R) are registered trademarks that we own. This prospectus also includes trademarks, service marks and trade names owned by other companies, such as Geoffrey Beene, (R) Arrow, (R) DKNY, (R) Kenneth Cole New York(R) and Reaction by Kenneth Cole. (R) All trademarks, service marks and trade names included in this prospectus are the property of their respective owners. All italicized brand names included in this prospectus refer to brands identified by registered trademarks.

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FORWARD-LOOKING INFORMATION

Some of the matters discussed under the captions "Summary," "Risk Factors," "Unaudited Pro Forma Condensed Consolidated Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and elsewhere in this prospectus include forward-looking statements based on current expectations, estimates, forecasts and projections, beliefs and assumptions made by our management. You can identify these forward-looking statements by the use of words like "strategy," "expect," "plan," "believe," "will," "estimate," "intend," "project," "goals," "target," "anticipating," "hope" and other words of similar meaning. You can also identify them by the fact that they do not relate strictly to historical or current facts.

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Even though we believe our expectations regarding future events are based on reasonable assumptions, forward-looking statements are not guarantees of future performance. In evaluating these statements, you should specifically consider various risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Certain of such risks and uncertainties include those listed under the caption "Risk Factors," many of which are beyond our ability to control or predict. You are cautioned not to unduly rely on these forward-looking statements when evaluating the information included or incorporated by reference into this prospectus.

These forward-looking statements speak only as of the date of this prospectus. We undertake no obligation to review or revise any particular forward-looking statements included or incorporated by reference in this prospectus to reflect events, conditions or circumstances occurring after the date of this prospectus or to reflect the occurrence of unanticipated events.

SUMMARY

This summary highlights the material information about our company and this exchange offer. This summary does not contain all of the information that may be important to you in deciding whether to participate in this exchange offer. You should read the entire prospectus, including the "Risk Factors" section, our audited consolidated and unaudited condensed consolidated financial statements, Calvin Klein's audited combined financial statements, and the notes to those financial statements. Our fiscal years are based on the 52-53 week period ending on the Sunday closest to February 1, and are designated by the calendar year in which the fiscal year commences.

PHILLIPS-VAN HEUSEN CORPORATION

We are one of the largest apparel and footwear companies in the world, with a heritage dating back over 120 years. We design and market nationally recognized branded dress shirts, sportswear and footwear. We believe we market one in three of the dress shirts sold in the United States and have a leading position in men's sportswear tops and men's casual footwear. Our portfolio of brands includes our own brands, Van Heusen, Bass and IZOD, and our licensed brands, Geoffrey Beene, Arrow, Kenneth Cole New York, Reaction by Kenneth Cole and DKNY. We recently acquired Calvin Klein, a leading lifestyle design and marketing company, whose brands enjoy high global recognition.

We design, source and market substantially all of our products on a brand-by-brand basis targeting distinct consumer demographics and lifestyles. We market our brands at multiple price points and across multiple channels of distribution. This allows us to provide products to a broad range of consumers, while minimizing competition among our brands and reducing our reliance on any one demographic group, merchandise preference or distribution channel. Currently, our products are distributed at wholesale through more than 10,000 doors in national and regional department, mid-tier department, mass market, specialty and independent stores in the United States. We also leverage our apparel design and sourcing expertise by offering private label programs to retailers. Our wholesale business represents our core business and we believe that it is the basis for our brand equity. As a profitable complement to our wholesale business, we also market products directly to consumers through our own Van Heusen, IZOD, Geoffrey Beene and Bass stores, primarily located in outlet malls throughout the United States.

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We believe that the Calvin Klein brands -- Calvin Klein, cK and cK Calvin Klein -- complement our existing portfolio of brands by providing us with the opportunity to market products at higher price points, in higher-end distribution channels and to different consumer groups than our existing product offerings. Although the Calvin Klein brand is well established and, we believe, enjoys strong brand awareness among consumers worldwide, there are numerous product areas in which no products, or only a limited number of products, are offered under any Calvin Klein label, including men's and women's better sportswear, footwear and certain accessories. We believe our expertise in brand management, product design, sourcing and other logistics provides us with the ability to successfully expand product offerings and distribution under the Calvin Klein brands while preserving the brands' prestige and global presence. As a result, we believe we have the opportunity to realize sales growth and enhanced profitability.

Worldwide retail sales of products sold under the Calvin Klein brands exceeded \$3 billion in calendar 2002. These products are sold primarily under licenses and other arrangements and include jeans, underwear, fragrances, eyewear, men's tailored clothing, ties, shoes, hosiery, socks, swimwear, watches, coats, leather goods, table top and soft home furnishings and accessories. Calvin Klein also designs, manufactures and markets high-end ready-to-wear collection apparel and accessories for men and women under the Calvin Klein brand. We believe these collections are an important factor in maintaining the Calvin Klein image. The collection apparel and accessories are sold to a limited number of high-end department stores and independent boutiques throughout the world and through three company-operated stores located in New York City, Dallas and Paris. We have recently entered into an agreement to license the existing collection apparel businesses to Vestimenta, S.p.A., one of the world's leading manufacturers and distributors of women's and men's high-end ready-to-wear apparel, commencing with the spring 2004 collection. Under the license agreement with Vestimenta, which will be in full effect on January 1, 2004, we are transferring the operations of the businesses to Vestimenta. Calvin Klein controls all design operations and product development for most of its licensees and all of its collection apparel, which it will continue to do under its agreement with Vestimenta. Calvin Klein oversees a worldwide marketing and advertising budget of over \$200 million, the majority of which is funded by its licensees. We believe that maintaining control over design and advertising through Calvin Klein's dedicated in-house teams plays a key role in the continued strength of the Calvin Klein brands.

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Our business includes the design, sourcing and marketing of a varied selection of branded and private label dress shirts, sportswear and footwear as well as the licensing of brands for an assortment of products:

- o DRESS SHIRTS: Our dress shirt business, which generated, through the wholesale channel, 22.7% of our fiscal 2002 revenues, includes the design and marketing of dress shirts in a broad selection of styles and colors that are sold at retail price points generally ranging from \$20 to \$65 a shirt.
 - o Van Heusen
 - o The best selling dress shirt brand in the United States
 - o Updated classical style at opening to moderate price points
 - o Distributed through more than 3,500 doors,

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principally in department stores, including Belk, Inc., Federated Department Stores, Inc., J. C. Penney Company, Inc., The May Department Stores Company and Saks Inc., and through our Van Heusen retail stores

- o Arrow
 - o Mid-tier department store complement to Van Heusen
 - o Updated classical style at opening to moderate price points
 - o Distributed through more than 2,000 doors, including Kohl's Corporation and Sears, Roebuck & Co.
- o IZOD
 - o Modern traditional style at moderate price points
 - o Distributed through more than 1,200 doors, principally in department stores, including Belk, JCPenney and May
- o Geoffrey Beene
 - o The best selling designer dress shirt brand in department stores in the United States
 - o Slightly advanced fashion for the more style conscious consumer at moderate to upper moderate price points
 - o Distributed through more than 2,500 doors, principally in department stores, including Federated, Marshall Field's, May and Saks, and through our Geoffrey Beene retail stores
- o Other Designer Brands
 - o Include cK Calvin Klein, Kenneth Cole New York, Reaction by Kenneth Cole and DKNY
 - o Target different consumer lifestyles at better price points
 - o Distributed through 350 to 900 doors, varying by brand, principally in department stores, including Dillard's, Inc., Federated, Marshall Field's, May and Saks
- o Private Label
 - o Leverages our design, sourcing and logistics competencies
 - o Distributed in department and mass market stores
 - o Store labels include Stafford for JCPenney, Grant Thomas for Lord & Taylor, Cezani for Saks and Puritan and George for Wal-Mart Stores, Inc.

