

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

(X) Quarterly Report Pursuant to Section 13 or 15(d) of the Securities  
Exchange Act of 1934

For the quarterly period ended JULY 2, 1994

or

( ) Transition Report Pursuant to Section 13 or 15(d) of the Securities  
Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-5256

V. F. CORPORATION  
(Exact name of registrant as specified in its charter)

PENNSYLVANIA  
(State or other jurisdiction of  
incorporation or organization)

23-1180120  
(I.R.S. Employer  
Identification No.)

1047 NORTH PARK ROAD, WYOMISSING, PA  
(Address of principal executive offices)

19610  
(Zip Code)

Registrant's telephone number, including area code 610-378-1151

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

On July 30, 1994, there were 64,690,202 shares of Common Stock outstanding.

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VF CORPORATION

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VF CORPORATION  
CONSOLIDATED STATEMENTS OF INCOME  
(UNAUDITED)  
(IN THOUSANDS, EXCEPT PER SHARE DATA)

<TABLE>  
<CAPTION>

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JULY 2	JULY 3	JULY 2	JULY
	1994	1993	1994	1993
	-----	-----	-----	-----
3				
---				
<S>	<C>	<C>	<C>	<C>
NET SALES	\$1,186,324	\$1,053,411	\$2,309,359	
\$2,070,055				
COSTS AND OPERATING EXPENSES				
Cost of products sold	806,149	725,865	1,566,572	
1,419,283				
Marketing, administrative and general expenses	258,861	223,247	512,771	
445,036				
---				
	1,065,010	949,112	2,079,343	
1,864,319				
---				
OPERATING INCOME	121,314	104,299	230,016	
205,736				
OTHER INCOME (EXPENSE)				
Interest income	1,980	2,419	4,488	
5,359				
Interest expense	(21,579)	(17,993)	(40,770)	
(36,215)				
Miscellaneous, net	(4,001)	1,912	(8,150)	
2,198				
---				
	(23,600)	(13,662)	(44,432)	
(28,658)				
---				
INCOME BEFORE INCOME TAXES	97,714	90,637	185,584	
177,078				

INCOME TAXES	38,798	34,906	73,770	
68,618	-----	-----	-----	-----
---				
NET INCOME	\$ 58,916	\$ 55,731	\$ 111,814	\$
108,460	=====	=====	=====	
=====				
EARNINGS PER COMMON SHARE				
Primary	\$0.90	\$0.85	\$1.71	
\$1.68				
Fully diluted	0.88	0.83	1.67	
1.64				
CASH DIVIDENDS				
PER COMMON SHARE	\$0.32	\$0.30	\$0.64	
\$0.60				
</TABLE>				

See notes to consolidated financial statements.

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VF CORPORATION  
CONSOLIDATED BALANCE SHEETS  
(UNAUDITED)  
(IN THOUSANDS)

<TABLE> <CAPTION>	JULY 2	JANUARY 1	JULY
3	1994	1994	1993
---	-----	-----	-----
<S>	<C>	<C>	<C>
ASSETS			
CURRENT ASSETS			
Cash and equivalents	\$ 25,456	\$ 151,564	\$
31,103			
Accounts receivable, less			
allowances: Jul 2-\$34,475;			
Jan 1-\$28,808; Jul 3-\$33,281	731,165	511,887	
656,537			
Inventories:			
Finished products	638,920	486,045	
583,142			
Work in process	151,123	119,582	
137,360			
Materials and supplies	170,305	173,140	
145,184	-----	-----	-----
---			
	960,348	778,767	
865,686			
Other current assets	81,370	57,962	
71,249	-----	-----	-----
---			
Total current assets	1,798,339	1,500,180	
1,624,575			
PROPERTY, PLANT AND EQUIPMENT	1,372,230	1,250,023	
1,251,020			
Less accumulated depreciation	597,962	537,264	
555,966	-----	-----	-----
---			
	774,268	712,759	
695,054			



