

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended SEPTEMBER 28, 1996

Commission file number: 1-5256

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

PENNSYLVANIA 23-1180120
(State or other jurisdiction of (I.R.S. employer
incorporation or organization) identification no.)

1047 NORTH PARK ROAD
WYOMISSING, PA 19610
(Address of principal executive offices)

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

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

On October 26, 1996, there were 63,714,232 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)

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	SEPTEMBER 28 1996	SEPTEMBER 30 1995	SEPTEMBER 28 1996	SEPTEMBER 30 1995
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NET SALES	\$ 1,380,919	\$ 1,332,102	\$ 3,760,039	\$ 3,791,625
COSTS AND OPERATING EXPENSES				
Cost of products sold	934,561	919,550	2,536,845	2,589,319
Marketing, administrative and general expenses	279,962	277,062	816,725	823,313
Other operating (income) expense	404	1,978	(457)	3,318
	----- 1,214,927	----- 1,198,590	----- 3,353,113	----- 3,415,950
OPERATING INCOME	165,992	133,512	406,926	375,675
OTHER INCOME (EXPENSE)				
Interest income	2,406	4,439	8,653	8,805
Interest expense	(15,850)	(20,674)	(49,754)	(59,754)
Miscellaneous, net	601	1,372	(1,031)	(1,645)
	----- (12,843)	----- (14,863)	----- (42,132)	----- (52,594)
INCOME BEFORE INCOME TAXES	153,149	118,649	364,794	323,081
INCOME TAXES	62,101	48,931	147,924	130,173
	-----	-----	-----	-----
NET INCOME	\$ 91,048 =====	\$ 69,718 =====	\$ 216,870 =====	\$ 192,908 =====
EARNINGS PER COMMON SHARE				
Primary	\$1.42	\$1.08	\$3.36	\$2.98
Fully diluted	1.39	1.05	3.29	2.91
CASH DIVIDENDS PER COMMON SHARE	\$0.36	\$0.34	\$1.08	\$1.02

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See notes to consolidated financial statements.

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VF CORPORATION
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

<TABLE>
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	SEPTEMBER 28	DECEMBER 30	SEPTEMBER
	1996	1995	1995
30			
--	-----	-----	-----
	(UNAUDITED)		
(UNAUDITED)			
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ASSETS			
CURRENT ASSETS			
Cash and equivalents	\$ 212,097	\$ 84,075	\$ 64,144
Accounts receivable, less allowances: Sept. 28 - \$40,714; Dec. 30 - \$34,621; Sept. 30 - \$29,181	752,045	629,506	770,133
Inventories:			

Finished products	422,997	514,688	669,693
Work in process	176,175	139,721	148,536
Materials and supplies	151,620	187,498	189,915
-			
Other current assets	750,792	841,907	1,008,144
	114,657	112,149	77,750
-			
Total current assets	1,829,591	1,667,637	1,920,171
PROPERTY, PLANT AND EQUIPMENT	1,517,866	1,490,384	1,497,265
Less accumulated depreciation	798,554	740,504	724,204
-			
INTANGIBLE ASSETS	719,312	749,880	773,061
OTHER ASSETS	873,552	887,606	901,758
	155,966	141,948	131,891
-			
	\$3,578,421	\$3,447,071	\$ 3,726,881
	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Short-term borrowings	\$ 28,030	\$ 229,945	\$ 357,049
Current portion of long-term debt	101,015	2,715	2,333
Accounts payable	321,051	276,598	309,696
Accrued liabilities	494,585	359,062	385,551
-			
Total current liabilities	944,681	868,320	1,054,629
LONG-TERM DEBT	527,073	614,217	615,095
OTHER LIABILITIES	181,696	169,392	177,341
REDEEMABLE PREFERRED STOCK	58,498	60,667	61,036
DEFERRED CONTRIBUTIONS TO EMPLOYEE STOCK OWNERSHIP PLAN	(33,055)	(37,031)	(38,408)
-			
	25,443	23,636	22,628
COMMON SHAREHOLDERS' EQUITY			
Common Stock	63,548	63,439	63,925
Additional paid-in capital	638,191	593,976	589,409
Foreign currency translation	7,199	20,483	22,744
Retained earnings	1,190,590	1,093,608	1,181,110
-			
	1,899,528	1,771,506	1,857,188
-			
	\$3,578,421	\$3,447,071	\$ 3,726,881
	=====	=====	=====

</TABLE>

See notes to consolidated financial statements.