- o SPORTSWEAR: Our sportswear business, which generated 50.7% of our fiscal 2002 revenues, includes moderately priced men's knit and woven sports shirts, sweaters, bottoms, swimwear, boxers and outerwear marketed at wholesale and sportswear, accessories and other apparel for men and women offered in our Van Heusen, IZOD and Geoffrey Beene retail stores.
 - o IZOD
 - o The best selling main floor department store men's sportswear tops brand in the United States
 - o Active-inspired lifestyle brand
 - o Distributed through more than 2,400 doors, principally in department stores, including Belk, Federated, JCPenney, May and Saks, and through our IZOD retail stores
 - o Van Heusen
 - o The best selling main floor department store men's woven sports shirt brand in the United States
 - o Updated classical style
 - o Distributed through more than 3,500 doors, principally in department stores, including Belk, Federated, JCPenney, May and Saks, and through our Van Heusen retail stores
 - o Arrow
 - o Mid-tier department store complement to Van Heusen
 - o Updated classical style
 - o Distributed through more than 2,000 doors, including Kohl's and Sears
 - o Geoffrey Beene
 - o Positioned as a designer label for men's woven and knit sport shirts on the main floor of department stores
 - o Slightly advanced fashion for the more style conscious consumer
 - o Distributed through more than 800 doors, principally in department stores, including Federated, Marshall Field's and May, and through our Geoffrey Beene retail stores
 - o Private Label
 - o Leverages our design, sourcing and logistics

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- competencies
 - o Distributed in department and mass market stores
 - o Store labels include Cherokee and Merona for Target Corp. and Puritan for Wal-Mart
- o FOOTWEAR AND RELATED PRODUCTS: Our footwear and related products business, which generated 25.8% of our fiscal 2002 revenues, includes casual and dress casual shoes for men, women and children marketed at wholesale and in our Bass retail stores and Bass apparel and accessories for men and women offered only in our Bass retail stores.
 - o Bass
 - o Leading position in men's casual footwear in the United States
 - o Classic American style footwear at moderate price points
 - o Distributed through more than 3,600 doors, principally in department and specialty shoe stores, including Dillard's, Federated and May, as well as in our Bass retail stores
- o IZOD
 - o Limited introduction for market-testing purposes in fall 2002
 - o Men's and women's active-inspired footwear marketed at moderate to upper moderate price points
- o LICENSING: We license our brands globally for a broad range of products. The licensing of our brands generated 0.8% of our fiscal 2002 revenues. On a pro forma basis reflecting our acquisition of Calvin Klein, Calvin Klein's royalty, design and similar fees from business partners would have generated 8.0% of our fiscal 2002 revenues. We believe royalty, design and similar fees provide us with a relatively stable flow of revenues with high margins, and extend and strengthen our brands globally.
 - o Calvin Klein
 - o Key product categories include jeans, underwear, fragrances, eyewear, men's tailored clothing, ties, shoes, hosiery, socks, swimwear, watches, coats, leather goods, table top and soft home furnishings and accessories
 - o Approximately 52% of revenues from business partners was generated by domestic business partners and approximately 48% by foreign business partners
 - o Key business partners include Warnaco, Inc., Unilever N.V. and Marchon Eyewear Inc.
 - o Van Heusen

- o Licensing domestically for men's pants, sleepwear, neckwear, belts, hosiery, handkerchiefs, small leather goods, 'big and tall' apparel, men's and women's eyewear and boys' apparel
- o Licensing in Canada, Central and South America, Europe, Africa, Asia and the Pacific Rim for dress shirts, sportswear and other apparel
- o IZOD
 - o Licensing domestically for women's sportswear, men's tailored clothing, neckwear, belts, 'big and tall' sportswear, leather outerwear, loungewear and pajamas, men's and women's hosiery, men's, women's and boys' eyewear and sunwear, boys' sportswear and bed and bath home products
 - o Licensing in Canada and Australia for men's and women's sportswear
 - o Licensing domestically of the IZOD Club name for men's and women's golf apparel

OUR COMPETITIVE STRENGTHS

WE HAVE A DIVERSIFIED PORTFOLIO OF NATIONALLY RECOGNIZED BRANDS. We have developed a portfolio of brands targeted to a broad spectrum of consumers. Our owned brands have long histories -- Bass dates back to 1876, Van Heusen to the early 1920s and IZOD to the 1930s -- and enjoy high recognition within their respective consumer segments. The acquisition of Calvin Klein and its prestigious brands provides us with the opportunity to develop businesses that target different consumer groups at higher price points and in higher-end distribution channels than our other brands, as well as with significant global opportunities due to the worldwide recognition of the Calvin Klein brands.

WE HAVE AN ESTABLISHED MULTI-CHANNEL DISTRIBUTION MODEL. We have a diversified sales distribution strategy that includes an established multi-channel wholesale business and a complementary retail store base. Currently, we distribute our products through more than 10,000 doors in the United States in national and regional department, mid-tier department, mass market, specialty and independent stores. In addition, we operate over 700 retail stores, primarily in outlet malls throughout the United States, under the Van Heusen, IZOD, Bass and Geoffrey Beene names. We believe our profitable retail division is an important complement to our wholesale operations because we believe that our stores further enhance consumer awareness of our brands, including by offering products that are not available in our wholesale lines, while also providing a means for managing excess inventory.

WE ARE A LEADER IN THE DRESS SHIRT AND SPORTSWEAR TOPS MARKETS. Our

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dress shirt brands have the highest market share in the \$2 billion U.S. dress shirt market. We believe we market one in three of the dress shirts sold in the United States. In 2002, sales of our dress shirt brands were approximately 42% of dress shirt sales in U.S. department stores, which is the largest sales channel for dress shirts. We also continue to experience sales growth in the large and fragmented \$10 billion U.S. men's sportswear tops market. We believe that the high recognition and depth of our brand offerings enables us to maintain, and offers us the opportunity to increase, main floor space with our customers.

WE HAVE A STABLE AND DIVERSIFIED BUSINESS. Our diversified portfolio of apparel brands and apparel and footwear products and our use of multiple channels of distribution has allowed us to develop a business that produces results that are not dependent on any one demographic group, merchandise preference or distribution channel. We believe that our diversification reduces our reliance on any single market or product category and increases the stability of our business. Our acquisition of Calvin Klein provides us with a significantly expanded source of licensing revenues which we believe adds to the stability of our business.

WE HAVE HAD SUCCESS IN ACQUIRING, MANAGING, DEVELOPING AND POSITIONING NEW BRANDS. Over the past several years, we have been successful in acquiring, managing, developing and positioning several brands within our existing business, including IZOD, Arrow, Kenneth Cole and DKNY. For example in 1995, we acquired the IZOD brand, and since then have grown it into the leading main floor department store men's sportswear tops brand. We have grown the wholesale sales of IZOD by over 400% since 1995. We began marketing IZOD dress shirts in the third quarter of 2001 and recently introduced a line of IZOD footwear for market-testing purposes. In addition, over the past few years, we have introduced and marketed DKNY dress shirts, which now represent over 3% of the total department store dress shirt sales in the United States. For the three-year period from 2000 through 2002, DKNY was the fourth best-selling designer dress shirt in U.S. department stores.

WE HAVE SOPHISTICATED AND ESTABLISHED SOURCING, LOGISTICS, WAREHOUSE AND DISTRIBUTION SYSTEMS. Our centralized capabilities for worldwide procurement and sourcing support our efforts to deliver to our customers competitive, high quality and low cost goods on a timely basis. We have an extensive, established network of worldwide sourcing partners which allows us to meet our customers' needs in an efficient manner, with neither reliance on any one vendor or factory, nor reliance on vendors or factories in any one country. We also operate a system of wholesale and retail distribution centers which we believe have sufficient capacity to accommodate future growth, including our strategies for Calvin Klein, without a significant increase in capital expenditures. We believe that our investments in logistics and supply chain management allow us to respond rapidly to changes in sales trends and customer demands while enhancing our inventory management efficiencies.

WE HAVE A HIGHLY EXPERIENCED MANAGEMENT TEAM. Our executive management team has extensive experience in the apparel industry, and many of our senior executives have spent the majority of their professional careers with us. Bruce J. Klatsky, our Chairman and Chief Executive Officer, and Mark Weber, our President and Chief Operating Officer, have each been with us for over 30 years. In addition, the other 24 members of our senior management team have an average of over 23 years of industry experience.

OUR BUSINESS STRATEGY

We intend to capitalize on the significant opportunities presented by

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our recent acquisition of Calvin Klein, as well as focus on strengthening our core business, through the execution of the following strategies:

MANAGEMENT AND DEVELOPMENT OF THE CALVIN KLEIN BRANDS. The acquisition of Calvin Klein provides us with the opportunity to use our core competencies to expand the product offerings under the globally-recognized Calvin Klein brands and to bring these new product offerings into additional channels of distribution. Additionally, we believe that we can realize significant corporate and administrative cost savings within the Calvin Klein business. We intend to do this while preserving the brands' prestige and global presence. Our primary development and growth initiatives include:

- o MAINTAIN AND ENHANCE THE CORE CALVIN KLEIN LICENSING BUSINESS. We intend to continue to license the Calvin Klein brands to existing licensees and to seek additional licensing partners as profitable opportunities arise. We believe that licensing the brands provides us with a relatively stable flow of revenues with high margins and enables us to market globally the Calvin Klein brands across multiple product categories, further enhancing the image and reach of these lifestyle brands.
- o DEVELOP A CALVIN KLEIN MEN'S BETTER SPORTSWEAR LINE. As Calvin Klein does not currently offer men's better sportswear, we plan to launch a men's better sportswear line in fall 2004, reflecting the Calvin Klein style and capitalizing on the strong Calvin Klein brand identity. These products will target better fashion department and specialty store customers and be sold in sportswear collection areas, complementing the existing main floor sportswear offerings of our other brands. We expect to capitalize on our experience in developing successful sportswear lines, sourcing expertise and strong wholesale customer relationships to take advantage of this market opportunity.
- o LICENSE A CALVIN KLEIN WOMEN'S BETTER SPORTSWEAR LINE. We recently entered into a licensing agreement with Kellwood Company to develop a women's better sportswear line to be marketed in North, Central and South America under the Calvin Klein name. Women's better sportswear is not currently offered under any of the Calvin Klein brands. Pursuant to the agreement, Kellwood will collaborate with Andrew Grossman and Alexander Vreeland, who have formed a new business venture with Jay Schottenstein, G.A.V., to help develop and launch the line. Design, sales and marketing will be the responsibility of Messrs. Grossman and Vreeland, while Kellwood will be responsible for production, sourcing and distribution and providing working capital relating to G.A.V.'s performance under the license agreement. We will have design and customer approval and will control branding, advertising and public relations. It is our current expectation that this new line will launch in the United States as early as the spring 2004 season and not later than the fall 2004 season.
- o LICENSE, AND TRANSFER THE OPERATIONS OF, THE EXISTING CALVIN KLEIN MEN'S AND WOMEN'S HIGH-END READY-TO-WEAR COLLECTION APPAREL BUSINESSES. We recently entered into an agreement to license our men's and women's high-end ready-to-wear collection apparel businesses to Vestimenta, one of the world's leading manufacturers and distributors of women's and men's high-end ready-to-wear apparel. The license is an exclusive, worldwide, 10-year license for the Calvin Klein

Collection brand. Under the license agreement with Vestimenta, which will be in full effect on January 1, 2004, we are transferring the operations of the businesses to Vestimenta. Vestimenta will be responsible for the merchandising, manufacturing, quality control, selling, warehousing and shipping aspects of such businesses. Our Calvin Klein design and advertising teams will be responsible for substantially all design, marketing, advertising and public relations aspects of the collection apparel businesses and will approve the wholesale customers to which Vestimenta will sell the collections. We believe this business relationship will optimize our global opportunities, enhance the brand image of Calvin Klein and result in cost savings.

- o OPERATE CALVIN KLEIN RETAIL OUTLET STORES. We intend to enhance our retail position by opening Calvin Klein stores in premium outlet malls that are consistent with the Calvin Klein image and in which other prestige designers maintain stores. We currently intend to open between 75 and 85 Calvin Klein outlet stores over time in such premium outlet malls. We believe that the strength of the Calvin Klein brands, our strong presence and considerable experience operating stores in outlet malls across the United States and our established relationships with landlords of the premium outlet malls should enable us to successfully execute this strategy.

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- o REDUCE OVERHEAD EXPENSES. We believe that Calvin Klein's corporate overhead and back office expenses are significantly higher than required by the size and needs of its business. We intend to significantly reduce these costs and integrate many Calvin Klein overhead functions with our current operations, thereby increasing the cash flow and profitability of Calvin Klein. It is not our intention to reduce the in-house marketing and advertising and design divisions of Calvin Klein.

CONTINUE TO STRENGTHEN THE COMPETITIVE POSITION AND IMAGE OF OUR CURRENT BRAND PORTFOLIO. We intend for each of our brands to be a leader in its respective market segment, with strong consumer awareness and consumer loyalty. We believe that our brands are successful in their respective segments because we have strategically positioned each brand to target a distinct consumer demographic. We will continue to design and market our branded products to complement each other, satisfy lifestyle needs, emphasize product features important to our target consumers and produce consumer loyalty.

- o ENHANCE OUR RELATIONSHIPS. We will seek to increase our market share within the dress shirt, sportswear and footwear segments by enhancing our relationships with existing customers and gaining increased floor space. We believe the broad appeal and diversity of our products, together with our customer, advertising and marketing support and our ability to offer products with innovative qualities, will enable us to expand and develop relationships with apparel retailers in the United States and internationally. In addition, we will continue to provide private label products as profitable opportunities arise.
- o INCREASE OUR SPORTSWEAR MARKET PENETRATION. We believe that our brands offer retailers advantages over many of the current

less recognized labels available on the main floor due to the name recognition of our brands, the style, price and value equation we offer and the customer, advertising and marketing support that we provide. Our wholesale men's sportswear sales have increased 16.9% from 1998 to 2002. We believe that our share of the men's sportswear tops market in 2002 in U.S. department stores was 6.8%, compared to 4.8% in 2000. We believe our brands' advantages, as well as expected growth in this large and fragmented segment of the men's apparel market, provide us with an opportunity for further growth.

- o EXPAND OUR NETWORK OF LICENSING PARTNERS FOR FUTURE PRODUCT EXTENSION. We believe our nationally recognized brand names provide us with growth opportunities in product licensing. We will seek to strengthen our existing licensing relationships and to align ourselves with new licensing partners to take advantage of these growth opportunities as they arise. These opportunities may include the licensing of our brand names across other product categories and internationally.

OPTIMIZE SUPPLY CHAIN AND LOGISTICS EFFICIENCIES. To address the needs of our customers, we are continuing to make investments and develop strategies to enhance our ability to provide timely product availability and delivery. Our investments in sophisticated systems should allow us to continue to reduce the cycle time between the design of products to the delivery of those products to our customers. We believe the enhancement of our supply chain efficiencies and working capital management through the effective use of our distribution network and overall infrastructure will allow us to better control costs and provide improved service to our customers.

CALVIN KLEIN ACQUISITION

On February 12, 2003, we acquired Calvin Klein, one of the leading lifestyle design and marketing companies in the world. The total net consideration paid for our acquisition of Calvin Klein was \$438.0 million, subject to post-closing purchase price adjustments, and was comprised of \$408.0 million in net cash and \$30.0 million of our common stock issued to the sellers. Additional terms of the Calvin Klein acquisition include:

- o Mr. Klein will receive contingent purchase price payments for 15 years based on a percentage of total worldwide net sales of products bearing any of the Calvin Klein brands.
- o Mr. Klein received a nine-year warrant to purchase 320,000 shares of our common stock at \$28 per share.
- o Mr. Klein entered into a three-year consulting agreement with us for \$1.0 million per year.

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We funded the cash portion of the purchase price through:

- o An investment of \$250.0 million in our Series B convertible preferred stock made by affiliates of Apex Managers, Inc. and Apex Partners Europe Managers Limited. The Series B convertible preferred stock has a dividend rate of 8% per annum payable in cash. If we elect not to pay a cash dividend for any quarter, then the Series B convertible preferred stock will be treated for purposes of the payment of future dividends and upon conversion, redemption or liquidation as if

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an in-kind dividend had been paid.

- o The borrowing of \$100.0 million of a \$125.0 million secured term loan from the Apax affiliates. The additional \$25.0 million of the term loan was drawn down on March 14, 2003. This loan was repaid in full with a portion of the net proceeds of the offering of the outstanding notes.
- o \$58.0 million of cash-on-hand.

OUR EQUITY INVESTOR

Simultaneously with our acquisition of Calvin Klein, the affiliates of Apax Managers, Inc. and Apax Partners Europe Managers Limited invested \$250.0 million in our company through the purchase of shares of our newly-authorized Series B convertible preferred stock. For a description of the Series B convertible preferred stock issued to the Apax affiliates, see "Description of Certain Other Indebtedness and Preferred Stock -- Preferred Stock -- Series B Convertible Preferred Stock." In addition, in connection with the Calvin Klein acquisition, the Apax affiliates provided us with a secured term loan which we repaid with a portion of the net proceeds of the offering of the outstanding notes.

Apax Partners, one of the world's leading international private equity investment groups, manages and advises more than \$12 billion on behalf of institutional investors worldwide. Its cross-border teams of more than 170 investment professionals in the United States, Europe, Israel and Japan work together to identify opportunities in the Retail/Consumer Products, Information Technology, Telecommunications, Healthcare, Media and Financial Services industries. Apax Partners has developed an expertise in retail and consumer-related businesses over the past 30 years. To date, the firm has backed over 80 such companies, including Office Depot, Sunglass Hut, America Online, Sephora, Chevy's, Aigle and Morgan International.

CORPORATE INFORMATION

Phillips-Van Heusen Corporation was incorporated in Delaware in 1976 and is the successor to a business started in 1881 and, with respect to its footwear division, to G.H. Bass & Co., started in 1876. Our executive offices are located at 200 Madison Avenue, New York, New York 10016. Our telephone number is (212) 381-3500 and our corporate website address is www.pvh.com. Information contained on our corporate website is not incorporated by reference into this prospectus, and you should not consider information contained on our corporate website as part of this prospectus.

SUMMARY OF THE EXCHANGE OFFER

The Initial Offering of
Outstanding NotesWe sold the outstanding notes on May 5, 2003 to Credit Suisse First Boston LLC, J.P. Morgan Securities Inc. and Lehman Brothers Inc. We collectively refer to those parties in this prospectus as the "initial purchasers." The initial purchasers subsequently resold the outstanding notes to qualified institutional buyers in reliance on Rule 144A under the Securities Act and to persons outside the United States in reliance on Regulation S.

