SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended **January 3, 2004**

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 incorporation or organization)	(I.R.S. employer identification number)

105 Corporate Center Boulevard
Greensboro, North Carolina 27408
(Address of principal executive offices)

(336) 424-6000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, without par value, stated capital $1 per share Preferred Stock Purchase Rights	New York Stock Exchange and Pacific Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE

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 ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Securities and Exchange Act of 1934) YES ☒ NO ☐

The aggregate market value of Common Stock held by nonaffiliates of V.F. Corporation on July 5, 2003 was approximately $2,896,000,000, based on the closing price of the shares on the New York Stock Exchange.

As of February 28, 2004, 109,361,025 shares of Common Stock of the registrant were outstanding. In addition, 929,298 shares of Series B ESOP Convertible Preferred Stock of the registrant were outstanding and convertible into 1,486,877 shares of Common Stock of the registrant, subject to adjustment. The trustee of the registrant's Employee Stock Ownership Plan is the sole holder of such shares, and no trading market exists for the Series B ESOP Convertible Preferred Stock.

Documents Incorporated By Reference

Portions of the Annual Report to Shareholders for the fiscal year ended January 3, 2004, a copy of which is filed as Exhibit 13 of this report (in Item 1 in Part I, Items 5, 6, 7, 7A and 8 in Part II and Item 15 in Part IV).

Portions of the definitive Proxy Statement for the Annual Meeting of Shareholders to be held on April 27, 2004 (in Item 1 in Part I and Items 10, 11, 12, 13 and 14 in Part III), which definitive Proxy Statement shall be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

PART I

Item 1. Business

VF Corporation, through its operating subsidiaries, designs, manufactures and sources and markets branded jeanswear, sportswear, intimate apparel, outdoor apparel and equipment, occupational apparel and other apparel. VF Corporation, organized in 1899, oversees the operations of its individual businesses, providing them with financial and administrative resources. Unless the context indicates otherwise, the term "VF" or "Company" used herein means VF Corporation and its subsidiaries.

VF manages its business through over 25 consumer-focused marketing units that support specific brands. Management of the individual marketing units has the responsibility to build and develop their brands within guidelines established by Company management. Marketing units with generally similar products have been grouped together into four reportable business segments — Consumer Apparel, Outdoor Apparel and Equipment, Occupational Apparel and All Other.

Certain financial information regarding the Company's four reportable segments, as well as geographic information and sales by product category, is included in Note R of the consolidated financial statements in VF's Annual Report to Shareholders for the fiscal year ended January 3, 2004 (the "2003 Annual Report"), which is incorporated herein by reference.

Consumer Apparel Segment

Jeanswear and related products

In jeanswear, as well as certain other product categories, VF follows a strategy of identifying specific brands to market to a specific channel of distribution. This allows certain products and brands from the Company's diversified portfolio to be offered to department stores, discount stores or specialty stores. As a result, the Company satisfies the needs of millions of different consumers who shop in various channels of distribution.

Jeanswear and related shirts and other casual products are marketed in the United States and in many international markets. The *Lee*® and *Wrangler*® branded products are sold in nearly every developed country in the world.

In the United States, jeanswear products are marketed primarily under the *Wrangler*®, *Lee*®, *Rustler*® and *Riders*® brands. The Company also markets jeanswear products under the *Chic*®, *Gitano*® and *Brittania*® brands and offers cotton casual pants under the *Lee Casuals*®, *Timber Creek by Wrangler*® and *Wrangler Khakis*® brands.

In domestic markets, *Lee*® branded products are sold through department stores, national chain stores and specialty stores. *Wrangler*® westernwear is marketed through western specialty stores. The *Wrangler Hero*®**,** *Rustler*® and *Riders*® brands are marketed to mass merchant and national and regional discount chains. The *Chic*®, *Gitano*® and *Brittania*® brands are offered to national and regional discount chains. Sales for all brands are generally made directly to retailers through full-time salespersons.

Current market share data indicates that VF has the largest combined unit market share of the U.S. jeanswear market at approximately 20%, with the *Wrangler*® and *Lee*® brands having the second

and third largest unit shares of national branded jeans in the United States, respectively.

In international markets, the Company's largest jeanswear business is located in Western Europe, where the Company markets *Lee*®, *Wrangler*®, *H.I.S*®, *Hero by Wrangler*®, *Maverick*® and *Old Axe*® jeanswear and related products. *Lee*®, *Wrangler*® and *H.I.S*® jeanswear products are sold through department stores and specialty stores, while the *Hero by Wrangler*®, *Maverick*® and *Old Axe*® brands are sold to mass market and discount stores. Jeanswear in Europe and in most international markets is fashion-driven and has a higher relative price than similar products in the United States. Jeanswear products are sold to retailers through the Company's sales forces and independent sales agents.

VF markets the *Lee*® and *Wrangler*® brands in Canada and Mexico, and in South America through businesses based in Chile, Brazil and Argentina. These products are sold through department and specialty stores. The Company markets *Lee*® products in China and launched the *Wrangler*® brand there during 2003. Also during 2003, VF began selling *Lee*® and *Wrangler*® jeanswear products directly to retailers in Russia instead of through distributors.

Lee® brand products are also manufactured and marketed through a 50%-owned joint venture in Spain and Portugal. In foreign markets where the Company does not have owned operations, *Lee*® and *Wrangler*® jeanswear and related products are marketed through distributors, agents or licensees.

Sportswear

In August 2003, VF acquired Nautica Enterprises, Inc. (Nautica) and related rights for a total purchase price of $683.9 million. The Nautica acquisition provides VF with (1) provides a growth platform for sportswear, a new product category for VF, (2) provides broader product capabilities related to a lifestyle brand and (3) a significantly greater presence in the department store and specialty store channels of distribution. The Nautica acquisition is expected to represent approximately $550 million of VF's 2004 full year sales.

The *Nautica*® brand is a leading lifestyle brand in the department and specialty store channel of distribution. The principal product line is men's sportswear, noted for its classic styling. *Nautica Competition*® is a line of casual apparel for active consumers. *Nautica Jeans Company*® features fashionable jeanswear and related tops for younger male consumers. Other product lines sold by VF under the *Nautica*® label include men's outerwear, underwear and sleepwear and women's sleepwear.

Nautica operates 115 *Nautica*® outlet stores in better outlet malls across the United States. These stores carry a complete line of *Nautica*® merchandise. Products sold in the outlet stores are different from those sold by Nautica to its department and specialty store wholesale customers. Products in the outlet stores are merchandised specifically for the outlets and consist of core styles and successful product offerings sold to wholesale customers in prior seasons. In addition, the stores may carry some *Nautica*® branded merchandise from licensees to complete the desired product assortment. The retail stores promote the *Nautica*® brand name and image and are complementary to, but do not compete with, Nautica's wholesale customers.

An additional component of the Nautica business is licensing. The *Nautica*® brand is licensed, primarily in the United States, for several apparel categories not produced by the Company (e.g., tailored clothing, dress shirts, women's swimwear, accessories) and for several nonapparel categories

(e.g., home furnishings, furniture, eyewear, fragrances, watches). In addition, *Nautica*® apparel and certain nonapparel products are licensed for sale in over 100 countries. Wholesale sales of *Nautica*® branded products by licensees are in excess of $400 million annually.

As part of the Nautica acquisition, VF acquired the *Earl Jean*®, the *John Varvatos*® and the *E. Magrath*® businesses. *Earl Jean*® is a premium line of jeans and sportswear marketed in the United States, Europe and Asia. VF is seeking to sell the *John Varvatos*® line which would have no effect on the Company's financial position or results of operations. The *E. Magrath*® business of golf apparel sold through pro shops was absorbed into the All Other apparel business segment.

Intimate apparel

VF markets women's intimate apparel under the *Vanity Fair*®, *Lily of France*®, *Exquisite Form*®, and the licensed *Tommy Hilfiger*® and *Natori*® labels to department, chain and specialty stores located in the United States. Products include bras, panties, daywear, shapewear and sleepwear. Women's intimate apparel is also marketed under the *Vassarette*® and *Bestform*® brands for sale to the discount store channel of distribution. In 2003, the Company successfully launched the *Curvation*™ brand for the full-figured woman shopping in the mass channel of distribution. The Company also has a significant private label lingerie business with various national chain, discount and specialty stores in the United States. Products are sold through the Company's sales force.

In the European market, women's intimate apparel is marketed to department and specialty stores under the *Lou*®, *Bolero*®, *Gemma*®, *Intima Cherry*®, *Vanity Fair*® and *Belcor*® brands. Intimate apparel is marketed in discount stores under the *Variance*®, *Vassarette*® and *Bestform*® brands. In addition, the Company markets women's swimwear under the *Majestic*® and licensed *Nike*® labels in Europe.

Management believes that the Company is one of the top three marketers of branded intimate apparel in the United States. In international markets, management believes that the Company's brands occupy the number two market share positions in France and Spain.

Children's playwear

Infant and children's apparel is marketed to department and specialty stores in the United States under the *Healthtex*® and *Lee*® brands and under the licensed *Nike*® label. Management has decided to sell this business considering the increasing presence of private label childrenswear products in department stores and the resulting decline in sales and current operating losses of this business unit. This business had 2003 sales of $141 million. Any effect on VF's financial position or operating results from the possible disposition of this business would not be significant.

Outdoor Apparel and Equipment Segment

The Outdoor Apparel and Equipment Segment includes VF's outdoor-related businesses. Product offerings include outerwear, sportswear, footwear, equipment, backpacks and daypacks. *The North Face*® brand of high performance outdoor apparel and equipment is sold across the United States, Canada, Europe and Asia. *The North Face*® apparel products consist of outerwear, snowsports gear and functional sportswear. Equipment consists of tents, sleeping bags, backpacks, daypacks and accessories. *The North Face*® products are designed for extreme applications, such as high altitude mountaineering, and ice and rock climbing, although many consumers who purchase those products use them for less extreme activities. *The North Face*® brand products are marketed through specialty

outdoor and premium sporting goods stores in the United States and Europe and selected department stores in the United States. Products are also sold through seven Company-operated full price retail stores in the United States, including a new store opened in New York City in 2003. In early 2003, the Company introduced a new subbrand, *A5™*, utilizing natural fabrics and functional styling to be worn by The North Face core consumers as everyday casual, lifestyle apparel.

VF markets *JanSport®* brand daypacks and luggage sold through department and sports specialty stores and college bookstores in the United States. *JanSport®* daypacks have a leading market share in the United States. *JanSport®* and *Eastpak®* brand daypacks are sold primarily through department and specialty stores in Europe. A more technical line of *JanSport®* backpacks is sold through outdoor and sporting goods stores. In addition, *JanSport®* branded fleece casualwear and T-shirts imprinted with college logos are sold through college bookstores and department stores in the United States.

The *JanSport®* and *Eastpak®* brands are marketed throughout Asia by licensees and distributors. *The North Face®* brand is also marketed throughout Asia by licensees and distributors, except in Japan and South Korea where the brand is owned by a third party.

Occupational Apparel Segment

VF produces workwear, career and safety apparel sold under the *Red Kap®*, *Horace Small Apparel Company®*, *PST®* and *Bulwark®* brands. Over one-half of these sales are to industrial laundries that in turn supply work clothes to employers, primarily on a rental basis, for on-the-job wear by production, service and white-collar personnel. Products include work pants, slacks, work and dress shirts, overalls, jackets and smocks. Since industrial laundries maintain minimal inventories of work clothes, a supplier's ability to offer rapid delivery is an important factor in this market. The Company's commitment to customer service, supported by an automated central distribution center with satellite locations, has enabled customer orders to be filled within 24 hours of receipt and has helped the *Red Kap®* brand obtain a significant share of the industrial laundry rental business.

VF's business of selling workwear and career apparel to professional laundries has been declining in recent years, led largely by workforce reductions in the domestic manufacturing sector. This trend is expected to continue. In addition, there has been an ongoing consolidation of the industrial laundry industry, with many in that industry placing greater reliance on their in-house or contract manufacturing and thereby purchasing less from suppliers such as the Company.

To offset some of this decline, the Company also markets corporate image uniforms and casual apparel through its VF Solutions business unit. To better service its national accounts, the Company operates a number of catalog web sites for major business customers such as American Airlines, Federal Express Corporation and BellSouth Corporation and for governmental organizations such as U.S. Customs and the Bureau of Land Management. These web sites give more than 400,000 of their employees the convenience of shopping and paying for their work and career apparel via the internet.

All Other Segment

The All Other segment includes VF's activewear apparel businesses. The Company designs and markets decorated sports apparel under licenses granted by the four major American professional sports leagues, NASCAR, most major colleges and universities, and other organizations. These sports apparel products for adults and youth are distributed through department, sporting goods and athletic specialty stores under the *Lee Sport®* and the licensed *Chase Authentics®* brands. Growth in

the last two years has been driven by a five year agreement with the National Football League. Under this agreement, VF is the exclusive supplier for selected men's and boy's tops and bottoms decorated with NFL team logos under the *NFL Red®* brand, which is marketed to mid-tier department stores and specialty stores. *NFL White®* and *CSA®* branded products are distributed through mass merchandisers and discount stores. In early 2003, the Company acquired a firm that markets apparel under license from Harley-Davidson Motor Company. Certain of these trademark licensing agreements contain provisions for payment of minimum royalties. Agreements are generally renewable for additional periods. VF also markets blank knitted fleecewear and other knit and woven tops to wholesalers principally under the *Lee®* brand.

In addition to the *Nautica®* and *The North Face®* retail stores discussed above, the Company operates approximately 110 retail outlet stores across the United States and Europe that sell a broad selection of VF products. These stores primarily sell excess quantities of first quality VF products. Retail sales and related cost of goods sold and operating expenses of these outlet stores are reported as part of the operating results of the respective segments.

Raw Materials and Sourcing

Raw materials include fabrics made from cotton, synthetics and blends of cotton and synthetic yarn, as well as thread and trim (product identification, buttons, zippers, snaps and lace). These raw materials are purchased from numerous suppliers. While in some cases the Company has obtained fixed price commitments for up to one year, specific purchase obligations with suppliers are typically limited to the succeeding one to three months. VF does not have any long-term supplier contracts for the purchase of raw materials.

For most domestic operations, VF purchases fabric from several domestic and international suppliers against scheduled production. Purchased fabric is cut and sewn into finished garments in domestic and offshore manufacturing facilities located in Mexico and the Caribbean Basin. In addition, VF contracts the sewing of Company-owned raw materials to independent contractors, primarily in Mexico and the Caribbean Basin. To an increasing extent, VF is using contractors in Asia and the Caribbean Basin who own the raw materials and provide only finished products to the Company.

Over the last several years, the Company has shifted from primarily owned plants in the United States to lower cost offshore locations to support its domestic product needs. At the end of 2003, approximately 95% of the products sold by VF in the United States were obtained from international locations. Of this total, approximately 45% are manufactured in VF-owned facilities in Mexico and the Caribbean Basin, and 50% is sourced from contractors located in Asia, the Caribbean and Mexico.

The current sourcing strategy for products sold in the United States allows VF to balance its needs with a mix of VF-owned and contracted production in the Western Hemisphere, combined with contracted production primarily from Asia. Product obtained from the Western Hemisphere has somewhat higher cost but gives VF greater flexibility, shorter lead times and lower inventory levels as compared with production obtained from the Far East and other more distant resources.

For VF's international businesses, fabric, thread and trim are purchased from several international suppliers. In the European jeanswear operations, fabric is cut and sewn into finished garments in owned plants located in Malta, Poland and Turkey, with the balance sourced from independent contractors in the Middle East, Africa and the Far East. In the international intimate apparel businesses, fabric is sewn into finished garments in owned plants in Spain and Tunisia, with the

remainder manufactured by independent contractors. To obtain a more balanced sourcing mix, European jeanswear and intimate apparel sourcing has been shifting from owned plants in Western Europe to lower cost owned and contracted production outside of Western Europe. For the European outdoor coalition businesses, nearly all products are sourced from contractors located in Asia.

All contracted production must meet VF's high quality standards. Further, all independent contractors who manufacture products for the Company must be precertified and adhere to the VF Contractor Terms of Engagement. These requirements provide strict standards covering hours of work, age of workers, health and safety conditions and conformity with local laws. Each contractor must be inspected and sign a Terms of Engagement agreement prior to performance of any production on the Company's behalf. VF periodically audits compliance with these standards.

The Company did not experience difficulty in obtaining its raw material and contracted production needs during 2003. Even though some suppliers are operating in bankruptcy or have experienced financial difficulties, management does not anticipate difficulties in obtaining its raw materials and contracted production requirements during 2004. The loss of any one supplier or contractor would not have a significant adverse effect on the Company's business.

Imports and Import Restrictions

VF is exposed to the risks of doing business outside of the United States in importing goods from VF-owned facilities in Mexico and the Caribbean Basin and from suppliers in those areas and in Asia, Europe and Africa. These import transactions may be subject to the constraints imposed by bilateral agreements between the United States and a number of governments. These agreements are negotiated either under the framework established by the World Trade Organization or other applicable statutes, and they impose quotas that limit the amount of certain categories of merchandise that may be imported into the United States from these countries. Textile and apparel quotas are currently scheduled to expire as of January 1, 2005; this change may significantly impact sourcing patterns.

Management continually monitors new developments and risks related to duties, tariffs and quotas. In response to the changing import environment resulting from the elimination of quotas, management has chosen to continue its balanced approach to manufacturing and sourcing. The Company limits its sourcing exposure through, among other measures, (1) extensive geographic diversification with a mix of VF-owned and contracted production, (2) allocation of production to merchandise categories where more quota is available and (3) shifts of production among countries and contractors. VF will continue to manage its supply chain from a global perspective and adjust as needed to changes in the quota environment.

The United States and other countries in which VF products are manufactured may impose new quotas, duties, tariffs or other restrictions. Or those countries may alter prevailing quotas or the scheduled elimination of quota or duty or tariff levels. Any of these actions could impact the Company's ability to import products at current or increased levels.

Seasonality

The apparel industry in the United States has four primary retail selling seasons — Spring, Summer, Back-to-School and Holiday, while international markets typically have Spring and Fall selling seasons. Sales to retail customers generally precede the retail selling seasons, although demand peaks have been reduced as more products are being sold on a replenishment basis.

Overall, with its diversified product offerings, VF's operating results are not highly seasonal. On a quarterly basis, Net Sales range from a low of approximately 23% of full year sales in the second quarter to a high of 28% in the third quarter. Sales of outdoor apparel and equipment are more seasonal in nature, with approximately 36% of outdoor apparel and equipment sales occurring in the third quarter.

Working capital requirements vary throughout the year. Working capital increases during the first half of the year as inventory builds to support peak shipping periods and, accordingly, decreases during the second half. Cash provided by operations is substantially higher in the second half of the year due to higher net income and reduced working capital requirements during that period.

Advertising

VF supports its brands through extensive advertising and promotional programs. The Company advertises on national and local radio and television and in consumer and trade publications and participates in cooperative advertising on a shared cost basis with major retailers in radio, television and various print media. The Company sponsors various sporting, music and other special events. These include the *Wrangler®* National Finals Rodeo and the *Lee National Denim Day®* fund-raiser for the Susan G. Komen Breast Cancer Foundation. In addition, point-of-sale fixtures and signage are used to promote products at the retail level. The Company spent $258.6 million advertising and promoting its products in 2003, an increase of 6% from the 2002 level.

The Company also participates in various retail customer incentive and "partnership" programs. These incentive programs with retailers include stated discounts, discounts based on the retailer informally agreeing to advertise or promote the products, or margin support funds. VF also offers sales incentive programs directly to consumers in the form of rebate and coupon offers. These sales incentive offers with retailers and with consumers are recognized as sales discounts in arriving at reported Net Sales.

Other Matters

Competitive Factors

The apparel industry is highly competitive and consists of a number of domestic and foreign companies. Management believes that Sara Lee Corporation is the only U.S. competitor that has sales and assets in the apparel industry greater than those of VF. However, in certain product categories and geographic areas in which the Company operates, there may be several competitors that have more sales and assets than the Company in those categories or geographic areas. In most product categories, there are numerous competing branded products, and in many product categories, there are competing specialty retailer branded products and private label products.

VF competes in its product categories by developing consumer-driven and innovative products at competitive prices, producing high quality merchandise, providing high levels of service, ensuring product availability to the retail sales floor and enhancing recognition of its brands. The Company continually strives to improve upon each of these areas.

Trademarks and Licenses

Trademarks are of material importance to all of VF's marketing efforts. VF-owned brands are protected by registration or otherwise in the United States and most other markets where the Company's brands are sold. These trademark rights are enforced and protected by litigation against

infringement as necessary.

VF has granted licenses to other parties to manufacture and sell specified products under the Company's trademarks in specified geographic areas. These licenses, which typically cover product categories and geographic areas in which the Company does not operate, extend the image of the licensed brands. The agreements are for fixed terms and may include renewal options if sales targets are met. The Company receives royalty payments based on specified percentages of net sales of the licensed products. In addition, the agreements require that the licensees spend certain minimum amounts to advertise the licensed products. In some cases, these advertising amounts are remitted to the Company, who places advertising on behalf of the licensees.

In some instances, VF has entered into license agreements to use the trademarks of others. Apparel is marketed under licenses granted by the National Football League, Major League Baseball, the National Basketball Association, the National Hockey League, NASCAR, NIKE, Inc., Tommy Hilfiger Corporation, Harley-Davidson Motor Company and others. Some of these license arrangements contain minimum annual licensing and advertising commitments. Some are for a short term and may not contain specific renewal options. Management believes that the loss of any license would not have a material adverse effect on the Company.

Customers

The Company's customers are primarily department, chain, specialty and discount stores in the United States and in international markets, primarily in Europe. Sales to the Company's ten largest customers, all of which are retailers based in the United States, amounted to 41% of total sales in 2003 and 42% in 2002 and 2001. Sales to the five largest of those customers amounted to approximately 33% of total sales in 2003 and 34% in the prior two years. Sales to the Company's largest customer, Wal-Mart Stores, Inc., totaled 16.5% of total sales in 2003, 16.2% in 2002 and 15.1% in 2001, substantially all of which were in the Consumer Apparel segment.

Employees

VF employed approximately 52,300 men and women as of the end of 2003, of which 17,700 were located in the United States. Approximately 700 employees in the United States are covered by various collective bargaining agreements. In international markets, a significant percentage of employees are covered by trade-sponsored or governmental bargaining arrangements. Employee relations are considered to be good.

Backlog

The dollar amount of backlog of orders as of any date is not material for an understanding of the business of the Company taken as a whole.

Executive Officers of the Company

The following are the executive officers of VF Corporation as of February 20, 2004. The officers are generally elected annually and serve at the pleasure of the Board of Directors. There is no family relationship among any of the VF Corporation executive officers.

Name	Position	Age	Period Served In Such Office(s)
Mackey J. McDonald	Chairman of the Board	57	October 1998 to date
	Chief Executive Officer		January 1996 to date
	President		October 1993 to date
	Director		October 1993 to date
Robert A. Cordaro	Vice President — Controller and Chief Accounting Officer	50	February 2001 to date
	Vice President and Chief Financial Officer — Sportswear Coalition		October 2003 to date
Candace S. Cummings	Vice President — Administration and General Counsel	56	March 1996 to date
	Secretary		October 1997 to date
George N. Derhofer	Vice President and Chairman - Imagewear Coalition	50	October 2000 to date
Terry L. Lay	Vice President and Chairman - International Jeanswear Coalition	56	October 2000 to date
	Chairman — Outdoor Coalition		January 2003 to date
Frank C. Pickard III	Vice President — Treasurer	59	April 1994 to date
John P. Schamberger	Vice President	55	April 1995 to date
	Chairman — North & South America Jeanswear		October 2000 to date Coalition
Robert K. Shearer	Vice President — Finance & Chief Financial Officer	52	July 1998 to date
	Vice President — Global Processes		January 2003 to date
Eric C. Wiseman	Vice President and Chairman - Global Intimate Apparel Coalition	48	October 2000 to date
	Chairman — Sportswear Coalition		August 2003 to date

Mr. McDonald joined the Company's Lee division in 1983, serving in various management positions until he was named Group Vice President of the Company in 1991, President of the Company in 1993, Chief Executive Officer in 1996 and Chairman of the Board in 1998. Additional information is included under the caption "Election of Directors" in VF's definitive Proxy Statement for the Annual Meeting of Shareholders to be held April 27, 2004 ("2004 Proxy Statement").

Mr. Cordaro joined the Company in 1985, serving in various positions until being appointed Assistant Treasurer in 1990. In 1992 he was named Chief Financial Officer of Wrangler Europe and from 1994 to 1996 held the position of Chief Financial Officer of VF Europe. He was named President of VF Asia Pacific in 1997 and was elected Vice President — Controller of the Company in February 2001. In October 2003, he was also named Vice President and Chief Financial Officer of

the Sportswear Coalition.

Mrs. Cummings joined the Company as Vice President — General Counsel in 1995 and became Vice President — Administration and General Counsel in 1996 and Secretary in 1997.

Mr. Derhofer joined Nutmeg Industries, Inc. in 1989 as Senior Vice President, Chief Financial Officer and Treasurer. When Nutmeg was acquired by the Company in 1994, he was named Executive Vice President and Chief Financial Officer of the Nutmeg division. From 1996 to September 2000, he was President of the Knitwear division and was elected Vice President of the Company and Chairman - Imagewear Coalition in October 2000.

Mr. Lay joined the Company's Lee division in 1971 and held various positions in the Company's Lee, Jantzen and international jeanswear businesses through 1996. He served as President of the Lee division from 1996 until he was elected Vice President of the Company in February 1999. From February 1999 to October 2000, he served as Chairman — International Coalition. He served as Vice President - Global Processes from October 2000 to January 2003. He has served as Chairman - - International Jeanswear Coalition since October 2000 and was also elected Chairman — Outdoor Coalition in January 2003.

Mr. Pickard joined the Company in 1976 and was elected Assistant Controller in 1982, Assistant Treasurer in 1985, Treasurer in 1987 and Vice President - Treasurer in 1994.

Mr. Schamberger joined the Company's Wrangler division in 1972 and held various positions until his election as President of Wrangler in 1992. He was elected as the Company's Chairman — North & South America Jeanswear and Workwear Coalitions in 1995 and Vice President of the Company in 1995. Since October 2000, he has been Chairman — North & South America Jeanswear Coalition.

Mr. Shearer joined the Company in 1986 as Assistant Controller and was elected Controller in 1989 and Vice President — Controller in 1994. He has served as Vice President — Finance and Chief Financial Officer since 1998. He served as Chairman — Outdoor Coalition from June 2000 to January 2003. He was also elected as Vice President — Global Processes in January 2003.

Mr. Wiseman joined the Company in 1995 as Executive Vice President of Finance, Operations and Manufacturing at the JanSport division. In January 1998 he became President of the Bestform division and was elected Vice President of the Company and Chairman — Global Intimate Apparel Coalition in October 2000. He was also elected as Vice President — Sportswear Coalition in August 2003.