3		
1993	1994	
---	-----	-----
<S>	<C>	<C>
OPERATIONS		
Net income	\$ 111,814	\$
108,460		
Adjustments to reconcile net income to cash used by operations:		
Depreciation	61,152	
54,612		
Amortization of intangible assets	15,439	
8,892		
Other	15,592	
105		
Changes in current assets and liabilities:		
Accounts receivable	(167,002)	
(171,098)		
Inventories	(76,593)	
(128,152)		
Accounts payable	(13,231)	
206		
Other, net	50,741	
52,902		
----	-----	-----
Cash used by operations	(2,088)	
(74,073)		
INVESTMENTS		
Capital expenditures	(68,940)	
(103,751)		
Sale of outlet facilities	-	
62,000		
Business acquisitions	(494,751)	-
Other, net	(5,449)	
(11,738)		
----	-----	-----
Cash invested	(569,140)	
(53,489)		
FINANCING		
Increase in short-term borrowings	496,317	
8,434		
Proceeds from long-term debt	99,207	
98,557		
Payment of long-term debt	(114,475)	
(234,945)		
Sale of Common Stock	-	
231,900		
Cash dividends paid	(43,478)	
(40,730)		
Other, net	7,549	
9,129		
----	-----	-----
Cash provided by financing	445,120	
72,345		
----	-----	-----
NET CHANGE IN CASH AND EQUIVALENTS	(126,108)	
(55,217)		
CASH AND EQUIVALENTS - BEGINNING OF YEAR	151,564	
86,320		
----	-----	-----
CASH AND EQUIVALENTS - END OF PERIOD	\$ 25,456	\$
31,103	=====	

</TABLE>

See notes to consolidated financial statements.

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VF CORPORATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)

NOTE A - BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and notes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the six months ended July 2, 1994 are not necessarily indicative of results that may be expected for the year ending December 31, 1994. For further information, refer to the consolidated financial statements and notes included in the Corporation's Annual Report on Form 10-K for the year ended January 1, 1994.

NOTE B - EARNINGS PER COMMON SHARE

Primary earnings per share are computed by dividing net income, after deducting preferred dividends, by the weighted average number of common shares outstanding. Fully diluted earnings per share assume the conversion of Preferred Stock and the exercise of stock options that have a dilutive effect.

NOTE C - CAPITAL

There are 150,000,000 authorized shares of Common Stock, no par value - stated capital \$1 a share. At July 2, 1994, there were 64,668,172 shares outstanding, excluding 1,770,467 treasury shares. At January 1, 1994 and July 3, 1993, there were 64,488,660 and 64,385,742 shares outstanding, excluding 1,769,131 and 1,767,185 treasury shares, respectively.

There are 25,000,000 authorized shares of Preferred Stock, \$1 par value. Of these shares, 2,000,000 were designated as Series A, of which none have been issued, and 2,105,263 shares were designated and issued as 6.75% Series B Preferred Stock, of which 2,033,631 shares were outstanding at July 2, 1994, 2,050,491 at January 1, 1994 and 2,061,842 at July 3, 1993.

NOTE D - ACQUISITIONS

On January 4, 1994, the Corporation acquired H. H. Cutler Company for a total consideration of \$154.7 million. Also on January 19, 1994, the Corporation acquired Nutmeg Industries, Inc. for a total consideration of \$352.2 million. The acquisitions have been accounted for as purchases, and accordingly, operating results of the companies have been included in the consolidated financial statements since the dates of acquisition. The following pro forma results of operations assume that these acquisitions had occurred at the beginning of 1993:

<TABLE>  
<CAPTION>

In thousands, except per share amounts -----	Second Quarter 1993 -----	Six Months 1993 -----
<S>	<C>	<C>
Net sales	\$1,139,427	\$2,233,821
Net income	50,747	97,385
Earnings per common share:		
Primary	\$0.78	\$1.51
Fully diluted	0.76	1.47

</TABLE>

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VF CORPORATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Consolidated net sales increased 13% for the second quarter and 12% for the six months compared with the 1993 periods. Approximately \$70 million and \$148

million of the respective increases represent sales of divisions acquired since the 1993 periods, with the remainder due primarily to unit volume growth within existing divisions. Net income increased 6% for the quarter and 3% for the six months.