The Exchange OfferWe are offering to exchange up to \$150.0 million aggregate principal amount of 8% Senior Notes due 2013, which will be registered under the Securities Act, for up to \$150.0 million aggregate principal amount of outstanding 8% Senior Notes due 2013. In order to be exchanged, an outstanding note must be properly tendered and accepted. We will issue \$1,000 principal amount of exchange notes for each respective \$1,000 principal amount of outstanding notes validly tendered and not withdrawn pursuant to this exchange offer. We will issue exchange notes promptly after the expiration of this exchange offer.

Expiration DateThis exchange offer expires at 5:00 p.m., New York City time, on December 11, 2003, unless we decide to extend the expiration date, in which case the term "expiration date" means the latest date and time to which we extend this exchange offer. For more information, see "Exchange Offer-- Expiration Date; Extensions; Amendments."

Withdrawal RightsYou may withdraw the tender of your outstanding notes at any time prior to 5:00 p.m., New York City time, on the expiration date. Any outstanding notes not accepted for exchange for any reason will be returned without expense to the tendering holder promptly after the expiration or termination of this exchange offer. For more information, see "Exchange Offer-- Withdrawal of Tenders."

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Conditions to the Exchange OfferThis exchange offer is subject to customary conditions. See "Exchange Offer-- Conditions."

Procedures for Tendering

Outstanding NotesIf you wish to tender your notes for exchange in this exchange offer, you must transmit to the exchange agent on or before 5:00 p.m., New York City time, on the expiration date either:

- o an original or a facsimile of a properly completed and duly executed copy of the letter of transmittal which accompanies this prospectus, together with your outstanding notes and any other documentation required by the letter of transmittal, at the address provided on the cover page of the letter of transmittal; or

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- o if the notes you own are held of record by The Depository Trust Company (DTC) in book-entry form and you are making delivery, by book-entry transfer, a computer-generated message transmitted by means of DTC's Automated Tender Offer Program System (ATOP) in which you acknowledge and agree to be bound by the terms of the letter of transmittal and which, when received by the exchange agent, will form a part of a confirmation of book-entry transfer, DTC will facilitate the exchange of your notes and update your account to reflect the issuance of the exchange notes to you. ATOP allows you to electronically transmit your acceptance of this exchange offer to DTC instead of physically completing and delivering a letter of transmittal to the exchange agent.

For more information see "Exchange Offer -- Procedures for Tendering."

Special Procedures for Beneficial Owners..If you are the beneficial owner of book-entry interests and your name does not appear on a security position listing of DTC as the holder of the book-entry interests or if you are a

beneficial owner of outstanding notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender the book-entry interest or outstanding notes in this exchange offer, you should contact the person in whose name your book-entry interests or outstanding notes are registered promptly and instruct that person to tender on your behalf. For more information, see "Exchange Offer-- Procedures for Tendering."

Guaranteed Delivery ProceduresIf you wish to tender your outstanding notes and:

- o time will not permit your notes or other required documents to reach the exchange agent by 5:00 p.m., New York City time, on the expiration date; or
- o the procedure for book-entry transfer cannot be completed on time;

you may tender your notes by completing a notice of guaranteed delivery and complying with the guaranteed delivery procedures. For more information, see "Exchange Offer -- Guaranteed Delivery Procedures."

Resales of the Exchange Notes.....Based on an interpretation by the staff of the SEC set forth in no-action letters issued to third parties, we believe that the exchange notes you receive in this exchange offer may be offered for resale, resold and otherwise transferred by you without compliance with the registration and prospectus delivery requirements of the Securities Act, provided that:

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- o you are acquiring the exchange notes in the ordinary course of your business;
- o you are not participating, do not intend to participate, and have no arrangement or understanding with any person to participate, in the distribution of the exchange notes issued to you in this exchange offer; and
- o you are not an affiliate of ours

within the meaning of Rule 405 of the Securities Act.

If any of these conditions are not satisfied and you transfer any exchange notes issued to you in this exchange offer without delivering a resale prospectus meeting the requirements of the Securities Act or without an exemption from registration of your exchange notes from these requirements, you may incur liability under the Securities Act. We will not assume, nor will we indemnify you against, any such liability.

Each broker-dealer that is issued exchange notes in this exchange offer for its own account in exchange for outstanding notes must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the exchange notes. A broker-dealer may use this prospectus for an offer to resell, resale or other retransfer of the exchange notes issued to it in this exchange offer in exchange for outstanding notes that were acquired by that broker-dealer as a result of market-making or other trading activities. For more information, see "Exchange Offer -- Resale of the Exchange Notes."

Registration Rights Agreement.....In connection with the initial sale of the outstanding notes, we entered into a registration rights agreement with the initial purchasers. In that agreement we agreed, among other things, to use our reasonable best efforts to file the registration statement of which this prospectus forms a part with the SEC within 120 days after the date we issued the outstanding notes. We also agreed to cause the registration statement to become effective within 210 days after the date we issued the outstanding notes and to consummate this exchange offer within 40 days after the registration statement becomes effective. This exchange offer is intended to satisfy your rights and our obligations with respect to an exchange offer under the registration rights agreement. If we fail to satisfy those obligations, we agreed to pay additional interest on the outstanding notes. After this exchange offer is complete, you will no longer be entitled to any exchange and

certain registration rights with respect to your outstanding notes.

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Under certain circumstances set forth in the registration rights agreement, holders of notes, including holders who are not permitted to participate in this exchange offer or who may not freely sell exchange notes received in this exchange offer, may require us to file and cause to become effective, a shelf registration statement covering resales of the notes by these holders. For more information, see "Description of the Notes -- Registered Exchange Offer; Registration Rights."

Effect on Holders of Outstanding Notes....As a result of making this exchange offer, and upon acceptance for exchange of all validly tendered outstanding notes pursuant to the terms thereof, we will have fulfilled one of the covenants contained in the registration rights agreement and, accordingly, we will not be obligated thereunder to pay additional interest for failure to take these actions. If you are a holder of outstanding notes and you do not tender them in this exchange offer, you will continue to hold them and you will be entitled to all the rights and subject to all the limitations applicable to the outstanding notes in the indenture, except for any rights under the registration rights agreement that by their terms terminate upon consummation of this exchange offer.

To the extent that outstanding notes are tendered and accepted in this exchange offer, the trading market for the outstanding notes could be adversely affected.

Consequences of Failure to Exchange.....All untendered outstanding notes will continue to be subject to the restrictions on transfer provided for therein and in the indenture governing the notes. In general, the outstanding notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with this exchange offer, we do not currently anticipate that we

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will register the outstanding notes under the Securities Act. For more information, see "Exchange Offer--Consequences of Failure to Exchange."

Exchange AgentSunTrust Bank is serving as the exchange agent in connection with this exchange offer. The address and telephone number of the exchange agent are set forth under "Exchange Offer -- Exchange Agent" at page 79.

Federal Income Tax ConsiderationsBased upon advice from counsel, we believe that the exchange of outstanding notes for exchange notes will not be a taxable event for U.S. federal income tax purposes. See "Material Federal Income Tax Consequences."

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Use of Proceeds.....We will not receive any proceeds from the issuance of exchange notes pursuant to this exchange offer. We will pay all of our expenses incident to this exchange offer.

SUMMARY OF TERMS OF THE EXCHANGE NOTES

The terms of the exchange notes to be issued in this exchange offer are substantially identical in all material respects to those of the outstanding notes, except that:

- o the exchange notes will be registered under the Securities Act;
- o the exchange notes will not be entitled to certain registration rights under the registration rights agreement; and
- o some of the contingent interest rate provisions of the registration rights agreement will no longer be applicable.

The exchange notes will represent the same debt as the outstanding notes. Both the outstanding notes and the exchange notes are governed by the same indenture. We use the term "notes" in this prospectus to collectively refer to the outstanding notes and the exchange notes.

Issuer.....Phillips-Van Heusen Corporation

Securities Offered\$150.0 million aggregate principal amount of 8 1/8 % Senior Notes due 2013.

Maturity DateMay 1, 2013.

InterestInterest on the exchange notes accrues from the last interest payment date on which interest was paid on the outstanding notes surrendered for them, or, if no interest has been paid on such outstanding notes, from May 5, 2003. We will not pay interest on the outstanding notes accepted for exchange. Interest is payable on May 1 and November 1 of each year, commencing November 1, 2003.

Optional Redemption.We may redeem any of the notes beginning on May 1, 2008. The initial redemption price is 104.063% of their principal amount, plus accrued interest. The redemption price will

decline in each year after 2008 and will be 100% of their principal amount, plus accrued interest, beginning on May 1, 2011.