Cautionary Statement on Forward-looking Statements

Information concerning forward-looking statements is incorporated herein by reference to "Cautionary Statement on Forward-Looking Statements" in the 2003 Annual Report, a copy of which is filed as Exhibit 13 to this report.

Item 2. Properties.

VF owns most of its facilities used in manufacturing and distribution activities. Certain other facilities are leased under operating leases that generally contain renewal options. Management believes all facilities and machinery and equipment are in good condition and are suitable for VF's needs. Manufacturing and distribution facilities being utilized at the end of 2003 are summarized

below by reportable segment:

	Square Footage
Consumer Apparel	12,300,000
Occupational Apparel	1,100,000
Outdoor Apparel and Equipment	800,000
All Other	1,100,000
	15,300,000

In addition, VF also owns or leases various administrative and office space having 2,200,000 square feet of space and owns or leases 3,900,000 square feet that are used for outlet and other retail locations. Approximately 79% of the outlet space is used for selling and warehousing VF's products, with the balance consisting of space leased to tenants and common areas. In addition to the above, VF owns facilities having 600,000 square feet of space formerly used in operations but now held for sale.

Item 3. Legal Proceedings.

There are no pending material legal proceedings, other than ordinary, routine litigation incidental to the business, to which VF or any of its subsidiaries is a party or to which any of their property is the subject.

Item 4. Submission of Matters to a Vote of Security Holders.

Not applicable.

PART II

Item 5. Market for the Company's Common Equity and Related Stockholder Matters.

Information concerning the market and price history of the Company's Common Stock, plus dividend information, is incorporated herein by reference to "Quarterly Results of Operations" and "Investor Information — Common Stock, Shareholders of Record, Dividend Policy, Dividend Reinvestment Plan, Dividend Direct Deposit and Quarterly Common Stock Price Information" in the 2003 Annual Report, a copy of which is filed as Exhibit 13 to this report.

Item 6. Selected Financial Data.

Selected financial data for the Company for each of its last five fiscal years is incorporated herein by reference to "Financial Summary" in the 2003 Annual Report, a copy of which is filed as Exhibit 13 to this report.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

A discussion of the Company's financial condition and results of operations is incorporated herein by reference to the "Management's Discussion and Analysis of Results of Operations and Financial Condition" in the 2003 Annual Report, a copy of which is filed as Exhibit 13 to this report.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

A discussion of the Company's market risks is incorporated herein by reference to "Risk Management" in the "Management's Discussion and Analysis of Results of Operations and Financial Condition" in the 2003 Annual Report, a copy of which is filed as Exhibit 13 to this report.

Item 8. Financial Statements and Supplementary Data.

Financial statements of VF, together with the report thereon of PricewaterhouseCoopers LLP dated February 11, 2004, and specific supplementary financial information, are incorporated herein by reference to the 2003 Annual Report, a copy of which is filed as Exhibit 13 to this report.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Not applicable.

Item 9A. Controls and Procedures.

Under the supervision of the Chief Executive Officer and the Chief Financial Officer, we conducted an evaluation of the effectiveness of the design and operation of the Company's "disclosure controls and procedures" as defined in Rules 13a-15(e) or 15d-15(e) of the Securities and Exchange Act of 1934 (the "Exchange Act") as of January 3, 2004. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that VF's disclosure controls and procedures are effective to ensure that material information required to be disclosed by VF in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Additionally, the disclosure controls and procedures were adequate to ensure that information is accumulated and communicated to VF's management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures.

There was no change in VF's internal controls during the fiscal quarter ended January 3, 2004 that has materially affected or is reasonably likely to materially affect our internal controls over financial reporting.

PART III

Item 10. Directors and Executive Officers of the Company.

Information regarding our Executive Officers required by Item 10 of this Part III is set forth in Item 1 of Part I under the caption "Executive Officers of the Company." Information required by Item 10 of Part III regarding our Directors is included in our Proxy Statement relating to our 2004 Proxy Statement under the caption "Election of Directors", and is incorporated herein by reference.

Information regarding compliance with Section 16(a) of the Exchange Act of 1934 is included in the 2004 Proxy Statement under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" and is incorporated herein by reference.

VF has adopted a written code of ethics, "VF Corporation Code of Business Conduct," that is applicable to all VF directors, officers and employees, including VF's chief executive officer, chief financial officer, chief accounting officer and other executive officers identified pursuant to this Item 10 (collectively, the "Selected Officers"). In accordance with the Securities and Exchange Commission's rules and regulations a copy of the code was filed as Exhibit 14 to the 2002 Form 10-K, is incorporated into this report by reference, and is posted on our website, www.vfc.com. VF will disclose any changes in or waivers from its code of ethics applicable to any Selected Officer or director on its website at www.vfc.com.

Item 11. Executive Compensation.

Information required by Item 11 of this Part III is included in the 2004 Proxy Statement under the caption "Executive Compensation" (excluding the Compensation Committee Report) and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Information required by Item 12 of this Part III is included in the 2004 Proxy Statement under the caption "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions.

Information required by Item 13 of this Part III is included in the 2004 Proxy Statement under the caption "Election of Directors" and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services.

Information required by Item 14 of this Part III is included in the 2004 Proxy Statement under the caption "Professional Fees of PricewaterhouseCoopers LLP" and is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

(a) The following documents are filed as a part of this report:

1. Financial statements — Included in Exhibit 13, the 2003 Annual Report, and incorporated by reference in Item 8 of this report:

   Consolidated balance sheets — January 3, 2004 and January 4, 2003

   Consolidated statements of income — Fiscal years ended January 3, 2004, January 4, 2003 and December 29, 2001

   Consolidated statements of comprehensive income — Fiscal years ended January 3, 2004, January 4, 2003 and December 29, 2001

   Consolidated statements of cash flows — Fiscal years ended January 3, 2004, January 4, 2003 and December 29, 2001

   Consolidated statements of common stockholders' equity — Fiscal years ended January 3, 2004, January 4, 2003 and December 29, 2001

   Notes to consolidated financial statements

   Report of independent auditors

2. Financial statement schedules — The following consolidated financial statement schedule is included herein:

   Schedule II — Valuation and qualifying accounts

   Report of independent auditors on financial statement schedule

   All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

3. Exhibits

Number	Description
2	Plan of acquisition, reorganization, arrangement, liquidation or succession:
(A)	Agreement and Plan of Merger dated as of July 7, 2003 among Nautica, VF Corporation and Voyager Acquisition Corporation (Incorporated by reference to Exhibit 2.1 to Form 8-K dated July 7, 2003)
3	Articles of incorporation and bylaws:
(A)	Articles of Incorporation, as amended and restated as of April 18, 1986 (Incorporated by reference to Exhibit 3(A) to Form 10-K for the year ended January 4, 1992)

(B) Articles of Amendment amending Article Fifth of the Amended and Restated Articles of Incorporation (Incorporated by reference to Exhibit 3(B) to Form 10-Q for the quarter ended March 4, 1998)

(C) Statement with Respect to Shares of Series B ESOP Convertible Preferred Stock (Incorporated by reference to Exhibit 4.2 to Form 8-K dated January 22, 1990)

(D) Articles of Amendment with Respect to Designation of Series A Participating Cumulative Preferred Stock (Incorporated by reference to Exhibit 3(C) to Form 10-K for the year ended January 3, 1998)

(E) Bylaws, as amended through April 20, 1999 and as presently in effect (Incorporated by reference to Exhibit 3(E) to Form 10-K for the year ended January 1, 2000)

4 Instruments defining the rights of security holders, including indentures:

(A) A specimen of the Company's Common Stock certificate (Incorporated by reference to Exhibit 3(C) to Form 10-K for the year ended January 3, 1998)

(B) A specimen of the Company's Series B ESOP Convertible Preferred Stock certificate (Incorporated by reference to Exhibit 4(B) to Form 10-K for the year ended December 29, 1990)

(C) Indenture between the Company and Morgan Guaranty Trust Company of New York, dated January 1, 1987 (Incorporated by reference to Exhibit 4.1 to Form S-3 Registration No. 33-10939)

(D) First Supplemental Indenture between the Company, Morgan Guaranty Trust Company of New York and United States Trust Company of New York, dated September 1, 1989 (Incorporated by reference to Exhibit 4.3 to Form S-3 Registration No. 33-30889)

(E) Second Supplemental Indenture between the Company and United States Trust Company of New York as Trustee (Incorporated by reference to Exhibit 4.1 to Form 8-K dated April 6, 1994)

(F) Form of 6.75% Note due 2005 (Incorporated by reference to Exhibit 4 to Form 8-K dated June 6, 1995)

(G) Indenture between the Company and United States Trust Company of New York, as Trustee, dated September 29, 2000 (Incorporated by reference to Exhibit 4.1 to Form 10-Q for the quarter ended September 30, 2000)

(H) Form of 8.10% Note due 2005 (Incorporated by reference to Exhibit 4.2 to Form 10-Q for the quarter ended September 30, 2000)

(I) Form of 8.50% Note due 2010 (Incorporated by reference to Exhibit 4.3 to Form 10-Q for the quarter ended September 30, 2000)

(J) Rights Agreement, dated as of October 22, 1997, between the Company and First

Chicago Trust Company of New York (Incorporated by reference to Exhibit 1 to Form 8-A dated January 23, 1998)

(K) Amendment No. 1 to Rights Agreement dated as of January 28, 2000, between the Company and First Chicago Trust Company of New York (Incorporated by reference to Exhibit 2 to Form 8-A (Amendment No. 1) dated January 31, 2000)

(L) Form of 6% Note due October 15, 2033 for $297,500,000 (Incorporated by reference to Exhibit 4(a) to Form 10-Q for the quarter ended October 4, 2003).

(M) Form of 6% Note due October 15, 2033 for $2,500,000 (Incorporated by reference to Exhibit 4(b) to Form 10-Q for the quarter ended October 4, 2003).

(N) Exchange and Registration Rights Agreement dated October 14, 2003 (Incorporated by reference to Exhibit 4(d) to Form 10-Q for the quarter ended October 4, 2003).

10 Material contracts:

*(A) 1991 Stock Option Plan (Incorporated by reference to Exhibit A to the 1992 Proxy Statement dated March 18, 1992)

*(B) 1995 Key Employee Restricted Stock Plan (Incorporated by reference to Exhibit 10(U) to Form 10-K for the year ended December 30, 1995)

*(C) 1996 Stock Compensation Plan, as amended (Incorporated by reference to Exhibit 10 to Form 10-Q for the quarter ended June 30, 2001)

*(D) Deferred Compensation Plan, as amended and restated as of December 31, 2001 (Incorporated by reference to Exhibit 10(A) to Form 10-Q for the quarter ended March 30, 2002)

*(E) Executive Deferred Savings Plan, as amended and restated as of December 31, 2001 (Incorporated by reference to Exhibit 10(B) to Form 10-Q for the quarter ended March 30, 2002)

*(F) Second Amended Supplemental Annual Benefit Determination under the Amended and Restated Supplemental Executive Retirement Plan for Mid-Career Senior Management (Incorporated by reference to Exhibit 10(A) to Form 10-Q for the quarter ended April 5, 2003)

*(G) Fourth Supplemental Annual Benefit Determination under the Amended and Restated Supplemental Executive Retirement Plan for Participants in the Company's Deferred Compensation Plan (Incorporated by reference to Exhibit 10(B) to Form 10-Q for the quarter ended April 5, 2003)

*(H) Fifth Amended Annual Benefit Determination under the Amended and Restated Supplemental Executive Retirement Plan which funds certain benefits upon a Change in Control (Incorporated by reference to Exhibit 10(K) to Form 10-K for the year ended December 31, 1994)

*(I) Seventh Supplemental Annual Benefit Determination under the Amended and Restated Supplemental Executive Retirement Plan for Participants in the Company's

Executive Deferred Savings Plan (Incorporated by reference to Exhibit 10(C) to Form 10-Q for the quarter ended April 5, 2003)

*(J) Amended and Restated Eighth Supplemental Annual Benefit Determination under the Amended and Restated Supplemental Executive Retirement Plan for Participants whose Pension Plan Benefits are limited by the Internal Revenue Code (Incorporated by reference to Exhibit 10(D) to Form 10-Q for the quarter ended April 5, 2003)

*(K) Amended and Restated Ninth Supplemental Annual Benefit Determination under the Amended and Restated Supplemental Executive Retirement Plan relating to the computation of benefits for Senior Management (Incorporated by reference to Exhibit 10(E) to Form 10-Q for the quarter ended April 5, 2003)

*(L) Tenth Supplemental Annual Benefit Determination under the Amended and Restated Supplemental Executive Retirement Plan for Participants in the Company's Mid-Term Incentive Plan (Incorporated by reference to Exhibit 10(F) to Form 10-Q for the quarter ended April 5, 2003)

*(M) Resolution of the Board of Directors dated December 3, 1996 relating to lump sum payments under the Company's Supplemental Executive Retirement Plan (Incorporated by reference to Exhibit 10(N) to Form 10-K for the year ended January 4, 1997)

*(N) Form of Change in Control Agreement with Certain Senior Management of the Company or its Subsidiaries (Incorporated by reference to Exhibit 10(A) to Form 10-Q for the quarter ended September 29, 2001)

*(O) Form of Change in Control Agreement with Certain Management of the Company or its Subsidiaries (Incorporated by reference to Exhibit 10(B) to Form 10-Q for the quarter ended September 29, 2001)

*(P) Executive Incentive Compensation Plan as Amended and Restated February 11, 2003 (Incorporated by reference to Exhibit 10(G) to Form 10-K for the quarter ended April 5, 2003)

*(Q) Restricted Stock Agreement (Incorporated by reference to Exhibit 10(S) to Form 10-K for the year ended December 31, 1994)

*(R) VF Corporation Deferred Savings Plan for Non-Employee Directors (Incorporated by reference to Exhibit 10(W) to Form 10-K for the year ended January 4, 1997)

*(S) Mid-Term Incentive Plan, a subplan under the 1996 Stock Compensation Plan (Incorporated by reference to Exhibit 10(T) to Form 10-K for the year ended December 29, 2001)

*(T) 2004 Mid-Term Incentive Plan, a subplan under the 1996 stock compensation plan.

(U) Revolving Credit Agreement, September 25, 2003 (Incorporated by reference to Exhibit 10 to the Form 10-Q for the quarter ended October 4, 2003).

* Management compensation plans

13 Annual report to security holders

14 Code of Business Conduct (Incorporated by reference to Exhibit 14 to Form 10-K for the year ended January 4, 2003)

21 Subsidiaries of the Corporation

23 Consent of Independent Accountants

24 Power of attorney

31.1 Certification of the principal executive officer, Mackey J. McDonald, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of the principal financial officer, Robert K. Shearer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification of the principal executive officer, Mackey J. McDonald, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification of the principal financial officer, Robert K. Shearer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

All other exhibits for which provision is made in the applicable regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

(B) Reports on Form 8-K:

In a report on Form 8-K dated October 23, 2003, the Company issued a press release setting forth the third quarter 2003 earnings.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

V.F. CORPORATION
By: /s/ Mackey J. McDonald

Mackey J. McDonald
Chairman, President
and Chief Executive Officer
(Chief Executive Officer)

March 10, 2004

By: /s/ Robert K. Shearer

Robert K. Shearer
Vice President - Finance
and Chief Financial Officer
(Chief Financial Officer)

By: /s/ Robert A. Cordaro

Robert A. Cordaro
Vice President - Controller
and Chief Accounting Officer
(Chief Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated:

Edward E. Crutchfield*	Director	
Juan Ernesto de Bedout*	Director	
Ursula F. Fairbairn*	Director	
Barbara S. Feigin*	Director	March 10, 2004
George Fellows*	Director	
Daniel R. Hesse*	Director	
Robert J. Hurst*	Director	
W. Alan McCollough*	Director	
Mackey J. McDonald*	Director	
Clarence Otis, Jr.*	Director	
M. Rust Sharp*	Director	
Raymond G. Viault*	Director	

* By: /s/ C. S. Cummings — March 10, 2004

C. S. Cummings, Attorney-in-Fact

Report of Independent Auditors on Financial Statement Schedule

To the Board of Directors of VF Corporation:

Our audits of the consolidated financial statements referred to in our report dated February 11, 2004 appearing in the 2003 Annual Report to Shareholders of VF Corporation (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the financial statement schedule listed in Item 15(a)(2) of this Form 10-K. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ PricewaterhouseCoopers LLP
Greensboro, North Carolina
February 11, 2004

VF CORPORATION
Schedule II — Valuation and Qualifying Accounts

COL. A	COL. B	COL. C		COL. D	COL. E
		ADDITIONS			
Description	Balance at Beginning of Period	(1) Charged to Costs and Expenses	(2) Charged to Other Accounts Describe	Deductions Describe	Balance at End of Period
			(Dollars in thousands)		
Fiscal year ended January 3, 2004					
Allowance for doubtful accounts	$48,227	11,197	11,094 (C)	4,749 (A)	$65,769
Valuation allowance for deferred income tax assets	$69,115	2,475	—	3,780 (B)	$67,810
Fiscal year ended January 4, 2003					
Allowance for doubtful accounts	$60,449	18,490	—	30,712 (A)	$48,227
Valuation allowance for deferred income tax assets	$68,905	7,531	—	7,321 (B)	$69,115
Fiscal year ended December 29, 2001					
Allowance for doubtful accounts	$51,627	28,710	—	19,888 (A)	$60,449
Valuation allowance for deferred income tax assets	$57,033	17,252	—	5,380 (B)	$68,905

(A) Deductions include accounts written off, net of recoveries, and the effect of foreign currency translation.

(B) Deductions relate to circumstances where it is more likely than not that deferred tax assets will be realized.

(C) Addition due to the acquisition of Nautica Enterprises, Inc. on August 27, 2003.

EXHIBIT 10(T)

VF CORPORATION

2004 MID-TERM INCENTIVE PLAN

1. PURPOSES. This 2004 Mid-Term Incentive Plan (the "Plan") of VF Corporation (the "Company") is implemented under the Company's 1996 Stock Compensation Plan (the "1996 Plan"). The Plan, which replaces, for periods beginning on and after January 1, 2004, the Mid-Term Incentive Plan adopted in 1999, is intended to provide an additional means to attract and retain talented executives, to link a significant element of executives' compensation opportunity to the Company's performance over more than one year, thereby providing an incentive for successful long-term strategic management of the Company, and otherwise to further the purposes of the 1996 Plan.

2. STATUS AS SUBPLAN UNDER THE 1996 PLAN; ADMINISTRATION. This Plan is a subplan implemented under the 1996 Plan, and will be administered by the Compensation Committee of the Board of Directors in accordance with the terms of the 1996 Plan. All of the terms and conditions of the 1996 Plan are hereby incorporated by reference in this Plan, and if any provision of this Plan or an agreement evidencing an award hereunder conflicts with a provision of the 1996 Plan, the provision of the 1996 Plan shall govern. Capitalized terms used in this Plan but not defined herein shall have the same meanings as defined in the 1996 Plan.

3. CERTAIN DEFINITIONS. In addition to terms defined above and in the 1996 Plan, the following are defined terms under this Plan:

(a) "Account" means the account established for a Participant under Section 7(a).

(b) "Administrator" means the officers and employees of the Company responsible for the day-to-day administration of the Plan and to which other authority may be delegated under Section 10(b). Unless otherwise specified by the Committee, the Administrator shall be the VF Corporation Pension Plan Committee.

(c) "Cause" means (i), if the Participant has an Employment Agreement defining "Cause," the definition under such Employment Agreement, or (ii), if the Participant has no Employment Agreement defining "Cause," the Participant's gross misconduct, meaning (A) the Participant's willful and continued refusal substantially to perform his or her duties with the Company (other than any such refusal resulting from his or her incapacity due to physical or mental illness), after a demand for substantial performance is delivered to the Participant by the Board of Directors which specifically identifies the manner in which the Board believes that the Participant has refused to perform his or her duties, or (B) the willful engaging by the Participant in gross misconduct materially and demonstrably injurious to the Company. For purposes of this definition, no act or failure to act on the Participant's part shall be considered "willful" unless done, or omitted to be done, by the Participant not in good faith and without reasonable belief that his or her action or omission was in the best interest of the Company.

(d) "Covered Employee" means a Participant determined by the Committee to be likely to be a named executive officer of the Company in the year compensation under the Plan will become payable and whose compensation in that year likely could be non-deductible under Section 162(m) of the Internal Revenue Code, such that the Committee has determined that compensation to such Participant under the Plan should qualify as "performance-based compensation" for purposes of Section 162(m).

(e) "Disability" means (i), if the Participant has an Employment Agreement defining "Disability," the definition under such Employment Agreement, or (ii), if the Participant has no Employment Agreement defining "Disability," the Participant's incapacity due to physical or mental illness resulting in the Participant's absence from his or her duties with the Company on a full-time basis for 26 consecutive weeks, and, within 30 days after written notice of termination has been given by the Company, the Participant has not returned to the full-time performance of his or her duties.

(f) "Dividend Equivalents" means credits in respect of each PRSU representing an amount equal to the dividends or distributions declared and paid on a share of Common Stock, subject to Section 7(b).

(g) "Employment Agreement" means a written agreement between the Company and a Participant securing the Participant's services as an employee for a period of time and in effect immediately prior to the Participant's Termination of Employment or, if no such agreement is in effect immediately prior to the Participant's Termination of Employment, an agreement providing severance benefits to the Participant upon termination of employment in effect immediately prior to the Participant's Termination of Employment (including for this purpose an agreement providing such benefits only during a period following a defined change in control, whether or not a change in control in fact has occurred prior to such Termination of Employment).

(h) "Good Reason" means "Good Reason" as defined in the Participant's Employment Agreement. If the Participant has no such Employment Agreement, no circumstance will constitute "Good Reason" for purpose of this Plan.

(i) "Participant" means an Employee participating in this Plan.

(j) "Performance Cycle" means the period specified by the Committee over which a designated amount of PRSUs potentially may be earned. Performance Cycles generally will be periods comprising three consecutive fiscal years of the Company.

(k) "Performance Goal" means the performance required to be achieved as a condition of earning of PRSUs under the Plan. As specified in Section 6(a), for each Participant who is a Covered Employee in a given Performance Cycle, the Performance Goal will include at least two components, a "Pre-Set Goal" which must be met in order for any amount to be earned and one or more "Challenge Goals" which will then determine the amount of PRSUs such Participant will earn for the Performance Cycle, and for each Participant who is not a Covered Employee in a given Performance Cycle, the Performance Goal may but is not required to

include the Pre-Set Goal and will include one or more Challenge Goals which will then determine the amount of PRSUs such Participant will earn for the Performance Cycle.

(l) "PRSU" or "Performance Restricted Stock Unit" means a Stock Unit which is potentially earnable by a Participant hereunder upon achievement of the Performance Goal. PRSUs that have been earned but deferred at the election of the Participant continue to be referred to as PRSUs under the Plan, with the understanding that such PRSUs are no longer forfeitable upon Termination of Employment or based on performance.

(m) "Pro Rata Portion" means a portion of a specified number of PRSUs potentially earnable in a given Performance Cycle determined by multiplying such number of PRSUs by a fraction the numerator of which is the number of calendar days from the beginning of the Performance Cycle until a specified Proration Date and the denominator of which is the number of calendar days in the Performance Cycle.

(n) "Stock Unit" means a bookkeeping unit which represents a right to receive one share of Common Stock upon settlement, together with a right to accrual of additional Stock Units as a result of Dividend Equivalents as specified in Section 7(b), subject to the terms and conditions of this Plan. Stock Units, which constitute an award under Article IX of the 1996 Plan (including Section 9.6 thereof), are arbitrary accounting measures created and used solely for purposes of this Plan, and do not represent ownership rights in the Company, shares of Common Stock, or any asset of the Company.

(o) "Target PRSUs" means a number of PRSUs designated as a target number that potentially may be earned by a Participant in a given Performance Cycle.

(p) "Termination of Employment" means the Participant's termination of employment with the Company or any of its subsidiaries or affiliates in circumstances in which, immediately thereafter, the Participant is not employed by the Company or any of its subsidiaries or affiliates.

4. SHARES AVAILABLE UNDER THE PLAN. Shares issuable or deliverable in settlement of PRSUs shall be drawn from the 1996 Plan. The Committee will

monitor share usage under this Plan and the 1996 Plan to ensure that shares are available for settlement of PRSUs in compliance with the requirements of the 1996 Plan.

5. ELIGIBILITY. Employees who are eligible to participate in the 1996 Plan may be selected by the Committee to participate in this Plan.

6. DESIGNATION AND EARNING OF PRSUS.

(a) DESIGNATION OF PRSUS, PRE-SET GOALS, CHALLENGE GOALS AND RELATED TERMS. Not later than 90 days after the beginning of a Performance Cycle (except that this time limitation will not apply in the case of a Participant other than a Covered Employee), the Committee shall (i) select Employees to participate in the Performance Cycle, (ii) designate the

Pre-Set Goal (to the extent applicable) for the Performance Cycle, and (iii) designate for each Participant the number of Target PRSUs and the range of PRSUs the Participant shall have the opportunity to earn in such Performance Cycle. The number of PRSUs potentially earnable by each Participant shall range from 0% to a maximum percentage of a specified number of Target PRSUs, subject to the following provisions:

(A) In no event may the number of PRSUs that may be potentially earnable by any one Participant in all Performance Cycles that begin in any one calendar year exceed the applicable annual per-person limitation set forth in Section 5.3 of the 1996 Plan; and

(B) The maximum percentage of the number of Target PRSUs that may be earned shall be 200% of the number of Target PRSUs, unless the Committee specifies a lesser percentage.

The Pre-Set Goal is intended to be a "Performance Objective" within the meaning of Section 9.3 of the 1996 Plan, in order to qualify PRSUs as "performance-based compensation" under Section 162(m) of the Code. Accordingly, the Pre-Set Goal shall be based on one or more of the performance criteria specified in Section 9.3 of the 1996 Plan. If the Pre-Set Goal applicable to a Participant who is a Covered Employee (or if so specified for a Participant who is not a Covered Employee) for a Performance Cycle is not achieved, no PRSUs may be earned by the Participant for such Performance Cycle. In addition, the Committee may at any time, in its discretion, specify the Challenge Goals applicable to one or more years of the Performance Cycle. Challenge Goals may be specified as a table, grid, or formula that sets forth the amount of PRSUs that will be earned upon achievement of a specified level of performance during all or part of the Performance Cycle (subject to the requirement that the Pre-Set Goal has been achieved, in the case of a Participant who is a Covered Employee or if so specified by the Committee for other Participants). For purposes of Section 162(m) of the Code, the Committee is authorized to treat the maximum percentage of PRSUs as earned upon achievement of the Pre-Set Goal, so specification of the Challenge Goals and related terms represents an exercise of negative discretion by the Committee.

(b) ADJUSTMENTS TO PERFORMANCE GOAL. The Committee may provide for adjustments to the Performance Goal, to reflect changes in accounting rules, corporate structure or other circumstances of the Company, for the purpose of preventing dilution or enlargement of Participants' opportunity to earn PRSUs hereunder; provided, however, that no adjustment shall be authorized if and to the extent that such authorization or adjustment would cause the Pre-Set Goal applicable to a Participant who is a Covered Employee not to meet the "performance goal requirement" set forth in Treasury Regulation 1.162-27(e)(2) under the Code.

