

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended APRIL 2, 1994  
-----

or

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

For the transition period from ----- to -----

Commission file number 1-5256  
-----

V. F. CORPORATION  
-----

(Exact name of registrant as specified in its charter)

<TABLE>

<S>	PENNSYLVANIA	<C>	23-1180120
-----		-----	
(State or other jurisdiction of incorporation or organization)		(I.R.S. Employer Identification No.)	

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

</TABLE>

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

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

On April 30, 1994, there were 64,661,902 shares of Common Stock outstanding.

VF CORPORATION

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

<TABLE>

<CAPTION>

THREE MONTHS ENDED

-----  
APRIL 2      APRIL 3  
1994      1993  
-----

<S>

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<C>

NET SALES

\$1,123,035

\$1,016,644

COSTS AND OPERATING EXPENSES		
Cost of products sold	760,423	693,418
Marketing, administrative and general expenses	253,910	221,789
	-----	-----
	1,014,333	915,207
	-----	-----
OPERATING INCOME	108,702	101,437
OTHER INCOME (EXPENSE)		
Interest income	2,508	2,940
Interest expense	(19,191)	(18,222)
Miscellaneous, net	(4,149)	286
	-----	-----
	(20,832)	(14,996)
	-----	-----
INCOME BEFORE INCOME TAXES	87,870	86,441
INCOME TAXES	34,972	33,712
	-----	-----
NET INCOME	\$ 52,898	\$ 52,729
	=====	=====
EARNINGS PER COMMON SHARE		
Primary	\$0.81	\$0.83
Fully diluted	0.79	0.81
CASH DIVIDENDS PER COMMON SHARE	\$0.32	\$0.30

</TABLE>

See notes to consolidated financial statements.

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

<TABLE>  
<CAPTION>

	APRIL 2 1994	JANUARY 1 1994	APRIL 3 1993
	-----	-----	-----
ASSETS			
<S>	<C>	<C>	<C>
CURRENT ASSETS			
Cash and equivalents	\$ 25,522	\$ 151,564	\$ 37,416
Accounts receivable, less allowances: Apr 2-\$30,648; Jan 1-\$28,808; Apr 3-\$33,047	632,631	511,887	544,943
Inventories:			
Finished products	625,359	486,045	536,265
Work in process	136,479	119,582	142,614
Materials and supplies	145,087	173,140	149,538

	-----	-----	-----	
	906,925	778,767	828,417	
Other current assets	89,008	57,962	69,636	
Total current assets	-----	-----	-----	
	1,654,086	1,500,180	1,480,412	
PROPERTY, PLANT AND EQUIPMENT		1,340,110	1,250,023	1,279,370
Less accumulated depreciation		569,192	537,264	554,097
	-----	-----	-----	
	770,918	712,759	725,273	
INTANGIBLE ASSETS		917,945	575,359	550,098
OTHER ASSETS		102,520	89,050	94,098
	-----	-----	-----	
	\$3,445,469	\$2,877,348	\$2,849,881	
	=====	=====	=====	

#### LIABILITIES AND SHAREHOLDERS' EQUITY

##### CURRENT LIABILITIES

Short-term borrowings	\$ 446,576	\$ 35,648	\$ 31,525	
Current portion of long-term debt	3,944	110,119	52,910	
Accounts payable	257,268	246,503	257,558	
Accrued liabilities	362,047	267,578	323,894	
Total current liabilities	-----	-----	-----	
	1,069,835	659,848	665,887	
LONG-TERM DEBT	630,574	527,573	635,821	
OTHER LIABILITIES	148,678	126,978	112,649	
REDEEMABLE PREFERRED STOCK		63,089	63,309	63,824
DEFERRED CONTRIBUTION TO EMPLOYEE STOCK OWNERSHIP PLAN		(46,301)	(47,760)	(51,139)
	-----	-----	-----	
	16,788	15,549	12,685	

##### COMMON SHAREHOLDERS' EQUITY

Common Stock	64,584	64,489	64,298	
Additional paid-in capital	546,074	543,165	535,618	
Foreign currency translation adjustments	(14,845)	(12,865)	1,836	
Retained earnings	983,781	952,611	821,087	
	-----	-----	-----	
	1,579,594	1,547,400	1,422,839	
	-----	-----	-----	
	\$3,445,469	\$2,877,348	\$2,849,881	
	=====	=====	=====	

</TABLE>

See notes to consolidated financial statements.