In addition, before May 1, 2006, we may redeem up to 35% of the aggregate principal amount of the notes with the proceeds of certain equity offerings at 108.125% of their principal amount, plus accrued interest. See "Description of the Notes -- Optional Redemption."

Ranking.....The notes are our senior unsecured obligations and rank equally in right of payment with all of our other existing and future senior unsecured indebtedness and senior in right of payment to all of our existing and future subordinated indebtedness.

The notes are effectively subordinated to all of our existing and future secured indebtedness and other secured obligations to the extent of the value of the security for such indebtedness and obligations, including all indebtedness incurred under our senior secured revolving credit facility, our 73/4% debentures due 2023 and our obligation to make contingent purchase price payments to Mr. Calvin Klein in

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connection with our acquisition of Calvin Klein. In addition, because our subsidiaries have not guaranteed the payment of principal and interest on the notes, the notes are effectively subordinated to all existing and future indebtedness and other liabilities of our subsidiaries.

As of August 3, 2003, we had \$551.1 million of indebtedness outstanding on a consolidated basis, which included \$250.5 million of secured indebtedness (including \$151.0 million of outstanding letters of credit) and \$149.6 million of subordinated indebtedness. See "Description of the Notes -- Ranking."

Change of Control.....Upon the occurrence of certain change of control events, each holder may require us to repurchase all or a portion of the notes at a purchase price of 101% of their principal

amount plus accrued interest, if any, to the date of purchase. See "Description of the Notes-- Change of Control."

CovenantsThe indenture contains covenants that limit our ability to:

- o incur or guarantee additional indebtedness;
- o pay dividends or make distributions on, or redeem or repurchase, our capital stock or subordinated indebtedness;
- o make other restricted payments, including investments;
- o enter into arrangements that restrict dividends from our subsidiaries;
- o sell or otherwise dispose of assets, including capital stock of our subsidiaries;
- o enter into transactions with affiliates;
- o issue stock of subsidiaries;
- o create certain liens;
- o enter into sale/leaseback transactions; and
- o consolidate or merge or sell all or substantially all of our assets and the assets of our subsidiaries.

In addition, we are obligated to offer to repurchase the notes at a price of 100% of their principal amount plus accrued interest to the date of repurchase in the event of certain asset sales.

These restrictions and prohibitions are subject to a number of important qualifications and exceptions. See "Description of the Notes-- Certain Covenants."

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Registration Rights.....Upon consummation of this exchange offer, holders of notes will no longer have any rights under the registration rights agreement, except to the extent

that we have continuing obligations to file a shelf registration statement and that some of the contingent interest rate provisions may be applicable in certain circumstances.

Absence of a Public Market for the Exchange Notes

The exchange notes generally will be freely transferable, but they will also be new securities for which there will be no established market. Although the initial purchasers have informed us of their intention to make a market in the exchange notes, they are not obligated to do so and they may discontinue any market making at any time without notice. Accordingly, we cannot assure you as to the development or liquidity of any market for the exchange notes.

Use of Proceeds.

We will not receive any cash proceeds from this exchange offer.

RISK FACTORS

Investing in the notes involves substantial risks. You should carefully consider the risk factors set forth under the caption "Risk Factors" beginning on page 20 and the other information in this prospectus before participating in this exchange offer.

SUMMARY HISTORICAL FINANCIAL INFORMATION

The following summary historical financial information of Phillips-Van Heusen for the three-year period ended February 2, 2003 was derived from our audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended February 2, 2003 incorporated by reference in

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this prospectus. The following summary historical financial information of Phillips-Van Heusen for the twenty-six weeks ended August 4, 2002 and August 3, 2003 was derived from our unaudited condensed consolidated financial statements included in our Quarterly Report on Form 10-Q for the period ended August 3, 2003 incorporated by reference in this prospectus, which financial statements, in our opinion, reflect all known adjustments consisting of only normal recurring accruals, necessary for a fair presentation of such information. The results for the twenty-six weeks ended August 4, 2002 and August 3, 2003 are not necessarily indicative of those for a full fiscal year due, in part, to seasonal factors. The summary historical financial information for the three-year period ended February 2, 2003 and for the twenty-six weeks ended August 4, 2002 do not reflect the consummation of our acquisition of Calvin Klein or our capital structure following the Calvin Klein acquisition. Our results for the twenty-six weeks ended August 3, 2003 include the results of Calvin Klein from and after the acquisition date of February 12, 2003.

Because the information below is a summary, you should read the following information in conjunction with the other information contained under the captions "Selected Historical Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the notes thereto included in our Annual Report on Form 10-K for the fiscal year ended February 2, 2003 and our Quarterly Report on Form 10-Q for the period ended August 3, 2003, each incorporated by reference in this prospectus.

	FISCAL YEAR			HIS
	2000	2001	2002	AU
	(IN THOUSANDS)			
INCOME STATEMENT DATA:				
Total revenues.....	\$1,455,548	\$1,431,892	\$1,404,973	
Cost of goods sold.....	950,176	925,662 (1)	873,743	
Gross profit.....	505,372	506,230	531,230	
Selling, general and administrative expenses...	434,835	449,491	462,195	
Gain on sale of investment.....	--	--	--	
Restructuring and other charges.....	--	15,600 (2)	--	
Income before interest and taxes.....	70,537	41,139	69,035	
Interest expense.....	24,852	24,752	23,892	
Interest income.....	2,530	301	1,163	
Income tax expense.....	18,115	6,008	15,869	
Net income.....	\$30,100	\$10,680	\$30,437	
Preferred stock dividends.....				
Net loss attributed to common stock.....				
CASH FLOW AND OTHER DATA:				
Depreciation and amortization.....	\$20,051	\$25,734	\$25,678	
Capital expenditures.....	31,898	33,406	29,451	
EBITDA (3).....	90,588	66,873 (4)	94,713	
Cash flows provided by operating activities....	35,389	63,653	105,228	
Cash flows provided by (used in) investing				

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activities.....	(106,763)	(39,006)	(29,451)
Cash flows provided by (used in) financing activities.....	(3,224)	(1,291)	(2,235)

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	HISTORICAL			
	FISCAL YEAR			TWENTY-
	2000	2001	2002	AUGUST 4, 2000
	(IN THOUSANDS)			
BALANCE SHEET DATA (AT END OF PERIOD):				
Cash.....	\$20,223	\$43,579	\$117,121	\$ 80,281
Working capital.....	298,286	290,942	323,688	302,977
Total assets.....	724,364	708,933	771,700	735,600
Senior debt.....	99,472	99,481	99,491	99,485
Total debt.....	248,851	248,935	249,012	248,973
Stockholders' equity.....	\$268,561	\$265,727	\$272,227	\$272,584

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- (1) Cost of goods sold includes \$5.4 million of restructuring and other charges recorded in fiscal 2001 for exiting three dress shirt manufacturing facilities and liquidating related dress shirt inventories.
 - (2) Restructuring and other charges of \$15.6 million recorded in fiscal 2001 relate to streamlining certain corporate and divisional operations and exiting three dress shirt manufacturing facilities.
 - (3) EBITDA is a "non-GAAP financial measure" as defined under Item 10(e) of Regulation S-K promulgated under the Exchange Act. EBITDA represents net income before interest expense, interest income, income taxes, depreciation and amortization. EBITDA is provided because we believe it is an important measure of liquidity. EBITDA is used under our revolving credit facility to determine the applicable interest rate on our outstanding loans. In addition, EBITDA is used in determining whether we can undertake an acquisition under our revolving credit facility, and whether we can incur additional indebtedness under the indenture governing the notes. You should not construe EBITDA as an alternative to net income as an indicator of our operating performance, or as an alternative to cash flows from operating activities as a measure of our liquidity, as determined in accordance with generally accepted accounting principles. We may calculate EBITDA differently than other companies.

Net income in accordance with generally accepted accounting principles is reconciled to EBITDA as follows:

	HISTORICAL			
	FISCAL YEAR			TWENTY-
	2000	2001	2002	AUGUST 4, 2000

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	2000	2001	2002	AUGUST 4, 2003
	(IN THOUSANDS)			
Net income.....	\$30,100	\$10,680	\$30,437	\$ 7,022
Income tax expense.....	18,115	6,008	15,869	3,950
Interest expense.....	24,852	24,752	23,892	11,668
Interest income.....	2,530	301	1,163	439
Depreciation and amortization.....	20,051	25,734	25,678	12,506
EBITDA.....	\$90,588	\$66,873	\$94,713	\$34,707

(4) EBITDA for fiscal 2001 includes restructuring and other charges of \$21.0 million.