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VF CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(IN THOUSANDS)

<TABLE>
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	NINE MONTHS ENDED	
	SEPTEMBER 28 1996	SEPTEMBER 30 1995
	-----	-----
	<C>	<C>
OPERATIONS		
Net income	\$ 216,870	\$ 192,908
Adjustments to reconcile net income to cash provided by operations:		
Depreciation	99,348	101,636
Amortization of intangible assets	21,076	24,759
Other, net	(12,269)	(1,707)
Changes in current assets and liabilities:		
Accounts receivable	(134,529)	(136,921)
Inventories	90,955	(198,171)
Accounts payable	45,015	14,644
Other, net	148,406	91,319

Cash provided by operations	474,872	88,467
INVESTMENTS		
Capital expenditures	(105,270)	(113,140)
Business acquisitions	(20,362)	(12,004)
Other, net	47,167	2,620
Cash invested	(78,465)	(122,524)
FINANCING		
Increase (decrease) in short-term borrowings	(200,353)	34,078
Proceeds from long-term debt	15,556	98,718
Payment of long-term debt	(4,243)	(2,613)
Purchase of Common Stock	(48,682)	(57,443)
Cash dividends paid	(71,710)	(68,176)
Other, net	41,047	33,895
Cash provided (used) by financing	(268,385)	38,459
NET CHANGE IN CASH AND EQUIVALENTS	128,022	4,402
CASH AND EQUIVALENTS - BEGINNING OF YEAR	84,075	59,742
CASH AND EQUIVALENTS - END OF PERIOD	\$ 212,097	\$ 64,144

</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 nine months ended September 28, 1996 are not necessarily indicative of results that may be expected for the year ending January 4, 1997. For further information, refer to the consolidated statements and notes included in the Company's Annual Report on Form 10-K for the year ended December 30, 1995.

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 September 28, 1996, there were 63,547,672 shares outstanding, excluding 2,199,352 treasury shares. At December 30, 1995 and September 30, 1995, there were 63,438,933 and 63,924,913 shares outstanding, excluding 1,376,976 and 784,411 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 1,894,678 shares were outstanding at September 28, 1996, 1,964,942 at December 30, 1995 and 1,976,884 at September 30, 1995.

RESULTS OF OPERATIONS

Net sales increased 4% for the third quarter but decreased 1% for the first nine months of 1996 compared with the same periods of 1995. Earnings per share increased by 31% for the quarter and 13% for the first nine months of 1996. The increase in sales in the third quarter resulted primarily from an increase in unit sales. On a year-to-date basis, however, unit sales are behind the 1995 period. Operating margin improvements during the third quarter resulted from better utilization of manufacturing capacity and lower SG&A expenses as a percent of sales, resulting from the actions taken during the fourth quarter of 1995.