(c) DETERMINATION OF NUMBER OF EARNED PRSUS. Not later than 75 days after the end of each Performance Cycle, the Committee shall determine the extent to which the Performance Goal for the earning of PRSUs was achieved during such Performance Cycle and the number of PRSUs earned by each Participant for the Performance Cycle. The Committee shall make written determinations that any Pre-Set Goal and Challenge Goals and any other

material terms relating to the earning of PRSUs were in fact satisfied. The date at which the Committee makes a final determination of PRSUs earned with respect to a given Performance Cycle will be the "Earning Date" for such Performance Cycle. The Committee may adjust upward or downward the number of PRSUs earned, in its discretion, in light of such considerations as the Committee may deem relevant (but subject to applicable limitations of the 1996 Plan, as referenced in Section 6(a) of this Plan), provided that, with respect to a Participant who is a Covered Employee, no upward adjustment may be made if the Pre-Set Goal has not been achieved and adjustments otherwise shall comply with applicable requirements of Treasury Regulation 1.162-27(e) under the Code.

7. CERTAIN TERMS OF PRSUS.

(a) ACCOUNTS. The Company shall maintain a bookkeeping account for each Participant reflecting the number of PRSUs then credited to the Participant hereunder. The Account may include subaccounts or other designations showing, with respect to separate Performance Cycles, PRSUs that remain potentially earnable, PRSUs that have been earned but deferred, and other relevant information. Fractional PRSUs shall be credited to at least three decimal places for purposes of this Plan, unless otherwise determined by the Administrator.

(b) DIVIDEND EQUIVALENTS AND ADJUSTMENTS. Unless otherwise determined by the Administrator, Dividend Equivalents shall be paid or credited on PRSUs that have been earned as follows:

(i) Regular Cash Dividends. At the time of settlement of PRSUs under Section 9, the Administrator shall determine the aggregate amount of regular cash dividends that would have been payable to the Participant, based on record dates for dividends since the beginning of the Performance Cycle, if the earned PRSUs then to be settled had been outstanding shares of Common Stock at such record date (without compounding of dividends but adjusted to account for splits and other extraordinary corporate transactions). Such aggregate cash amount will be converted to a number of shares by dividing the amount by the Fair Market Value of a share of Common Stock at the settlement date.

(ii) Common Stock Dividends and Splits. If the Company declares and pays a dividend or distribution on Common Stock in the form of additional shares of Common Stock, or there occurs a forward split of Common Stock, then the number of PRSUs credited to each Participant's Account and potentially earnable hereunder as of the payment date for such dividend or distribution or forward split shall be automatically adjusted by multiplying the number of PRSUs credited to the Account or potentially earnable as of the record date for such dividend or distribution or split by the number of additional shares of Common Stock actually paid as a dividend or distribution or issued in such split in respect of each outstanding share of Common Stock.

(iii) Adjustments. If the Company declares and pays a dividend or distribution on

Common Stock that is not a regular cash dividend and not in the form of additional shares of Common Stock, of if there occurs any other event referred to in Article XI of the 1996 Plan, the Committee may determine to adjust the number of PRSUs credited to each Participant's Account and potentially earnable hereunder, in order to prevent dilution or enlargement of Participants' rights with respect to PRSUs.

(c) STATEMENTS. An individual statement relating to a Participant's Account will be issued to the Participant not less frequently than annually. Such statement shall report the amount of PRSUs potentially earnable and the number of PRSUs earned and remaining credited to Participant's Account (i.e., not yet settled), transactions therein during the period covered by the statement, and other information deemed relevant by the Administrator. Such statement may be combined with or include information regarding other plans and compensatory arrangements affecting the Participant. A Participant's statements

may evidence the Company's obligations in respect of PRSUs without the need for the Company to enter into a separate agreement relating to such obligations; provided, however, that any statement containing an error shall not represent a binding obligation to the extent of such error.

8. EFFECT OF TERMINATION OF EMPLOYMENT.

(a) TERMINATION PRIOR TO PERFORMANCE CYCLE EARNING DATE. Except to the extent set forth in subsections (i) through (v) of this Section 8(a), upon a Participant's Termination of Employment prior to the Earning Date with respect to a given Performance Cycle all unearned PRSUs relating to such Performance Cycle shall cease to be earnable and shall be canceled and forfeited, and Participant shall have no further rights or opportunities hereunder:

(i) Disability or Retirement. If Termination of Employment is due to the Disability or Retirement (as defined in the 1996 Plan) of the Participant, the Participant shall be entitled to receive settlement of a Pro Rata Portion of the total number of PRSUs the Participant is deemed to have earned in accordance with this Section 8(a)(i), with the Proration Date (used to calculate the Pro Rata Portion) being the date of Termination of Employment. The settlement of PRSUs shall occur promptly following completion of the fiscal year of the Company in which the Termination of Employment occurs. Performance for any open Performance Cycle shall be deemed to be the average performance achieved for the fiscal year(s) completed prior to the date of settlement. Any deferral election filed by the Participant shall be effective and apply to the settlement of the PRSUs.

(ii) Death. If Termination of Employment is due to the Participant's death, the Participant's Beneficiary shall be entitled to receive settlement of a Pro Rata Portion of the total number of PRSUs the Participant is deemed to have earned in accordance with this Section 8(a)(ii),with the Proration Date (used to calculate the Pro Rata Portion) being the date of death. The settlement of PRSUs shall occur promptly following completion of the fiscal year of the Company in which the date of death occurs. Performance for any open Performance Cycle shall be

deemed to be the average performance achieved for the fiscal year(s) completed prior to the date of settlement. Any deferral election filed by the Participant shall have no effect on the settlement of the PRSUs.

(iii) Involuntary Termination By the Company Not for Cause Prior to a Change in Control. If Termination of Employment is an involuntary separation by the Company not for Cause prior to a Change in Control, the Participant shall be entitled to receive settlement of a Pro Rata Portion of the total number of PRSUs the Participant is deemed to have earned in accordance with this Section 8(a)(iii), with the Proration Date (used to calculate the Pro Rata Portion) being the earlier of (A) the date the last severance payment in the nature of salary continuation has been made and (B) the last day of the Performance Cycle. If no severance payments are to be made, the applicable Proration Date shall be the date of Termination of Employment. Performance for any open Performance Cycle shall be deemed to be the average performance achieved for the fiscal year(s) completed prior to the date of settlement. Any deferral election filed by the Participant shall have no effect on the settlement of the PRSUs.

(iv) At or Following a Change in Control, Involuntary Termination By the Company Not for Cause or by Participant for Good Reason. If Termination of Employment occurs at or after a Change in Control and is an involuntary separation by the Company not for Cause or a Termination by the Participant for Good Reason, the Participant shall be entitled to receive

settlement of the total number of PRSUs the Participant is deemed to have earned in accordance with this Section 8(a)(iv), promptly following the date of Termination of Employment. The amount of the settlement shall assume that the Participant has remained with the Company through the completion of each open Performance Cycle and that the performance achieved by the Company for each such Performance Cycle is the average of the performance achieved for the completed year(s) in such Performance Cycle if greater than 100% (i.e., the performance required to earn at least the Target PRSUs), or, if such average is less than 100%, the performance achieved shall be deemed to be the average of the actual performance for the completed year(s) in such Performance Cycle (if any) together with performance for years not yet complete being deemed to be 100% of target performance. Any deferral election filed by the Participant shall have no effect on the settlement of the PRSUs.

(v) Termination by the Company for Cause or Voluntary Termination by the Participant. If Termination of Employment is either by the Company for Cause or voluntary by the Participant (excluding a Termination for Good Reason following a Change in Control), PRSUs relating to each Performance Cycle which has not yet ended or reached its Earning Date will cease to be earnable and will be canceled.

(b) TERMINATION AFTER PERFORMANCE CYCLE EARNING DATE. Upon a Participant's Termination of Employment at or after the Earning Date with respect to a given Performance

Cycle, all PRSUs resulting from such Performance Cycle shall be settled in accordance with Section 9(a) as promptly as practicable after such Termination, except that, if the Participant has timely filed an irrevocable election to defer settlement of PRSUs following a Termination of Employment due to Retirement or Disability, such PRSUs shall be settled in accordance with such deferral election.

(c) RELEASE. Any settlement of PRSUs following Termination of Employment may be delayed by the Committee if the Participant's Employment Agreement or any policy of the Committee then in effect conditions such settlement or severance payments upon the Company receiving a full and valid release of claims against the Company.

9. SETTLEMENT OF PRSUS.

(a) SETTLEMENT IF PRSUS NOT DEFERRED. Not later than the Earning Date for each Performance Cycle, the Committee shall settle all PRSUs earned in respect of such Performance Cycle, other than PRSUs deferred under Section 9(b), by issuing and/or delivering to the Participant one share of Common Stock for each PRSU being settled. Such issuance or delivery shall occur as promptly as practicable after the Earning Date for the Performance Cycle.

(b) DEFERRAL OF PRSUS. At any time on or before such date as may be specified by the Administrator, the Participant may elect to defer settlement of PRSUs to a date (i) later than the Earning Date for the Performance Cycle to which the PRSUs relate or (ii) later than Termination of Employment due to Retirement or Disability, as specified by the Participant; provided, however, that an optional deferral shall be subject to such additional restrictions and limitations as the Committee or Administrator may from time to time specify, including for purposes of ensuring that the Participant will not be deemed to have constructively received compensation in connection with such deferral. Dividend equivalents shall accrue on deferred PRSUs and shall be paid in cash annually to the Participant at an annual payment date set by the Administrator, without interest or compounding. Other provisions of the Plan notwithstanding, if any legislation or regulation imposes requirements on elective non-qualified deferred compensation that are inconsistent with the Plan and procedures hereunder, if Participants are not afforded an opportunity under such legislation or regulation to withdraw or modify their prior elections or deferred compensation resulting therefrom, then (i) if the prior deferrals can be automatically modified to conform to the requirements of the legislation or regulation with the Participant being deemed not to be in constructive receipt

of the deferred compensation, then such modification automatically shall be in effect, and (ii) if not, then such deferral will immediately end and the deferred PRSUs shall be promptly settled in accordance with the Plan; provided, however, that if a Participant would be deemed to be in constructive receipt of any deferred amounts solely because of this provision, the provision shall be void and of no effect.

(c) CREATION OF RABBI TRUST. If and to the extent authorized by the Committee, the Company may create one or more trusts and deposit therein Common Stock or other property for delivery to the Participant in satisfaction of the Company's obligations hereunder. Any such trust shall be a "rabbi" trust that shall not jeopardize the status of the Participant's rights hereunder as "unfunded" deferred compensation for federal income tax purposes. If so provided by the

Committee, upon the deposit by the Committee of Common Stock in such a trust, there shall be substituted for the rights of the Participant to receive settlement by issuance and/or delivery of Common Stock under this Agreement a right to receive property of the same type as and equal in value to the assets of the trust (to the extent that such assets represent the full amount of the Company's obligation at the date of deposit). The trustee of the trust shall not be permitted to diversify trust assets by voluntarily disposing of shares of Common Stock in the trust and reinvesting proceeds, but such trustee may be authorized to dispose of other trust assets and reinvest the proceeds in alternative investments, subject to such terms, conditions, and limitations as the Committee may specify, including for the purpose of avoiding adverse accounting consequences to the Company, and in accordance with applicable law.

(d) SETTLEMENT OF PRSUS AT THE END OF THE DEFERRAL PERIOD. Not later than 15 days after the end of any elective period of deferral or immediately in the case of a deferral period ending upon a Change in Control, the Company will settle all PRSUs then credited to a Participant's Account by issuing and/or delivering to the Participant one share of Common Stock for each PRSU being settled. Any deferral period will end on an accelerated basis immediately prior to a Change in Control, except as limited under Section 9(b).

(e) MANNER OF SETTLEMENT. The Committee or Administrator may, in its or his or her sole discretion, determine the manner in which shares of Common Stock shall be delivered by the Company, including the manner in which fractional shares shall be dealt with; provided, however, that no certificate shall be issued representing a fractional share. In furtherance of this authority, PRSUs may be settled by the Company issuing and delivering the requisite number of shares of Common Stock to a member firm of the New York Stock Exchange which is also a member of the National Association of Securities Dealers, as selected by the Company from time to time, which shares shall be deposited by such member firm in separate brokerage accounts for each Participant. If there occurs any delay between the settlement date and the date shares are issued or delivered to the Participant, a cash amount equal to any dividends or distributions the record date for which fell between the settlement date and the date of issuance or delivery of the shares shall be paid to the Participant together with the delivery of the shares.

(f) SETTLEMENT OF PRSUS HELD BY NON-US RESIDENTS. Other provisions of the Plan (including Section 9(e)) notwithstanding, PRSUs credited to the Account of a Participant who resides in or is subject to income tax laws of a country other than the United States may be settled in cash, in the discretion of the Committee. The cash amount payable in settlement of each PRSU shall equal the Fair Market Value of a share at the date of not more than five business days before the date of settlement. The Committee is authorized to vary the terms of participation of such foreign Participants in any other respect (including in ways not consistent with the express provisions of the Plan) in order to conform to the laws, regulations, and business customs of a foreign jurisdiction.

(g) TAX WITHHOLDING. The Company shall deduct from any settlement of a Participant's PRSUs and cash dividends paid in respect of any deferred PRSUs any Federal, state, or local withholding or other tax or charge which the Company is then required to deduct under applicable law. In furtherance of this requirement, the Company shall withhold from the shares

of Common Stock issuable or deliverable in settlement of a Participant's PRSUs the number of shares having an aggregate Fair Market Value equal to any Federal, state, and local withholding or other tax or charge which the Company is required to withhold under applicable law, unless the Participant has otherwise elected and has made other arrangements satisfactory to the Company to pay such withholding amounts.

(h) NON-TRANSFERABILITY. Unless otherwise determined by the Committee, neither a Participant nor any beneficiary shall have the right to, directly or indirectly, alienate, assign, transfer, pledge, anticipate, or encumber (except by reason of death) any PRSU, Account or Account balance, or other right hereunder, nor shall any such PRSU, Account or Account balance, or other right be subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of the Participant or any beneficiary, or to the debts, contracts, liabilities, engagements, or torts of the Participant or any Beneficiary or transfer by operation of law in the event of bankruptcy or insolvency of the Participant or any beneficiary, or any legal process.

10. GENERAL PROVISIONS.

(a) CHANGES TO THIS PLAN. The Committee may at any time amend, alter, suspend, discontinue, or terminate this Plan, and such action shall not be subject to the approval of the Company's shareholders; provided, however, that, without the consent of an affected Participant, no such action may materially impair the rights of such Participant under this Plan. The foregoing notwithstanding, the Committee may, in its discretion, accelerate the termination of any Performance Cycle or any deferral period and the resulting settlement of PRSUs with respect to an individual Participant or all Participants.

(b) DELEGATION OF ADMINISTRATIVE AUTHORITY. The Committee may, in writing, delegate some or all of its power and responsibilities under the Plan to the Administrator or any other officer of the Company or committee of officers and employees, except such delegation may not include (i) authority to amend the Plan under Section 10(a), (ii), with respect to any executive officer of the Company, authority under Section 6 or other authority required to be exercised by the Committee in order that compensation under the Plan will qualify as performance-based compensation under Section 162(m) of the Code, or (iii) authority that otherwise may not be delegated under the terms of the 1996 Plan, this Plan, or applicable law. In furtherance of this authority, the Committee hereby delegates to the Administrator, as from time to time designated, authority to administer the Plan and act on behalf of the Committee to the fullest extent permitted under this Section 10(b). This delegation of authority to the Administrator shall remain in effect until terminated or modified by resolution of the Committee (without a requirement that the Plan be amended further). The authority delegated to the Administrator hereunder shall include:

(i) Authority to adopt such rules for the administration of the Plan as the Administrator considers desirable, provided they do not conflict with the Plan; and

(ii) Authority under Section 9(b) to impose restrictions or limitations on Participant deferrals under the Plan, including in order to promote cost-effective administration of the Plan; no restriction or limitation on deferrals shall be deemed to conflict with the Plan.

No individual acting as Administrator (including any member of the committee serving as Administrator) shall participate in a decision directly affecting his or her own rights or obligations under the Plan, although participation in a decision affecting all Participants shall not be prohibited by this provision.

(c) NONEXCLUSIVITY OF THE PLAN. The adoption of this Plan shall not be construed as creating any limitations on the power of the Board or Committee to adopt such other compensation arrangements as it may deem desirable for any Participant.

(d) EFFECTIVE DATE AND PLAN TERMINATION. This Plan became effective on January 1, 2004, following its approval by the Committee. This Plan will remain

in effect until such time as the Company and Participants have no further rights or obligations under this Plan in respect of PRSUs not yet settled or the Committee otherwise terminates this Plan.

EXHIBIT 13

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

OVERVIEW

VF Corporation is a leading marketer of apparel products in the United States and in several international markets. VF's vision is to grow by building lifestyle brands that excite consumers around the world.

VF owns a diversified portfolio of brands with strong market positions. We operate in four principal consumer product categories and market occupational apparel to distributors and major employers. Our principal product categories and major brands are summarized as follows:

PRODUCT CATEGORY	VF-OWNED BRANDS
Jeanswear	Lee(R), Wrangler(R), Riders(R), Rustler(R), Timber Creek by Wrangler(R)
Intimate apparel	Vanity Fair(R), Lily of France(R), Vassarette(R), Bestform(R)
Sportswear	Nautica(R), Earl Jean(R)
Outdoor products	The North Face(R), JanSport(R), Eastpak(R)
Occupational apparel	Red Kap(R), Bulwark(R)

VF has a broad customer base, with products distributed through leading department, chain, specialty and discount stores. Our ten largest customers represented 41% of total 2003 sales.

We have established several long-term financial targets that guide us in our long-term decisions. Attainment of these targets should drive increases in shareholder value. These targets are summarized below:

- Sales growth of 6% per year - The overall apparel industry in recent years has been relatively flat in terms of unit volume, with generally flat to slightly declining prices. This has also been the case within VF. Looking to 2004, we expect a 5% growth in sales, driven by the full year effect of Nautica Enterprises, Inc. (Nautica), a leading sportswear company acquired in August 2003, and continued growth in our Outdoor businesses. On a longer-term basis, achieving our growth target will require a combination of internal growth and acquisitions.

  In our search for acquisitions, we focus on branded apparel businesses that fit our strategic goals. We evaluate numerous acquisition candidates each year and insist that a potential acquisition satisfy our strategic and financial goals. More specifically, we are interested in lifestyle brands or businesses that might add to our current jeanswear, sportswear, intimate apparel or outdoor product categories, but we are receptive to other opportunities.

- Operating income of 14% - In recent years, we have made progress toward this goal, as demonstrated by attaining an operating margin of 12.4% in 2003.

  Some of our businesses currently exceed that 14% benchmark. While most of the remaining businesses enjoy double digit margins, we recognize that competitive pressures may keep some from achieving that goal. We continually evaluate our existing businesses. In 2002, we exited the swimwear and the private label knitwear businesses and currently have a plan to exit the Healthtex(R) and Nike(R) childrenswear business. Each of these had been a profitable business for VF, but they no longer met our strategic and financial objectives.

  We have taken numerous actions in recent years to increase our operating margin by reducing our cost structure. Many of these actions have centered on lowering our product cost by changing our sourcing mix. Several years ago, production was sourced from mostly VF-owned domestic production capacity; today, approximately 95% of the products we sell in the U.S. markets are obtained from lower cost VF-owned offshore capacity and

production contracted from independent third parties.

Looking to acquisitions, we believe that our recently acquired Nautica(R) sportswear business can achieve this 14% goal, and we are taking steps toward that end.

- - Return on invested capital of 17% - We believe that a high return on capital is closely correlated with enhancing shareholder value. We calculate return on invested capital as income before net interest expense, after income taxes, divided by the sum of average short and long-term debt and common stockholders' equity. VF earned a 16.6% return on capital in 2003. Further, we expect acquisition targets to have the ability to achieve returns that allow VF to maintain a 17% return on capital on a long-term basis.

- - Debt to capital of less than 40% - To maintain a conservative financial position, we have established a goal of keeping our total debt to less than 40% of our total capitalization,

with capitalization defined as our combined short and long-term debt plus common stockholders' equity. We would, however, be willing to exceed this target ratio, on a short-term basis, for the right acquisition. Despite the 2003 acquisition of Nautica and its related financing, this ratio was reduced to 33.7% at the end of 2003 and we ended the year with over $500 million in cash and equivalents, demonstrating VF's ability to generate strong cash flow from operations.

- - Dividend payout ratio of 30% - Our target is to return 30% of our earnings to our stockholders through a consistent dividend policy. We have maintained this payout ratio on a long-term basis. As our earnings have grown over the years, our Board of Directors has been able to increase our dividends paid per share each year for the past 31 years. Our payout rate was 28% for 2003, and we most recently increased our quarterly dividend in the fourth quarter of 2003 to an indicated annual payout of $1.04 per share for 2004.

ANALYSIS OF RESULTS OF CONTINUING OPERATIONS

ACQUISITION OF NAUTICA

A major event for VF in 2003 was the acquisition of Nautica and related rights in August for a total purchase price of $683.9 million. Nautica consists primarily of the Nautica(R) men's wholesale sportswear business, along with significant Nautica(R) retail and licensing businesses. In addition, it includes the smaller businesses of Earl Jean(R) jeans and sportswear, E. Magrath(R) golf sportswear and John Varvatos(R) designer apparel (which is held for disposition). This acquisition provides a growth platform for VF in sportswear, which is a new product category for VF. The men's sportswear category has been weak in department stores for the last several years. We believe that new management led by Mr. David Chu, the founder of the Nautica(R) brand, can return the brand to its heritage so that it can resume its growth. And we believe that the Nautica(R) brand is an important lifestyle brand that can be extended across additional product categories for both men and women and extended to new geographic regions.

The combined Nautica businesses contributed $252.2 million to VF's 2003 sales, and they are expected to contribute approximately $550 million to full year sales in 2004. This full year amount is significantly less than the $693.7 million reported by Nautica in its fiscal year ended March 1, 2003, its last full year as a separate public company. Approximately $75 million of that sales decline is due to product lines that have been exited by prior management or current VF management. The remainder of the decline is in the men's sportswear category, offset by sales growth at the Nautica(R) retail stores and in Nautica(R) men's jeans and underwear and

men's and women's sleepwear.

Nautica contributed an incremental $0.16 to VF's 2003 earnings per share (with all per share amounts presented on a diluted basis). Considering the August 27

acquisition date and the seasonal nature of Nautica's earnings, VF received the benefit of Nautica's historically stronger earnings period in 2003. While we expect Nautica's operating income to grow in 2004, a full year of interest expense on the borrowings used to fund that acquisition is expected to result in a 2004 earnings per share contribution that is comparable with 2003. We do expect further earnings growth in succeeding years.

See Note B to the consolidated financial statements for more information on the acquisition of Nautica.

RESTRUCTURING CHARGES AND DISCONTINUED OPERATIONS

During the fourth quarter of 2001, we initiated a Strategic Repositioning Program. This consisted of a series of actions to exit underperforming businesses and to aggressively reduce our overall cost structure. (As discussed in the following paragraph, the business exits are accounted for as discontinued operations.) Cost reduction initiatives related specifically to closure of manufacturing plants, consolidation of distribution centers and reduction of administrative functions. These actions were designed to help VF achieve its long-term targets of 14% operating income and 17% return on capital.

As part of the Strategic Repositioning Program, we decided to exit the Private Label knitwear and the Jantzen swimwear businesses having combined sales of approximately $300 million. The Private Label knitwear business was liquidated during 2002. Trademarks and certain operating assets of the Jantzen swimwear business were sold and the remaining assets were liquidated during 2002. Because VF has exited those businesses, the operating results, assets, liabilities and cash flows of the businesses are separately presented as discontinued operations for all periods in the consolidated financial statements. During 2003, these discontinued businesses had no effect on VF's operating results. During 2002, they contributed net income of $8.3 million ($0.07 per share), including $9.3 million of pretax gains on disposition of real estate and a $1.4 million gain on the sale of the Jantzen business. Operating results during 2002 for the two discontinued businesses were better than expected due to favorable consumer response to the 2002 Jantzen(R) swimwear line and expense control during the liquidation period. During 2001, these businesses generated a net loss of $79.4 million ($0.69 per share), which included a pretax charge of $111.4 million ($0.70 per share) for the estimated loss on disposition. See Note C to

the consolidated financial statements for further details about the discontinued operations. Unless otherwise stated, the remaining sections of this discussion and analysis of operations and financial condition relate to continuing operations.

Under the Strategic Repositioning Program, we recorded pretax charges of $125.4 million in 2001 and an additional $46.0 million in 2002. Partially offsetting these restructuring costs, we recorded adjustments during 2002 totaling $14.8 million and during 2001 totaling $10.9 million to reduce previously accrued restructuring liabilities due to changes in circumstances arising during those years. In addition during 2002, we recognized $4.9 million of gains on disposal of plants closed under the restructuring actions. Restructuring charges in 2002, net of these reversals and gains on sale of assets, totaled $26.3 million. The net charges in 2001 and 2002 related to actions, by segment, as follows: $89.3 million in Consumer Apparel, primarily domestic jeanswear; $5.0 million in Outdoor Apparel and Equipment; $28.1 million in Occupational Apparel; $0.4 million in All Other; and $18.0 million in Corporate, primarily information systems.

The costs of the 2001/2002 Strategic Repositioning Program as discussed above, net of the reversal of restructuring liabilities no longer required due to changes in circumstances and gains on sale of closed facilities, were included in the following captions of the Consolidated Statements of Income:

<TABLE>
<CAPTION>

	2002		2001	
Dollars in millions	Amount	Percent to Sales	Amount	Percent to Sales
<S>	<C>	<C>	<C>	<C>

Cost of goods sold	$ 17.8	0.3%	$ 63.8	1.2%
Marketing, administrative and general expenses	8.5	0.2%	46.7	0.9%
Goodwill impairment	-	-	4.0	0.1%
Total	$ 26.3	0.5%	$ 114.5	2.2%

</TABLE>

Total cash expenses related to the Strategic Repositioning Program are expected to approximate $94 million, of which $85 million has been paid. This amount has been substantially offset by $84 million of cash proceeds from asset sales and from the sale or liquidation of the two businesses accounted for as discontinued operations, leaving a net cash outflow of approximately $10 million. This net amount represents a substantial improvement from the $40 million net cash outflow projected at the end of 2001 because of higher proceeds received on sale or

liquidation of assets and better than expected performance of the discontinued businesses during the shutdown periods.

As part of the Strategic Repositioning Program, we have closed 30 higher cost North American manufacturing plants to reduce overall manufacturing capacity and to continue our move toward lower cost, more flexible global sourcing. Finally, we have consolidated certain distribution centers and reduced our administrative functions and staffing in the United States, Europe and Latin America. We originally stated that the Strategic Repositioning Program would result in $100 million of recurring cost reductions in 2002 and an additional $30 million of savings to be achieved in 2003. Results have exceeded this original projection, as we achieved cost reductions of approximately $170 million in 2003 compared with 2001.