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SUMMARY UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following summary pro forma financial information was derived from our unaudited pro forma condensed consolidated financial information included in this prospectus under the caption "Unaudited Pro Forma Condensed Consolidated Financial Information." The unaudited pro forma condensed consolidated financial information is based on our audited consolidated financial statements and the audited combined financial statements of Calvin Klein. The unaudited pro forma condensed consolidated income statements for our fiscal year ended February 2, 2003 and the twenty-six weeks ended August 4, 2002 and August 3, 2003, give effect to our acquisition of Calvin Klein and the related financing and the sale of the outstanding notes and the use of the proceeds of such sale as if they had occurred on February 4, 2002.

The summary pro forma financial information does not purport to represent what our results of operations or financial position would have been had the Calvin Klein acquisition and the related financing and the sale of the outstanding notes and the use of the proceeds of such sale in fact occurred at any date, nor does this information purport to project our results of operations or financial position for any future period or at any future date. The pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable.

Because the information below is a summary, you should read the following information in conjunction with the other information contained under the captions "Unaudited Pro Forma Condensed Consolidated Financial Information," "Selected Historical Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the notes thereto included in our Annual Report on Form 10-K for the fiscal year ended February 2, 2003 and our Quarterly Report on Form 10-Q for

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the period ended August 3, 2003 and Calvin Klein's financial statements and the notes thereto included in our Current Report on Form 8-K/A dated February 12, 2003, each incorporated by reference in this prospectus.

	PRO FORMA		
	FISCAL YEAR	TWENTY-SIX WEEKS EN	
	2002	AUGUST 4, 2002	AUGUST
		(IN THOUSANDS)	
INCOME STATEMENT DATA:			
Total revenues	\$1,576,965	\$ 766,609	\$ 758
Cost of goods sold	910,323	450,363	444
Gross profit	666,642	316,246	313
Selling, general and administrative expenses	572,779	281,631	288
Gain on sale of investment			3
Income before interest and taxes	93,863	34,615	28
Interest expense	36,786	18,115	19
Interest income	821	269	
Income tax expense	19,926	5,979	3
Net income	37,972	10,790	6
Preferred stock dividends(1)	20,027	10,072	10
Net income (loss) attributed to common stock	\$ 17,945	\$ 718	\$ (3)
OTHER DATA (2):			
Depreciation and amortization	\$ 30,728	\$ 15,031	\$ 13
Capital expenditures	32,528	9,793	9

- (1) Reflects a dividend of 8% on the Series B convertible preferred stock. If we elect not to pay a cash dividend for any quarter, then the Series B convertible preferred stock will be treated for purposes of the payment of future dividends and upon conversion, redemption or liquidation as if an in-kind dividend had been paid. We elected not to pay cash dividends in each of the first two quarters of 2003.
- (2) Other data does not include contingent purchase price payments of \$20.1 million that would have been payable to Mr. Klein for fiscal 2002 if the acquisition of Calvin Klein had occurred on February 4, 2002. As part of the purchase price in connection with our acquisition of Calvin Klein, Mr. Klein will receive contingent purchase price payments for 15 years equal to 1.15% of total worldwide net sales of products bearing any of the Calvin Klein brands. Such contingent purchase price payments will be charged to goodwill and intangible assets.

Subsequent to our acquisition of Calvin Klein, we entered into an agreement with Vestimenta to license the existing Calvin Klein's men's and women's high-end ready-to-wear collection apparel businesses, commencing with the spring 2004 collection. Under the license agreement with Vestimenta, which will be in full effect on January 1, 2004, we are transferring the operations of the businesses to Vestimenta. During the transition period,

we expect to continue to incur operating losses in connection with our operations of these businesses. If the 2002 operating results of the men's and women's high-end ready-to-wear collection apparel businesses were to reflect the transactions contemplated by our agreement with Vestimenta, then pro forma total revenues would have been reduced by \$17.2 million to \$1,559.8 million, depreciation and amortization would not have changed materially, pro forma income before interest and taxes would have increased by \$14.1 million to \$108.0 million and pro forma net income would have increased by \$8.8 million to \$46.8 million. As part of the agreement with Vestimenta, we will continue to design the collection apparel and, accordingly, design costs, as well as certain marketing costs we have agreed to continue, have not been eliminated in calculating these amounts.

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RISK FACTORS

An investment in our notes involves a high degree of risk. You should carefully consider the following risks, in addition to the other information contained in this prospectus and the documents to which we have referred you, before participating in this exchange offer.

RISKS RELATED TO OUR BUSINESS AND OUR INDUSTRY

WE MAY NOT BE ABLE TO REALIZE REVENUE GROWTH, COST SAVINGS OR SYNERGIES FROM INTEGRATING, DEVELOPING AND GROWING CALVIN KLEIN.

A significant portion of our business strategy involves integrating, developing and growing the Calvin Klein business. Our realization of any revenue growth, cost savings or synergies from Calvin Klein will depend largely upon our ability to:

- o quickly and substantially reduce the administrative and corporate overhead and back office expenses of Calvin Klein;
- o develop, and obtain selling space for, a Calvin Klein men's better sportswear line and successfully design and market that line over time;
- o successfully develop the licensing relationship with Kellwood and G.A.V. for a Calvin Klein women's better sportswear line;
- o successfully develop the licensing relationship with Vestimenta for the men's and women's high-end ready-to-wear collection apparel businesses;
- o open and successfully operate a chain of Calvin Klein retail outlet stores in premium outlet malls;
- o maintain and enhance the distinctive brand identity of Calvin Klein while integrating the Calvin Klein business within our company;
- o maintain good working relationships with Calvin Klein's licensees and enter into new licensing arrangements; and
- o execute our strategies for Calvin Klein without adversely impacting our existing business.

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We cannot assure you that we can successfully execute any of these actions or our growth strategy for the Calvin Klein brands or that the launch of our Calvin Klein men's better sportswear line or the launch of any other Calvin Klein branded products by us or our licensees will achieve the degree of consistent success necessary to generate profits or positive cash flow. Our ability to successfully carry out our growth strategy may be affected by, among other things, our ability to enhance our relationships with existing customers to obtain additional selling space and develop new relationships with apparel retailers, economic and competitive conditions, changes in consumer spending patterns and changes in consumer tastes and style trends. If we fail to develop and grow successfully the Calvin Klein business, our financial condition and results of operations may be materially and adversely affected.

WE FACE SIGNIFICANT CHALLENGES INTEGRATING CALVIN KLEIN.

To achieve the anticipated benefits of our acquisition of Calvin Klein, we will need to integrate the businesses of our Calvin Klein subsidiaries into our operations. We will face significant challenges in consolidating functions and integrating management procedures, personnel and operations in an efficient and effective manner, including:

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- o increased demands on management related to the significant increase in our size and diversity of our businesses after our acquisition of Calvin Klein;
- o the diversion of management's attention from our company's daily operations to implement our strategies for Calvin Klein;
- o the retention and integration of key Calvin Klein employees, including designers and marketing and advertising professionals, who may be uncertain about the changes they are observing and experiencing, such as working for a public company after having worked for a small private company, having colleagues leave due to consolidation, having new reporting lines, policies, procedures, benefits and compensation practices, and having a changed work environment as a result of the differences between the prestigious fashion-oriented Calvin Klein brands and our traditional, moderately-priced businesses and as a result of Mr. Klein not being an employee and having only a limited consulting role;
- o maintaining aspects of Calvin Klein that are to be kept separate from (and which in some cases are different from) our other businesses, such as:
 - o overseeing a large number of domestic and foreign licensees over broad product areas;
 - o administering a substantial worldwide marketing and advertising budget relating to the Calvin Klein marketing and advertising campaigns, which campaigns have a high profile and are sometimes controversial; and
 - o addressing the different distribution needs of our new Calvin Klein products and closely monitoring fashion trends and the status of our Calvin Klein labels;
- o managing the transition of our high-end ready-to-wear apparel

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businesses to Vestimenta; and

- o merging administrative systems and other functions, including information technology, accounting, financial reporting and logistics systems, distribution facilities and operations and books and records practices and procedures, as well as in maintaining uniform standards and controls, including internal accounting and audit controls, procedures and policies.

A SUBSTANTIAL PORTION OF OUR REVENUES AND GROSS PROFIT IS DERIVED FROM A SMALL NUMBER OF LARGE CUSTOMERS AND THE LOSS OF ANY OF THESE CUSTOMERS COULD SUBSTANTIALLY REDUCE OUR REVENUES.

A few of our customers, including Federated, JCPenney, Kohl's, May and Wal-Mart, account for significant portions of our revenues. Sales to our five largest customers were 30.7% of our revenues in fiscal 2002, 27.7% of our revenues in fiscal 2001 and 28.3% of our revenues in fiscal 2000. We do not have long-term agreements with any of our customers and purchases generally occur on an order-by-order basis. A decision by any of our major customers, whether motivated by competitive conditions, financial difficulties or otherwise, to decrease significantly the amount of merchandise purchased from us or our licensing or other business partners, or to change their manner of doing business with us or our licensing or other business partners, could substantially reduce our revenues and have a material adverse effect on our financial condition and results of operations. The retail industry has, in the past, experienced a great deal of consolidation and other ownership changes. Retailers, in the future, may further consolidate, undergo restructurings or reorganizations, or realign their affiliations, any of which could decrease the number of stores that carry our products or increase the ownership concentration within the retail industry. These changes could increase our reliance on a smaller number of large customers.

