

---

---

**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 1, 2005**

Commission file number: **1-5256**

**V. F. CORPORATION**

(Exact name of registrant as specified in its charter)

**Pennsylvania**  
(State or other jurisdiction of  
incorporation or organization)

**23-1180120**  
(I.R.S. employer  
identification 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:**

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common Stock, without par value, stated capital \$1 per share	New York Stock Exchange and
Preferred Stock Purchase Rights	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 non-affiliates of V.F. Corporation on July 3, 2004 was approximately \$4,268,000,000, based on the closing price of the shares on the New York Stock Exchange.

As of February 23, 2005, 112,346,859 shares of Common Stock of the registrant were outstanding. In addition, 823,192 shares of Series B ESOP Redeemable Preferred Stock of the registrant were outstanding and convertible into 1,317,107 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 Redeemable Preferred Stock.

**Documents Incorporated By Reference**

Portions of the Annual Report to Shareholders for the fiscal year ended January 1, 2005, a copy of which is filed as Exhibit 13 of this report (Item 1 in Part I, Items 5, 6, 7, 7A, 8 and 9A 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 26, 2005 (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.

This document (excluding exhibits) contains 26 pages.  
The exhibit index begins on page 21.

## PART I

### Item 1. Business

VF Corporation, organized in 1899, is a worldwide leader in the manufacturing and marketing of branded apparel and related products. Unless the context indicates otherwise, the term “VF” used herein means VF Corporation and its subsidiaries.

For over 100 years, VF has grown by offering consumers high quality, high value branded apparel and other products. VF follows an overall strategy of identifying specific brands to market to a specific channel of distribution. Accordingly, products and brands are sold through specialty store, department store, chain store and discount store channels. In addition, many products are available through VF-owned retail stores, as well as through licensees and distributors dedicated to offering these products directly to consumers. To provide these products across this broad distribution network, VF has implemented a strategy that combines efficient and flexible internally-owned manufacturing with externally-owned sourcing of raw materials and finished goods. As a result, VF satisfies the needs of millions of apparel consumers around the world.

VF’s businesses are organized into five product categories, and by brands within those product categories, for both management and internal financial reporting purposes. These groupings of businesses are called “coalitions” and consist of the following: Jeanswear, Outdoor Apparel and Equipment, Intimate Apparel, Imagewear and Sportswear. These coalitions are treated as reportable segments for financial reporting purposes. Coalition management has the responsibility to build and develop brands within guidelines established by VF management. Corporate management at VF headquarters oversees the operations of these individual businesses and provides them with financial and administrative resources.

The following table summarizes VF’s primary owned and licensed brands by coalition:

Coalition	Primary Brands	Primary Product(s)
Jeanswear	<i>Lee</i> <sup>®</sup> <i>Rustler</i> <sup>®</sup> <i>Wrangler</i> <sup>®</sup> <i>Timber Creek by Wrangler</i> <sup>®</sup> <i>Wrangler Hero</i> <sup>®</sup> <i>Riders</i> <sup>®</sup> <i>Hero by Wrangler</i> <sup>®</sup> <i>H.I.S</i> <sup>®</sup>	denim and casual tops, bottoms denim and casual tops, bottoms denim and casual tops, bottoms casual tops and bottoms denim bottoms denim and casual tops, bottoms denim bottoms denim and casual tops, bottoms
Outdoor Apparel and Equipment	<i>JanSport</i> <sup>®</sup> <i>The North Face</i> <sup>®</sup> <i>Eastpak</i> <sup>®</sup> <i>Vans</i> <sup>®</sup> <i>Napapijri</i> <sup>®</sup> <i>Kipling</i> <sup>®</sup>	backpacks, bookbags, luggage outdoor gear and apparel backpacks, bookbags footwear outdoor sportswear handbags, backpacks, accessories
Intimate Apparel	<i>Vanity Fair</i> <sup>®</sup> <i>Vassarette</i> <sup>®</sup> <i>Lily of France</i> <sup>®</sup> <i>Bestform</i> <sup>®</sup>	women's lingerie women's lingerie women's lingerie women's lingerie
Imagewear	<i>Red Kap</i> <sup>®</sup> <i>Lee Sport</i> <sup>®</sup> <i>Bulwark</i> <sup>®</sup> <i>NFL</i> <sup>®</sup> (licensed) <i>MLB</i> <sup>®</sup> (licensed)	occupational apparel licensed sports apparel occupational apparel athletic apparel athletic apparel
Sportswear	<i>Nautica</i> <sup>®</sup>	fashion sportswear

Financial information regarding VF's coalitions, as well as geographic information and sales by product category, is included in Note R to the consolidated financial statements in VF's Annual Report to Shareholders for the fiscal year ended December 2004 (the "2004 Annual Report"), which is incorporated herein by reference.

#### Jeanswear Coalition

Jeanswear and related shirts and casual products are marketed in the United States and in many international markets. *Lee* and *Wrangler* products are sold in nearly every developed country. In fact, including all of its jeanswear brands, VF has the largest jeanswear market share of any company in the world. The *Lee* and *Wrangler* brands also have longstanding traditions, as they were established in 1889 and 1947, respectively.