See Note P to the consolidated financial statements for more information on the 2001/2002 restructuring charges.

CONSOLIDATED STATEMENTS OF INCOME

The following table presents a summary of the changes in our Net Sales in the last two years:

<TABLE>
<CAPTION>

In millions	2002 Compared with 2003	2001 Compared with 2002
<S>	<C>	<C>
Net sales - prior year	$ 5,084	$ 5,220
Ongoing operations	(141)	(136)
Acquisitions	264	-
Net sales - current year	$ 5,207	$ 5,084

</TABLE>

Substantially all of the sales decline in our ongoing businesses during 2003 and 2002 was due to decreases in unit volume, offset in part by the effects of foreign currency translation as discussed in the second paragraph following. Approximately 90% of the sales decline during 2003 and 50% of the decline in 2002 resulted from the closure of stores and the impact of operating under bankruptcy protection by two major customers: Kmart Corporation, which filed for bankruptcy protection in January 2002 and emerged from bankruptcy in May 2003 as Kmart Holding Corporation, and Ames Department Stores, Inc., which operated under bankruptcy protection from August 2001 until its liquidation in the second half of 2002. Sales declines from these two major customers were primarily in domestic jeanswear. Of the remainder of the sales declines in both years, notable were decreases in occupational apparel and childrenswear, partially offset by

gains in our outdoor businesses. Additional details on sales are provided in the section titled Information by Business Segment.

The acquisition of Nautica added 5.0% to sales in 2003, with the full year effect of this acquisition expected to add an additional 5% to 6% in 2004.

In translating foreign currencies into the U.S. dollar, the weaker U.S. dollar in relation to most functional currencies where VF conducts business (primarily the European euro countries) improved sales comparisons by $128 million in 2003 relative to 2002. For 2002, sales comparisons benefited by $7 million relative to 2001. The 2002 benefit was composed of a $31 million benefit due to the weaker U.S. dollar in relation to most European currencies (primarily the euro), offset by a $24 million reduction due to the stronger U.S. dollar in relation to Latin American currencies (principally the Argentine peso). The average translation rate for the euro was $1.12 per euro during the year 2003, compared with $0.94 during 2002 and $0.90 during 2001. Based on the translation rate of $1.26 per euro at the end of 2003, reported sales in 2004 may also receive a translation benefit compared with 2003.

The following table presents the percentage relationship to Net Sales for components of our Consolidated Statements of Income:

<TABLE>
<CAPTION>

<S>	2003 <C>	2002 <C>	2001 <C>
Gross margin (sales less cost of goods sold)	37.4%	36.0%	32.9%
Marketing, administrative and general expenses	(25.6)	(24.2)	(23.9)
Royalty and other income	0.6	0.4	0.4
Goodwill amortization and impairment	-	-	(0.7)
Operating income	12.4%	12.2%	8.7%

</TABLE>

Gross margins improved to 37.4% of sales in 2003, compared with 36.0% in 2002 and 32.9% in 2001. Approximately 1.0% of the 2003 improvement in gross margin as a percent of sales was due to changes in the mix of our businesses, as we have experienced sales growth in our higher margin outdoor and international jeans businesses and from the acquisition of Nautica. The remaining 0.4% improvement is primarily related to benefits of the Strategic Repositioning Program and lower restructuring costs.

In 2002, of the total 3.1% improvement in gross margins as a percent of sales, approximately 1.5% was due to the benefits of the Strategic Repositioning Program. The benefits of lower cost sourcing and increased operating efficiencies were obtained from closing higher cost production facilities and moving production to VF-owned offshore locations or to offshore independent contractors. In addition, reduced restructuring charges improved gross margins by 0.9% in 2002. The remaining 0.7% increase in gross margins in 2002 was due primarily to lower raw material costs and increased operating efficiencies..

As a result of the Strategic Repositioning Program, the amount of domestic sales derived from products manufactured in lower cost locations outside the United States has increased each year over the last three years. Now, only 5% of the units we sell in the United States are manufactured in VF-owned domestic plants. In contrast, at the end of 2000, approximately one-third of our products sold in the United States were manufactured in our domestic plants. Today, of the remaining products supporting domestic sales, 45% are manufactured in VF-owned facilities in Mexico and the Caribbean Basin and 50% are obtained from contractors, primarily in Asia.

Marketing, Administrative and General Expenses increased as a percent of sales to 25.6% in 2003, compared with 24.2% in 2002 and 23.9% in 2001. During 2003, approximately 0.7% of the increase in these expenses as a percent of sales was due to changes in the mix of our businesses, with a larger portion of sales

coming from businesses having a higher expense percentage. In addition, increased pension cost in 2003 resulted in a 0.5% increase. The remaining 0.2% of the increase was due to lower sales volume in our ongoing businesses without a proportionate decline in expenses, many of which are fixed.

During 2002, Marketing, Administrative and General Expenses increased by 0.3% of sales. Benefits of the Strategic Repositioning Program of 0.6% resulted from the consolidation of distribution centers and reduced administrative expenses. Reduced restructuring charges incurred in 2002 improved the expense percentage by 0.7% compared with the prior year. These savings were more than offset by increased spending and inflationary cost increases on a declining sales base. Advertising spending increased to 4.8% of sales in 2002 from 4.2% of sales in 2001, with the increase focused on our Lee(R), Wrangler(R), Vanity Fair(R), Vassarette(R) and The North Face(R) brands. In addition, incentive compensation expense increased by 0.5% of sales in 2002 due to our improved financial performance.

We include cooperative advertising costs and warehousing, shipping and handling costs in

Marketing, Administrative and General Expenses, as covered in our accounting policies in Note A to the consolidated financial statements. Some other companies may classify similar costs in Cost of Goods Sold. Accordingly, our gross margins and operating expenses may not be directly comparable with those companies.

Royalty and Other Income increased by $7.0 million in 2003 and $1.5 million in 2002. The increase in 2003 is primarily from the Nautica acquisition in August 2003. Further growth in royalty income is expected for 2004 due to the full year effect of this acquisition.

Goodwill Impairment consisted of a charge of $2.3 million in our childrenswear reporting unit in 2002 based on a revised forecast of its profits and cash flows, and a charge of $4.0 million in 2001 related to an occupational apparel business unit that was closed. Goodwill Amortization, which was $33.9 million in 2001, is no longer required under FASB Statement No. 142, as discussed in Note A to the consolidated financial statements.

Interest Expense in 2003 decreased by $10.0 million from 2002, while Interest Expense in 2002 decreased by $22.0 million from 2001. The decrease in 2003 was primarily due to lower average interest rates, while the decrease in 2002 was due to lower average borrowings. Average interest-bearing debt outstanding totaled approximately $810 million for 2003, $770 million for 2002 and $1,120 million for 2001. The weighted average interest rate was 7.3% for 2003, 8.1% for 2002 and 8.0% for 2001. Interest Income in 2003 included $5.7 million related to the settlement of federal income tax issues.

The effective income tax rate for continuing operations was 33.5% in 2003, compared with 35.1% in 2002 and 41.2% in 2001. The effective tax rate declined in 2003 relative to the prior year due to (1) nontaxable income related to investments held for employee benefit plans, (2) lower foreign operating losses with no related tax benefit and (3) favorable settlements in 2003 of prior years' federal and state income tax returns. The effective rate declined in 2002 due to (1) lower foreign operating losses with no related tax benefit, (2) elimination of nondeductible goodwill amortization expense and (3) income of a foreign subsidiary being taxed at a reduced rate due to a tax status that is scheduled to expire in 2010.

Income from continuing operations was $397.9 million ($3.61 per share) in 2003. This compares with income from continuing operations of $364.4 million ($3.24 per share) in 2002 and $217.3 million ($1.89 per share) in 2001. Income from continuing operations increased 9% in 2003, while earnings per share increased 11%, reflecting the benefit of our share repurchase

program. In 2002, income from continuing operations increased 68% over the prior year, while similarly the corresponding earnings per share increased 71%. Earnings in 2001 included significant restructuring charges, as discussed in the preceding section. In translating foreign currencies into the U.S. dollar, the weaker U.S. dollar had a $0.14 favorable impact on earnings per share in 2003

compared with the prior year, and in 2002 the weaker U.S. dollar had a $0.04 favorable impact compared with the prior year. The acquisition of Nautica in 2003 had a $0.16 per share positive impact on 2003 results relative to 2002.

VF adopted FASB Statement No. 142, Goodwill and Other Intangible Assets, at the beginning of 2002. In adopting this Statement, we estimated the fair value of VF's individual business reporting units on a discounted cash flow basis. This evaluation, and the related valuation of net assets of each reporting unit, indicated that recorded Goodwill exceeded its fair value at several business units where performance had not met management's expectations at the time of their acquisition. More specifically, the European intimate apparel, childrenswear, occupational apparel and licensed sportswear business units had been profitable in years prior to adoption of FASB Statement No. 142 but at a lower level than anticipated at the dates of their respective acquisitions. The Latin American jeanswear business units had not been profitable due to deteriorating economic conditions in South America, but profitability was expected in the future. In each case, recorded Goodwill was expected to be recoverable from future undiscounted operating cash flows. The write-down of Goodwill upon adoption of FASB Statement No. 142 was attributable to differences between the fair value approach under this Statement and the undiscounted cash flow approach used under previous accounting literature. The adoption of FASB Statement No. 142 resulted in a nonrecurring noncash charge of $527.3 million in 2002, without tax benefit ($4.69 per share). See Note A to the consolidated financial statements for additional details.

VF reported net income of $397.9 million ($3.61 per share) in 2003. Including the effect of the above accounting change and the discontinued operations discussed in the previous section, VF reported a net loss of $154.5 million ($1.38 per share) in 2002 and net income of $137.8 million ($1.19 per share) in 2001.

INFORMATION BY BUSINESS SEGMENT

For internal financial reporting purposes, management and VF's Board of Directors evaluate operating performance at the business unit level. Operating performance of each business unit consists of its sales and direct operating expenses, royalty income for which it has responsibility and its share of centralized corporate expenses directly related to the business unit.

The business units referred to above have been grouped into four reportable segments. See Note R to the consolidated financial statements for the criteria used in grouping the business units into the business segments. For business segment reporting purposes, Segment Sales and Segment Profit represent sales and operating income that are under the direct control of the individual business units. Corporate expenses not apportioned to business units, net interest expense, amortization of intangible assets and goodwill, and restructuring charges are excluded from Segment Profit. Importantly, this basis of performance evaluation is consistent with that used for management incentive compensation.

Also see Note R for a summary of our results of operations and other information by business segment, along with the differences between Segment Profit and Consolidated Income from Continuing Operations before Income Taxes. Segment results are not necessarily indicative of the operating results that would have been reported had each business segment been an independent, stand-alone entity during the periods presented. Further, VF's presentation of Segment Profit may not be comparable with similar measures used by other companies.

The following table presents a summary of the changes in our Net Sales by business segment during the last two years:

<TABLE>
<CAPTION>

In millions	Consumer Apparel	Outdoor Apparel and Equipment	Occupational Apparel	All Other	Total
<S>	<C>	<C>	<C>	<C>	<C>
Net sales - 2001	$ 3,938	$ 493	$ 536	$ 253	$ 5,220
Ongoing operations	(134)	15	(45)	28	(136)

Net sales - 2002	3,804	508	491	281	5,084
Ongoing operations	(163)	73	(41)	(10)	(141)
Acquisitions	249	-	-	15	264
Net sales - 2003	$ 3,890	$ 581	$ 450	$ 286	$ 5,207

</TABLE>

Consumer Apparel:

The Consumer Apparel segment consists of our jeanswear, women's intimate apparel, sportswear and childrenswear businesses. Overall, segment sales increased 2% in 2003, composed of a 6% increase from acquisitions and a 4% decrease in ongoing businesses. Ongoing operations included the benefit of $97 million from foreign currency translation. In our

ongoing businesses, approximately 75% of the decline in total segment sales was due to the impact of two customers' bankruptcies and their resulting store closures mentioned previously.

Overall domestic jeanswear sales declined 7%. The unit volume decline for the bankruptcies noted accounted for 75% of the sales dollar decline in domestic jeanswear. The balance was due to selected price reductions and changes in product mix. Our jeanswear sales at Wal-Mart Stores, Inc., our largest customer, increased slightly during 2003 despite the introduction by Levi Strauss & Co. of a new line of jeans in the discount channel in the United States and Canada. The introduction of this competing product during the second quarter at Wal-Mart, and an additional discount chain late in the year, did result in some reduction in floor space for VF products and some lost sales. International jeanswear sales increased 5% in 2003 due to a $72 million favorable effect of foreign currency translation. Domestic intimate apparel sales in 2003 were flat in the department store and mass market channels, but overall declined by 3% due to a decrease in private label programs. However, new private label programs are scheduled to be launched during 2004. International intimate apparel sales increased by 9%, due to a $25 million favorable currency translation effect. Sales declined 18% in childrenswear in 2003 due to competitive factors in the department store channel of distribution, particularly the increasing presence of private label goods; see the fourth paragraph below discussing the possible disposition of this business. The newly acquired Nautica, Earl Jean and John Varvatos businesses contributed $249 to 2003 sales.

Consumer Apparel Segment Profit declined by 10% during 2003. This was composed of a 6% increase from the contribution of the acquisition cited above, offset by a 16% decline in our ongoing businesses. In the ongoing businesses, over 60% of the decline related to the bankruptcies mentioned above. Also in our ongoing businesses, Segment Profit declined due to selected price decreases and a net change in product mix (lower margin products primarily in our domestic jeanswear business), offset by benefits resulting from the Strategic Repositioning Program.

During 2002, overall segment sales declined by 3%. Slightly over one-half of the sales decline was due to the two bankruptcies cited above. Overall domestic jeanswear sales declined by 4% in 2002, primarily as a result of these bankruptcies. The remainder of the sales decline existed within our intimate apparel and childrenswear businesses, offset by gains in our European jeanswear business. Favorable foreign currency translation effects in European jeanswear and intimate apparel were offset by negative currency translation effects in Latin America, primarily resulting from the devaluation of the Argentine peso. Domestic intimate apparel sales declined

4% in 2002, as increases in the Vanity Fair(R) and licensed Tommy Hilfiger(R) department store brands were more than offset by a lack of new private label programs and by competitive pressures in the mass channel resulting in a reduction in floor space for the Vassarette(R) brand. International intimate apparel sales were flat in 2002, including a $6 million favorable currency translation effect.

Consumer Apparel Segment Profit advanced 8% in 2002. Profit increased across all

business units, with the exception of childrenswear, and was due to cost reduction benefits realized from the Strategic Repositioning Program. Partially offsetting this increase was the effect of the reduced volume resulting from the bankruptcies cited above. And at domestic jeanswear, selected price reductions were offset by favorable changes in product mix.

To strengthen its business portfolio, VF exited two underperforming businesses during 2002. Considering the declining sales and current unprofitable operations of our childrenswear business, consisting of the Healthtex(R) and licensed Nike(R) brands, we have evaluated various strategic options over the last year and are currently planning to sell the business. In addition, the John Varvatos business, acquired as part of the Nautica acquisition, is being held for sale. These business units had combined 2003 sales of $148.5 million and an operating loss of $10.8 million. A possible disposition of the childrenswear business could result in a loss representing $0.03 to $0.05 per share in 2004. Since the John Varvatos business was recorded at its expected sales proceeds, a possible disposition would not have a significant effect on our operating results. See Note C to the consolidated financial statements for more information.

Outdoor Apparel and Equipment:

The Outdoor Apparel and Equipment segment consists of VF's outdoor-related businesses represented by The North Face(R) products (outerwear and equipment) and the JanSport(R) and Eastpak(R) brands (daypacks and backpacks). Sales increased 14% and profit increased 32% in 2003, with 6% (or $31 million) of the sales increase and 11% of the profit increase due to the effects of foreign currency translation. During 2003, sales and profits advanced sharply at The North Face in both the United States and Europe due to strong consumer demand for its products. Sales and profits increased slightly in the backpack and daypack business.

During 2002, Segment Sales increased 3%. An increase of 20% in first quality sales of The North Face(R) products in the United States and an 11% increase in our international Outdoor businesses were partially offset by lower domestic sales of JanSport(R) and Eastpak(R) daypacks. Segment Profit increased 19% in 2002. Profitability improved as a lower percentage of products at

The North Face were sold at reduced prices. In addition, costs as a percent of sales declined at The North Face due to a sales force reorganization, a change in service provider for its contracted distribution center and savings from the combination of administrative functions with JanSport.

Occupational Apparel:

The Occupational Apparel segment includes VF's industrial, career and safety apparel businesses. Sales decreased 8% in 2003. Unit volume declined 15% related to (1) workforce reductions in the United States manufacturing sector that has impacted overall workwear uniform sales and (2) the ongoing consolidation of our industrial laundry customers and those customers placing greater reliance on their in-house manufacturing and product sourcing. Partially offsetting this unit decline in basic industrial workwear was an improvement in average price due to growth in our Bulwark protective apparel business, which has higher average selling prices per unit.

Segment Sales declined 8% in 2002. Declines in the basic workwear business, for the two reasons cited in the prior paragraph, were partially offset by new uniform programs with major corporate and governmental customers, particularly the Transportation Security Administration (TSA).

Segment Profit increased 14% in 2003 and 72% in 2002 due to cost reduction benefits resulting from the Strategic Repositioning Program, allowing for higher margin dollars on a lower sales volume.

All Other:

The All Other segment includes VF's licensed sportswear and distributor knitwear businesses. Sales increased 2% in 2003, and Segment Profit was flat. During 2002, sales increased 11% and Segment Profit increased 20% over the prior year. The increase in sales and profits was due to higher sales of licensed apparel products, in part related to a new agreement with the National Football League, offset in part by declines in the distributor knitwear business.

Reconciliation of Segment Profit to Consolidated Income before Income Taxes: There are four types of costs necessary to reconcile total Segment Profit, as discussed in the preceding paragraphs, to Consolidated Income from Continuing Operations before Income Taxes. See Note R to the consolidated financial statements. The first of these is Corporate and Other Expenses, which consists of corporate and similar costs that are not apportioned to the

business segments. These expenses are summarized as follows and discussed in the paragraphs below:

<TABLE>
<CAPTION>

In millions	2003	2002	2001
<S>	<C>	<C>	<C>
Information systems	$ 121.6	$ 124.8	$ 138.9
Less costs apportioned to segments	(98.3)	(99.8)	(111.4)
Application development costs	23.3	25.0	27.5
Headquarter's costs	47.5	47.6	41.4
Trademark maintenance and enforcement	10.3	11.3	6.3
Other	0.7	19.3	(6.2)
Corporate and Other Expenses	$ 81.8	$ 103.2	$ 69.0

</TABLE>

- Information Systems - Included are all costs of our management information systems and of our centralized shared services center. Operating costs of information systems and shared services are charged to the business segments based on utilization of those services, such as minutes of computer processing time, number of transactions or number of users. However, costs to develop and implement new computer applications that will be implemented across VF are not allocated to the business segments. Information systems costs were lower in 2003 and 2002 due to reductions in VF staffing and in consulting services since 2001.

- Headquarter's Costs - Centralized retirement and insurance costs are charged directly to the appropriate business units. Other headquarter's costs include compensation and benefits of corporate management and staff, legal and professional fees, and administrative and general expenses, which are not apportioned to the business units. Costs in 2003 and 2002 were higher than the 2001 level. Costs increased in 2003 relative to 2001 due to an increase in legal and professional fees and increased in 2002 due to the $4.0 million initial funding of the VF Foundation for charitable grants, higher incentive compensation earned in that year based on VF's financial performance relative to its targets and professional fees incurred for acquisition efforts.

- Trademark Maintenance and Enforcement - Legal and other costs of registering, maintaining and enforcing VF's portfolio of trademarks, plus costs of licensing administration, are controlled by a centralized trademark and licensing staff and are not allocated to the business units. The majority of the change in costs from year-to-year related to losses on hedging foreign licensing cash flows in 2003 and 2002 and to similar hedging gains in 2001.

- Other - This category includes adjustments to convert the earnings of certain business units from the FIFO inventory valuation method used for internal reporting to the LIFO method for consolidated financial reporting, various consolidating adjustments, and miscellaneous items that result from corporate programs or corporate-managed decisions not allocated to the business units for internal management reporting. In 2002, this category included a special $8.0 million incentive compensation payment covering most employees and an increase of $3.7 million in worker's compensation expense due to refinement of the estimated expense, based on consultation with our independent adviser. These charges were retained in corporate for

internal management reporting instead of being apportioned to the business units based on the nature of these items and the inability of our business unit management to influence such items. Similarly in 2001, this category included favorable pension expense and worker's compensation insurance expense adjustments, based on consultation with our independent advisers.

The three other types of costs included in the reconciliation of Segment Profit to Consolidated Income from Continuing Operations before Income Taxes are discussed as follows:

- - Interest Expense, Net - Financing costs are managed in the corporate offices and are not under the control of business segment management. Interest expense was discussed in the previous Consolidated Statements of Income section.

- - Amortization of Intangible Assets and Goodwill - Business unit management has direct responsibility for all operating assets under their control. Acquisition-related intangible assets are considered as nonoperating assets. Accordingly, these assets and their noncash amortization charges are not considered to be under the control of business unit management. Excluding these amortization charges from business unit results provides better comparability of operating results among VF's business units. The expense in 2003 resulted from amortization of intangible assets from the acquisitions completed during 2003; see Note F to the consolidated financial statements. Amounts in the two preceding years related to amortization of goodwill in 2001 and to goodwill impairment charges in both 2002 and 2001; see Notes G and P to the consolidated financial statements.

- - Restructuring Charges, Net - Although restructuring costs result from decisions influenced by business unit management, these costs are not charged to the business units for internal management reporting because of the unusual nature of these costs and their effect on comparability of operating performance among VF's business units and between periods.

These costs relate to the 2001/2002 Strategic Repositioning Program. See the discussion in a previous section, Restructuring Charges and Discontinued Operations, and see Note P to the consolidated financial statements.

ANALYSIS OF FINANCIAL CONDITION

BALANCE SHEETS

Accounts Receivable increased in 2003 due to the acquisition of Nautica and to the effects of foreign currency translation on international balances. The number of days' sales outstanding declined slightly in 2003. The allowance for bad debts increased due to the acquisition of Nautica.

Inventories increased in 2003 due to the acquisition of Nautica and to the effects of foreign currency translation on international balances. Inventory levels declined significantly during 2001 and 2002 through more efficient sales forecasting and production planning techniques. In addition, we have been planning cautiously in this retail environment.

Property, Plant and Equipment, Intangible Assets and Goodwill each increased in 2003 due to the acquisition of Nautica. See Notes B, E, F and G to the consolidated financial statements.

Short-term Borrowings, all at international businesses, were reduced during 2003 by cash provided from operations. Both Accounts Payable and Accrued Liabilities increased in 2003 due to the acquisition of Nautica.

In October 2003, following the acquisition of Nautica, VF issued $300.0 million principal amount of 30 year notes. These notes are recorded at year-end at $292.1 million, net of unamortized original issue discount. Considering the issue discount, along with debt issuance costs and a deferred gain on a related interest rate hedging contract, this borrowing has an effective annual interest cost of 6.19%. In addition, long-term debt includes $59.0 million representing the discounted value of obligations related to the purchase of rights from Mr. David Chu. See Note J to the consolidated financial statements.

Other Liabilities increased in 2003 due to an increase in pension liabilities; see Note K to the consolidated financial statements and the following paragraph. In addition, Other Liabilities included increased balances for nonqualified deferred compensation plans, which resulted in a comparable increase in Other Assets for the amount of VF-owned investment securities held in

irrevocable trusts to fund those liabilities.

In VF's defined benefit pension plans, accumulated benefit obligations exceeded the fair value of plan assets by $248.6 million at our plans' latest September 30 valuation date. At the end of 2003, VF had a minimum pension liability of $199.2 million and a related charge of $160.9 million, net of income taxes, to Accumulated Other Comprehensive Income (Loss). Of the total liability, $55.0 million was recorded as a current liability based on our funding plan for 2004 and $144.2 million was recorded as a long-term liability. This status at the end of 2003 compares with a minimum pension liability of $177.6 million at the end of 2002 (of which $75.0 was classified as a current liability) and a related charge to Accumulated Other Comprehensive Income (Loss), net of income taxes, of $128.5 million. The underfunded status of the plans increased during 2003, despite the significant growth in plan assets, because the present value of accumulated benefit liabilities increased by a larger amount as a result of the decline in the discount rate used to value benefit liabilities.

LIQUIDITY AND CASH FLOWS

The financial condition of VF is reflected in the following:

<TABLE>
<CAPTION>

Dollars in millions	January 3 2004	January 4 2003
<S>	<C>	<C>
Working capital	$ 1,336.7	$ 1,199.7
Current ratio	2.5 to 1	2.4 to 1
Debt to total capital	33.7%	28.6%

</TABLE>

For the ratio of debt to total capital, debt is defined as short-term and long-term borrowings, and total capital is defined as debt plus common stockholders' equity. Our ratio of net debt to total capital, with net debt defined as debt less cash and equivalents, was 19.6% at the end of 2003.

VF's primary source of liquidity is its strong cash flow provided by continuing operations, which was $543.7 million in 2003, $645.6 million in 2002 and $600.6 million in 2001. Cash provided by operating activities in 2003 included approximately $60 million of cash provided by Nautica for the period after its acquisition. Cash provided by operating activities during 2002 and 2001 was at a higher than normal level due to favorable changes in working capital. In addition, cash provided by discontinued operations totaled $69.9 million in 2002 and $81.9 million in 2001 from liquidation of working capital and, in 2002, from the sale of the Jantzen business and other

assets.

In addition to cash flow from operations, VF is well positioned to finance its ongoing operations and meet unusual circumstances that may arise. During 2003, VF entered into a new $750.0 million unsecured committed bank facility that expires in September 2008. This bank facility supports a $750.0 million commercial paper program. Any issuance of commercial paper would reduce the amount available under the bank facility. At the end of 2003, $736.0 million was available for borrowing under the credit agreement. The difference of $14.0 million was due to standby letters of credit issued under the agreement. Further, under a registration statement filed in 1994 with the Securities and Exchange Commission, VF has the ability to offer, on a delayed or continuous basis, up to $300.0 million of additional debt, equity or other securities.

The principal investing and financing activities in 2003 related to acquisitions. We paid cash of $578.0 million for acquisitions, primarily Nautica, net of $75.6 million of cash balances in the acquired companies. The acquisitions were funded on a near-term basis with existing cash balances, short-term commercial paper borrowings and $66.0 million of noninterest-bearing debt. In the four months following the Nautica acquisition, we borrowed $292.1 million in the long-term capital markets, repaid all commercial paper borrowings and $14.9 million of debt of the acquired companies, and ended the year with $514.8 million in cash and equivalents.