OUR BUSINESS COULD BE ADVERSELY AFFECTED BY FINANCIAL INSTABILITY EXPERIENCED BY OUR CUSTOMERS.

During the past several years, various retailers have experienced significant financial difficulties, which have resulted in bankruptcies, liquidations and store closings. We sell our products primarily to national and regional department, mid-tier department and mass market stores in the United States on credit and evaluate each customer's financial condition on a regular basis in order to determine the credit risk we take in selling goods to them. The financial difficulties of a customer could cause us to curtail business with that customer and we may be unable to shift sales to another viable customer. We may also assume more credit risk relating to receivables of a customer experiencing financial instability. Should these circumstances arise with respect to our customers, our inability to shift sales or to collect on our trade accounts receivable from any one of our customers could substantially reduce our revenues and have a material adverse effect on our financial condition and results of operations.

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WE PRIMARILY USE FOREIGN SUPPLIERS FOR OUR PRODUCTS AND RAW MATERIALS, WHICH POSES RISKS TO OUR BUSINESS OPERATIONS.

During fiscal 2002, in excess of 95% of our apparel products and 95% of our raw materials for apparel were produced by and purchased or procured from independent manufacturers located in countries in the Far East, Indian subcontinent, Middle East, Caribbean and Central America. We believe that we are one of the largest procurers of shirting fabric in the world. Additionally, 100% of our footwear products and of the raw materials therefor were produced by and

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purchased or procured from independent manufacturers located in countries in the Far East, Europe, South America and the Caribbean. Although no single supplier and no one country is critical to our production needs, any of the following could materially and adversely affect our ability to produce or deliver our products and, as a result, have a material adverse effect on our business, financial condition and results of operations:

- o political or labor instability in countries where contractors and suppliers are located;
- o political or military conflict involving the United States, which could cause a delay in the transportation of our products and raw materials to us and an increase in transportation costs;
- o heightened terrorism security concerns, which could subject imported or exported goods to additional, more frequent or more thorough inspections, leading to delays in deliveries or impoundment of goods for extended periods or could result in decreased scrutiny by customs officials for counterfeit goods, leading to lost sales, increased costs for our anti-counterfeiting measures and damage to the reputation of our brands;
- o a significant decrease in availability or increase in cost of raw materials, particularly petroleum-based synthetic fabrics, which are currently in high demand;
- o disease epidemics and health related concerns, such as the recently subsided SARS outbreak and the mad cow and hoof and mouth disease outbreaks in recent years, which could result in closed factories, reduced workforces, scarcity of raw materials and scrutiny or embargoing of goods produced in infected areas;
- o the migration and development of manufacturers, which can affect where our products are or are planned to be produced;
- o imposition of regulations and quotas relating to imports and our ability to adjust timely to changes in trade regulations, which, among other things, could limit our ability to produce products in cost-effective countries that have the labor and expertise needed;
- o imposition of duties, taxes and other charges on imports;
- o significant fluctuation of the value of the dollar against foreign currencies; and
- o restrictions on transfers of funds out of countries where our foreign licensees are located.

IF OUR MANUFACTURERS FAIL TO USE ACCEPTABLE ETHICAL BUSINESS PRACTICES, OUR BUSINESS COULD SUFFER.

We require our manufacturers to operate in compliance with applicable laws, rules and regulations regarding working conditions, employment practices and environmental compliance. Additionally, we impose upon our business partners, operating guidelines that require additional obligations in those areas in order to promote ethical business practices, and our staff periodically visits and monitors the operations of our independent manufacturers to determine compliance. However, we do not control our independent manufacturers or their labor and other business practices. If one of our manufacturers violates labor or other laws or implements labor or other business practices that are generally regarded as unethical in the United States, the shipment of finished products to us could be interrupted, orders could be cancelled, relationships could be

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terminated and our reputation could be damaged. Any of these events could have a material adverse effect on our revenues and, consequently, our results of operations.

OUR RELIANCE ON INDEPENDENT MANUFACTURERS COULD CAUSE DELAY AND DAMAGE CUSTOMER RELATIONSHIPS.

In fiscal 2002, we relied upon independent third parties for the manufacture of more than 95% of our apparel products and 100% of our footwear products. We do not have long-term contracts with any of our suppliers. A manufacturer's failure to ship products to us in a timely manner or to meet required quality standards could cause us to miss the delivery date requirements of our customers for those products. As a result, customers may cancel

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their orders, refuse to accept deliveries or demand reduced prices. Any of these actions taken by our customers may have a material adverse effect on our revenues and, consequently, our results of operations.

AS A RESULT OF OUR ACQUISITION OF CALVIN KLEIN, WE HAVE INCREASED OUR DEPENDENCE ON REVENUES FROM ROYALTY, DESIGN AND SIMILAR FEES.

In fiscal 2002, \$10.8 million, or 0.8%, of our revenues were derived from licensing royalties. In fiscal 2002, 73.3% of Calvin Klein's revenues were derived from royalty, design and similar fees from business partners. On a pro forma basis reflecting our acquisition of Calvin Klein, Calvin Klein's royalty, design and similar fees would have generated 8.0% of our fiscal 2002 revenues (and will account for a significant portion of our revenues in the future). A few of Calvin Klein's business partners, including Warnaco, Unilever and Marchon Eyewear, account for significant portions of its revenues. Royalty, design and similar fees from Calvin Klein's three largest business partners accounted for approximately 46% of its revenues in fiscal 2002. The operating profit associated with our royalty, design and similar fee revenues is significant because the operating expenses directly associated with administering and monitoring an individual licensing or similar agreement are minimal. Therefore, the loss of a significant business partner, whether due to the termination or expiration of the relationship, the cessation of the business partner's operations or otherwise, including as a result of financial difficulties, without an equivalent replacement, could materially affect our profitability. For example, Warnaco accounted for approximately 25% of Calvin Klein's revenues and approximately 36% of Calvin Klein's royalty, design and similar fee revenues, in fiscal 2002. Although Warnaco has emerged from bankruptcy proceedings, no assurance can be given as to its future financial stability. While we generally have significant control over our business partners' products and advertising, we rely on our business partners for, among other things, operational and financial controls over their businesses. Our business partners' failure to successfully market licensed products or our inability to replace our existing business partners could adversely affect our revenues both directly from reduced royalty, design and similar fees received and indirectly from reduced sales of our other products. Risks are also associated with a business partner's ability to:

- o obtain capital;
- o manage its labor relations;
- o maintain relationships with its suppliers;

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- o manage its credit risk effectively; and
- o maintain relationships with its customers.

In addition, we rely on our business partners to preserve the value of our brands. Although we make every attempt to protect our brands through, among other things, approval rights over design, production quality, packaging, merchandising, distribution, advertising and promotion of our products, we cannot assure you that we can control the use by our business partners of each of our licensed brands. The misuse of our brands by a material business partner could have a material adverse effect on our business, financial condition and results of operations. For example, Calvin Klein in the past has been involved in legal proceedings with Warnaco with respect to certain quality and distribution issues. As a result of our acquisition of Calvin Klein, Warnaco is entitled to control design and advertising related to the sale of underwear, intimate apparel and sleepwear products bearing the Calvin Klein brands. We cannot assure you that Warnaco will maintain the same standards of design and advertising previously maintained by Calvin Klein, although we believe they are generally obligated to do so.

OUR RETAIL STORES ARE HEAVILY DEPENDENT ON THE ABILITY AND DESIRE OF CONSUMERS TO TRAVEL AND SHOP.

Our retail stores are located principally in outlet malls, which are typically located in or near vacation destinations or away from large population centers where department stores and other traditional retailers are concentrated. As a result, fuel shortages, increased fuel prices, travel restrictions, travel concerns, bad weather and other circumstances, including as a result of war, terrorist attacks or the perceived threat of war or terrorist attacks, which would lead to decreased travel, could have a material adverse affect on us, as was the case after the September 11th terrorist attacks. Other factors which could affect the success of our stores include:

- o the location of the mall or the location of a particular store within the mall;
- o the other tenants occupying space at the mall;
- o increased competition in areas where the outlet malls are located;

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- o a downturn in the economy generally or in a particular area where an outlet mall is located; and
- o the amount of advertising and promotional dollars spent on attracting consumers to the malls.

WE MAY BE UNABLE TO PROTECT OUR TRADEMARKS AND OTHER INTELLECTUAL PROPERTY RIGHTS.