In addition to these brands, *Wrangler Hero*, *Rustler* and *Riders* are the other primary brands marketed in the United States. VF also markets cotton casual pants under the *Lee Casuals*, *Timber Creek by Wrangler* and *Wrangler Khakis* brands.

In domestic markets, *Lee* 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.

In international markets, VF's largest jeanswear business is located in Western Europe. *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-oriented and has a higher relative price than similar products in the United States. VF's first *Lee*® retail store opened in London during 2003.

VF also markets the *Lee* and *Wrangler* brands in Canada and Mexico, as well as South America, through businesses based in Chile, Brazil and Argentina. These products are sold through department and specialty stores. In addition, VF operates retail stores in Latin America. VF also markets *Lee* and *Wrangler*® products to retailers in China, Russia, Turkey and Israel.

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

#### **Outdoor Apparel and Equipment Coalition**

The Outdoor Apparel and Equipment Coalition is a group of outdoor-related businesses that represent a collection of lifestyle brands. Product offerings include outerwear, sportswear, footwear, equipment, luggage, backpacks and daypacks.

*The North Face* brand of high performance outdoor apparel, equipment and footwear 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* products are marketed through specialty outdoor and premium sporting goods stores in the United States, Canada and Europe and select department stores in the United States. In addition, these products are sold through VF-operated full price retail and outlet stores in the United States, as well as stores operated by licensees and distributors dedicated to selling *The North Face* brand in Europe and Asia. These products are marketed throughout Asia by licensees and distributors, except in Japan and South Korea where rights to the brand are owned by a third party.

*JanSport* daypacks and luggage are 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. *Eastpak* and *JanSport* daypacks are sold primarily through department and specialty stores in Europe. A technical line of *JanSport* backpacks is sold through outdoor and sporting goods stores. *JanSport* 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 also marketed throughout Asia by licensees and distributors. In addition, VF is planning to launch a complete *Eastpak*® branded apparel collection in Europe in 2005.

During the second quarter of 2004, VF acquired three outdoor apparel businesses. See Note B of the consolidated financial statements in the 2004 Annual Report for financial information related to these acquisitions.

The most significant of these transactions was the acquisition on June 30, 2004 of Vans, Inc. ("Vans"), a manufacturer and marketer of *Vans*® performance and casual footwear and apparel for skateboarders and other action sports participants and enthusiasts. In its most recent fiscal year prior to VF ownership, Vans had sales of \$344 million with sales being split approximately equally among domestic wholesale accounts, domestic retail stores and international operations. The retail strategy of Vans includes full price retail stores and outlet stores. These retail stores carry a wide variety of *Vans*® footwear products, along with apparel and accessory items, most of which bear the *Vans*® brand name and logo. Vans currently operates full-price retail stores in the United States located in a mix of mall and freestanding locations. The first flagship retail store in Europe opened in London at the end of 2003. In addition, a prototype store concept has been developed, which will be used to retrofit many of the existing retail stores and improve retail sell-through. In addition to full-price retail stores, Vans operates outlet stores in the United States, the United Kingdom, Austria, Spain and Puerto Rico.

On May 31, 2004, VF acquired the *Napapijri*® ("Napapijri") brand of premium casual outdoor apparel. *Napapijri*® products are primarily in the mid-to-high price range and sold in the wholesale channel, primarily to specialty shops such as sport stores and fashion boutiques. In addition, these products are sold in Europe through owned stores and stores operated by licensees and distributors. Napapijri has very strong brand awareness in Italy, where the operations are based, and is also well-known across Europe. In addition to anticipated growth in European markets, there are plans to develop a business in upper-tier department stores and add VF-owned retail stores in the United States. Napapijri had sales of \$76 million in its most recent fiscal year prior to VF ownership.

VF acquired *Kipling*® ("Kipling") bags, backpacks and accessories on June 14, 2004. *Kipling*® products are sold in Europe, Asia, the United States, and South America. Products are sold through VF-owned as well as externally-owned retail establishments. In addition to global retail expansion, there are plans for developing a department store distribution in the United States. Based in Belgium, Kipling had sales of \$69 million in its most recent fiscal year prior to VF ownership.

Vans, Napapijri and Kipling add lifestyle brands that have global growth potential to VF's Outdoor Apparel and Equipment Coalition. These brands are targeted to specific consumer groups, and their products extend across multiple product categories. Vans and Kipling provide expertise and growth opportunities in two new product categories for VF — footwear and women's accessories. In addition, the sportswear design talent at Napapijri will be utilized to launch *Nautica*® apparel in Europe. Each of the businesses should benefit from VF's existing systems and infrastructure, which supports VF's growing portfolio of international brands.

#### **Intimate Apparel Coalition**

VF markets women's intimate apparel under the *Vanity Fair*®, *Lily of France*® and *Exquisite Form*® brands and the licensed *Tommy Hilfiger*® brand to department and specialty stores located in the United States. Products in the Intimate Apparel Coalition include bras, panties, daywear, shapewear and sleepwear. Women's intimate apparel is also marketed under the *Vassarette*® and *Bestform*® brands for sale to the mass market channel of distribution. Also, VF successfully launched the *Curvation*® brand in 2003 for the full-figured woman shopping in the mass channel. VF has a significant private label lingerie business with various speciality, national chain and discount stores in the United States. This business strengthened in 2004 with one of its largest

customers supporting a major new product launch.