During 1994, the Corporation was reorganized into five new business groups consisting of Jeanswear, Decorated Knitwear, Intimate Apparel, Playwear and Specialty Apparel. Sales and operating profit by business group are summarized as follows:

<TABLE>  
<CAPTION>

	SECOND QUARTER			SIX MONTHS	
	1994	1993 (RESTATED)	PERCENT CHANGE	1994	1993 (RESTATED)
	(IN THOUSANDS)			(IN THOUSANDS)	
NET SALES					
Jeanswear	\$ 618,469	\$ 593,292	4%	\$1,207,469	\$1,178,558
Decorated Knitwear	128,790	79,733	62	245,673	142,485
Intimate Apparel	172,186	164,089	5	347,051	333,797
Playwear	81,567	52,184	56	159,412	97,205
Specialty Apparel	185,312	164,113	13	349,754	318,010
	-----	-----	---	-----	-----
	\$1,186,324	\$1,053,411	13%	\$2,309,359	\$2,070,055
	=====	=====	===	=====	=====
OPERATING PROFIT					
Jeanswear	\$ 90,412	\$ 74,043	22%	\$ 170,956	\$ 150,904
Decorated Knitwear	(2,609)	(1,967)	(33)	(7,982)	(5,258)
Intimate Apparel	12,635	15,476	(18)	30,137	31,331
Playwear	7,904	6,042	31	14,053	8,711
Specialty Apparel	22,736	19,678	16	42,432	38,048
	-----	-----	---	-----	-----
	131,078	113,272	16%	249,596	223,736
			===		
CORPORATE EXPENSES	(9,764)	(8,973)		(19,580)	(18,000)
INTEREST, NET	(19,599)	(15,574)		(36,282)	(30,856)
OTHER INCOME (EXPENSE)	(4,001)	1,912		(8,150)	2,198
	-----	-----		-----	-----
INCOME BEFORE INCOME TAXES	\$ 97,714	\$ 90,637		\$ 185,584	\$ 177,078
	=====	=====		=====	=====

</TABLE>

The Jeanswear business group consists of the Lee and Wrangler divisions in the United States (except for preschool sizes classified in Playwear) and in international markets, primarily in Europe. This business group also includes Girbaud, which designs and markets licensed jeanswear products in the United States under the Marithe & Francois Girbaud(R) label. Sales and operating profit for both the quarter and six months increased strongly for Lee and Wrangler in both domestic and international markets. Sales and profits declined at Girbaud, however, where consumer resistance to premium-priced jeans has impacted performance since mid-1993.

The Decorated Knitwear business group includes Bassett-Walker, Nutmeg, Cutler sports apparel and JanSport imprinted apparel. The 1994 sales increase is due to the addition of Nutmeg and Cutler, both newly acquired in January 1994. Sales and profits for the first six months are at an expected low level due to the seasonal nature of this group.

The Intimate Apparel business group includes the operations of Vanity Fair Mills and Barbizon domestically and the intimate apparel divisions in Europe. Quarterly and six month sales for the group rose due to increased sales of Vassarette products at Vanity Fair. Domestic operating margins improved from increased manufacturing efficiencies at Vanity Fair, offset by reduced profits in Europe due to the continuing recession in France and Spain.

The Playwear business group consists of Healthtex, the playwear and sleepwear operations of Cutler and the preschool sizes of Lee and Wrangler in the United States. Playwear sales increased due to the acquisition of Cutler in 1994. Operating profits exceeded the prior year periods due primarily to higher profits in existing divisions.

The Specialty Apparel business group consists primarily of the Red Kap and Jantzen divisions and JanSport equipment. The group's sales and operating profit increases in the quarter and six months resulted from growth at Red Kap and JanSport equipment.

Overall, gross margins increased to 32.0% and 32.2% of sales during the second quarter and six months, respectively, from 31.1% and 31.4% in 1993, due primarily to improved efficiencies in the Jeanswear group.

Marketing, administrative and general expenses were 21.8% and 22.2% of sales during the second quarter and six months of 1994, respectively, compared with 21.2% and 21.5% in the 1993 periods. The increase is attributable to higher distribution, business systems and other costs. Marketing, administrative and general expenses as a percent of sales in the first half of the year are historically at higher levels than annual amounts and are not necessarily representative of the trend expected for the year.

