

We now license our heritage brands in the following product categories either domestically or internationally:

Golf

Men's

Women's

Men's

Belts and Personal

Dress Shirts

Leather Goods

Big and Tall

Eyewear, Sunwear

Footwear

Fragrance

Handkerchiefs

Neckwear

Loungewear

Outerwear

Sportswear

Tailored Clothing

Underwear

Women's

Accessories

Footwear

Intimates

Leather Outerwear

Outerwear

Shirts

Skirts

Sleepwear

Sportswear

Swimwear

Children's

Eyewear, Sunwear

Sportswear

Outerwear

School Uniforms

Home

Bed and Bath

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With more than 250 retail stores internationally, and 50 new stores planned, international visibility and awareness of our heritage brands are poised to grow.

HERITAGE BRANDS AS LICENSED BY COUNTRY

Country	Brand			
	ARROW	Bass	IZOD	Van Heusen
Argentina				•
Australia				•
Benelux	•			
Canada	•		•	•
Chile	•			•
China	•		•	•
Colombia	•			
Costa Rica				•
Denmark				•
Egypt				•
France	•		•	
Guatemala	•	•		
Honduras		•		•
Hong Kong	•	•		
India	•			•
Indonesia	•			•
Japan	•			
Jordan				•
Kenya	•			
Korea	•			
Malaysia	•			•
Mauritius	•			
Mexico	•		•	•
New Zealand				•
Norway				•
Panama			•	•
Peru		•		•
Philippines	•	•	•	•
Portugal	•			
Singapore	•			•
Spain	•			
Sweden				•
Taiwan	•			
Thailand	•			•
Trinidad				•
Turkey	•			
U.K./Eire	•			•
U.S.A.	•	•	•	•
Uruguay				•
Venezuela	•	•		
Zimbabwe	•			•

Increased brand awareness and improved product selection, as well as growing consumer demands in emerging markets, have created demand for our brands abroad.

The efforts of our licensing partners resulted in significant increases in 2006 in the sales of products under our heritage brands worldwide. These increases came from improved sales in existing licensed businesses, new product introductions in existing territories, the launch of businesses in additional territories and an expanded network of licensed retail stores.

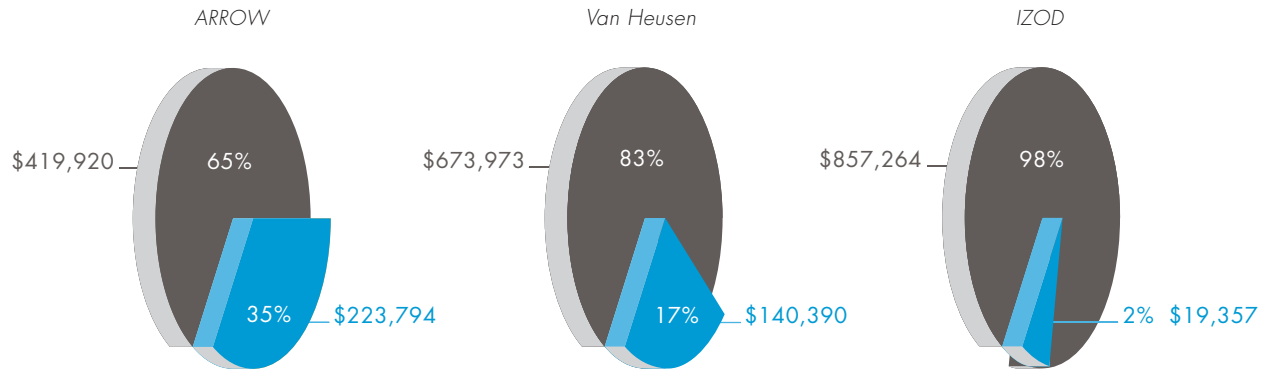
We believe much of the growth of the international sales of our heritage brands is attributable to increased brand awareness through our expanded marketing efforts and improved product selection and performance. In addition, increased consumer demand in emerging markets is being directed towards brands with great American heritages, such as ours.