VF acquired 51% ownership of a newly created intimate apparel marketing company in Mexico during 2004. This new company markets several of VF's intimate apparel brands, as well as the *Ilusión*® brand owned by the minority partner, to discount stores and department stores in Mexico. Business operations began in the third quarter of 2004 and are managed as part of the U.S. intimate apparel business.

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, VF markets women's swimwear under the *Majestic* and licensed *Nike* labels in Europe.

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

#### **Imagewear Coalition**

VF produces workwear, career and safety apparel sold under the *Red Kap*, *Horace Small Apparel Company*, *Penn State Textile*™ 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. VF'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 also markets corporate image uniforms and casual apparel through its VF Solutions business unit. To better service its national accounts, VF operates a number of catalog web sites for major business customers and for governmental organizations such as U.S. Customs & Border Protection and the Bureau of Land Management. These web sites give more than 400,000 employees of these customers the convenience of shopping and paying for their work and career apparel via the internet.

This coalition includes VF's activewear apparel businesses. VF 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 recent years has been driven by a five year agreement signed in 2002 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 marketed to mid-tier department stores, specialty stores and mass merchandisers. In addition, 2004 was the first year of a new five year contract with Major League Baseball.

In early 2003 and early 2005, VF acquired two businesses that have rights to manufacture and market apparel products under license from Harley-Davidson Motor Company, Inc.

The remaining component of this coalition is the marketing of blank knitted fleecewear and other knit

and woven tops to wholesalers principally under the *Lee* brand.

### **Sportswear Coalition**

In August 2003, VF acquired Nautica Enterprises, Inc. ("Nautica"). The *Nautica* brand sportswear business provided broad product capabilities related to a lifestyle brand and a significantly greater presence in the department store and specialty store channels of distribution.

The principal product line for Nautica is men's sportswear, noted for its classic styling. *Nautica Jeans Company* brand features fashionable jeanswear and related tops for younger male consumers. The *Nautica Competition* brand is a line of casual apparel for active consumers. Other product lines sold by VF under the *Nautica* brand include men's outerwear, underwear and sleepwear, and women's sleepwear. The unprofitable women's jeans business in the department store channel was closed in 2004, but will be evaluated for a potential relaunch. VF expects to make substantial progress toward defining its strategy and direction for the women's sportswear business in 2005. Plans are also underway to launch *Nautica* branded apparel in Europe beginning in late 2005.

Nautica operates outlet stores in better outlet malls across the United States. These stores carry *Nautica* merchandise for men, boys and girls. Products sold in the outlet stores are different from those sold by Nautica to its department and specialty store wholesale customers. In addition, the stores carry *Nautica* merchandise from licensees to complete the desired product assortment.

As part of the Nautica acquisition, VF acquired the *John Varvatos*, *Earl Jean* and *E. Magrath* brand businesses. The *John Varvatos* brand is a luxury apparel and accessory collection for men and women including tailored clothing, sportswear, leather accessories and footwear. These products are sold through upscale department and specialty stores, as well as through four John Varvatos retail locations. The *Earl Jean* brand is a premium line of jeans and sportswear marketed in the United States, Europe and Asia. This brand will be managed and reported with the Jeanswear Coalition beginning in 2005. *E. Magrath* golf apparel is sold through pro shops in the United States and is managed as part of the Imagewear Coalition.

### **Playwear Business**

The Playwear business consisted primarily of VF's *Healthtex* childrenswear. Trademarks and certain operating assets of this business were sold in May 2004, and retained inventories and other assets were liquidated during the balance of the year.

### **Retail Operations**

VF-owned retail stores are an integral part of VF's strategy for building its brands, providing visibility for its products and brands and enabling VF to stay close to the needs of core consumers. In addition, outlet stores serve an important role in VF's overall inventory management by allowing VF to effectively sell a significant portion of discontinued and out-of-season products at better prices than otherwise available.

VF currently operates approximately 180 full-price stores and 320 outlet stores around the world that sell specific brands, including *The North Face*, *Vans*, *Napapijri*, *Kipling*, *Nautica*, *Lee* and *Wrangler*. Also, some of VF's brands, including *JanSport*, *Eastpak*, *The North Face*, *Vans*, *Napapijri* and *Kipling*, are offered through over 150 independently-owned stores located primarily in Europe and Asia.

In addition to the retail operations discussed above, VF operates approximately 100 outlet stores across the United States and Europe that sell a broad selection of VF products. Sales and profits of VF products sold through these outlet stores are reported as part of the operating results of the respective coalitions.

Retail sales accounted for approximately 10% and 9% of VF's consolidated Net Sales in 2004 and 2003, respectively. VF management expects the retail business to continue to grow and is planning a capital investment of approximately \$40 million in retail space during 2005.