In October 2003, following the acquisition of Nautica, Standard & Poor's Ratings Services affirmed its `A minus' long-term corporate credit and senior unsecured debt ratings for VF, as well as its `A-2' commercial paper rating. Standard & Poor's ratings outlook is ` stable. ' Also in October, Moody's Investors Service lowered VF's long-term debt rating to `A3' from `A2' and short-term debt rating to `Prime-2' from `Prime-1' and continued the ratings outlook as `negative'. Based on current conditions, we do not believe that the negative rating change by Moody's will have a material impact on VF's ability to issue long or short-term debt. Existing debt agreements do not contain acceleration of maturity clauses based on changes in credit ratings.

Capital expenditures were $86.6 million in 2003, compared with $64.5 million and $78.3 million in 2002 and 2001, respectively. Capital expenditures each year generally relate to maintenance spending in our worldwide manufacturing and other facilities. We expect that capital spending could reach $90 million in 2004 and will be funded by cash flow from operations.

As discussed in the previous section, accumulated benefit obligations in VF's defined benefit

pension plans exceeded the fair value of plan assets by $248.6 million at the plans' latest valuation date. We believe that retirement benefits are important for our associates, and accordingly we are committed to maintaining a well-funded pension plan. Although VF was not required by applicable law to make any funding contribution to the qualified pension plan trust in 2003 and will not be required to do so in 2004, we made cash contributions of $75.0 million in February 2003 and $55.0 million in January 2004. These contributions were significantly higher than our contributions of $20 million in each of the prior two years. We will continue to monitor the funded status of the plan and evaluate future funding levels. VF has adequate liquidity to meet future funding requirements.

By early 2002, all of the Series B Convertible Preferred Stock had been allocated to participant accounts in the 401(k) savings plan. Since then, VF matching contributions to the savings plan have been made in cash instead of Preferred Stock. This change has not had a significant effect on VF's liquidity.

During 2003, VF purchased 1.7 million shares of its Common Stock in open market transactions at a cost of $61.4 million (average price of $36.55 per share) and in 2002 purchased 3.0 million shares at a cost of $124.6 million (average price of $41.54 per share). Under its current authorization from the Board of Directors, VF may purchase up to an additional 5.3 million shares. We suspended the share repurchase program during the second quarter of 2003 because of the purchase of Nautica. Depending on business acquisition opportunities that may arise, we could resume this program during 2004.

Cash dividends totaled $1.01 per common share in 2003, compared with $.97 in 2002 and $.93 in 2001. The dividend payout rate was 28% in 2003 based on income from continuing operations, compared with payout rates of 30% in 2002 and 49% in 2001. The current indicated annual dividend rate for 2004 is $1.04 per share.

Management believes that VF's cash balances and funds provided by operations, as well as unused credit lines, additional borrowing capacity and access to equity markets, taken as a whole, provide liquidity to meet all of its obligations when due and flexibility to meet investment opportunities that may arise. Specifically, we believe VF has adequate liquidity to repay the $100.0 million and $300.0 million of long-term debt obligations due in June and October 2005, respectively. Following is a summary of VF's fixed obligations at the end of 2003 that will require the use of funds:

<TABLE>
<CAPTION>

In millions	Total	2004	2005	2006	2007	2008	Thereafter
	Payments Due by Period						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Long-term debt	$ 972.3	$ 1.1	$ 401.2	$ 34.3	$ 34.4	$ 0.9	$ 500.4
Operating leases	369.5	78.3	64.7	53.0	41.1	35.1	97.3
Minimum royalty payments	87.6	23.2	17.9	18.8	19.2	4.3	4.2
Purchase obligations *	573.1	557.3	9.6	4.0	1.8	0.4	-
Other liabilities	266.9	23.4	22.2	25.5	18.8	17.0	160.0
Total	$ 2,269.4	$ 683.3	$ 515.6	$ 135.6	$ 115.3	$ 57.7	$ 761.9

</TABLE>

* The 2004 obligations primarily represent raw material and finished goods purchase obligations in the ordinary course of business that are payable upon satisfactory receipt of the inventory by VF.

We have other financial commitments at the end of 2003 that may require the use of funds under certain circumstances:

- Shares of Series B Convertible Preferred Stock have been issued to participants as matching contributions under the Employee Stock Ownership Plan. If requested by the trustee of the ESOP, VF has an obligation to redeem Preferred Stock held in participant accounts and to pay each participant the value of their account. The amounts of these redemptions vary based on the conversion value of the Preferred Stock. In 2003, no funds were required as the ESOP trustee elected to convert the Preferred Stock of withdrawing participants into shares of Common Stock. Payments made for redemption of Preferred Stock were $5.8 million in 2002 and $2.6 million in 2001.

- VF has entered into $72.3 million of surety bonds and standby letters of credit representing contingent guarantees of performance under self-insurance and other programs. These commitments would only be drawn upon if VF were to fail to meet its claims obligations.

RISK MANAGEMENT

VF is exposed to a variety of market risks in the ordinary course of business. We regularly assess these potential risks and manage our exposures to these risks through our operating and financing activities and, when appropriate, by utilizing natural hedges and by creating offsetting positions through the use of derivative financial instruments. We do not use derivative financial instruments for trading or speculative purposes.

We limit the risk of interest rate fluctuations on net income and cash flows by managing our mix of fixed and variable interest rate debt. In addition, we may also use derivative financial instruments to minimize our interest rate risk. Since our long-term debt has fixed interest rates, our primary interest rate exposure relates to changes in interest rates on short-term borrowings, which averaged $123 million during 2003. However, any change in interest rates would also affect interest income earned on VF's cash equivalents on deposit. Based on average amounts of short-term borrowings and of cash on deposit during 2003, the effect of a hypothetical 1.0% change in interest rates on reported net income would not be material.

VF has foreign businesses that operate in functional currencies other than the United States dollar (except in Turkey, where we use the United States dollar because of the high inflation rate in that country). Assets and liabilities in these foreign businesses are subject to fluctuations in foreign currency exchange rates. Investments in these primarily European and Latin American businesses are considered to be long-term investments, and accordingly, foreign currency translation effects on those net assets are included in a component of Accumulated Other Comprehensive Income (Loss) in Common Stockholders' Equity. We do not hedge these net investments and do not hedge the translation of foreign

currency operating results into the United States dollar.

A growing percentage of the total product needs to support our domestic and European businesses are manufactured in our plants in foreign countries or by foreign contractors. We monitor net foreign currency market exposures and may in the ordinary course of business enter into foreign currency forward exchange contracts to hedge specific foreign currency transactions or anticipated cash flows. Use of these financial instruments allows us to reduce VF's overall exposure to exchange rate movements, since gains and losses on these contracts will offset the losses and gains on the transactions being hedged. Our practice is to hedge a portion of our significant net foreign currency cash flows, by buying or selling United States dollar contracts against various currencies, relating to cross-border inventory purchases and production costs, product sales and intercompany royalty payments anticipated for the following 12 months.

If there were a hypothetical adverse change in foreign currency exchange rates of 10% relative to the United States dollar, the expected effect on the fair value of the hedging contracts outstanding at January 3, 2004 would be approximately $19 million. Based on changes in the timing and amount of foreign currency exchange rate movements, actual gains and losses could differ.

VF has nonqualified deferred compensation plans in which liabilities accrued for the plans' participants are based on market values of investment funds that are selected by the participants. The risk of changes in the market values of the participants' underlying investment selections is hedged by VF's investments in a portfolio of securities, including variable life insurance contracts, that substantially mirror the investment selections underlying the deferred compensation liabilities. These VF-owned investment securities are held in irrevocable trusts. Increases and decreases in deferred compensation liabilities are substantially offset by corresponding increases and decreases in the market value of VF's investments, resulting in a negligible net exposure to our operating results and financial position.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have chosen accounting policies that we believe are appropriate to accurately and fairly report VF's operating results and financial position in conformity with accounting principles generally accepted in the United States. We apply these accounting policies in a consistent manner. Our significant accounting policies are summarized in Note A to the consolidated financial statements.

The preparation of financial statements requires that we make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures. These estimates and assumptions are based on historical and other factors believed to be reasonable under the circumstances. We evaluate these estimates and assumptions on an ongoing basis and may retain outside consultants to assist in our evaluation. Actual results may differ from these estimates.

We believe the following accounting policies involve the most significant management judgments and estimates used in preparation of our consolidated financial statements or are the most sensitive to change from outside factors. We have discussed the application of these critical accounting policies and estimates with the Audit Committee of our Board of Directors.

- Inventories - Our inventories are stated at the lower of cost or market value. We review all of our inventory each quarter on the basis of individual style-size-color stockkeeping units (SKUs) to identify excess or slow moving products, discontinued and to-be-discontinued products, and off-quality merchandise. This review covers inventory on hand, as well as current production or purchase commitments. For those units in inventory that are so identified, we estimate their market value based on current realization trends. This evaluation, performed using a systematic and consistent methodology, requires forecasts of

future demand, market conditions and selling prices. If the forecasted selling price is less than cost, we provide an allowance to reflect the lower value of that inventory. This methodology recognizes forecasted inventory losses, on an individual SKU basis, at the time such losses are

evident rather than at the time goods are actually sold.

- - Long-lived assets - Our depreciation policies for our property, plant and equipment and our amortization policies for our definite-lived intangible assets reflect judgments on the estimated economic lives of these assets. We review these assets for possible impairment whenever events or circumstances indicate that the carrying amount of an asset may not be fully recoverable. We measure recoverability of the carrying value of these assets by comparison with undiscounted cash flows expected to be generated by those assets. These evaluations have not resulted in any significant impairment adjustments during the past three years, except for those made in conjunction with restructuring actions taken in 2002 and 2001.

  In connection with our adoption of FASB Statement No. 142, Goodwill and Other Intangible Assets, as of the beginning of 2002, we performed a review of our goodwill for possible impairment. The review required that we estimate the fair value of our business units having goodwill. Fair value was based on the present value of expected future cash flows, which required judgment and estimation about future market conditions, future sales and profitability, and a discount rate commensurate with the risk inherent in each business unit. We engaged an independent valuation firm to assist management in determining the fair value of these business units. The write-down resulting from this review was recorded as the cumulative effect of a change in accounting policy as of the beginning of 2002.

  This Statement also requires us to reevaluate goodwill and indefinite-lived intangible assets in all business units at least annually or more frequently if there is an indication of possible impairment. We perform this annual review during the fourth quarter of each year. For 2003, the indicated fair value of the goodwill and indefinite-lived intangible assets in the respective business units exceeded the carrying amount of those assets, and no further evaluation was necessary. For 2002, we determined that $2.3 million of goodwill in our childrenswear business unit was impaired and, accordingly, recorded an impairment charge in the fourth quarter of 2002.

  We recorded the property, plant and equipment acquired in our 2003 acquisition of Nautica at the fair value of those assets, most of which had been acquired within the prior three years.

  We recorded Nautica's intangible assets at their fair values based on an independent appraisal.

- - Pension obligations - VF sponsors defined benefit pension plans as a key retirement benefit for most domestic employees. Since pension obligations will ultimately be settled far in the future, determination of annual pension expense is subject to assumptions and estimation. The principal assumptions are summarized in Note L to the consolidated financial statements. We review these assumptions annually and modify them based on current rates and trends. Actual results may vary from the actuarial assumptions used.

  One of the critical assumptions used in the actuarial model is the discount rate. The rate we use is based on market interest rates for high quality corporate debt instruments at our annual September 30 valuation date and is therefore subject to change each year based on current market conditions. The discount rate is used to estimate the present value of our accumulated and projected benefit obligations at the valuation date. The 0.75% reduction in the discount rate in 2003 resulted in a higher present value of benefit obligations at the end of 2003, which in turn leads to higher pension expense in future years.

  Another critical assumption is the expected long-term rate of return on the plan's investment assets. Because the rate of return is a long-term assumption, it generally does not change each year. This rate is determined in consultation with our independent actuary and is based on several factors, including the plan's mix of investment assets, historic market returns on those assets and current market conditions. We have used an 8.75% return assumption in each of the last three years, which has been less than our actual compounded annual return over the last 15 years. Based on a current evaluation of the factors mentioned above, we will be using an

8.50% investment return assumption for 2004.

The sensitivity of changes in these valuation assumptions on our annual pension expense and on our plans' projected benefit obligations (PBO), all other factors being equal, is illustrated by the following:

<TABLE>
<CAPTION>

	Increase (Decrease) in	
Dollars in millions	Pension Expense	PBO
<S>	<C>	<C>
0.50% decrease in discount rate	$ 14	$ 76
0.50% increase in discount rate	(13)	(70)
0.50% decrease in expected investment return	3	
0.50% increase in expected investment return	(3)	

</TABLE>

Differences between actual results and actuarial assumptions are accumulated and amortized over future periods. During the last three years, actual results have differed significantly from actuarial assumptions. Our pension plan liabilities increased substantially as a result of the decline in the discount rate over the last three years. Our actual investment return on pension plan assets was significantly below the assumed rate in 2001 and 2002 due to the overall decline in the securities markets, but actual returns exceeded the assumed rate in 2003. At our 2003 valuation date, we had $321.4 million of accumulated net unrecognized losses. These net unrecognized losses are amortized over periods of up to ten years.

The cost of pension benefits earned by our employees (commonly called service cost) has averaged $18.8 million per year over the last three years. However, pension expense recognized in our financial statements has varied significantly from that average annual service cost due to the amortization of accumulated net unrecognized gains and losses. Our recorded pension expense for continuing operations was $55.7 million in 2003, compared with $26.2 million in 2002 (including a $2.4 million partial plan curtailment charge) and $15.5 million in 2001 (including an $11.6 million curtailment charge). The 2003 expense was higher than the average annual service cost because it included a significant cost component for amortization of net unrecognized losses. On the other hand, the 2001 pension expense was less than the average annual cost service because expense in that year included a credit for amortization of net unrecognized gains.

Our accumulated benefit obligations exceeded the fair value of plan assets at our most recent valuation date. Accordingly, we have recorded a minimum pension liability of $199.2 million. The amount of the liability, along with the related charge to Common Stockholders' Equity, could change significantly in future years depending on securities market fluctuations affecting actual earnings of the pension plan assets, interest rates and the level of VF contributions to the plan. To improve the funded status of the plan, we made a $55.0 million contribution to the plan in January 2004 and a $75.0 million contribution in 2003.

- - Restructuring charges - We have provided restructuring charges as we have reduced our manufacturing, marketing and administrative cost structure and exited underperforming businesses in 2002 and 2001. We have also recognized liabilities assumed in business acquisitions where it is our intent to exit certain activities or terminate certain employees as we integrate the operations of the acquired company with those of VF. Principal costs relate to workforce reduction and consolidation and elimination of facilities. Severance and related charges are accrued based on an estimate of amounts that will be paid to affected employees. Asset impairment charges related to the consolidation or closure of manufacturing or distribution facilities are based on an estimate of expected sales proceeds for the real estate and equipment. Plans to exit facilities may result in charges for lease termination and losses for future lease payments, net of estimated sublease

income. Losses may also result from termination of existing contracts.

We reassess the individual accrual requirements at the end of each reporting period. If circumstances change, causing current estimates to differ from original estimates, adjustments are recorded in the period of change. Restructuring charges, and adjustments of those charges, are summarized in Notes B and P to the consolidated financial statements.

- - Income taxes - VF's income tax returns are regularly examined by federal, state and foreign tax authorities. These audits may result in proposed adjustments. We, in consultation with our independent advisers, have reviewed all issues raised upon examination and other possible exposures and have accrued amounts that reflect our best estimate of the probable outcome related to these matters. We do not anticipate any material impact on earnings from their ultimate resolution.

We have recorded net deferred income tax assets related to operating loss carryforwards at the amounts of benefits expected to be ultimately realized. An adjustment to income tax expense would be required in a future period if we determine that the amount of deferred tax assets to be realized differs from the net recorded amount.

We have not provided United States income taxes on a portion of our foreign subsidiaries' undistributed earnings because we intend to invest those earnings indefinitely. If we were to decide to remit those earnings to the United States in a future period, our provision for income taxes could increase in that period.

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

From time to time, we may make oral or written statements, including statements in this Annual Report, that constitute "forward-looking statements" within the meaning of the federal securities laws. This includes statements concerning plans, objectives, projections and expectations relating to VF's operations or economic performance, and assumptions related thereto.

Forward-looking statements are made based on our expectations and beliefs concerning future events impacting VF and therefore involve a number of risks and uncertainties. We caution that forward-looking statements are not guarantees and actual results could differ materially from those expressed or implied in the forward-looking statements.

Important factors that could cause the actual results of operations or financial condition of VF to differ include, but are not limited to, the overall level of consumer spending for apparel; changes in trends in the segments of the market in which VF competes; competitive conditions in and financial strength of our customers and of our suppliers; actions of competitors, customers, suppliers and service providers that may impact VF's business; the availability of new acquisitions that increase shareholder value; our ability to successfully integrate and to achieve sales and earnings growth from new acquisitions; our ability to complete planned divestitures; terrorist actions; and the impact of economic and political factors in the markets where VF competes, such as recession or changes in interest rates, currency exchange rates, price levels, capital market valuations and other factors over which we have no control.

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Stockholders
VF Corporation:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, comprehensive income, cash flows and common stockholders' equity present fairly, in all material respects, the financial position of VF Corporation and its subsidiaries at January 3, 2004 and January 4, 2003, and the results of their operations and their cash flows for each of the three fiscal years in the period ended January 3, 2004 in conformity with accounting principles generally accepted in the United States of America. These

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

As discussed in Note A to the consolidated financial statements, the Company changed its accounting policy for goodwill and other intangible assets in 2002.

PricewaterhouseCoopers LLP
Greensboro, North Carolina
February 11, 2004

VF CORPORATION
CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

In thousands, except share amounts	JANUARY 3 2004	JANUARY 4 2003
<S>	<C>	<C>
ASSETS		
CURRENT ASSETS		
Cash and equivalents	$ 514,785	$ 496,367
Accounts receivable, less allowances of $65,769 in 2003 and $48,227 in 2002	633,863	587,859
Inventories	932,985	830,518
Deferred income taxes	90,955	117,214
Other current assets	33,347	37,299
Current assets of discontinued operations	2,596	5,283
Total current assets	2,208,531	2,074,540
PROPERTY, PLANT AND EQUIPMENT	591,680	566,546
INTANGIBLE ASSETS	318,634	-
GOODWILL	700,972	473,355
DEFERRED INCOME TAXES	117,436	141,375
OTHER ASSETS	308,299	244,829
NONCURRENT ASSETS OF DISCONTINUED OPERATIONS	-	2,506
	$ 4,245,552	$ 3,503,151
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term borrowings	$ 33,948	$ 60,918
Current portion of long-term debt	1,144	778
Accounts payable	315,219	298,456
Accrued liabilities	515,630	502,057
Current liabilities of discontinued operations	5,916	12,635
Total current liabilities	871,857	874,844
LONG-TERM DEBT	956,383	602,287
OTHER LIABILITIES	436,018	331,270
REDEEMABLE PREFERRED STOCK	29,987	36,902
COMMON STOCKHOLDERS' EQUITY		
Common Stock, stated value $1; shares authorized, 300,000,000; shares outstanding, 108,170,091 in 2003 and 108,525,368 in 2002	108,170	108,525
Additional paid-in capital	964,990	930,132
Accumulated other comprehensive income (loss)	(189,455)	(214,141)
Retained earnings	1,067,602	833,332

Total common stockholders' equity	1,951,307	1,657,848
	-----------	-----------
	$ 4,245,552	$ 3,503,151
	===========	===========

</TABLE>

See notes to consolidated financial statements.

VF CORPORATION
CONSOLIDATED STATEMENTS OF INCOME

<TABLE>
<CAPTION>

	FISCAL YEAR ENDED		
In thousands, except per share amounts	JANUARY 3 2004	JANUARY 4 2003	DECEMBER 29 2001
<S>	<C>	<C>	<C>
NET SALES	$ 5,207,459	$ 5,083,523	$ 5,220,417
COSTS AND OPERATING EXPENSES			
Cost of goods sold	3,262,375	3,254,008	3,504,233
Marketing, administrative and general expenses	1,331,814	1,229,902	1,247,000
Royalty income and other	(31,619)	(24,587)	(23,056)
Goodwill impairment	-	2,276	3,963
Goodwill amortization	-	-	33,850
	4,562,570	4,461,599	4,765,990
OPERATING INCOME	644,889	621,924	454,427
OTHER INCOME (EXPENSE)			
Interest income	11,456	7,397	6,807
Interest expense	(61,368)	(71,325)	(93,364)
Miscellaneous, net	3,529	3,732	1,515
	(46,383)	(60,196)	(85,042)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	598,506	561,728	369,385
INCOME TAXES	200,573	197,300	152,107
INCOME FROM CONTINUING OPERATIONS	397,933	364,428	217,278
DISCONTINUED OPERATIONS	-	8,283	(79,448)
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING POLICY	-	(527,254)	-
NET INCOME (LOSS)	$ 397,933	$ (154,543)	$ 137,830
EARNINGS (LOSS) PER COMMON SHARE - BASIC			
Income from continuing operations	$ 3.67	$ 3.26	$ 1.90
Discontinued operations	-	.08	(.71)
Cumulative effect of change in accounting policy	-	(4.83)	-
Net income (loss)	3.67	(1.49)	1.19
EARNINGS (LOSS) PER COMMON SHARE - DILUTED			
Income from continuing operations	$ 3.61	$ 3.24	$ 1.89
Discontinued operations	-	.07	(.69)
Cumulative effect of change in accounting policy	-	(4.69)	-
Net income (loss)	3.61	(1.38)	1.19
CASH DIVIDENDS PER COMMON SHARE	$ 1.01	$ .97	$ .93

</TABLE>

See notes to consolidated financial statements.

VF CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<TABLE>
<CAPTION>

In thousands	FISCAL YEAR ENDED JANUARY 3 2004	JANUARY 4 2003	DECEMBER 29 2001
<S>	<C>	<C>	<C>
NET INCOME (LOSS)	$ 397,933	$(154,543)	$ 137,830
OTHER COMPREHENSIVE INCOME (LOSS)			
Foreign currency translation			
Amount arising during year	89,000	40,693	(24,340)
Less income tax effect	(40,157)	(15,252)	6,317
Minimum pension liability adjustment			
Amount arising during year	(52,691)	(205,080)	(2,504)
Less income tax effect	20,335	78,239	851
Derivative financial instruments			
Amount arising during year	(14,492)	(15,802)	14,161
Less income tax effect	5,536	6,168	(5,693)
Reclassification to net income for (gains) losses realized	15,817	280	(7,151)
Less income tax effect	(6,042)	(107)	2,875
Unrealized gains and losses on marketable securities			
Amount arising during year	13,730	(3,184)	(952)
Less income tax effect	(5,369)	1,255	373
Reclassification to net income for (gains) losses realized	(1,613)	2,763	1,502
Less income tax effect	632	(1,074)	(604)
COMPREHENSIVE INCOME (LOSS)	$ 422,619	$(265,644)	$ 122,665

</TABLE>

See notes to consolidated financial statements.

VF CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

In thousands	FISCAL YEAR ENDED JANUARY 3 2004	JANUARY 4 2003	DECEMBER 29 2001
<S>	<C>	<C>	<C>
OPERATIONS			
Net income (loss)	$ 397,933	$(154,543)	$ 137,830
Adjustments to reconcile net income (loss) to cash provided by operating activities of continuing operations:			
Discontinued operations	-	(8,283)	79,448
Cumulative effect of change in accounting policy	-	527,254	-
Restructuring costs	-	26,342	104,777
Depreciation	104,463	107,398	125,715
Goodwill amortization and impairment	-	2,276	33,850

Other amortization	13,913	14,247	12,343
Provision for doubtful accounts	11,197	18,490	28,710
Pension expense	(21,785)	3,770	(6,533)
Deferred income taxes	30,961	70,849	(14,750)
Other, net	13,889	(12,225)	(20,398)
Changes in current assets and liabilities:			
Accounts receivable	47,502	(24,077)	68,912
Inventories	61,596	43,253	170,554
Other current assets	22,865	(135)	(9,411)
Accounts payable	(60,636)	54,123	(70,422)
Accrued compensation	(42,823)	28,697	3,445
Accrued restructuring	(25,392)	(44,798)	(40,755)
Other accrued liabilities	(9,979)	(7,054)	(2,759)
	---------	---------	-----------
Cash provided by operating activities of continuing operations	543,704	645,584	600,556
INVESTMENTS			
Capital expenditures	(86,619)	(64,503)	(78,320)
Business acquisitions, net of cash acquired	(578,038)	(1,342)	(5,057)
Software purchases	(12,775)	(12,141)	(15,904)
Sale of property, plant and equipment	17,964	25,731	9,611
Other, net	(51)	7,675	(1,163)
	---------	---------	-----------
Cash used by investing activities of continuing operations	(659,519)	(44,580)	(90,833)
FINANCING			
Decrease in short-term borrowings	(30,080)	(16,586)	(61,850)
Proceeds from long-term debt	292,110	-	-
Payments on long-term debt	(16,183)	(301,564)	(114,302)
Purchase of Common Stock	(61,400)	(124,623)	(146,592)
Cash dividends paid	(111,258)	(108,773)	(106,864)
Proceeds from issuance of Common Stock	32,631	39,753	44,632
Other, net	(510)	(8,290)	7,193
	---------	---------	-----------
Cash provided (used) by financing activities of continuing operations	105,310	(520,083)	(377,783)
NET CASH PROVIDED (USED) BY DISCONTINUED OPERATIONS	(1,417)	69,899	81,876
EFFECT OF FOREIGN CURRENCY RATE CHANGES ON CASH	30,340	13,498	(658)
	---------	---------	-----------
NET CHANGE IN CASH AND EQUIVALENTS	18,418	164,318	213,158
CASH AND EQUIVALENTS - BEGINNING OF YEAR	496,367	332,049	118,891
	---------	---------	-----------
CASH AND EQUIVALENTS - END OF YEAR	$ 514,785	$ 496,367	$ 332,049
	=========	=========	==========

</TABLE>

See notes to consolidated financial statements.