Sales and operating income by business group are summarized as follows:

	THREE MONTHS ENDED			NINE MONTHS ENDED	
	SEPTEMBER 28 1996	SEPTEMBER 30 1995	PERCENT CHANGE	SEPTEMBER 28 1996	SEPTEMBER 30 1995
(In thousands)					
NET SALES	<C>	<C>	<C>	<C>	<C>
Jeanswear	\$ 744,519	\$ 682,697	9%	\$2,029,538	\$ 1,998,069
Decorated Knitwear	190,008	202,027	(6)	449,586	432,868
Intimate Apparel	163,539	181,459	(10)	481,235	552,177
Playwear	110,441	107,574	3	274,512	286,632
Specialty Apparel	172,412	158,345	9	525,168	521,879
	\$1,380,919	\$1,332,102	4%	\$3,760,039	\$ 3,791,625
OPERATING INCOME					
Jeanswear	\$ 106,172	\$ 89,745	18%	\$ 292,702	\$ 272,421
Decorated Knitwear	23,998	19,750	22	32,687	10,169
Intimate Apparel	15,573	13,079	19	31,974	46,096
Playwear	7,736	5,566	39	10,266	19,297
Specialty Apparel	18,617	16,752	11	62,884	61,183
	172,096	144,892	19%	430,513	409,166
OTHER OPERATING INCOME (EXPENSE)	(404)	(1,978)		457	(3,318)
CORPORATE EXPENSES	(5,700)	(9,402)		(24,044)	(30,173)
OPERATING INCOME	\$ 165,992	\$ 133,512	24%	\$ 406,926	\$ 375,675

The Jeanswear business group includes the Lee, Wrangler, Rustler, Riders and Girbaud brands in the United States and the Lee and Wrangler brands in international markets, primarily in Europe. Despite modest declines in sales in the first six months of 1996, sales rebounded in the third quarter, with increases experienced both domestically and in international markets. Lower per unit manufacturing costs resulted in increases to operating margins, and operating expense reductions resulting from actions taken in late 1995 helped

to offset the impact of additional advertising spending both domestically and abroad for the quarter and nine month periods.

The sales decrease in the Decorated Knitwear business group in the third quarter resulted from reduced unit volumes in decorated and undecorated fleece. The benefits of additional and more balanced production volume in manufacturing plants, as well as improvements in operating margins within the sports apparel businesses, resulted in better profitability within this category for the first nine months of the year.

The Intimate Apparel business group includes the Vanity Fair and Vassarette brands as well as a private label business domestically. The Company also has intimate apparel operations in Europe, primarily in France and Spain. The decline in sales for the quarter and nine months resulted from reductions in sales unit volume both in the United States and in Europe. The third quarter increase in operating income resulted from improved domestic margins related to a more favorable mix of offshore production and an improved sales mix.

The Playwear business group consists of the Healthtex brand, the preschool sizes of Lee and Wrangler, and products imprinted with characters licensed from The Walt Disney Company and others. The operating margin improvement in the third quarter resulted from an improved sales mix and a better balance of manufacturing capacity to needs.

The Specialty Apparel business group includes Red Kap occupational apparel, Jantzen swim and casual apparel and JanSport brand equipment. Sales and profits remained relatively stable during the first half of the year. During the third quarter, sales and operating income increased due to higher sales unit volume.

Gross margins improved to 32.3% of sales in the quarter and 32.5% in the nine months of 1996, compared with 31.0% and 31.7% in 1995. These increases resulted from lower manufacturing costs attributable to the cost reduction initiatives of late 1995 and lower inventory write-down requirements.

Marketing, administrative and general expenses were 20.3% of sales during the quarter and 21.7% for the nine month period, compared with 20.8% and 21.7%, respectively, in 1995. For the current quarter and first nine months of 1996, marketing expenses increased as a percent of sales due to higher advertising, but administrative and general expenses declined in amount and as a percent of sales, resulting from the cost reduction initiatives of late 1995.

Net interest expense declined in 1996 due to improved cash flows from operations, primarily from lower inventory levels, resulting in a significant reduction in the Company's short-term borrowings.

The effective income tax rate in 1996 was 40.6% for the quarter and nine months, compared with 41.2% and 40.3%, respectively, in 1995. The effective rate is based on the expected effective rate for the year.