In addition, VF offers other products directly to the consumer via the internet consisting of the corporate uniform business in the Imagewear Coalition and *Vans*® products. Internet sales in 2004 were approximately 1% of VF's consolidated Net Sales.

#### **Licensing Arrangements**

In connection with VF's business strategy of expanding market penetration of its owned brands, VF enters into licensing agreements for certain products and geographic regions if such arrangements provide more effective manufacturing, distribution and marketing of such products than could be achieved internally. These licensing arrangements relate to a broad range of VF products and are for fixed terms that may include renewal options. In addition, certain foreign licensees are granted the right to open retail stores under the licensed brand name and sell only licensed branded products in these stores. Each licensee pays royalties to VF based upon its sales of branded products, with most agreements providing for a minimum royalty. These payments generally range from 3% to 7% of the licensing partners' net sales of the licensed products. In addition, licensees are generally required to spend an amount between 1% and 5% of their sales to advertise VF's products. In some cases, these advertising amounts are remitted to VF for advertising on behalf of the licensees. VF provides support to these business partners and seeks to preserve the integrity of brand names by taking an active role in the design, quality control, advertising, marketing and distribution of each licensed product, most of which are subject to VF's prior approval and continuing oversight. Net licensing income was \$50 million and \$29 million in 2004 and 2003, respectively, with the increase attributed to the inclusion of the Nautica licensing business for a full year in 2004.

While licensing activities exist for all coalitions, the largest component of this business, approximately 42% of net licensing income, is in the Sportswear coalition. The *Nautica*® brand is licensed in the United States for apparel categories not produced by VF (e.g., tailored clothing, dress shirts, neckwear, accessories, women's swimwear) and for nonapparel categories (e.g., home furnishings, fragrances, watches, eyewear). 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.

VF has also 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, Inc. and others. Some of these license arrangements contain minimum annual licensing and advertising requirements. 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 VF.



## 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 VF has obtained fixed price commitments for up to one year, specific purchase obligations with suppliers are typically limited to the succeeding two to six months. VF does not have any long-term supplier contracts for the purchase of raw materials. However, in connection with the sale of VF's childrenswear business in 2004, VF has committed to purchase \$15 million of finished goods per year through 2013.

For most domestic operations, VF purchases fabric from several domestic and international suppliers in conjunction with scheduled production. Purchased fabric is cut and sewn into finished garments in VF-owned domestic and offshore manufacturing facilities located in Mexico and the Caribbean Basin. In addition, VF contracts the sewing of VF-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, ready-for-sale products to VF.

Over the last five years, VF closed a significant number of manufacturing facilities in the United States and shifted production to lower cost locations. As a result of this shift in sourcing, the amount of sales in the United States derived from products manufactured in lower cost locations outside the United States has increased each year over the last three years. During 2004, 3% of the units VF sold in the United States were manufactured in VF-owned plants in the United States. In contrast, at the end of 2000, approximately one-third of VF's products sold in the United States were manufactured in VF-owned plants in the United States. Today, of the total products supporting sales to customers in the United States, 38% were manufactured in VF-owned facilities in Mexico and the Caribbean Basin and 59% were obtained from contractors, primarily in Asia.

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. This combination of VF-owned and contracted production, along with different geographic regions and cost structures, provides a balanced approach to product sourcing. In 2005, a new sourcing hub will be opening in Miami. This facility is expected to handle all of the sourcing for the Western Hemisphere.

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, France 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 VF must be pre-certified 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 new contractor must be inspected and sign a Terms of Engagement agreement prior to performance of any production on VF's behalf. VF periodically audits compliance with these standards.

VF did not experience difficulty in obtaining its raw material and contracting production needs during 2004. Management does not anticipate difficulties in obtaining its raw materials and contracting production requirements during 2005. The loss of any one supplier or contractor would not have a significant adverse effect on VF's business.

### **Imports and Import Restrictions**

VF is exposed to certain risks of doing business outside of the United States. VF imports 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 had been subject to the constraints imposed by bilateral agreements between the United States and a number of governments. These agreements were negotiated either under the framework established by the World Trade Organization ("WTO") or other applicable statutes, and they imposed quotas that limited the amount of certain categories of merchandise from these countries that could be imported into the United States and the European Union. Restrictions under these agreements ended on December 31, 2004.

Pursuant to a 1995 Agreement on Textiles and Clothing under the WTO, effective January 1, 2005 the United States and other WTO member countries were required, with few exceptions, to remove quotas on goods from WTO member countries. The complete removal of quotas would benefit VF as well as other apparel companies by allowing them to source products without quantitative limitation from any countries. The only significant exceptions to the removal of quota that could affect VF are Vietnam and China. Vietnam is not a WTO member and is therefore still subject to quota on certain products to various countries. It is possible for countries to restrict China with safeguard quotas pursuant to the terms of China's Accession Agreement to the WTO. The United States is expected to use the safeguard quota mechanisms on certain products sometime during 2005. Any of these actions could impact VF's ability to import products but are monitored closely by our management to evaluate the possible business impact. Any effect of the imposition of safeguards is not expected to have a material impact on VF.