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

<TABLE>  
<CAPTION>

THREE MONTHS ENDED

-----	-----
APRIL 2	APRIL 3
1994	1993
-----	-----

<S>	<C>	<C>	
<b>OPERATIONS</b>			
Net income	\$ 52,898	\$ 52,729	
Adjustments to reconcile net income to cash provided by operations:			
Depreciation	30,176	29,806	
Amortization of intangible assets	7,403	4,464	
Other	5,111	(3,074)	
Changes in current assets and liabilities:			
Accounts receivable	(75,992)	(51,649)	
Inventories	(32,287)	(85,675)	
Accounts payable	(18,818)	8,692	
Other, net	48,929	58,126	
	-----	-----	
Cash provided by operations	17,420	13,419	
<b>INVESTMENTS</b>			
Capital expenditures	(30,031)	(43,258)	
Business acquisitions	(494,751)	-	
Other, net	(4,258)	(7,755)	
	-----	-----	
Cash invested	(529,040)	(51,013)	
<b>FINANCING</b>			
Increase (decrease) in short-term borrowings	510,152	(94,314)	
Proceeds from long-term debt	-	98,557	
Payment of long-term debt	(106,978)	(233,167)	
Sale of Common Stock	-	231,900	
Cash dividends paid	(21,725)	(20,350)	
Other	4,129	6,064	
	-----	-----	
Cash provided (used) by financing	385,578	(11,310)	
	-----	-----	
NET CHANGE IN CASH AND EQUIVALENTS		(126,042)	(48,904)
CASH AND EQUIVALENTS - BEGINNING OF YEAR		151,564	86,320
	-----	-----	
CASH AND EQUIVALENTS - END OF PERIOD		\$ 25,522	\$ 37,416
	=====	=====	

</TABLE>

See notes to consolidated financial statements.

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VF CORPORATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)

NOTE A - BASIS OF PRESENTATION

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

consolidated financial statements and notes included in the Corporation's Annual Report on Form 10-K for the year ended January 1, 1994.

#### NOTE B - EARNINGS PER COMMON SHARE

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

#### NOTE C - LONG-TERM DEBT

At April 2, 1994, \$100.0 million of commercial paper is classified as long-term debt pursuant to the Corporation's intent to refinance the obligation on a long-term basis. On April 6, 1994, the Corporation issued \$100.0 million of 7.60% notes due 2004.

#### NOTE D - CAPITAL

There are 150,000,000 authorized shares of Common Stock, no par value - stated capital \$1 a share. At April 2, 1994, there were 64,583,672 shares outstanding, excluding 1,769,197 treasury shares. At January 1, 1994 and April 3, 1993, there were 64,488,660 and 64,298,235 shares outstanding, excluding 1,769,131 and 1,767,131 treasury shares, respectively.

There are 25,000,000 authorized shares of Preferred Stock, \$1 par value. Of these shares, 2,000,000 were designated as Series A, of which none have been issued, and 2,105,263 shares were designated and issued as 6.75% Series B Preferred Stock, of which 2,043,366 shares were outstanding at April 2, 1994, 2,050,491 at January 1, 1994 and 2,067,185 at April 3, 1993.

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VF CORPORATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(UNAUDITED)

#### NOTE E - ACQUISITIONS

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

<TABLE>

<S>

<C>

First Quarter

In thousands, except per share amounts 1993

Net sales	\$1,094,394
Net income	46,638

Earnings per common share:

Primary	\$0.73
Fully diluted	0.71

</TABLE>

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

RESULTS OF OPERATIONS

Consolidated net sales increased 10% for the first quarter compared with the first quarter of 1993. Of the total increase, \$78 million represents sales of divisions acquired since last year's first quarter. With net income flat for the quarter, earnings per share declined slightly due to higher average shares outstanding from the public offering of Common Stock completed in late January 1993.

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

<TABLE>  
<CAPTION>

	First Quarter		
	1994	1993 (Restated)	Percent Change
	(In thousands)		
<S>	<C>	<C>	<C>
NET SALES			
Jeanswear	\$ 589,000	\$ 585,266	1%
Decorated Knitwear	116,883	62,752	86
Intimate Apparel	174,865	169,708	3
Playwear	77,845	45,021	73
Specialty Apparel	164,442	153,897	7
	-----	-----	---
	\$1,123,035	\$1,016,644	10%
	=====	=====	===
OPERATING PROFIT			
Jeanswear	\$ 80,544	\$ 76,861	5%
Decorated Knitwear	(5,373)	(3,291)	(63)
Intimate Apparel	17,502	15,855	10
Playwear	6,149	2,669	100+
Specialty Apparel	19,696	18,370	7
	-----	-----	---
	118,518	110,464	7%
		=====	
CORPORATE EXPENSES		(9,816)	(9,027)
INTEREST, NET	(16,683)	(15,282)	
OTHER INCOME (EXPENSE), NET		(4,149)	286
	-----	-----	
INCOME BEFORE INCOME TAXES		\$ 87,870	\$ 86,441
	=====	=====	

</TABLE>

The Jeanswear business group consists of the Lee and Wrangler divisions in the United States and in international markets, primarily in Europe. This business group also includes Girbaud, which designs and markets licensed jeanswear

products in the United States under the Marithe & Francois Girbaud(R) label. Sales and operating profit increased strongly in international markets. Domestically, operating profit increased at Lee and Wrangler despite flat sales, but sales and profits declined at Girbaud, where consumer resistance to

premium-priced jeans has impacted performance since mid-1993.

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

The Intimate Apparel business group includes the operations of Vanity Fair Mills and Barbizon domestically and the intimate apparel divisions in Europe. Quarterly sales for the group rose modestly as a result of increased sales of Vassarette products at Vanity Fair. Operating margin improvements were posted for all divisions included in the business group.