Net interest expense increased due to higher short-term borrowings related to the Nutmeg and Cutler acquisitions. The increase in miscellaneous expense results from higher goodwill amortization related to these acquisitions.

The effective income tax rate for the six months of 1994 was 39.8% versus 38.8% for the 1993 period, based on the expected effective rate for the year. The higher rate results from the change in the United States corporate income tax rate from 34% to 35% effective August 1993.

FINANCIAL CONDITION AND LIQUIDITY

The financial condition of the Corporation is reflected in the following:

<TABLE>  
<CAPTION>

	July 2 1994	January 1 1994	July 3 1993
	-----	-----	-----
	(Dollars in millions)		
<S>	<C>	<C>	<C>
Working capital	\$629.5	\$840.3	\$877.6
Current ratio	1.5 to 1	2.3 to 1	2.2 to 1
Total debt to capitalization	41.6%	30.3%	36.0%

</TABLE>

Days' sales outstanding in accounts receivable are consistent at all balance sheet dates.

Inventories are higher than at the comparable date in the prior year due to the acquisitions of Nutmeg and Cutler in January 1994. Inventories increased from year-end 1993 due to the acquisitions and to meet seasonal requirements.

Short-term borrowings were used to finance the January 1994 purchases of Nutmeg and Cutler. In addition, the Corporation used short-term borrowings to fund the January 1994 redemption of \$100.0 million of 8.00% notes due in 1997. On



April 6, 1994, the redeemed notes were refinanced with 10 year, 7.60% notes.

PART II - OTHER INFORMATION

Item 6 - Exhibits and Reports on Form 8-K

- (a) Exhibit 11  
Computation of earnings per share for the three and six months ended July 2, 1994 and July 3, 1993.
- (b) Reports on Form 8-K  
A report on Form 8-K dated April 6, 1994 provided various exhibits related to the \$100 million, 7.60% notes due April 1, 2004 that were issued on April 6, 1994.

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SIGNATURES

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

/s/ V.F. CORPORATION  
(Registrant)

Date: August 10, 1994

/s/ G. G. JOHNSON  
G. G. JOHNSON  
Vice President-Finance  
(Chief Financial Officer)

/s/ R. K. SHEARER  
R. K. SHEARER  
Vice President/Controller  
(Chief Accounting Officer)

VF CORPORATION  
 COMPUTATION OF EARNINGS PER SHARE  
 (IN THOUSANDS, EXCEPT PER SHARE DATA)

<TABLE>  
 <CAPTION>

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JULY 2	JULY 3	JULY 2	JULY
3	1994	1993	1994	
1993				
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
PRIMARY EARNINGS PER SHARE				
-----				
Net income	\$58,916	\$55,731	\$111,814	
\$108,460				
Less preferred stock dividends	785	780	1,568	
1,556				
-----	-----	-----	-----	-----
Net income available to common stockholders	\$58,131	\$54,951	\$110,246	
\$106,904				
=====	=====	=====	=====	
Average number of common shares outstanding	64,645	64,327	64,589	
63,586				
=====	=====	=====	=====	
Primary earnings per share	\$0.90	\$0.85	\$1.71	
\$1.68				
=====	=====	=====	=====	
FULLY DILUTED EARNINGS PER SHARE				
-----				
Net income	\$58,916	\$55,731	\$111,814	
\$108,460				
Increased ESOP contribution required if preferred stock were converted to common	379	397	758	
793				
-----	-----	-----	-----	-----
Fully diluted earnings	\$58,537	\$55,334	\$111,056	
\$107,667				
=====	=====	=====	=====	
Average number of common shares outstanding	64,645	64,327	64,589	
63,586				
Additional common equivalent shares resulting from:				
Conversion of preferred stock	1,627	1,650	1,630	
1,652				
Dilutive effect of stock options	321	381	334	
419				
-----	-----	-----	-----	-----
Average number of common and common equivalent shares	66,593	66,358	66,553	
65,657				
=====	=====	=====	=====	
Fully diluted earnings per share	\$0.88	\$0.83	\$1.67	

\$1.64

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</TABLE>

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