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. VF 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 the free flow of product 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 global production environment.

### **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 somewhat seasonal. On a quarterly basis, consolidated Net Sales for 2004 ranged from a low of approximately 21% of full year

sales in the second quarter to a high of 30% in the third quarter. This disparity results primarily from the sales of outdoor apparel and equipment, which are more seasonal in nature. Assuming we had owned Vans, Napapijri, and Kipling for the full year in 2004, approximately 37% of outdoor apparel and equipment sales would have occurred in the third quarter. In addition, consolidated Net Sales for 2004 would have ranged from a low of approximately 22% in the second quarter to a high of 29% in the third quarter. These percentages are relatively consistent with prior years.

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. VF 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. VF sponsors various sporting, music and other special events. In addition, point-of-sale fixtures and signage are used to promote products at the retail level. VF spent \$314.1 million advertising and promoting its products in 2004, an increase of 21% from the 2003 level.

VF also participates in various retail customer incentive programs. These incentive programs with retailers include stated discounts, discounts based on the retailer 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*

VF's business depends on its ability to stimulate consumer demand for its brands and products. VF is well-positioned to compete in the apparel industry 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. VF continually strives to improve on each of these areas. Many of VF's brands have long histories and enjoy high recognition within their respective consumer segments.

Although VF is one of the largest apparel companies in the world, the apparel industry is highly competitive and consists of a number of domestic and foreign companies. 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. In certain product categories and geographic areas in which VF operates, there may be several competitors that have more sales and assets than VF in those specific categories or geographic areas.

##### *Trademarks*

Trademarks have substantial value in the marketing of VF's products. VF has registered these trademarks in the United States and with governmental agencies in other countries where VF's products are manufactured and/or sold. VF vigorously monitors and protects these trademarks against infringement and dilution where legally feasible and appropriate. In addition, VF grants

licenses to other parties to manufacture and sell products with our trademarks in product categories and in geographic areas in which VF does not operate.

### **Customers**

VF products are primarily sold through VF's sales force and independent sales agents. VF's customers are primarily department, chain, specialty and discount stores in the United States and in international markets, primarily in Europe. Sales to VF's ten largest customers, all of which are retailers based in the United States, amounted to 38% of total sales in 2004, 41% in 2003 and 42% in 2002. Sales to the five largest of those customers amounted to approximately 29% of total sales in 2004, 33% in 2003 and 34% in 2002. Sales to VF's largest customer, Wal-Mart Stores, Inc., totaled 15.2% of total sales in 2004, 16.5% in 2003 and 16.2% in 2002, substantially all of which were in the Jeanswear and Intimate Apparel coalitions.

### **Employees**

VF employed approximately 53,200 men and women as of the end of 2004, of which 17,500 were located in the United States. Approximately 500 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 VF's order backlog as of any date is not material for an understanding of the business of VF taken as a whole.

### **Executive Officers of VF**

The following are the executive officers of VF Corporation as of February 18, 2005. 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.

<u>Name</u>	<u>Position</u>	<u>Age</u>	<u>Period Served In Such Office(s)</u>
Mackey J. McDonald	Chairman of the Board Chief Executive Officer President Director	58	October 1998 to date January 1996 to date October 1993 to date October 1993 to date
Bradley W. Batten	Vice President - Controller and Chief Accounting Officer	49	September 2004 to date
Candace S. Cummings	Vice President - Administration, General Counsel Secretary	57	March 1996 to date October 1997 to date

Name	Position	Age	Period Served In Such Office(s)
George N. Derhofer	Vice President and Chairman - Intimate Apparel and Imagewear Coalitions	51	February 2004 to date
Terry L. Lay	Vice President and Chairman - Jeanswear Coalition	57	February 2004 to date
Frank C. Pickard III	Vice President - Treasurer	60	April 1994 to date
John P. Schamberger	Vice President and Chairman – Cross Coalition Management	56	February 2004 to date
Robert K. Shearer	Vice President - Finance & Chief Financial Officer Vice President - Global Processes	53	July 1998 to date January 2003 to date
Eric C. Wiseman	Vice President and Chairman - Outdoor and Sportswear Coalitions	49	February 2004 to date

Mr. McDonald joined VF's Lee division in 1983, serving in various management positions until he was named Group Vice President of VF in 1991, President of VF 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 26, 2005 ("2005 Proxy Statement").

Mr. Batten rejoined VF as Vice President – Controller in September 2004. He recently served at Sara Lee Corporation as Vice President Operations for the Intimates and Hosiery Group from November 2002 to August 2003 as well as Vice President & Chief Operating Officer and Vice President Finance & Chief Financial Officer for the Intimates Group from May 2002 to November 2002 and August 2000 to May 2002, respectively. Prior to these roles at Sara Lee, Batten served as Vice President & Chief Financial Officer of VF's Intimates business from 1998 to July 2000.

Mrs. Cummings joined VF 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 VF 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 VF and Chairman – Imagewear Coalition in October 2000. He was elected as Vice President and Chairman – Intimate Apparel and Imagewear Coalitions in February 2004.