The Playwear business group consists of Healthtex, the playwear and sleepwear operations of Cutler and the preschool sizes of Lee and Wrangler in the United States. Playwear sales increased primarily due to the acquisition of Cutler in 1994. Quarterly operating profits exceeded the prior year period due to the inclusion of Cutler and significantly higher margins in all other divisions.

The Specialty Apparel business group consists primarily of the Red Kap and Jantzen divisions and JanSport equipment. The group's sales and operating profit increases resulted primarily from the higher volume experienced at Red Kap.

Overall, gross margins increased slightly to 32.3% of sales from 31.8% in 1993, due primarily to reduced use of outside contractors in the Jeanswear group.

Marketing, administrative and general expenses were 22.6% of sales, compared with 21.8% in the first quarter of 1993. The increase is attributable to higher distribution and other costs. Marketing, administrative and general expenses as a percent of sales in the first quarter are historically at higher levels than annual amounts and are not necessarily representative of the trend expected for the year.

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

The effective income tax rate for the first quarter of 1994 was 39.8% versus 39.0% for the 1993 period, based on the expected effective rate for the year. The higher rate results primarily from the change in the United States corporate income tax rate from 34% to 35% effective August 1993.

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## FINANCIAL CONDITION AND LIQUIDITY

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

<TABLE>

<CAPTION>

	April 2 1994	January 1 1994	April 3 1993
	-----	-----	-----
	(Dollars in millions)		
<S>	<C>	<C>	<C>
Working capital	\$584.3	\$840.3	\$814.5
Current ratio	1.5 to 1	2.3 to 1	2.2 to 1
Total debt to capitalization	40.6%	30.3%	33.6%

</TABLE>

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

Inventories are higher than at the comparable date in the prior year and at year-end 1993 levels due to the acquisitions of Nutmeg and Cutler in January



1994. Inventories also increased from year-end 1993 to meet seasonal requirements.

During the 1994 first quarter, short-term borrowings were used to finance the purchases of Nutmeg and Cutler. In addition, the Corporation used short-term borrowings to fund the January 1994 redemption of \$100.0 million of 8.00% notes due in 1997. On April 6, 1994, the redeemed notes were refinanced with 10 year 7.60% notes.

## PART II - OTHER INFORMATION

### Item 4 -Submission of Matters to a Vote of Security Holders

At the Annual Meeting of Shareholders of the Corporation held on April 19, 1994, shares representing a total of 66,606,149 votes were outstanding and entitled to vote on the following matters:

- 1) The Directors elected at the meeting for a term of three years were Roger S. Hillas, William E. Pike, M. Rust Sharp, and L. Dudley Walker.
- 2) The proposal to adopt the 1991 Stock Option Plan, as amended, was approved. The vote was 49,041,668 for, 6,967,014 against and 350,372 abstaining.
- 3) The proposal to adopt the Executive Incentive Compensation Plan was approved. The vote was 54,080,711 for, 1,897,425 against and 380,918 abstaining.

### Item 6 - Exhibits and Reports on Form 8-K

- (a) Exhibit 11  
Computation of earnings per share for the three months ended April 2, 1994 and April 3, 1993
- (b) Reports on Form 8-K  
A report on Form 8-K dated January 19, 1994, as amended on Form 8-K/A, announced the acquisitions of Nutmeg Industries, Inc. and H. H. Cutler Company and included documents related to the acquisitions, financial statements of Nutmeg and combined condensed financial statements.

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SIGNATURES

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

V.F. CORPORATION

-----  
(Registrant)

Date: May 12, 1994

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

/s/ R. K. Shearer

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

EXHIBIT 11  
VF CORPORATION  
COMPUTATION OF EARNINGS PER SHARE  
(IN THOUSANDS, EXCEPT PER SHARE DATA)

<TABLE>  
<CAPTION>

	THREE MONTHS ENDED	
	APRIL 2 1994	APRIL 3 1993
<S>	<C>	<C>
<b>PRIMARY EARNINGS PER SHARE</b>		
-----		
Net income	\$ 52,898	\$ 52,729
Less preferred stock dividends	783	777
	-----	-----
Net income available to common stockholders	\$ 52,115	\$ 51,952
	=====	=====
Average number of common shares outstanding	64,532	62,842
	=====	=====
Primary earnings per share	\$0.81	\$0.83
	=====	=====

**FULLY DILUTED EARNINGS PER SHARE**

-----		
Net income	\$ 52,898	\$ 52,729
Increased ESOP contribution required if preferred stock were converted to common	379	396
	-----	-----
Fully diluted earnings	\$ 52,519	\$ 52,333
	=====	=====
Average number of common shares outstanding	64,532	62,842
Additional common equivalent shares resulting from:		
Conversion of preferred stock	1,634	1,654
Dilutive effect of stock options	347	461
	-----	-----
Average number of common and common equivalent shares	66,513	64,957
	=====	=====
Fully diluted earnings per share	\$0.79	\$0.81
	=====	=====

</TABLE>