VF CORPORATION
CONSOLIDATED STATEMENTS OF COMMON STOCKHOLDERS' EQUITY

<TABLE>
<CAPTION>

In thousands	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	RETAINED EARNINGS
	---------	----------	-------------	-----------
<S>	<C>	<C>	<C>	<C>
BALANCE, DECEMBER 30, 2000	$ 112,259	$ 833,441	$ (87,875)	$ 1,333,988
Net income	-	-	-	137,830
Cash dividends:				
Common Stock	-	-	-	(103,717)
Series B Convertible Preferred Stock	-	-	-	(3,147)

Tax benefit from Preferred Stock dividends	-	-	-	132
Redemption of Preferred Stock	-	-	-	(2,571)
Purchase of treasury shares	(4,000)	-	-	(142,592)
Stock compensation plans, net	1,694	51,197	-	(124)
Common Stock held in trust for deferred compensation plans	45	-	-	1,401
Foreign currency translation	-	-	(18,023)	-
Minimum pension liability adjustment	-	-	(1,653)	-
Derivative financial instruments	-	-	4,192	-
Unrealized gains on investment securities	-	-	319	-
	---------	----------	-------------	-----------
BALANCE, DECEMBER 29, 2001	109,998	884,638	(103,040)	1,221,200
Net loss	-	-	-	(154,543)
Cash dividends:				
Common Stock	-	-	-	(106,018)
Series B Convertible Preferred Stock	-	-	-	(2,755)
Tax benefit from Preferred Stock dividends	-	-	-	12
Redemption of Preferred Stock	-	-	-	(5,780)
Conversion of Preferred Stock	182	-	-	3,332
Purchase of treasury shares	(3,000)	-	-	(121,623)
Stock compensation plans, net	1,345	45,494	-	(381)
Common Stock held in trust for deferred compensation plans	-	-	-	(112)
Foreign currency translation	-	-	25,441	-
Minimum pension liability adjustment	-	-	(126,841)	-
Derivative financial instruments	-	-	(9,461)	-
Unrealized losses on marketable securities	-	-	(240)	-
	---------	-----------	-------------	-----------
BALANCE, JANUARY 4, 2003	$ 108,525	$ 930,132	$ (214,141)	$ 833,332

</TABLE>

VF CORPORATION

CONSOLIDATED STATEMENTS OF COMMON STOCKHOLDERS' EQUITY (continued)

<TABLE>
<CAPTION>

In thousands	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	ACCUMULATED OTHER COMPREHENSIVE INCOME(LOSS)	RETAINED EARNINGS
	---------	----------	-------------	-----------
<S>	<C>	<C>	<C>	<C>
BALANCE, JANUARY 4, 2003	$ 108,525	$ 930,132	$ (214,141)	$ 833,332
Net income	-	-	-	397,933
Cash dividends:				
Common Stock	-	-	-	(109,020)
Series B Convertible Preferred Stock	-	-	-	(2,238)
Conversion of Preferred Stock	358	-	-	6,556
Purchase of treasury shares	(1,680)	-	-	(59,720)
Stock compensation plans, net	943	34,858	-	(333)
Common Stock held in trust for deferred compensation plans	24	-	-	1,092
Foreign currency translation	-	-	48,843	-
Minimum pension liability adjustment	-	-	(32,356)	-
Derivative financial instruments	-	-	819	-
Unrealized gains on marketable securities	-	-	7,380	-
	---------	----------	-------------	-----------
BALANCE, JANUARY 3, 2004	$ 108,170	$ 964,990	$ (189,455)	$ 1,067,602
	=========	==========	============	===========

</TABLE>

See notes to consolidated financial statements.

VF CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JANUARY 3, 2004

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF BUSINESS: VF Corporation (VF) is a U.S.-based multinational corporation that designs and manufactures or sources from independent contractors a variety of apparel for all ages. VF is a consumer apparel company with significant market shares in jeanswear, sportswear, intimate apparel and outdoor apparel marketed primarily under VF-owned brand names. VF is also a leader in occupational apparel and in daypacks, backpacks and technical outdoor equipment.

VF markets these products to a broad customer base of department, discount and specialty stores throughout the world. VF's ten largest customers, all U.S.-based retailers, accounted for 40.7% of consolidated 2003 sales and 30.7% of total receivables at the end of 2003. Considering this concentration, VF continuously monitors the creditworthiness of its customers and has established internal policies regarding customer credit limits.

BASIS OF PRESENTATION: The financial position, results of operations and cash flows of two businesses that were disposed of during 2002 have been presented as discontinued operations for all periods. See Note C.

PRINCIPLES OF CONSOLIDATION: The consolidated financial statements include the accounts of VF and its wholly owned subsidiaries, after elimination of intercompany transactions and profits. Investments in two 50%-owned joint ventures are accounted for using the equity method of accounting.

FOREIGN CURRENCY TRANSLATION: Financial statements of most foreign subsidiaries are measured using the local currency as the functional currency. Assets and liabilities denominated in a foreign currency are translated into U.S. dollars using exchange rates in effect at the balance sheet date, and income statement elements are translated at average exchange rates during the year. Translation gains and losses are reported in Accumulated Other Comprehensive Income (Loss). For foreign subsidiaries that use the U.S. dollar as their functional currency, the effects of remeasuring assets and liabilities into U.S. dollars is included in income. Also included in income are net transaction gains of $5.3 million in 2003, $3.1 million in 2002 and $0.7 million in 2001 arising from transactions denominated in a currency other than the functional currency of a particular entity.

CASH AND EQUIVALENTS includes demand deposits and temporary investments that are readily convertible into cash and have an original maturity of three months or less.

INVENTORIES are stated at the lower of cost or market. Cost is determined on the first-in, first-out (FIFO) method for 66% of total 2003 inventories and 59% of 2002 inventories. For remaining inventories, cost is determined on the last-in, first-out (LIFO) method (primarily due to Internal Revenue Service conformity requirements where LIFO is used for income tax purposes). The LIFO method is used for jeanswear, wholesale sportswear and occupational apparel inventories located in the United States and Canada.

LONG-LIVED ASSETS: Property, plant and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 10 years for machinery and equipment and up to 40 years for buildings. Intangible assets, other than those having indefinite lives,

are amortized over their estimated useful lives using straight-line or accelerated methods. The useful lives of property and intangible assets are reviewed annually.

VF's policy is to evaluate property and amortizable intangible assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. An impairment loss would be recorded if undiscounted future cash flows were not expected to be adequate to recover the assets' carrying value.

GOODWILL represents the excess of costs over the fair value of net tangible assets and identifiable intangible assets of businesses acquired. Through 2001, goodwill was amortized using the straight-line method over 10 to 40 years. Effective at the beginning of 2002, VF adopted Financial Accounting Standards Board (FASB) Statement No. 142, Goodwill and Other Intangible Assets. Under this Statement, goodwill and intangible assets with indefinite useful lives are not amortized but must be tested at least annually at the individual reporting unit level to determine if a write-down in value is required. Other intangible assets are amortized over their estimated useful lives. The new Statement also required an initial test for write-down of existing goodwill and intangible assets to determine if the existing carrying value exceeded its fair value at the beginning of 2002.

In adopting the Statement, VF estimated the fair value of its individual business reporting units on a discounted cash flow basis. VF engaged an independent valuation firm to review the fair value of its business units and, where there was an indication that the recorded amount of goodwill might be greater than its fair value, to assist management in determining the amount of the possible write-down in value. This evaluation indicated that recorded goodwill exceeded its fair value at several business units where performance had not met management's expectations at the time of their acquisition. The fair values of the net tangible and intangible assets of these business units, and the related goodwill write-downs, were measured in accordance with the requirements of this Statement. The resulting write-downs of goodwill were primarily attributable to differences between the fair value approach under this Statement and the undiscounted cash flow approach used under previous accounting literature. The amount of write-down, and the business units accounting for the charges, are summarized by reportable segment as follows (in thousands):

<TABLE>
<CAPTION>

Business Segment	Amount	Business Unit
Consumer Apparel	$ 232,126	European intimate apparel, children's apparel and Latin American jeanswear
Occupational Apparel	109,543	Workwear
All Other	185,585	Licensed knitwear

</TABLE>

Accordingly, VF recorded a noncash charge of $527.3 million ($4.69 per diluted share), which was recognized as the cumulative effect of a change in accounting policy in the Consolidated Statement of Income at the beginning of 2002. There was no income tax effect for this charge.

Also under the new Statement, goodwill amortization is no longer required. The following presents adjusted net income and earnings per share for 2001 as if goodwill had not been required to be amortized in that year (in thousands, except per share amounts):

<TABLE>

Net income, as reported	$ 137,830
Add back goodwill amortization, net of income taxes	33,153
Adjusted net income	$ 170,983
Earnings per share:	
Basic - as reported	$ 1.19
Add back goodwill amortization, net of income taxes	0.30
Basic - as adjusted	$ 1.49
Diluted - as reported	$ 1.19
Add back goodwill amortization, net of income taxes	0.30

Diluted - as adjusted	$ 1.49

</TABLE>

REVENUE RECOGNITION: Sales to wholesale customers are recognized when the risks and rewards of ownership have been transferred, which is when the product is received by the customer. Allowances for estimated returns and discounts and for sales incentive programs are recognized as reductions of sales when the sales are recorded. Sales incentive programs with retailers include stated discounts, discounts based on the retailer informally agreeing to advertise or promote the products, or margin support funds. Sales incentive programs directly with consumers include rebate and coupon offers. All allowances and sales incentive programs are based on historical customer claim rates and specific product circumstances. Sales at retail outlet stores are recognized at the time of sale to consumers.

COST OF GOODS SOLD for manufactured goods includes all materials, labor and overhead costs incurred in the production process. Cost of Goods Sold for purchased finished goods includes the purchase costs and related overhead. In both cases, overhead includes all costs related to obtaining the finished goods, including costs of planning, purchasing and sourcing, quality control, freight and duties.

MARKETING, ADMINISTRATIVE AND GENERAL EXPENSES includes marketing and advertising, warehousing, shipping and handling, administrative and general expenses. Advertising costs are expensed as incurred and totaled $258.6 million in 2003, $244.7 million in 2002 and $220.6 million in 2001. Advertising costs include cooperative advertising payments made to VF's customers as direct reimbursement of advertising costs incurred by those retailers for advertising VF's products. Cooperative advertising costs were $42.0 million in 2003, $40.0 million in 2002 and $33.9 million in 2001. Warehousing, shipping and handling costs totaled $234.8 million in 2003, $217.8 million in 2002 and $232.1 million in 2001.

ROYALTY INCOME AND OTHER: Royalty income is recognized at rates specified in the licensing contracts, based on the licensees' sales of licensed products to their customers. Royalty income is presented net of related expenses of $7.6 million in 2003, $4.6 million in 2002 and $4.7 million in 2001.

INCOME TAXES are provided for amounts of taxes payable or refundable in the current year and for expected future tax consequences of events that are recognized in financial statements in different periods than they are recognized in tax returns. As a result of timing of recognition and measurement differences between financial accounting standards and income tax laws, temporary differences arise between the amounts of pretax financial statement income and taxable income and between reported amounts of assets and

liabilities in the Consolidated Balance Sheets and their respective tax bases. Net deferred income tax assets reported in the Consolidated Balance Sheets reflect estimated future tax effects attributable to the temporary differences and carryforwards, based on tax rates in effect for the years in which the differences are expected to reverse. Valuation allowances are used to reduce deferred tax assets to amounts considered likely to be realized. U.S. deferred income taxes are not provided on undistributed income of foreign subsidiaries where such earnings are considered to be permanently invested.

STOCK-BASED COMPENSATION is accounted for under the recognition and measurement principles of APB Opinion No. 25, Accounting for Stock Issued to Employees. For stock option grants, compensation expense is not required, as all options have an exercise price equal to the market value of the underlying common stock at the date of grant. For grants of stock awards, compensation expense equal to the market value of the shares to be issued is recognized over the three year performance period being measured. For restricted stock grants, compensation expense equal to the market value of the shares at the date of grant is recognized over the vesting period. The following table presents the effects on net income and earnings per share if VF had applied the fair value recognition provisions of FASB Statement No. 123, Accounting for Stock-Based Compensation, to all stock-based employee compensation:

<TABLE>

<CAPTION>

In thousands, except per share amounts	2003	2002	2001
Net income (loss), as reported	$ 397,933	$ (154,543)	$ 137,830
Add employee compensation expense for restricted stock grants and stock awards included in reported net income, net of income taxes	990	627	852
Less total stock-based employee compensation expense determined under the fair value-based method, net of income taxes	(13,648)	(15,512)	(16,210)
Pro forma net income (loss)	$ 385,275	$ (169,428)	$ 122,472
Earnings (loss) per common share:			
Basic - as reported	$ 3.67	$ (1.49)	$ 1.19
Basic - pro forma	3.55	(1.63)	1.05
Diluted - as reported	$ 3.61	$ (1.38)	$ 1.19
Diluted - pro forma	3.49	(1.52)	1.05

</TABLE>

Details of the stock compensation plan and of the fair value assumptions used above for stock options are described in Note O.

DERIVATIVE FINANCIAL INSTRUMENTS are measured at their fair value and are recognized as Other Current Assets or Accrued Liabilities in the Consolidated Balance Sheets. VF formally documents hedged transactions and hedging instruments, and assesses, both at the inception of the contract and on an ongoing basis, whether the hedging instruments are effective in offsetting changes in cash flows of the hedged transactions. VF does not use derivative financial instruments for trading or speculative purposes.

If certain conditions are met, a derivative may be specifically designated and accounted for as (1) a hedge of the exposure to variable cash flows for a forecasted transaction or (2) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment. The criteria used to

determine if hedge accounting treatment is appropriate are (1) to designate and identify the appropriate hedging instrument to be used to reduce an identified underlying exposure and (2) to determine if there is a high correlation between the value of the hedging instrument and the identified underlying exposure. Changes in the fair value of derivatives accounted for as cash flow hedges are deferred in Other Comprehensive Income and are recognized in Net Income as an offset to the earnings impact of the hedged transaction at the time in which the hedged transaction affects earnings. Changes in the fair value of derivatives accounted for as fair value hedges are recognized in Miscellaneous Income as an offset to the earnings impact of the underlying hedged item. The changes in fair value, as evaluated and adjusted each quarter, are reported in earnings or deferred in Other Comprehensive Income, depending on the nature and effectiveness of the hedged item or the underlying risk. Any ineffectiveness in a hedging relationship is recorded immediately in earnings.

FISCAL YEAR: VF uses a 52/53 week fiscal year. Fiscal year 2003 ended on January 3, 2004 and consisted of 52 weeks. Fiscal year 2002 consisted of 53 weeks, and fiscal year 2001 consisted of 52 weeks.

RECLASSIFICATIONS: Certain prior year amounts have been reclassified to conform with the 2003 presentation.

USE OF ESTIMATES: In preparing financial statements in accordance with generally accepted accounting principles, management makes estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE B - ACQUISITIONS

On August 27, 2003, VF acquired all of the common stock of Nautica Enterprises,

Inc. (Nautica) for a total cash consideration of $587.6 million. Nautica designs, sources and markets sportswear under the Nautica(R) and related brands. The Nautica(R) brand is licensed for apparel and accessories in the United States and many international markets, and for home furnishings and accessories in the United States. The Nautica acquisition (1) provides a growth platform for sportswear, which is a new product category for VF, (2) provides broader product capabilities related to a lifestyle brand and (3) significantly expands VF's presence in the department store and specialty store channels of distribution. The Nautica acquisition also included a chain of 115 Nautica(R) retail outlet stores, the premium Earl Jean(R) brand of jeans and sportswear and the John Varvatos(R) brand of designer sportswear, which VF intends to exit (Note C). Operating results of Nautica have been included in the consolidated financial statements since the date of acquisition.

In a separate transaction also closing on August 27, 2003, VF acquired from Mr. David Chu, an officer of Nautica, and from David Chu and Company, Inc., all of their rights to receive 50% of Nautica's net royalty income, along with their other rights in the Nautica(R) name, trademarks and intellectual property owned, held or used by Nautica. Under this agreement, VF paid Mr. Chu $38.0 million at closing and will pay $33.0 million on each of the third and fourth anniversaries of the closing. The future amounts do not bear interest and accordingly were recorded at their present value of $58.3 million. In each of the next five years, Mr. Chu has the right to receive 31.7% of the amount by which Nautica's gross royalty revenues exceed $34.7 million in any year, with such excess payments to be recorded as Goodwill. Gross royalty revenues currently approximate $29 million per year.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed for these two transactions (in thousands). This purchase price allocation is subject to adjustment over the first half of 2004 as VF management completes its assessment of possible restructuring initiatives.

<TABLE>

<S>	<C>
Cash	$ 75,597
Other current assets	247,675
Property, plant and equipment	52,197
Intangible assets	319,700
Other assets	10,954
Total assets acquired	706,123
Current liabilities	172,751
Long-term debt	18,092
Other liabilities, primarily deferred income taxes	48,595
Total liabilities assumed	239,438
Net assets acquired	466,685
Goodwill	217,178
Purchase price	$ 683,863

</TABLE>

Amounts assigned to intangible assets are based on an independent appraisal of their fair values. Management believes that the Nautica trademarks have an indefinite life. Amortizable intangible assets totaling $102.3 million consist principally of $89.5 million of licensing contracts and $9.7 million of customer relationships, which were determined to have weighted average useful lives of 30 years and 24 years, respectively, and are being amortized using accelerated methods. Factors that contributed to a purchase price that resulted in recognition of goodwill included (1) Nautica's profitability, (2) its experienced workforce, (3) VF's strategies for growth in sales, income and cash

flows in the Nautica wholesale, retail and licensing businesses and (4) expected synergies with existing VF business units. Goodwill was assigned to the Consumer Apparel business segment, of which $51.6 million is expected to be deductible for income tax purposes.

The following unaudited pro forma results of operations assume that the acquisitions of Nautica and of the rights from Mr. Chu had occurred at the beginning of 2002:

<TABLE>
<CAPTION>

In thousands, except per share amounts	2003 *	2002
<S>	<C>	<C>
Net sales	$ 5,620,258	$ 5,758,212
Income from continuing operations	356,696	355,879
Net income (loss)	356,696	(163,092)
Earnings (loss) per common share - basic:		
Income from continuing operations	$ 3.29	$ 3.18
Net income (loss)	3.29	(1.57)
Earnings (loss) per common share - diluted:		
Income from continuing operations	$ 3.23	$ 3.16
Net income (loss)	3.23	(1.46)

</TABLE>

* Pro forma operating results for 2003 include expenses totaling $35.6 million ($0.24 basic and $0.23 diluted EPS) for settlement of stock options and other transaction expenses incurred by Nautica related to its acquisition by VF.

VF completed two other acquisitions during 2003 for a total consideration of $3.7 million. Included was the acquisition of a business having rights to manufacture and market certain apparel products under license from Harley-Davidson Motor Company for a purchase price of $3.1 million. Contingent consideration of up to $1.3 million is payable if certain sales targets are achieved over each of the years through 2006. For 2003, $0.3 million of contingent consideration was earned and capitalized as an additional licensing intangible asset. Pro forma operating results for prior periods are not presented due to immateriality.

VF accrued various restructuring charges in connection with these acquisitions. The charges relate to severance and lease termination costs. Remaining cash payments related to these actions will be substantially completed during 2004. Activity in the restructuring accruals is summarized as follows:

<TABLE>
<CAPTION>

	FACILITIES	LEASE		
In thousands	SEVERANCE	EXIT COSTS	TERMINATION	TOTAL
<S>	<C>	<C>	<C>	<C>
Accrual for 2003 acquisitions	$ 6,564	$ 403	$ 13,603	$ 20,570
Cash payments	(520)	-	(655)	(1,175)
Balance, January 3, 2004	$ 6,044	$ 403	$ 12,948	$ 19,395

</TABLE>

NOTE C - DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

As part of the Strategic Repositioning Program in the fourth quarter of 2001 (Note P), management announced a plan to exit the Private Label knitwear business unit, which was a vertically integrated textile business that manufactured and marketed fleece and T-shirts to domestic customers. Management also decided to exit the Jantzen swimwear business. During that quarter, VF recorded a pretax charge of $105.6 million for disposition of the knitwear business, of which $33.5 million related to the write-off of intangible assets,

and a pretax charge of $5.8 million for disposition of the swimwear business. Jantzen had been part of the Consumer Apparel business segment; Private Label knitwear, All Other segment.

Liquidation of the Private Label knitwear business began in late 2001 and was substantially completed during the third quarter of 2002. The Jantzen(R) trademarks and certain other assets of this swimwear business were sold in March 2002 for $24.0 million, resulting in a gain of $1.4 million. Liquidation of the remaining Jantzen inventories and other assets was substantially completed during the third quarter of 2002. Both the Private Label knitwear and the Jantzen businesses are accounted for as discontinued operations in accordance with FASB Statement No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. Accordingly, the results of operations, assets, liabilities and cash flows of these businesses are separately presented as discontinued operations in the accompanying financial statements.

Summarized operating results for these discontinued businesses are as follows:

<TABLE>
<CAPTION>

In thousands	2003	2002	2001
<S>	<C>	<C>	<C>
Net sales	$ -	$ 97,981	$ 298,388
Income (loss) before income taxes, including gain on disposal of $1.4 million in 2002 and loss on disposal of $111.4 million in 2001	$ -	$ 13,470	$ (106,584)
Income taxes (benefit)	-	5,187	(27,136)
Income (loss) from discontinued operations	$ -	$ 8,283	$ (79,448)

</TABLE>

Summarized assets and liabilities of the discontinued operations presented separately in the Consolidated Balance Sheets are as follows:

<TABLE>
<CAPTION>

In thousands	2003	2002
<S>	<C>	<C>
Accounts receivable, net	$ 723	$ 2,273
Other current assets, primarily deferred income taxes	1,873	3,010
Current assets of discontinued operations	$ 2,596	$ 5,283
Property, plant and equipment, net	$ -	$ 2,500
Other assets	-	6
Noncurrent assets of discontinued operations	$ -	$ 2,506
Accounts payable	$ -	$ 133
Accrued liabilities	5,916	12,502
Current liabilities of discontinued operations	$ 5,916	$ 12,635

</TABLE>

The children's playwear business (consisting of the Healthtex(R) and licensed Nike(R) brands) and the John Varvatos(R) brand business (acquired as part of the Nautica acquisition) are held for sale and are being actively marketed at the end of 2003. These businesses contributed sales of $148.5 million, $173.2 million and $196.4 million and operating income (loss) of $(10.8) million, $(3.4) million and $3.5 million in 2003, 2002 and 2001, respectively. Operating

results include a $2.3 million goodwill impairment charge in 2002 for the playwear business. Both businesses are part of the Consumer Apparel segment.

Assets and liabilities of these two businesses included in the respective captions of the Consolidated Balance Sheets are summarized as follows:

In thousands	2003	2002
Accounts receivable, net	$ 12,958	$ 21,345
Inventories	35,082	38,145
Property, plant and equipment, net	14,305	20,037
Other, primarily deferred income taxes	7,521	5,824
	$ 69,866	$ 85,351
Accounts payable	$ 11,162	$ 11,295
Accrued liabilities	7,274	10,019
	$ 18,436	$ 21,314

NOTE D - INVENTORIES

In thousands	2003	2002
Finished products	$ 714,867	$ 587,954
Work in process	91,593	110,383
Materials and supplies	126,525	132,181
	$ 932,985	$ 830,518

NOTE E - PROPERTY, PLANT AND EQUIPMENT

In thousands	2003	2002
Land	$ 52,124	$ 48,566
Buildings	479,725	462,792
Machinery and equipment	1,027,997	1,027,911
	1,559,846	1,539,269
Less accumulated depreciation	968,166	972,723
	$ 591,680	$ 566,546

NOTE F - INTANGIBLE ASSETS

<TABLE>
<CAPTION>

Dollars in thousands	WEIGHTED AVERAGE LIFE *	GROSS CARRYING AMOUNT	ACCUMULATED AMORTIZATION	NET CARRYING AMOUNT
<S>	<C>	<C>	<C>	<C>
Amortizable intangible assets:				
License agreements	30 years	$ 89,500	$ 1,148	$ 88,352
Customer relationships	24 years	10,200	233	9,967
Other	5 years	5,090	2,175	2,915
Total amortized intangible assets, net				101,234
Indefinite-lived intangible assets:				
Nautica trademarks				217,400
Total intangible assets, net				$ 318,634

</TABLE>

* Amortization of license agreements and customer relationships - accelerated methods; other - straight-line method.

Amortization expense for 2003 was $3.6 million. Estimated amortization expense for the years 2004 through 2008 is $5.4 million, $5.1 million, $4.9 million, $4.4 million and $4.4 million, respectively.

NOTE G - GOODWILL

Activity is summarized by business segment as follows:

<TABLE>
<CAPTION>

In thousands	CONSUMER APPAREL	OCCUPATIONAL APPAREL	OUTDOOR APPAREL AND EQUIPMENT	ALL OTHER	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>
Balance, December 29, 2001	$ 536,636	$ 139,654	$ 110,036	$ 211,720	$ 998,046
Change in accounting policy (Note A)	(232,126)	(109,543)	-	(185,585)	(527,254)
Purchase price adjustments	(275)	-	(924)	-	(1,199)
Impairment loss	(2,276)	-	-	-	(2,276)
Currency translation	6,038	-	-	-	6,038
Balance, January 4, 2003	307,997	30,111	109,112	26,135	473,355
2003 acquisitions	217,178	-	-	-	217,178
Currency translation	10,439	-	-	-	10,439
Balance, January 3, 2004	$ 535,614	$ 30,111	$ 109,112	$ 26,135	$ 700,972

</TABLE>

A $2.3 million impairment charge for goodwill related to the children's apparel reporting unit was recognized in 2002 based on its forecast of profits and cash flows, and a $4.0 million impairment charge was recorded in 2001 for an occupational apparel reporting unit that was closed.

NOTE H - SHORT-TERM BORROWINGS

The weighted average interest rate for short-term borrowings from foreign banks was 7.0% at the end of 2003 and 8.0% at the end of 2002.

The Company maintains a $750.0 million unsecured committed revolving bank credit agreement that supports up to $750.0 million in commercial paper issuance or is otherwise available for general corporate purposes. This agreement, which expires in September 2008, requires VF to pay a facility fee of .09% per year

and contains a financial covenant and other covenants and events of default. The financial covenant is that VF's ratio of consolidated indebtedness to consolidated capitalization remain below 60%. Other covenants and events of default include limitations on liens, subsidiary indebtedness and sales of assets, and a $50.0 million cross-acceleration event of default. If VF fails in the performance of any covenant under this agreement (after giving effect to any applicable grace period), the banks may terminate their obligation to lend, and any bank borrowings outstanding under this agreement may become due and payable. At January 3, 2004, VF was in compliance with all covenants, and the entire amount of the credit agreement was available for borrowing, except for $14.0 million of standby letters of credit issued under the agreement on behalf of VF.

NOTE I - ACCRUED LIABILITIES

In thousands	2003	2002
Compensation	$ 89,856	$ 114,132
Income taxes	91,721	61,315
Other taxes	32,432	28,485
Advertising	34,742	32,516
Insurance	30,618	31,222
Restructuring costs (Notes B and P)	22,104	28,576
Minimum pension liability (Note L)	55,000	75,000
Other	159,157	130,811
	$ 515,630	$ 502,057

NOTE J - LONG-TERM DEBT

In thousands	2003	2002
6.75% notes, due 2005	$ 100,000	$ 100,000
8.10% notes, due 2005	300,000	300,000
8.50% notes, due 2010	200,000	200,000
6.00% notes, due 2033	292,133	-
Other	65,394	3,065
	957,527	603,065
Less current portion	1,144	778
	$ 956,383	$ 602,287

The notes contain customary covenants and events of default, including limitations on liens and sale-leaseback transactions and a cross-acceleration event of default. The cross-acceleration is triggered for all notes if more than $50.0 million of other debt is in default and has been accelerated by the lenders, except for the 6.75% notes where the threshold is $5.0 million. If VF fails in the performance of any covenant under the indenture that governs the respective notes (after giving effect to any applicable grace period), the trustee or lenders may declare the principal due and payable immediately. At January 3, 2004, VF was in compliance with all covenants.