Mr. Lay joined VF's Lee division in 1971 and held various positions in VF'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 VF in 1999. From 1999 to October 2000, he served as Chairman — International Coalition. He served as Vice President – Global Processes from October 2000 to January 2003 and Chairman – Outdoor Coalition from January 2003 to February 2004. He also served as Chairman – International Jeanswear Coalition from October 2000 until February 2004. He was elected as Vice President and Chairman – Jeanswear Coalition in February 2004.

Mr. Pickard joined VF 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 VF's Wrangler division in 1972 and held various positions until his election as President of Wrangler in 1992. He was elected as VF's Chairman – North & South America Jeanswear and Workwear Coalitions in 1995 and Vice President of VF in 1995. From October 2000 to February 2004, he served as Chairman – North & South America Jeanswear Coalition. He was elected as Vice President and Chairman – Cross Coalition Management in February 2004.

Mr. Shearer joined VF 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 VF in 1995 as Executive Vice President of Finance, Operations and Manufacturing at the JanSport division. In 1998 he became President of the Bestform division and was elected Vice President of VF and Chairman – Global Intimate Apparel Coalition in October 2000, serving in this role until February 2004. He was elected as Vice President – Sportswear Coalition in August 2003. He was also elected as Vice President and Chairman – Outdoor and Sportswear Coalitions in February 2004.

#### **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 2004 Annual Report, a copy of which is filed as Exhibit 13 to this report.

#### **Available Information**

VF's filings with the Securities and Exchange Commission (“SEC”), including the annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports, are available free of charge on VF's primary internet website, [www.vfc.com](http://www.vfc.com). In addition, these documents will be provided free of charge to any shareholder upon request directed to the Secretary of VF at P.O. Box 21488, Greensboro, NC 27420. The SEC also maintains an internet website at [www.sec.gov](http://www.sec.gov) that contains reports, proxy and information statements, and other information related to VF.

#### **Item 2. Properties.**

VF owns certain facilities used in manufacturing and distribution activities. 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 2004 are summarized below by reportable segment:

	Square Footage
Jeanswear	7,600,000
Outdoor Apparel and Equipment	500,000
Intimate Apparel	2,700,000
Imagewear	2,800,000
Sportswear	500,000
	<u>14,100,000</u>

In addition, VF also owns or leases various administrative and office space having 2,500,000 square feet of space and owns or leases 5,000,000 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 2,400,000 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 VF's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

Information concerning the market and price history of VF'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 2004 Annual Report, a copy of which is filed as Exhibit 13 to this report.

Issuer purchases of equity securities:

Fiscal Period	Total Number of Shares Purchased	Weighted Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (1)
October 2004	—	—	—	5,315,900
November 2004	—	—	—	5,315,900
December 2004	—	—	—	5,315,900
Total	—	—	—	—

- (1) There were no share repurchases in the fourth quarter of 2004. The program had been suspended since the second quarter of 2003 because of the purchase of Nautica and the acquisitions completed during 2004. VF intends to repurchase 2 million shares in 2005, although the actual number purchased during 2005 will depend on acquisition opportunities that may arise. Also, under the Mid-Term Incentive Plan implemented under VF's 1996 Stock Compensation Plan, VF must withhold from the shares of Common Stock issuable in settlement of a participant's performance-based restricted stock units the number of shares having an aggregate fair market value equal to any federal, state and local withholding or other tax that VF is required to withhold, unless the participant has made other arrangements to pay such amounts. No shares were withheld under the Mid-Term Incentive Plan during the period.

**Item 6. Selected Financial Data.**

Selected financial data for VF for each of its last five fiscal years is incorporated herein by reference to "Financial Summary" in the 2004 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 VF'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 2004 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 VF'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 2004 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 March 7, 2005, and specific supplementary financial information, are incorporated herein by reference to the 2004 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.**

**Conclusion Regarding the Effectiveness of Disclosure 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 VF'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 1, 2005. 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.

**Management's Report on Internal Control Over Financial Reporting**

VF's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f). VF's management conducted an assessment of VF's internal control over financial reporting based on the framework described in *Internal Control – Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, VF's management has determined that VF's internal control over financial reporting was effective as of January 1, 2005.

Management's assessment of the effectiveness of VF's internal control over financial reporting as of January 1, 2005 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is incorporated herein by reference to the 2004 Annual Report, a copy of which is filed as Exhibit 13 to this report.

**Changes in Internal Control Over Financial Reporting**

There were no changes in VF's internal control over financial reporting that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal

control over financial reporting.

**Item 9B. Other Information.**

Not applicable.

**PART III**

**Item 10. Directors and Executive Officers of VF.**

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 VF." Information required by Item 10 of Part III regarding our Directors is included in our Proxy Statement relating to our 2005 Annual Meeting of Shareholders 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 2005 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 is filed as Exhibit 14 to this report, and is posted on our website, [www.vfc.com](http://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](http://www.vfc.com).

The Board of Directors' Corporate Governance Principles, the Audit Committee, Nominating and Governance Committee, Compensation Committee and Finance Committee charters and other corporate governance information, including the method for interested parties to communicate directly with nonmanagement members of the Board of Directors, are available on VF's website. These documents, as well as the VF Corporation Code of Business Conduct, will be provided free of charge to any shareholder upon request directed to the Secretary of VF at P.O. Box 21488, Greensboro, NC 27420.