The example of our licensees in Australia, India and Far East Asia is illustrative of this growth and demand.

**HERITAGE BRAND SALES
DOMESTIC VS. INTERNATIONAL***

*retail sales in thousands of dollars

● Domestic ● International



ARROW international sales illustrate the brand's strength internationally, along with a growing presence in the domestic market outside of our traditional apparel offerings.

Van Heusen global sales represent the brand's strong appeal in both domestic and international markets.

IZOD global sales reflect the brand's strength within the domestic market and the opportunity to expand overseas.



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Australia

In Australia, the *Van Heusen* brand, marketed under license by Gazal Apparel, is experiencing significant growth. For over 20 years, *Van Heusen* has held the highest market share in the country for men's dress shirts sold in department stores, garnering a share of over 60% in 2006. Capitalizing on the *Van Heusen* brand's appeal, Gazal Apparel has expanded beyond the shirt and tie business to offer men's suits, sport coats, dress pants, hosiery, footwear, fragrance and accessories. In addition, Gazal Apparel opened its first two freestanding *Van Heusen* specialty stores in 2006 and plans to open four more in 2007. A line of men's sportswear will also debut in 2007.

India

Sales of the *Van Heusen* brand in India, marketed by Madura Garments, have experienced growth due to an expansion into men's sportswear and continued strength in men's dress furnishings. Over the last five years, Madura Garments has opened 25 *Van Heusen* specialty stores and has lateralized the brand into a broad range of products. In 2006, two 5,000 square foot flagship stores were opened in Cannaugh Place, New Delhi's premier shopping district. The launch of womenswear at the end of 2006 is expected to offer even further growth for the coming years.

The *ARROW* brand, marketed in India under license by Arvind Mills, has a newly energized presence. Arvind Mills has moved the *ARROW* brand beyond men's dress furnishings by expanding into sportswear. Arvind Mills operates 49 *ARROW* specialty stores in India, including a 4,500 square foot flagship store in Bangalore.

Both the *ARROW* brand and the *Van Heusen* brand have significant market share in India in menswear and are well positioned to capitalize on India's economic growth and the resulting increase in the purchasing power of its consumers. Over 20 new stores are planned to be opened for the two brands combined in 2007, furthering the opportunity to seize upon the brands' popularity and this economic growth.



ARROW Billboard - Mumbai, India



Mall of Asia - Pasay City, Philippines



Van Heusen Store - Australia

Far East

We entered into a long term licensing agreement with Nantong Kailun Textile Company at the end of 2006 to market a full collection of lifestyle products under the *Van Heusen* brand in China, Hong Kong, Macau and Taiwan. NKT intends to market the brand through its own freestanding *Van Heusen* specialty stores and shop-in-shops in department stores. NKT plans to have at least three flagship stores in Beijing and Shanghai by the end of 2008.

We have also entered into a license agreement with Global Retail Inc. to launch the *IZOD* brand in China, Hong Kong, Macau, and Thailand. GRI has already secured two retail sites for *IZOD* flagship stores in the Central World Mall in Bangkok and the luxury mall at the Venetian Hotel in Macau.

Future

The examples above are a few of the many international licensing initiatives currently underway. We will continue to work with our existing international partners, and identify appropriate new ones, to continue to build our brands, international sales and revenues, through both wholesale and retail initiatives. We will also work with our partners to promote global brand consistency and fulfill our goal of "One Brand – One Vision" for each of our brands.

International store openings provide the most demonstrable evidence of our expansion into new markets throughout the world. The next year should see the number of these licensee operated freestanding stores rise nearly 20%.

International Stores

	2006	2007 (projected)
<i>Van Heusen</i>	85	106
<i>IZOD</i>	9	19
<i>ARROW</i>	131	150
<i>Bass</i>	37	37
Total	262	312