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FINANCIAL CONDITION AND LIQUIDITY

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

<TABLE>
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	SEPTEMBER 28 1996	DECEMBER 30 1995	SEPTEMBER 30 1995

	(Dollars in millions)		
<S>	<C>	<C>	<C>
Working capital	\$884.9	\$799.3	\$865.5
Current ratio	1.9 to 1	1.9 to 1	1.8 to 1
Debt to total capital	25.7%	32.3%	34.4%

</TABLE>

Days sales outstanding in accounts receivable are consistent with the level at the end of 1995 and have improved slightly from the level at the end of the 1995 third quarter.

The significant reduction in inventories from the 1995 third quarter resulted from specific efforts to reduce inventories while maintaining required service levels.

Short-term borrowings declined during the first nine months of 1996 due to strong cash flow from operations resulting from reduced inventory levels. In

September 1996, the Company called for redemption \$100 million of 1999 notes. These notes, classified as a current obligation, were redeemed in October 1996.

During the second quarter of 1996, the Company purchased 692,000 shares of its Common Stock in open market transactions, completing its authorization from the Board of Directors to purchase up to three million shares. In July 1996, the Board authorized the purchase of an additional five million shares. During the third quarter, the Company purchased 123,700 shares of its Common Stock in connection with the new authorization.

On August 2, 1996, the Company acquired the common stock of Bulwark Protective Apparel Inc. for \$20.4 million. Bulwark, based in Edmonton, Alberta, is Canada's leading manufacturer and marketer of premium flame retardant apparel for the petrochemical, chemical and utility industries throughout North America.

PART II - OTHER INFORMATION

Item 6 - Exhibits and Reports on Form 8-K

- (a) Exhibit 11 - Computation of earnings per share for the three months and nine months ended September 28, 1996 and September 30, 1995.

Exhibit 27 - Financial data schedule as of September 28, 1996.
- (b) Reports on Form 8-K - There were no reports on Form 8-K filed for the quarter ended September 28, 1996.

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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.

V.F. CORPORATION

(Registrant)

By: /s/ Gerard G. Johnson

Gerard G. Johnson
Vice President - Finance
(Chief Financial Officer)

Date: November 6, 1996

By: /s/ Robert K. Shearer

Robert K. Shearer
Vice President - Controller
(Chief Accounting Officer)

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

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	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 28	SEPTEMBER 30	SEPTEMBER 28	
	1996	1995	1996	

SEPTEMBER 30				
1995				

<S>	<C>	<C>	<C>	<C>
PRIMARY EARNINGS PER SHARE				

Net income	\$ 91,048	\$ 69,718	\$ 216,870	\$
192,908				
Less Preferred Stock dividends and redemption				
premium	1,054	931	3,305	
2,768				

Net income available to common stockholders	\$ 89,994	\$ 68,787	\$ 213,565	\$
190,140				
=====				
Average number of common shares outstanding	63,512	63,891	63,598	
63,789				
=====				
Primary earnings per share	\$ 1.42	\$ 1.08	\$ 3.36	\$
2.98				
=====				
FULLY DILUTED EARNINGS PER SHARE				

Net income	\$ 91,048	\$ 69,718	\$ 216,870	\$
192,908				
Increased ESOP contribution required if Preferred				
Stock were converted to Common Stock	334	364	1,004	
1,090				

Fully diluted earnings	\$ 90,714	\$ 69,354	\$ 215,866	\$
191,818				
=====				
Average number of common shares outstanding	63,512	63,891	63,598	
63,789				
Additional common equivalent shares resulting from:				
Conversion of Preferred Stock	1,516	1,582	1,536	
1,591				
Dilutive effect of stock options and restricted shares	413	372	433	
445				

Average number of common and common equivalent				
shares	65,441	65,845	65,567	
65,825				
=====				
Fully diluted earnings per share	\$ 1.39	\$ 1.05	\$ 3.29	\$

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This schedule contains summary financial information extracted from financial statements included in Form 10-Q for September 28, 1996 and is qualified in its entirety by reference to such financial statements.

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