**Item 11. Executive Compensation.**

Information required by Item 11 of this Part III is included in the 2005 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 2005 Proxy Statement under the

caption "Security Ownership of Certain Beneficial Owners and Management" 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 2005 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 2005 Proxy Statement under the caption "Professional Fees of PricewaterhouseCoopers LLP" and is incorporated herein by reference.

**PART IV**

**Item 15. Exhibits and Financial Statement Schedules**

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

1. Financial statements - Included in Exhibit 13, the 2004 Annual Report, and incorporated by reference in Item 8 of this report (\*):

Consolidated balance sheets — December 2004 and 2003

Consolidated statements of income — Fiscal years ended December 2004, 2003 and 2002

Consolidated statements of comprehensive income — Fiscal years ended December 2004, 2003 and 2002

Consolidated statements of cash flows — Fiscal years ended December 2004, 2003 and 2002

Consolidated statements of common stockholders' equity — Fiscal years ended December 2004, 2003 and 2002

Notes to consolidated financial statements

Report of independent registered public accounting firm

- \* VF operates and reports using a 52/53 week fiscal year ending on the Saturday closest to December 31 of each year. All references to "2004", "2003" and "2002" relate to the fiscal years ended on January 1, 2005 (52 weeks), January 3, 2004 (52 weeks) and January 4, 2003 (53 weeks), respectively.

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

Schedule II — Valuation and qualifying accounts

Report of independent registered public accounting firm 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: <ul style="list-style-type: none"><li>(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)</li><li>(B) Agreement and Plan of Merger dated as of April 27, 2004 among Vans, VF and McGarrett Corporation (Incorporated by reference to Exhibit 2.1 to Form 8-K dated April 27, 2004)</li></ul>
3	Articles of incorporation and bylaws: <ul style="list-style-type: none"><li>(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)</li><li>(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)</li><li>(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)</li><li>(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)</li><li>(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)</li></ul>
4	Instruments defining the rights of security holders, including indentures: <ul style="list-style-type: none"><li>(A) A specimen of VF's Common Stock certificate (Incorporated by reference to Exhibit 3(C) to Form 10-K for the year ended January 3, 1998)</li><li>(B) A specimen of VF'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)</li><li>(C) Indenture between VF and Morgan Guaranty Trust Company of New York, dated</li></ul>

January 1, 1987 (Incorporated by reference to Exhibit 4.1 to Form S-3 Registration No. 33-10939)

- (D) First Supplemental Indenture between VF, 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 VF 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 VF 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 VF 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 VF 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 4.1 to Form 10-Q for the quarter ended April 3, 2004)
- (M) Form of 6% Note due October 15, 2033 for \$2,500,000 (Incorporated by reference to Exhibit 4.1 to Form 10-Q for the quarter ended April 3, 2004)
- (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 and restated as of February 10, 2004 (Incorporated by reference to Exhibit A to the 2004 Proxy Statement dated March 25, 2004)

- \* (D) Form of VF Corporation 1996 Stock Compensation Plan Non-Qualified Stock Option Certificate (Incorporated by reference to Exhibit 10(d) to Form 8-K filed on December 17, 2004)
- \* (E) Form of VF Corporation 1996 Stock Compensation Plan Non-Qualified Stock Option Plan Certificate for Non-Employee Directors (Incorporated by reference to Exhibit 10(e) to Form 8-K filed on December 17, 2004)
- \* (F) Form of Award Certificate for Performance-Based Restricted Stock Units (Incorporated by reference to Exhibit 10(A) to Form 8-K filed on February 10, 2005)
- \* (G) 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)
- \* (H) 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)
- \* (I) Executive Deferred Savings Plan II (Incorporated by reference to Exhibit 10(a) to Form 8-K filed on December 17, 2004)
- \* (J) Amendment to Executive Deferred Savings Plan (Incorporated by reference to Exhibit 10(b) to Form 8-K filed on December 17, 2004)
- \* (K) 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)
- \* (L) Fourth Supplemental Annual Benefit Determination under the Amended and Restated Supplemental Executive Retirement Plan for Participants in VF's Deferred Compensation Plan (Incorporated by reference to Exhibit 10(B) to Form 10-Q for the quarter ended April 5, 2003)
- \* (M) 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)
- \* (N) Seventh Supplemental Annual Benefit Determination under the Amended and Restated Supplemental Executive Retirement Plan for Participants in VF's Executive Deferred Savings Plan (Incorporated by reference to Exhibit 10(C) to Form 10-Q for the quarter ended April 5, 2003)
- \* (O) 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)