The 6.00% notes having a principal balance of $300.0 million were sold at an original issue discount of $7.9 million. The discount is being amortized as Interest Expense over the life of the issue, and the notes are carried net of the unamortized portion of the discount. These notes have an effective annual interest cost of 6.19%, including amortization of the deferred gain on the interest rate hedging contract (Note U) and debt issuance costs.

Other debt in 2003 includes amounts payable to Mr. Chu totaling $66.0 million, with $33.0 million payable in each of 2006 and 2007 (Note B). These noninterest-bearing installments were recorded at discounts of 3.25% and 3.84%, respectively, reflecting VF's incremental borrowing rates for those periods. The discounts are being amortized as Interest Expense over the lives of these obligations; their carrying value was $59.0 million at January 3, 2004.

The scheduled payments of long-term debt are $401.2 million in 2005, $34.3 million in 2006, $34.4 million in 2007 and $0.9 million in 2008.

NOTE K - OTHER LIABILITIES

<TABLE>
<CAPTION>

In thousands	2003	2002
Deferred compensation	$ 174,771	$ 141,510
Minimum pension liability (Note L)	144,239	102,643
Accrued pension benefits (Note L)	49,375	42,702
Other	67,633	44,415
	$ 436,018	$ 331,270

</TABLE>

NOTE L - BENEFIT PLANS

VF sponsors a noncontributory qualified defined benefit pension plan covering substantially all full-time domestic employees. VF also sponsors an unfunded supplemental defined benefit pension plan that provides benefits computed under VF's principal benefit plan that exceed payment limitations imposed by income tax regulations. These defined benefit plans provide pension benefits based on compensation levels and years of service. The effect of these plans on income was as follows:

<TABLE>
<CAPTION>

Dollars in thousands	2003	2002	2001
Service cost - benefits earned during the year	$ 18,475	$ 18,240	$ 19,627
Interest cost on projected benefit obligations	53,883	51,734	50,261
Expected return on plan assets	(48,225)	(50,433)	(62,477)
Curtailment charge (Note P)	-	2,388	15,971
Amortization of:			
Prior service cost	3,138	4,243	6,435
Actuarial (gain) loss	28,425	1,370	(9,528)
Total pension expense	55,696	27,542	20,289
Amount allocable to discontinued operations	-	1,317	4,784
Pension expense - continuing operations	$ 55,696	$ 26,225	$ 15,505
Assumptions used to determine expense:			
Discount rate	6.75%	7.50%	8.00%
Expected long-term return on plan assets	8.75%	8.75%	8.75%
Rate of compensation increase	4.00%	4.00%	4.00%

</TABLE>

The following provides a reconciliation of the changes in fair value of the pension plans' assets and benefit obligations, and their funded status, based on a September 30 valuation date:

<TABLE>
<CAPTION>

Dollars In thousands	2003	2002
<S>	<C>	<C>
Fair value of plan assets, beginning of year	$ 519,013	$ 591,831
Actual return on plan assets	86,290	(63,993)
VF contributions	77,481	22,455
Benefits paid	(35,061)	(31,280)
Fair value of plan assets, end of year	647,723	519,013
Projected obligations, beginning of year	797,173	688,569
Service cost	18,475	18,240
Interest cost	53,883	51,734
Plan amendment	501	-
Partial plan curtailment	-	(8,404)
Actuarial loss	122,466	78,314
Benefits paid	(35,061)	(31,280)
Projected obligations, end of year	957,437	797,173
Funded status, end of year	(309,714)	(278,160)
Unrecognized net actuarial loss	321,375	265,399
Unrecognized prior service cost	17,919	20,556
Pension asset, net	$ 29,580	$ 7,795
Amounts included in Consolidated Balance Sheets:		
Other Assets	$ 17,919	$ 20,556
Accrued Liabilities	(55,000)	(75,000)
Other Liabilities	(193,614)	(145,345)
Accumulated Other Comprehensive Income (Loss)	260,275	207,584
	$ 29,580	$ 7,795
Assumptions used to determine benefit obligations:		
Discount rate	6.00%	6.75%
Rate of compensation increase	3.75%	4.00%

</TABLE>

Differences between actual results and amounts determined using actuarial assumptions are deferred and will affect future years' pension expense. Net deferred gains and losses totaling less than 10% of the lower of investment assets or projected benefit obligations at the beginning of a year are not amortized. Net deferred gains and losses that represent 10% to 20% of projected benefit obligations are amortized over ten years, while those in excess of 20% of projected benefit obligations are amortized over five years.

Management's investment strategy is to invest the plan's assets in a diversified portfolio of domestic and international equity, fixed income and real estate securities to provide long-term growth in plan assets. This strategy, the resulting allocation of plan assets and the selection of independent investment managers are reviewed periodically.

The expected return on plan assets was developed through analysis of historical market returns, current market conditions and the fund's past experience for each asset class. The assumed rate of return on plan assets of 8.75%, which has been used for over 10 years, is lower than actual long-term historical returns. The target allocation by asset class, and the actual asset allocations at the latest valuation dates, are as follows:

<TABLE>

<CAPTION>

	TARGET ALLOCATION	SEPTEMBER 30 2003	SEPTEMBER 30 2002
<S>	<C>	<C>	<C>
Equity securities	65%	61%	62%
Fixed income securities	30	31	30
Real estate	5	8	8
Total	100%	100%	100%

</TABLE>

VF makes contributions to the plan sufficient to meet the minimum funding requirements under applicable laws, plus additional amounts as recommended by VF's independent actuary. Although VF was not required to make a contribution to the plan during 2004 under applicable regulations, VF contributed $55.0 million to its qualified pension plan in January 2004. Estimated future benefit payments, including benefits attributable to estimated future employee service, are approximately $37 million in 2004, $38 million in 2005, $40 million in 2006, $43 million in 2007, $45 million in 2008 and $274 million for the years 2009 through 2013.

For the supplemental defined benefit plan, VF has purchased life insurance contracts and marketable securities to support pension benefit liabilities. The cash value of life insurance and the market value of other investments that support liabilities was $16.7 million in 2003 and $14.8 million in 2002. These securities are held in irrevocable trusts and are included in Other Assets.

Accumulated benefit obligations earned through the respective measurement dates for these plans totaled $896.3 million in 2003 and $739.4 million in 2002. VF has recorded a minimum pension liability of $199.2 million in 2003 and $177.6 million in 2002 related to the excess of accumulated benefit obligations over the total fair value of plan assets, prepaid pension assets and previously accrued pension liabilities. The offset to this minimum pension liability is recorded as a component of Accumulated Other Comprehensive Income (Loss). For 2003 and 2002, $55.0 million and $75.0 million, respectively, of the minimum pension liability were classified as current liabilities because VF contributed those amounts to the pension plan in early 2004 and 2003, respectively.

VF sponsors an Employee Stock Ownership Plan (ESOP) as part of a 401(k) savings plan covering most domestic salaried employees. Contributions made by VF to the 401(k) plan are based on a specified percentage of employee contributions. Cash contributions by VF were $5.9 million in 2003, $6.2 million in 2002 and $7.1 million in 2001. Plan expense was $5.9 million in 2003, $5.1 million in 2002 and $3.8 million in 2001.

VF also sponsors other savings and retirement plans for certain domestic and foreign employees. Expense for these plans totaled $6.5 million in 2003, $7.1 million in 2002 and $5.9 million in 2001.

VF participates in multiemployer retirement benefit plans for certain of its union employees. Contributions are made to these plans in amounts provided by the collective bargaining agreements and totaled $0.2 million in 2003, $0.6 million in 2002 and $0.8 million in 2001. If VF were to decide to exit a market, it may be required to pay a potential withdrawal liability if the respective plans were underfunded at the time of withdrawal. During 2003, VF recognized a $7.7 million expense when it was determined that a probable withdrawal liability existed due to recent reductions in employment.

NOTE M - CAPITAL

COMMON STOCK outstanding is net of shares held in treasury, and in substance retired. There were 1,297,953 treasury shares at the end of 2003, after retirement of 32,000,000 shares during the year. There were 32,233,996 treasury shares at the end of 2002 and 29,141,452 at the end of 2001. The excess of the cost of treasury shares acquired over the $1 per share stated value of Common Stock is charged to Retained Earnings. In addition, 242,443 shares of VF Common Stock at the end of 2003, 266,146 shares at the end of 2002 and 266,203 shares

at the end of 2001 were held in trust for deferred compensation plans. These additional shares are treated for financial reporting purposes as treasury shares at a cost of $8.4 million, $9.3 million and $9.2 million at the end of 2003, 2002 and 2001, respectively.

PREFERRED STOCK consists of 25,000,000 authorized shares at $1 par value.

Series A Preferred Stock: As of January 3, 2004, 2,000,000 shares are designated as Series A Preferred Stock, of which none has been issued. Each outstanding share of Common Stock has one Series A Preferred Stock purchase right attached. The rights become exercisable ten days after an outside party acquires, or makes an offer for, 15% or more of the Common Stock. Once exercisable, each right will entitle its holder to buy 1/100 share of Series A Preferred Stock for $175. If VF is involved in a merger or other business combination or an outside party acquires 15% or more of the Common Stock, each right will be modified to entitle its holder (other than the acquirer) to purchase common stock of the acquiring company or, in certain circumstances, VF Common Stock having a market value of twice the exercise price of the right. In some circumstances, rights other than those held by an acquirer may be exchanged for one share of VF Common Stock. The rights, which expire in January 2008, may be redeemed at $0.01 per right prior to their becoming exercisable.

Series B Preferred Stock: As of January 3, 2004, 2,105,263 shares are designated as 6.75% Series B Convertible Preferred Stock, which were purchased by the ESOP in 1990. (See Note N.) Changes in our Preferred Stock outstanding are summarized as follows:

<TABLE>
<CAPTION>

<S>	2003 <C>	2002 <C>	2001 <C>
Balance, beginning of year	1,195,199	1,477,930	1,570,301
Conversion to Common Stock	(223,949)	(113,527)	-
Redemption of Preferred Stock	-	(169,204)	(92,371)
Balance, end of year	971,250	1,195,199	1,477,930

</TABLE>

Each share of Series B Convertible Preferred Stock has a redemption value and liquidation value of $30.88 plus cumulative accrued dividends, is convertible into 1.6 shares of Common Stock and is entitled to two votes per share along with the Common Stock. Dividends are accrued and paid in cash each quarter. The trustee for the ESOP may convert the preferred shares to Common Stock at any time or may cause VF to redeem the preferred shares under certain circumstances. The Series B Convertible Preferred Stock also has preference in liquidation over all other stock issues.

ACCUMULATED OTHER COMPREHENSIVE INCOME: Other comprehensive income consists of certain changes in assets and liabilities that are not included in Net Income but are instead reported under generally accepted accounting principles within a separate component of Common Stockholders' Equity. Items comprising Accumulated Other Comprehensive Income (Loss) in the Consolidated Balance Sheets, net of related income taxes, are summarized as follows:

<TABLE>
<CAPTION>

In thousands <S>	2003 <C>	2002 <C>
Foreign currency translation	$ (31,885)	$ (80,728)
Minimum pension liability adjustment	(160,850)	(128,494)
Derivative financial instruments	(4,450)	(5,269)
Unrealized gains on marketable securities	7,730	350
	$ (189,455)	$ (214,141)

</TABLE>

NOTE N - REDEEMABLE PREFERRED STOCK

The Series B Convertible Preferred Stock (Note M) was purchased by the ESOP in 1990. The ESOP's purchase of the preferred shares was funded by a loan of $65.0 million from VF; this loan was repaid in 2002. Interest income on this loan was $0.1 million in 2002 and $0.9 million in 2001. Principal and interest obligations on the loan were satisfied as VF made contributions to the savings plan and dividends were paid on the Preferred Stock. As principal payments were made on the loan, shares of Preferred Stock were allocated to participating employees' accounts within the ESOP. By the end of 2002, all shares of Preferred Stock had been allocated to participating employees' accounts.

NOTE O - STOCK-BASED COMPENSATION

VF may grant nonqualified stock options, stock awards and restricted stock to officers, key employees and nonemployee directors under a stock compensation plan approved by stockholders. Stock options are granted at prices not less than fair market value on the date of grant. Options become exercisable generally one year after the date of grant and expire ten years after the date of grant. Stock option activity is summarized as follows:

<TABLE>
<CAPTION>

<S>	SHARES UNDER OPTIONS <C>	WEIGHTED AVERAGE EXERCISE PRICE <C>
Balance, December 30, 2000	8,498,891	$ 34.17
Options granted	2,419,090	35.59
Options exercised	(1,699,860)	26.41
Options canceled	(208,140)	40.33
Balance, December 29, 2001	9,009,981	35.87
Options granted	2,453,000	40.90
Options exercised	(1,326,026)	30.29
Options canceled	(343,265)	41.16
Balance, January 4, 2003	9,793,690	37.70
Options granted	2,448,480	34.75
Options exercised	(921,710)	29.99
Options canceled	(417,850)	41.70
Balance, January 3, 2004	10,902,610	$ 37.54

</TABLE>

Stock options outstanding at January 3, 2004 are summarized as follows:

<TABLE>
<CAPTION>

	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
RANGE OF EXERCISE PRICES <S>	NUMBER OUTSTANDING <C>	WEIGHTED AVERAGE REMAINING YEARS CONTRACTUAL LIFE <C>	WEIGHTED AVERAGE EXERCISE PRICE <C>	NUMBER EXERCISABLE <C>	WEIGHTED AVERAGE EXERCISE PRICE <C>
$ 20 - 25	88,300	0.9	$ 23.96	88,300	$ 23.96
$ 25 - 30	847,100	5.1	26.16	847,100	26.16
$ 30 - 35	2,967,730	6.7	34.57	651,550	34.49
$ 35 - 40	2,005,950	8.2	35.78	1,610,950	35.50
$ 40 - 45	4,993,530	6.3	42.18	4,466,866	42.33
$ 20 - 45	10,902,610	6.6	$ 37.54	7,664,766	$ 38.23

</TABLE>

Options to purchase 6,061,240 shares were exercisable at the end of 2002 at a weighted average exercise price of $36.20; similarly at the end of 2001, there were options to purchase 6,447,041 shares at $36.24. There are 3,225,416 shares available for future grants of stock options and stock awards, of which no more than 879,353 may be grants of restricted stock awards.

VF has granted stock awards to certain key employees under a long-term incentive compensation plan. The stock awards entitle the participants to receive shares of VF Common Stock. Each stock award has a final value ranging from zero to two shares of VF Common Stock, with the number of shares to be earned based on three year stockholder return comparisons of VF Common Stock with a peer group of apparel companies. Shares earned at the end of each three year performance period are issued to participants in the following year, unless they elect to defer receipt of the shares. VF granted 49,147 stock awards having

grant date fair values per award of $36.10 in 2003; similarly, 44,143 awards at $39.27 in 2002 and 47,560 awards at $36.45 in 2001. A total of 25,064 and 57,188 shares of VF Common Stock were earned for the three year performance periods ended in 2003 and 2002, respectively; no shares were earned for the performance period ended in 2001. At the end of 2003, there are 45,335 stock awards outstanding for the performance period ending in 2004 and 50,474 for the performance period ending in 2005, including dividend equivalents. A total of 90,792 shares of Common Stock are issuable in future years to participants who have elected to defer receipt of their shares earned. VF also has outstanding 61,283 shares of restricted stock that vest in 2005, which had been granted to key employees in prior years. This total included dividends payable in additional restricted shares of 1,579, 1,425 and 1,495 shares accrued in 2003, 2002 and 2001, respectively, on prior years' restricted share grants.

Compensation expense recognized in the Consolidated Statements of Income for stock awards and restricted stock totaled $1.6 million in 2003, $1.0 million in 2002 and $1.4 million in 2001. Since all stock options are granted at market value, compensation expense is not required. Note A presents pro forma net income and earnings per share that would have resulted if compensation had been recorded based on the fair value method for all stock-based compensation. Fair value in Note A for stock options was estimated using the Black-Scholes option-pricing model. The resulting weighed average fair value of stock options granted during 2003 was $8.33 per share, during 2002 was $10.51 per share and during 2001 was $10.78 per share, based on the following assumptions:

<TABLE>
<CAPTION>

<S>	2003 <C>	2002 <C>	2001 <C>
Risk-free interest rate	2.6%	4.0%	4.9%
Expected dividend yield	2.9%	2.7%	2.0%
Expected volatility	36%	36%	37%
Expected life (years)	4	4	4

</TABLE>

NOTE P - RESTRUCTURING COSTS

During the fourth quarter of 2001, management initiated a Strategic Repositioning Program that represented a series of actions to reduce VF's overall cost structure. Major initiatives under the Program included closing higher cost manufacturing plants, consolidating distribution centers and reducing administrative functions. (This Program also covered the exit of the two businesses now being accounted for as discontinued operations, as discussed in Note C. Amounts discussed herein relate to continuing operations only.) Most of these actions took place in the fourth quarter of 2001, with some remaining actions carried out during 2002. VF recorded pretax charges for these actions of $125.4 million in the fourth quarter of 2001 and $46.0 million during 2002.

The 2001 and 2002 Strategic Repositioning Program costs related to:

- Closure of manufacturing facilities - $61.1 million in 2001 and $29.2 million in 2002: VF closed 30 higher cost North American manufacturing facilities as part of its ongoing strategy to move toward lower cost, more flexible global sourcing.

- Consolidation of distribution and administrative functions - $42.7 million in 2001 and $14.4 million in 2002: VF closed certain distribution centers and reduced administrative functions and staffing in the United States, Europe and Latin America.

- Exit of underperforming business - $10.0 million in 2001: In addition to the two businesses accounted for as discontinued operations (Note C), VF closed a specialty workwear apparel business having sales of $10.2 million in 2001, resulting in a write-down of goodwill of $4.0 million.

- Pension plan curtailment losses - $11.6 million in 2001 and $2.4 million in 2002: Personnel reductions resulted in curtailment losses in VF's domestic pension plans.

Of the total Program costs in 2002 and 2001, $75.4 million related to personnel reductions, including severance and related benefits. These actions affected approximately 13,600 of VF's employees.

Activity in the 2001 and 2002 restructuring accruals is summarized as follows:

<TABLE>
<CAPTION>

In thousands	SEVERANCE	FACILITIES EXIT COSTS	OTHER ASSET WRITE-DOWNS	LEASE AND CONTRACT TERMINATION	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>
Restructuring costs in 2001	$ 60,099	$ 28,123	$ 27,711	$ 9,432	$ 125,365
Noncash charges:					
Inventories	-	-	(11,254)	-	(11,254)
Goodwill	-	-	(3,963)	-	(3,963)
Pension plan partial curtailment	-	-	(11,631)	-	(11,631)
Other	-	(23,147)	(863)	-	(24,010)
Cash payments	(7,619)	(35)	-	-	(7,654)
Balance, December 29, 2001	52,480	4,941	-	9,432	66,853
Restructuring costs in 2002	20,404	21,867	2,388	1,353	46,012
Noncash charges:					
Pension plan partial curtailment	-	-	(2,388)	-	(2,388)
Other	-	(21,228)	-	-	(21,228)
Cash payments	(44,708)	(3,698)	-	(4,845)	(53,251)
Reduction of accrual	(5,135)	(1,000)	-	(1,287)	(7,422)
Balance, January 4, 2003	23,041	882	-	4,653	28,576
Cash payments	(20,275)	(438)	-	(3,185)	(23,898)
Reduction of accrual	(955)	(163)	-	(376)	(1,494)
Balance, January 3, 2004	$ 1,811	$ 281	$ -	$ 1,092	$ 3,184

</TABLE>

The reduction in restructuring liabilities during 2002 related primarily to reduced severance, as employees at several plants worked longer than originally planned. In addition, there were $2.8 million of reductions in noncash allowances due primarily to a decision to continue to occupy a leased administrative facility. These reductions in accruals and allowances were credited to income during 2002. Finally in 2002, VF recorded gains of $4.9 million on disposal of closed plants related to the restructuring actions. During 2001, there was a $10.9 million reduction in the prior year's restructuring accrual due primarily to favorable settlement of a contract.

Net restructuring costs were recorded as follows:

<TABLE>
<CAPTION>

In thousands	2003	2002	2001
<S>	<C>	<C>	<C>
Cost of goods sold	$ -	$ 17,848	$ 63,743
Marketing, administrative and general expenses	(1,494)	8,494	46,712
Goodwill impairment	-	-	3,963
	$ (1,494)	$ 26,342	$ 114,418

</TABLE>

NOTE Q - INCOME TAXES

The provision for Income Taxes is computed based on the following amounts of Income from Continuing Operations Before Income Taxes and Cumulative Effect of Change in Accounting Policy:

<TABLE>
<CAPTION>

In thousands	2003	2002	2001
<S>	<C>	<C>	<C>
Domestic	$ 459,507	$ 439,744	$ 322,375
Foreign	138,999	121,984	47,010
	$ 598,506	$ 561,728	$ 369,385

</TABLE>

The provision for Income Taxes for continuing operations consists of:

<TABLE>
<CAPTION>

In thousands	2003	2002	2001
<S>	<C>	<C>	<C>
Current:			
Federal	$ 132,160	$ 95,738	$ 137,927
Foreign	29,912	28,935	18,628
State	7,540	1,778	10,302
	169,612	126,451	166,857
Deferred, primarily federal	30,961	70,849	(14,750)
	$ 200,573	$ 197,300	$ 152,107

</TABLE>

The reasons for the difference between income taxes computed by applying the statutory federal income tax rate for continuing operations and income tax expense in the financial statements are as follows:

<TABLE>
<CAPTION>

In thousands	2003	2002	2001
<S>	<C>	<C>	<C>
Tax at federal statutory rate	$ 209,477	$ 196,605	$ 129,286
State income taxes, net of federal tax benefit	7,459	9,918	(1,424)
Amortization of goodwill	-	-	8,535
Foreign operating losses			

with no current benefit	2,476	7,531	17,253
Foreign rate differences	(9,674)	(16,989)	(3,770)
Change in valuation allowance	(3,068)	(6,115)	(2,820)
Other, net	(6,097)	6,350	5,047
	$ 200,573	$ 197,300	$ 152,107

</TABLE>

Deferred income tax assets and liabilities consist of the following:

<TABLE>
<CAPTION>

In thousands	2003	2002
<S>	<C>	<C>
Deferred income tax assets:		
Employee benefits	$ 41,993	$ 31,153
Inventories	22,280	14,686
Other accrued expenses	157,790	124,494
Minimum pension liability	99,425	79,090
Operating loss carryforwards	91,720	94,742
Discontinued operations	1,873	2,986
Foreign currency translation	26,214	48,396
	441,295	395,547
Valuation allowance	(67,810)	(69,115)
Deferred income tax assets	373,485	326,432
Deferred income tax liabilities:		
Depreciation	39,636	33,422
Intangible assets	87,538	-
Other	36,047	31,435
Deferred income tax liabilities	163,221	64,857
Net deferred income tax assets	$ 210,264	$ 261,575

</TABLE>

<TABLE>
<CAPTION>

In thousands	2003	2002
<S>	<C>	<C>
Amounts included in Consolidated Balance Sheets:		
Current assets	$ 90,955	$ 117,214
Other assets	117,436	141,375
Discontinued operations	1,873	2,986
	$ 210,264	$ 261,575

</TABLE>

As of the end of 2003, VF has not provided deferred U.S. income taxes on $186.0 million of undistributed earnings of international subsidiaries where such earnings are considered to be permanently invested. Such undistributed earnings would become taxable in the United States if it becomes advantageous for business, tax or foreign exchange reasons to remit any excess foreign cash balances to the United States. VF has undertaken initiatives resulting in income in one of VF's foreign subsidiaries being taxed at a reduced effective rate. The income tax benefit from this tax status was $10.8 million ($.10 per diluted share) in 2003 and $13.3 million ($.12 per diluted share) in 2002. The tax

status providing this benefit is scheduled to expire in 2010.

VF has $191.1 million of foreign operating loss carryforwards expiring $8.4 million in 2004, $7.9 million in 2005, $17.4 million in 2006 and $7.4 million in 2007 and $0.9 million in 2008, with the remainder having an unlimited carryforward life. A valuation allowance has been provided where it is more likely than not that the deferred tax assets relating to those loss carryforwards will not be realized. Interest income in 2003 included $5.7 million related to settlement of federal income tax issues.

NOTE R - BUSINESS SEGMENT INFORMATION

VF manages its businesses through separate marketing companies that support specific brands. Manufacturing and product sourcing needs are met by groups that support individual or in some cases several different product types. These operations have been aggregated into four reportable segments. The Consumer Apparel segment includes jeanswear and related products, sportswear, women's intimate apparel and children's apparel, all having similar characteristics of economic performance, product type, production process, method of distribution and class of customer. The Outdoor Apparel and Equipment segment consists of VF's outerwear and adventure apparel, plus daypacks and technical equipment, and is therefore distinguished from the other segments by type of products. The Occupational Apparel segment is distinguished from the other segments because of a different class of customer. The All Other segment consists primarily of VF's licensed sports apparel and distributor knitwear operations. The operations of Nautica, acquired in August 2003, are part of the Consumer Apparel business segment, except that its golf apparel product line is part of the All Other segment.

Management at each of the operating business units has direct control over and responsibility for their business unit's sales, operating income and assets, hereinafter termed Segment Sales, Segment Profit and Segment Assets, respectively. VF management evaluates operating performance and makes decisions based on each business unit's Segment Sales and Segment Profit. Accounting policies used for internal management reporting at the individual business units are consistent with those stated in Note A, except as stated below and except that inventories are valued on a first-in, first-out basis. Common costs such as information processing, retirement benefits and insurance are allocated to individual business units based on appropriate metrics such as usage or employment.

Corporate costs other than certain costs directly related to the business units, net interest expense and amortization of intangible assets and goodwill are not controlled by management of the individual business units and are therefore excluded from the Segment Profit performance measure used for internal management reporting. Restructuring charges, although under the responsibility of business segment management, are also excluded from Segment Profit because of the unusual nature of these charges and their effect on comparability of operating performance. These items are separately presented in the reconciliation of Segment Profit to Consolidated Income from Continuing Operations before Income Taxes.

Corporate and Other Expenses (presented separately in the following table) consists of corporate headquarters expenses that are not allocated to the operating business units (including compensation and benefits of corporate management and staff, legal and professional fees, and administrative and general) and other expenses related to but not allocated to the operating business units for internal management reporting (including development costs for management information systems, costs of maintaining and enforcing VF's trademarks, adjustments for the last-in, first-out method of inventory valuation and consolidating adjustments).

Segment Assets are those used directly in the operations of each business unit, such as accounts receivable, inventories and property. Corporate assets include investments related to retirement benefits and information systems.