Our trademarks and other intellectual property rights are important to our success and our competitive position. We are susceptible to others imitating our products and infringing our intellectual property rights. Since our acquisition of Calvin Klein, we are more susceptible to infringement of our intellectual property rights, as the Calvin Klein brands enjoy significant worldwide consumer recognition and the generally higher pricing of Calvin Klein branded products creates additional incentive for counterfeiters and infringers. Imitation or counterfeiting of our products or infringement of our intellectual property rights could diminish the value of our brands or otherwise adversely affect our revenues. We cannot assure you that the actions we have taken to

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establish and protect our trademarks and other intellectual property rights will be adequate to prevent imitation of our products by others or to prevent others from seeking to invalidate our trademarks or block sales of our products as a violation of the trademarks and intellectual property rights of others. In addition, we cannot assure you that others will not assert rights in, or ownership of, trademarks and other intellectual property rights of ours or in marks that are similar to ours or marks that we license and/or market or that we will be able to successfully resolve these types of conflicts to our satisfaction. In some cases, there may be trademark owners who have prior rights to our marks because the laws of certain foreign countries may not protect intellectual property rights to the same extent as do the laws of the United States. In other cases there may be holders who have prior rights to similar marks. For example, we were involved in a proceeding relating to a company's claim of prior rights to the IZOD mark in Mexico, and Calvin Klein was involved in a proceeding relating to a company's claim of prior rights to the Calvin Klein mark in Chile. We are currently involved in opposition and cancellation proceedings with respect to marks similar to some of our brands, both domestically and internationally.

THE SUCCESS OF CALVIN KLEIN DEPENDS ON THE VALUE OF OUR CALVIN KLEIN BRANDS, AND IF THE VALUE OF THOSE BRANDS WERE TO DIMINISH, OUR BUSINESS COULD BE ADVERSELY AFFECTED.

Our success depends on our brands and their value. The Calvin Klein name is integral to the existing Calvin Klein business, as well as to the implementation of our strategies for growing and expanding Calvin Klein. Although Mr. Klein will continue as a consultant for three years, he is no longer a member of management. Our Calvin Klein business could be adversely affected if there is a perception by consumers that, as a result of the sale of the business, Mr. Klein's role has changed in a manner that is disadvantageous to the Calvin Klein business. The Calvin Klein brands could be adversely affected if Mr. Klein's public image or reputation were to be tarnished. We may seek in the future stockholder approval to change the name of our company to "Calvin Klein Inc." or a similar name. Any such name change could increase our risks related to the public perception of the Calvin Klein name. In addition, we market some of our products under the names and brands of other recognized designers: Geoffrey Beene, Kenneth Cole and Donna Karan (DKNY). Our sales of those products could be materially and adversely affected if any of those designer's images or reputations were to be negatively impacted.

OUR REVENUES AND PROFITS ARE CYCLICAL AND SENSITIVE TO GENERAL ECONOMIC CONDITIONS, CONSUMER CONFIDENCE AND SPENDING PATTERNS.

The apparel and footwear industries in which we operate have historically been subject to substantial cyclical variations and are particularly affected by adverse trends in the general economy, with consumer spending tending to decline during recessionary periods. The success of our operations depends on consumer spending. Consumer spending is impacted by a number of factors, including actual and perceived economic conditions affecting disposable consumer income (such as unemployment, wages and salaries), business conditions, interest rates, availability of credit and tax rates in the general economy and in the international, regional and local markets where our products are sold. Any significant deterioration in general economic conditions (such as the current economic downturn) or increases in interest rates could reduce the level of consumer spending and inhibit consumers' use of credit. In addition, war, terrorist activity or the threat of war and terrorist activity may adversely affect consumer spending, and thereby have a material adverse effect on our financial condition and results of operations.

WE FACE INTENSE COMPETITION IN THE APPAREL AND FOOTWEAR INDUSTRIES.

Competition is strong in the segments of the apparel and footwear

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industries in which we operate. We compete with numerous domestic and foreign designers, brands and manufacturers of apparel, accessories and footwear, some of which are significantly larger or more diversified or have greater resources than we do. In

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addition, through their use of private label programs, we compete directly with our wholesale customers. We compete within the apparel and footwear industries primarily on the basis of:

- o anticipating and responding to changing consumer tastes and demands in a timely manner and developing attractive, quality products;
- o maintaining favorable brand recognition;
- o appropriately pricing products and creating an acceptable value proposition for customers;
- o providing strong and effective marketing support;
- o ensuring product availability and optimizing supply chain efficiencies with third-party manufacturers and retailers; and
- o obtaining sufficient retail floor space and effective presentation of our products at retail.

We attempt to minimize risks associated with competition, including risks related to changing style trends and product acceptance, by closely monitoring retail sales trends. The failure, however, to compete effectively or to keep pace with rapidly changing markets could have a material adverse effect on our business, financial condition and results of operations. In addition, if we misjudge the market for our products, we may be faced with significant excess inventories for some products and missed opportunities with others.

THE LOSS OF MEMBERS OF OUR EXECUTIVE MANAGEMENT AND OTHER KEY EMPLOYEES COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS.

We depend on the services and management experience of Bruce J. Klatsky, Mark Weber and other of our executive officers who have substantial experience and expertise in our business. We also depend on key employees involved in our licensing, design and advertising operations. Competition for qualified personnel in the apparel and footwear industries is intense, and competitors may use aggressive tactics to recruit our key employees. The unexpected loss of services of one or more of these individuals could materially adversely affect us.

SIGNIFICANT INFLUENCE BY CERTAIN STOCKHOLDERS.

In connection with our acquisition of Calvin Klein, the Apax affiliates purchased our Series B convertible preferred stock, which, as of November 2, 2003, was convertible by them into 38.3% of our outstanding common stock. If we elect not to pay a cash dividend for any quarter, then the Series B convertible preferred stock will be treated for purposes of the payment of future dividends and upon conversion, redemption or liquidation as if an in-kind dividend had been paid. As a result, it is possible that if we do not pay a cash dividend in any quarter through the third quarter of fiscal 2009 (assuming no further issuances of common stock, including as a result of the exercise of stock options), a change in control will result under our existing various indentures

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and certain other agreements. See "-- We may not be able to repurchase the notes upon a change of control" below.

While the holders of our Series B convertible preferred stock are prohibited from initiating a take-over, in certain circumstances, they may be able to participate in a bidding process initiated by a third party. As long as affiliates of the Apax affiliates own at least 50% of the shares of our Series B convertible preferred stock initially sold to the Apax affiliates, they will have the ability to prevent a change of control, or a sale of all or substantially all of our assets. Additionally, as long as 50% of our Series B convertible preferred stock remains outstanding, the holders of our Series B convertible preferred stock will have a right to purchase their pro rata share of newly-issued securities. The holders of our Series B convertible preferred stock have certain additional rights, including the right to approve the issuance of certain new series of our preferred stock, which could also have the effect of discouraging a third party from pursuing a non-negotiated takeover, and preventing changes in control, of our company. See "Description of Certain Other Indebtedness and Preferred Stock -- Preferred Stock -- Series B Convertible Preferred Stock."

As a result of the rights related to their ownership of our Series B convertible preferred stock, the Apax affiliates have substantial influence over our company, including by virtue of their right to elect separately as a class three directors and to have one of their directors serve on the audit, compensation, nominating and executive committees of our board subject to applicable law, rule and regulation. In addition, circumstances may occur in which the interests of the Apax affiliates, as preferred equity investors, are in conflict with your interests as holders of the notes.

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RISKS RELATED TO THE EXCHANGE OFFER

IF YOU DO NOT EXCHANGE YOUR OUTSTANDING NOTES, THEY WILL CONTINUE TO BE SUBJECT TO RESTRICTIONS ON TRANSFER.

If you do not exchange your outstanding notes for exchange notes in this exchange offer, you will continue to be subject to the restrictions on transfer of your outstanding notes described in the legend on the certificates for your outstanding notes. The restrictions on transfer of your outstanding notes arise because we issued the outstanding notes under exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. In general, you may only offer or sell the outstanding notes if they are registered under the Securities Act and applicable state securities laws, or offered and sold under an exemption from these requirements. We do not plan to register the outstanding notes under the Securities Act.

YOUR OUTSTANDING NOTES WILL NOT BE ACCEPTED FOR EXCHANGE IF YOU FAIL TO FOLLOW THE EXCHANGE OFFER PROCEDURES.

We will not accept your outstanding notes for exchange if you do not follow the exchange offer procedures. We will issue exchange notes as part of this exchange offer only after a timely receipt of your outstanding notes, a properly completed and duly executed letter of transmittal and all other required documents. Therefore, if you want to tender your outstanding notes, please allow sufficient time to ensure timely delivery. If we do not receive your outstanding notes, letter of transmittal and other required documents by the expiration date of this exchange offer or you do not otherwise comply with

the guaranteed delivery procedures for tend