Financial information for VF's reportable segments is as follows:

<TABLE>
<CAPTION>

In thousands	2003	2002	2001
<S>	<C>	<C>	<C>
Segment sales:			
Consumer Apparel	$3,890,028	$3,803,790	$3,938,282
Outdoor Apparel and Equipment	580,663	508,020	492,614
Occupational Apparel	450,511	491,295	535,997
All Other	286,257	280,418	253,524
Consolidated net sales	$5,207,459	$5,083,523	$5,220,417

</TABLE>

<TABLE>
<CAPTION>

In thousands	2003	2002	2001
<S>	<C>	<C>	<C>
Segment profit:			
Consumer Apparel	$ 532,164	$ 589,377	$ 547,679
Outdoor Apparel and Equipment	95,895	72,697	61,099
Occupational Apparel	69,238	60,561	35,283
All Other	34,990	34,841	29,130
Total segment profit	732,287	757,476	673,191
Corporate and other expenses	(81,807)	(103,202)	(68,981)
Interest, net	(49,912)	(63,928)	(86,557)
Amortization of intangible assets and goodwill	(3,556)	(2,276)	(33,850)
Restructuring charges, net	1,494	(26,342)	(114,418)
Consolidated income from continuing operations before income taxes	$ 598,506	$ 561,728	$ 369,385
Segment assets:			
Consumer Apparel	$ 1,599,847	$ 1,464,402	$ 1,498,342
Outdoor Apparel and Equipment	217,473	147,990	134,311
Occupational Apparel	205,247	224,479	265,634
All Other	152,652	130,367	109,895
Total segment assets	2,175,219	1,967,238	2,008,182
Cash and equivalents	514,785	496,367	332,049
Goodwill and intangible assets	1,019,606	473,355	998,046
Deferred income taxes	208,391	258,589	240,416
Discontinued operations	550	4,803	145,252
Corporate assets	327,001	302,799	379,071
Consolidated assets	$ 4,245,552	$ 3,503,151	$ 4,103,016

</TABLE>

<TABLE>
<CAPTION>

In thousands	2003	2002	2001
<S>	<C>	<C>	<C>
Capital expenditures:			

Consumer Apparel	$ 52,189	$ 41,350	$ 59,865
Outdoor Apparel and Equipment	6,889	5,318	3,278
Occupational Apparel	1,247	1,264	1,902
All Other	3,654	4,248	3,579
Corporate	22,640	12,323	9,696
Total	$ 86,619	$ 64,503	$ 78,320

Depreciation expense:

Consumer Apparel	$ 72,413	$ 70,644	$ 79,609
Outdoor Apparel and Equipment	3,680	9,545	7,183
Occupational Apparel	10,816	10,292	14,158
All Other	6,699	6,319	7,517
Corporate	10,855	10,598	13,285
Total	$104,463	$107,398	$ 121,752

</TABLE>

Information by geographic area is presented below, with sales based on the location of the customer:

<TABLE>
<CAPTION>

In thousands	2003	2002	2001
<S>	<C>	<C>	<C>
Net sales:			
United States	$4,109,540	$4,078,385	$4,256,421
Foreign, primarily Europe	1,097,919	1,005,138	963,996
Total	$5,207,459	$5,083,523	$5,220,417
Property, plant and equipment:			
United States	$ 381,619	$ 346,637	$ 409,688
Mexico	109,681	125,525	141,235
Other foreign, primarily Europe	100,380	94,384	91,414
Total	$ 591,680	$ 566,546	$ 642,337

</TABLE>

Worldwide sales by product category are as follows:

<TABLE>
<CAPTION>

In thousands	2003	2002	2001
<S>	<C>	<C>	<C>
Jeans and related apparel	$2,666,815	$2,788,486	$ 2,873,530
Intimate apparel	830,225	839,786	870,846
Sportswear	248,967	-	-
Outdoor products	580,663	508,020	492,614
Occupational apparel	450,511	491,295	535,997
Other apparel	430,278	455,936	447,430
Total	$5,207,459	$5,083,523	$ 5,220,417

</TABLE>

Sales to Wal-Mart Stores, Inc., substantially all in the Consumer Apparel Segment, comprised 16.5% of consolidated sales in 2003, 16.2% in 2002 and 15.1%

in 2001. Trade receivables from this customer totaled $75.4 million at the end of 2003 and $66.8 million at the end of 2002.

NOTE S - COMMITMENTS

VF enters into noncancelable operating leases for retail stores and other facilities and for equipment. Leases for real estate typically have initial terms ranging from 5 to 15 years, some with renewal options. Leases for equipment typically have initial terms ranging from 2 to 5 years. Most leases have fixed rentals; expense for leases having increasing rentals per period are recorded on a straight-line basis over the minimum lease terms. Certain of the leases contain requirements for additional payments based on sales volume or for payments of real estate taxes and other occupancy costs. Rental expense included in the Consolidated Statements of Income was as follows:

In thousands	2003	2002	2001
Minimum rent expense	$ 74,367	$ 62,408	$ 63,264
Contingent rent	1,953	381	373
Rent expense	$ 76,320	$ 62,789	$ 63,637

Future minimum lease payments are $78.3 million, $64.7 million, $53.0 million, $41.1 million and $35.1 million for the years 2004 through 2008, respectively, and $97.3 million thereafter.

VF enters into licensing agreements that provide VF rights to market products under trademarks owned by other parties. Royalties under these agreements are recognized in Cost of Goods Sold in the Consolidated Statements of Income. Certain of these agreements contain provisions for the payment of minimum royalties on VF's sales of those products in future periods. Future minimum royalty payments, including any required minimum advertising payments, are $23.2 million, $17.9 million, $18.8 million, $19.2 million, $4.3 million and $4.2 million for the years 2004 through 2009, respectively.

VF in the ordinary course of business enters into purchase commitments for raw materials, sewing labor and finished products. These agreements, typically ranging from 2 to 6 months in duration, require total payments of $507.3 million in 2004. VF also enters into advertising commitments and service and maintenance agreements for its management information systems. Future minimum payments under these agreements are $50.0 million, $9.6 million, $4.0 million, $1.8 million and $0.4 million for the years 2004 through 2008, respectively.

The trustee of the Employee Stock Ownership Plan may require VF to redeem Series B Convertible Preferred Stock held in participant accounts, and to pay each participant the value of their account, upon retirement or withdrawal from the ESOP. The amounts of these redemptions vary based on the conversion value of the Preferred Stock. Since 2002, no redemption payments have been required as the ESOP trustee has converted shares of Series B Convertible Preferred Stock for withdrawing participants into shares of Common Stock.

VF has entered into $72.3 million of surety bonds and standby letters of credit representing contingent guarantees of performance under self-insurance and other programs. These commitments would only be drawn upon if VF were to fail to meet its claims obligations.

NOTE T - EARNINGS PER SHARE

In thousands, except per share amounts	2003	2002	2001

Basic earnings per share:			
Income from continuing operations	$ 397,933	$ 364,428	$ 217,278
Less Preferred Stock dividends and redemption premium	2,238	8,523	5,587
Income available for Common Stock	$ 395,695	$ 355,905	$ 211,691
Weighted average Common Stock outstanding	107,713	109,167	111,294
Basic earnings per share from continuing operations	$ 3.67	$ 3.26	$ 1.90
Diluted earnings per share:			
Income from continuing operations	$ 397,933	$ 364,428	$ 217,278
Increased ESOP expense if Preferred Stock were converted to Common Stock	-	652	826
Income available for Common Stock and dilutive securities	$ 397,933	$ 363,776	$ 216,452
Weighted average Common Stock outstanding	107,713	109,167	111,294
Effect of dilutive securities:			
Preferred Stock	1,674	2,103	2,417
Stock options and other	936	1,066	1,053
Weighted average Common Stock and equivalents outstanding	110,323	112,336	114,764
Diluted earnings per share from continuing operations	$ 3.61	$ 3.24	$ 1.89

</TABLE>

Outstanding options to purchase 5.0 million shares of Common Stock have been excluded from the computation of diluted earnings per share in 2003, 5.6 million shares in 2002 and 4.9 million shares in 2001 because the option exercise prices were greater than the average market price of the Common Stock. Earnings per share for Discontinued Operations, for the Cumulative Effect of Change in Accounting Policy and for Net Income (Loss) are computed using the same weighted average shares described above.

NOTE U - FINANCIAL INSTRUMENTS

The carrying amount and fair value of financial instrument assets (liabilities) are as follows:

<TABLE>
<CAPTION>

	2003		2002	
In thousands	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
<S>	<C>	<C>	<C>	
Long-term debt	$ (957,527)	$ (1,038,544)	$ (603,065)	$ (695,395)
Series B Convertible Preferred Stock	(29,987)	(66,169)	(36,902)	(73,334)

</TABLE>

The fair value of VF's long-term debt was estimated based on quoted market prices or values of comparable borrowings. The fair value of the Series B Convertible Preferred Stock was based on a valuation by an independent financial consulting firm. The carrying amounts of cash and equivalents, accounts

receivable, marketable securities held in irrevocable trusts for deferred compensation plans, short-term borrowings and foreign currency exchange contracts approximates their fair value.

VF monitors net foreign currency exposures and may in the ordinary course of business enter into foreign currency forward exchange contracts with major financial institutions. These contracts hedge against the effects of exchange rate fluctuations on anticipated cash flows relating to a portion of VF's significant foreign currency cash flows for inventory purchases and production costs, product sales and intercompany royalty payments anticipated for the following 12 months. Other contracts hedge against the effects of exchange rate fluctuation on specific foreign currency transactions, primarily intercompany financing arrangements. Use of hedging contracts allows VF to reduce its overall exposure to exchange rate movements since gains and losses on these contracts will offset losses and gains on the transactions being hedged.

VF may also enter into derivative financial instrument contracts to hedge interest rate risks. VF entered into a contract to hedge the interest rate risk for a notional amount of $150.0 million shortly before the issuance of $300.0 million of long-term debt in 2003 (Note J). This contract was settled concurrent with the issuance of the debt, with the gain of $3.5 million deferred in Accumulated Other Comprehensive Income.

The following summarizes, by major currency, the net U.S. dollar equivalent amount of VF's foreign currency forward exchange contracts:

<TABLE>
<CAPTION>

	2003		2002	
In thousands	NOTIONAL VALUE - BOUGHT (SOLD)	FAIR VALUE - ASSET (LIABILITY)	NOTIONAL VALUE - BOUGHT (SOLD)	FAIR VALUE - ASSET (LIABILITY)
<S>	<C>	<C>	<C>	<C>
European euro	$ (73,439)	$ (8,189)	$ (60,028)	$ (3,323)
Mexican peso	69,762	208	64,202	(2,534)
Canadian dollar	(25,980)	(1,302)	(11,014)	(17)
Other	(11,928)	-	(16,878)	8
		$ (9,283)		$ (5,866)

</TABLE>

VF recognized net pretax losses of $15.8 million during 2003 and $0.3 million during 2002 and net pretax gains of $7.2 million during 2001, primarily in Cost of Goods Sold, for foreign currency hedging contracts that had matured. As of January 3, 2004, net pretax losses of $10.7 million were deferred in Accumulated Other Comprehensive Income; these net deferred losses are expected to be reclassified into earnings during 2004 at the time the underlying hedged transactions are realized. During the years 2003, 2002 and 2001, hedge ineffectiveness was not significant.

In addition, as a result of the interest rate hedging contract mentioned above, VF recognized a pretax gain of less than $0.1 million during 2003 as a reduction of Interest Expense. As of January 3, 2004, a pretax gain of $3.5 million was deferred in Accumulated Other Comprehensive Income, which will be reclassified into earnings over the 30 year term of the notes issued in 2003.

NOTE V - SUPPLEMENTAL CASH FLOW INFORMATION

<TABLE>
<CAPTION>

In thousands	2003	2002	2001
<S>	<C>	<C>	<C>
Income taxes paid	$ 128,770	$ 132,645	$ 132,476
Interest paid	56,148	72,182	95,201
Noncash transactions:			

Notes issued in acquisition	58,300	-	-
Debt assumed in acquisition	18,758	-	-
Conversion of Convertible Preferred Stock to Common Stock	6,914	3,514	-
Issuance of Common Stock for compensation plans	1,004	973	381

</TABLE>

Quarterly Results of Operations (Unaudited)
In thousands,
except per share amounts

<TABLE>
<CAPTION>

<S>	FIRST QUARTER <C>	SECOND QUARTER <C>	THIRD QUARTER <C>	FOURTH QUARTER <C>	FULL YEAR <C>
2003					
Net sales	$ 1,250,055	$ 1,134,742	$ 1,435,403	$ 1,387,259	$ 5,207,459
Gross profit	468,763	420,731	537,078	518,512	1,945,084
Income from continuing operations	92,066	74,945	125,289	105,633	397,933
Net income	92,066	74,945	125,289	105,633	397,933
Earnings per share from continuing operations:					
Basic	$ 0.84	$ 0.69	$ 1.16	$ 0.97	$ 3.67
Diluted	0.83	0.68	1.14	0.96	3.61
Dividends per common share	$ 0.25	$ 0.25	$ 0.25	$ 0.26	$ 1.01
2002					
Net sales	$ 1,212,262	$ 1,160,256	$ 1,400,389	$ 1,310,616	$ 5,083,523
Gross profit	427,894	435,180	529,272	437,169	1,829,515
Income from continuing operations	77,047	88,480	128,564	70,337 *	364,428
Net income (loss)	(448,258)	88,866	128,249	76,600 *	(154,543)
Earnings per share from continuing operations:					
Basic	$ 0.67	$ 0.79	$ 1.16	$ 0.64 *	$ 3.26
Diluted	0.67	0.79	1.15	0.63 *	3.24
Dividends per common share	$ 0.24	$ 0.24	$ 0.24	$ 0.25	$ 0.97
2001					
Net sales	$ 1,340,388	$ 1,239,644	$ 1,406,659	$ 1,233,726	$ 5,220,417
Gross profit	459,903	432,060	493,018	331,203	1,716,184
Income from continuing operations	75,609	71,129	103,209	(32,669) **	217,278
Net income (loss)	77,486	69,381	103,560	(112,597) **	137,830
Earnings (loss) per share from continuing operations:S					
Basic	$ 0.66	$ 0.63	$ 0.92	$ (0.31) **	$ 1.90
Diluted	0.65	0.62	0.90	(0.31) **	1.89
Dividends per common share	$ 0.23	$ 0.23	$ 0.23	$ 0.24	$ 0.93

</TABLE>

* In the fourth quarter of 2002, restructuring charges reduced net income by $14.0 million ($.13 per diluted share). See Note P to the consolidated financial statements.

** In the fourth quarter of 2001, restructuring charges reduced net income by $88.7 million ($.80 per diluted share). See Note P to the consolidated financial statements.

VF Corporation Financial Summary

<TABLE>

<CAPTION>

<S> <C> <C> <C> <C> <C>

In thousands, except per share amounts	2003	2002 (6)	2001 (6)	2000 (6)	1999
SUMMARY OF OPERATIONS					
Net sales	$ 5,207,459	$ 5,083,523	$ 5,220,417	$ 5,403,123	$ 5,193,747
Operating income	644,889	621,924	454,427	505,558	638,422
Income from continuing operations	397,933	364,428	217,278	265,951	359,539
Discontinued operations	-	8,283	(79,448)	1,165	6,703
Cumulative effect of change in accounting policy	-	(527,254)	-	(6,782)	-
Net income (loss)	397,933	(154,543)	137,830	260,334	366,242
Earnings (loss) per common share - basic					
Income from continuing operations	$ 3.67	$ 3.26	$ 1.90	$ 2.29	$ 2.98
Discontinued operations	-	0.08	(0.71)	0.01	0.06
Cumulative effect of change in accounting policy	-	(4.83)	-	(0.06)	-
Net income (loss)	3.67	(1.49)	1.19	2.25	3.04
Earnings (loss) per common share - diluted					
Income from continuing operations	$ 3.61	$ 3.24	$ 1.89	$ 2.26	$ 2.93
Discontinued operations	-	0.07	(0.69)	0.01	0.06
Cumulative effect of change in accounting policy	-	(4.69)	-	(0.06)	-
Net income (loss)	3.61	(1.38)	1.19	2.21	2.99
Dividends per share	1.01	.97	.93	.89	.85
Average number of common shares outstanding	107,713	109,167	111,294	114,075	118,538
FINANCIAL POSITION					
Working capital	$ 1,336,674	$ 1,199,696	$ 1,217,587	$ 1,103,896	$ 763,943
Current ratio	2.5	2.4	2.5	2.1	1.7
Total assets	$ 4,245,552	$ 3,503,151	$ 4,103,016	$ 4,358,156	$ 4,026,514
Long-term debt	956,383	602,287	904,035	905,036	517,834
Redeemable preferred stock	29,987	36,902	45,631	48,483	51,544
Common stockholders' equity	1,951,307	1,657,848	2,112,796	2,191,813	2,163,818
Debt to capital ratio (1)	33.7%	28.6%	31.7%	34.7%	30.1%
OTHER STATISTICS (3)					
Operating margin	12.4%	12.2%	8.7%	9.4%	12.3%
Return on capital (1) (2)	16.6%	16.9%	8.0%	9.6%	12.9%
Return on average common stockholders' equity	22.3%	22.1%	9.8%	12.1%	17.3%
Return on average total assets	10.5%	10.4%	5.0%	6.1%	8.9%
Cash provided by operations	$ 543,704	$ 645,584	$ 600,556	$ 434,381	$ 383,759
Purchase of Common Stock	61,400	124,623	146,592	105,723	149,075
Dividends	111,258	108,773	106,864	104,920	104,302
MARKET DATA (3)					
Market price range	$44.08 - 32.62	$45.64 - 31.50	$ 42.70 - 28.15	$36.90 - 20.94	$55.00 -27.44
Book value per common share	18.04	15.28	19.21	19.52	18.62
Price earnings ratio - high-low (4)	12.2 - 9.0	14.1 - 9.7	22.6 - 14.9	16.3 - 9.3	18.8 - 9.4
Rate of payout (5)	28.0%	29.9%	49.2%	39.4%	29.0%

</TABLE>

(1) Capital is defined as average common stockholders' equity plus short-term and long-term debt.

(2) Return on capital is based on operating income plus miscellaneous income (expense), net of income taxes.

(3) Operating statistics and market data are based on continuing operations.

(4) Market price divided by income from continuing operations per diluted share.

(5) Dividends per share divided by earnings from continuing operations per diluted share.

(6) Includes restructuring charges as follows: 2002 - $16.4 million ($0.14 per diluted share); 2001- $88.7 million ($0.77 per share); and 2000 - $73.3 million ($0.63 per share).

INVESTOR INFORMATION

COMMON STOCK

Listed on the New York Stock Exchange and Pacific Exchange - trading symbol VFC.

SHAREHOLDERS OF RECORD

As of February 10, 2004, there were 5,779 shareholders of record.

DIVIDEND POLICY

Quarterly dividends on VF Corporation Common Stock, when declared, are paid on or about the 20th day of March, June, September and December.

DIVIDEND REINVESTMENT PLAN

The Plan is offered to shareholders by EquiServe Trust Company, N.A. The Plan provides for automatic dividend reinvestment and voluntary cash contributions for the purchase of additional shares of VF Corporation Common Stock. Questions concerning general Plan information should be directed to the Office of the Vice President - Administration, General Counsel and Secretary of VF Corporation.

DIVIDEND DIRECT DEPOSIT

Shareholders may have their dividends deposited into their savings or checking account at any bank that is a member of the Automated Clearing House (ACH) system. A brochure describing this service may be obtained by contacting EquiServe.

QUARTERLY COMMON STOCK PRICE INFORMATION

The high and low sales prices on a calendar quarter basis for the periods indicated were as follows:

<TABLE>
<CAPTION>

	2003		2002		2001	
	High	Low	High	Low	High	Low
<S>	<C>	<C>	<C>	<C>	<C>	<C>
First Quarter	$39.35	$32.62	$44.98	$39.00	$36.93	$32.79
Second Quarter	40.17	33.51	45.64	38.20	42.70	34.21
Third Quarter	41.59	33.43	43.07	33.88	39.95	28.30
Fourth Quarter	44.08	38.81	39.35	31.50	41.00	28.15

</TABLE>

EXHIBIT 21

VF CORPORATION
SUBSIDIARIES OF THE CORPORATION

Following is a listing of the significant subsidiaries of the Corporation, at January 3, 2004:

Name	Jurisdiction of Organization
Bulwark Protective Apparel, Ltd.	Canada
H.I.S sportswear AG	Germany
JanSport Apparel Corp.	Delaware
JanSport, Inc.	Delaware
Lee Bell, Inc.	Delaware
Les Dessous Boutique Diffusion S.A.	France
Nautica Apparel, Inc.	Delaware
Nautica Enterprises, Inc.	Delaware
Nautica Furnishings, Inc.	Delaware
Nautica International, Inc.	Delaware
Nautica Jeans Company	Delaware
Nautica Retail USA, Inc.	Delaware
Ring Company	Delaware
The H. D. Lee Company, Inc.	Delaware
The North Face Apparel Corp.	Delaware
The North Face, Inc.	Delaware
The North Face (Europe) Limited	United Kingdom
Vanity Fair, Inc.	Delaware
Vives Vidal Vivesa, S.A.	Spain
VF Chile S.A.	Chile
VF Diffusion S.a r.l.	France
VF de Argentina S.A.	Argentina
VF do Brasil Ltda.	Brazil
VF Ege Soke Giyim Sanayi ve Ticaret A.S.	Turkey
VF Europe B.V.B.A.	Belgium
VF Outlet, Inc.	Delaware
VF Germany Textil-Handels GmbH	Germany
VF Imagewear, Inc.	Delaware
VF Intimates, LP	Delaware
VF Investments S.a r.l.	Luxembourg
VF Luxembourg S.a r.l.	Luxembourg
VF Italia, S.r.l.	Italy
VF (J) France, S.A.	France
VF Jeanswear Limited Partnership	Delaware
VF Lingerie (France) S.A.	France
VF Northern Europe Ltd.	United Kingdom
VF Playwear, Inc.	Delaware
VF Polska Sp. zo.o.	Poland
VF Scandinavia A/S	Denmark
VFJ Credit Corp.	Delaware
Wrangler Apparel Corp.	Delaware

Excludes subsidiaries which, if considered as a single subsidiary or after taking into account the elimination of intercompany accounts, would not constitute a significant subsidiary. Subsidiaries are 100% owned unless otherwise indicated.

Exhibit 23

Consent of Independent Accountants

We hereby consent to the incorporation by reference in the below listed Registration Statements of VF Corporation of our report dated February 11, 2004 relating to the consolidated financial statements, which appears in the Annual Report to Shareholders, which is incorporated by reference in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report dated February 11, 2004 relating to the financial statement schedule, which appears in this Form 10-K.

(1) Post-Effective Amendment No. 1 to Registration Statement No. 333-32789 on Form S-8, which constitutes Post-Effective Amendment No. 9 to Registration Statement No. 2-85579 on Form S-8, Post-Effective Amendment No. 5 to Registration Statement No. 33-26566 on Form S-8, Post-Effective Amendment No. 2 to Registration Statement No. 33-55014 on Form S-8 and Post-Effective Amendment No. 2 to Registration Statement No. 33-60569 on Form S-8;

(2) Post-Effective Amendment No. 1 to Registration Statement No. 33-33621 on Form S-8, which constitutes Post-Effective Amendment No. 2 to Registration Statement No. 2-99945 on Form S-8;

(3) Registration Statement No. 333-59727 on Form S-8;

(4) Post-Effective Amendment No. 1 to Registration Statement No. 33-41241 on Form S-8;

(5) Registration Statement No. 333-72267 on Form S-8;

(6) Post-Effective Amendment No. 1 to Registration Statement No 333-49023 on Form S-8;

(7) Registration Statement No. 33-10491 on Form S-3;

(8) Registration Statement No. 33-53231 on Form S-3;

(9) Registration Statement No. 333-84193 on Form S-8, Post-Effective Amendment No. 1 thereto;

(10) Registration Statement No. 333-94205 on Form S-8;

(11) Registration Statement No. 333-50956 on Form S-4;

(12) Registration Statement No. 333-67502 on Form S-8.

/s/ PricewaterhouseCoopers LLP
Greensboro, North Carolina
March 10, 2004

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that V.F. Corporation and the undersigned directors and officers of V.F. Corporation do hereby constitute and appoint Candace S. Cummings, Robert K. Shearer, and Mackey J. McDonald, and each of them, true and lawful attorneys-in-fact of the undersigned to execute on their behalf the Annual Report of V.F. Corporation on Form 10-K (including any amendments thereof) for the fiscal year of V.F. Corporation ended January 3, 2004, to be filed with the Securities and Exchange Commission.

IN WITNESS WHEREOF, each of the undersigned has duly executed this Power of Attorney this 10th day of February, 2004.

V.F. CORPORATION

ATTEST:

By: /s/ Mackey J. McDonald

/s/ Candace S. Cummings Candace S. Cummings Secretary	Mackey J. McDonald Chairman of the Board, President and Chief Executive Officer
Principal Executive Officer:	Principal Financial Officer:
/s/ Mackey J. McDonald Mackey J. McDonald Chairman of the Board, President and Chief Executive Officer	/s/ Robert K. Shearer Robert K. Shearer Vice President-Finance and Chief Financial Officer
/s/ Edward E. Crutchfield Edward E. Crutchfield, Director	/s/ Robert J. Hurst Robert J. Hurst, Director
/s/ Juan Ernesto de Bedout Juan Ernesto de Bedout, Director	/s/ W. Alan McCollough W. Alan McCollough, Director
/s/ Ursula F. Fairbairn Ursula F. Fairbairn, Director	/s/ Mackey J. McDonald Mackey J. McDonald, Director
/s/ Barbara S. Feigin Barbara S. Feigin, Director	/s/ Clarence Otis, Jr. Clarence Otis, Jr., Director
/s/ George Fellows George Fellows, Director	/s/ M. Rust Sharp M. Rust Sharp, Director
/s/ Daniel R. Hesse Daniel R. Hesse, Director	/s/ Raymond G. Viault Raymond G. Viault, Director

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mackey J. McDonald, certify that:

1. I have reviewed this annual report on Form 10-K of V.F. Corporation;

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

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

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

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

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

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

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

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

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

March 10, 2004

/s/ Mackey J. McDonald

Mackey J. McDonald
Chairman, President
And Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert K. Shearer, certify that:

1. I have reviewed this annual report on Form 10-K of V.F. Corporation;

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

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

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

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

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

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

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

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

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

March 10, 2004

/s/ Robert K. Shearer

Robert K. Shearer
Vice President - Finance and
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of V.F. Corporation (the "Company") on Form 10-K for the period ending January 3, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mackey J. McDonald, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

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

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

March 10, 2004

/s/ Mackey J. McDonald

Mackey J. McDonald
Chairman, President and
Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of V.F. Corporation (the "Company") on Form 10-K for the period ending January 3, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert K. Shearer, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

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

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

March 10, 2004

/s/ Robert K. Shearer

Robert K. Shearer
Vice President - Finance and
Chief Financial Officer