- \* (P) 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)
- \* (Q) Amended Tenth Supplemental Annual Benefit Determination under the Amended and Restated Supplemental Executive Retirement Plan for Participants in VF's Mid-Term Incentive Plan (Incorporated by reference to Exhibit 10.2 to Form 10-Q for the quarter ended July 3, 2004)
- \* (R) Eleventh Supplemental Annual Benefit Determination Pursuant to the Amended and Restated Supplemental Executive Retirement Plan (Incorporated by reference to Exhibit 10.1 to Form 10-Q for the quarter ended July 3, 2004)
- \* (S) Resolution of the Board of Directors dated December 3, 1996 relating to lump sum payments under VF's Supplemental Executive Retirement Plan (Incorporated by reference to Exhibit 10(N) to Form 10-K for the year ended January 4, 1997)
- \* (T) Form of Change in Control Agreement with Certain Senior Management of VF or its Subsidiaries (Incorporated by reference to Exhibit 10(c) to Form 8-K filed on December 17, 2004)
- \* (U) Executive Incentive Compensation Plan as Amended and Restated February 11, 2003 (Incorporated by reference to Exhibit 10(G) to Form 10-Q for the quarter ended April 5, 2003)
- \* (V) Restricted Stock Agreement (Incorporated by reference to Exhibit 10(S) to Form 10-K for the year ended December 31, 1994)
- \* (W) 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)
- \* (X) 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)
- \* (Y) 2004 Mid-Term Incentive Plan, a subplan under the 1996 stock compensation plan (Incorporated by reference to Exhibit 10(T) to Form 10-K for year ended January 3, 2004)
- (Z) Revolving Credit Agreement, September 25, 2003 (Incorporated by reference to Exhibit 10 to the Form 10-Q for the quarter ended October 4, 2003)
- \* (AA) Resolution of the Board of Directors dated October 21, 2004, relating to compensation of Directors of VF (Incorporated by reference to Form 8-K filed December 17, 2004)

\* Management compensation plans

- 13 Annual report to security holders
- 14 Code of Business Conduct
- 21 Subsidiaries of the Corporation
- 23 Consent of independent registered public accounting firm
- 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.



SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, VF 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)

By: /s/ Robert K. Shearer  
Robert K. Shearer  
Vice President - Finance  
and Chief Financial Officer  
(Chief Financial Officer)

By: /s/ Bradley W. Batten  
Bradley W. Batten  
Vice President - Controller  
(Chief Accounting Officer)

March 10, 2005

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of VF 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
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

March 10, 2005

\* By: /s/ C. S. Cummings  
C. S. Cummings, Attorney-in-Fact

March 10, 2005

**Report of Independent Registered Public Accounting Firm on  
Financial Statement Schedule**

To the Board of Directors and Stockholders of VF Corporation:

Our audits of the consolidated financial statements, of management's assessment of the effectiveness of internal control over financial reporting and of the effectiveness of internal control over financial reporting referred to in our report dated March 7, 2005 appearing in the 2004 Annual Report to Stockholders of VF Corporation (which report, consolidated financial statements and assessment 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  
PricewaterhouseCoopers LLP  
Greensboro, North Carolina

March 7, 2005

---

**VF CORPORATION**  
**Schedule II - Valuation and Qualifying Accounts**

COL. A	COL. B	COL. C		COL. D	COL. E
Description	Balance at Beginning of Period	ADDITIONS		Deductions	Balance at End of Period
		(1) Charged to Costs and Expenses	(2) Charged to Other Accounts		
		(Dollars in thousands)			
<b>Fiscal year ended December 2004</b>					
Allowance for doubtful accounts	\$ 65,769	3,516	5,690(C)	14,185(A)	\$ 60,790
Valuation allowance for deferred income tax assets	\$ 67,810	7,276	—	7,611(B)	\$ 67,475
<b>Fiscal year ended December 2003</b>					
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
<b>Fiscal year ended December 2002</b>					
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

(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 income tax assets will be realized.

(C) Additions due to the acquisitions of Nautica in 2003 and of Vans, Napapijri and Kipling in 2004. These amounts reflect the amount of allowance for doubtful accounts at their respective opening balance sheet dates to record trade accounts receivable at net realizable value.

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

## OVERVIEW

VF Corporation ("VF") is a leading marketer of apparel in the United States and in many international markets. Management's vision is to grow VF by building leading lifestyle brands that excite consumers around the world. VF owns a diversified portfolio of brands with strong market positions in several consumer product categories. And, we market occupational apparel to distributors and major employers. We are organized around our principal product categories, and major brands within those categories. These groupings of businesses, referred to as "coalitions," are summarized as follows:

<TABLE> <S> PRODUCT CATEGORY	<C> VF-OWNED BRANDS
Jeanswear	Lee(R), Wrangler(R), Riders(R), Rustler(R), Timber Creek by Wrangler(R)
Outdoor products	The North Face(R), Vans(R), JanSport(R), Eastpak(R), Kipling(R), Napapijri(R)
Intimate apparel	Vanity Fair(R), Lily of France(R), Vassarlette(R), Bestform(R)
Sportswear	Nautica(R), John Varvatos(R), Earl Jean(R)
Imagewear	Lee Sport(R), Red Kap(R), Bulwark(R)
</TABLE>	

VF has a broad customer base, with products distributed through leading specialty, department, chain and discount stores around the world. Approximately 23% of our 2004 sales were in international markets, and our ten largest customers represented 38% of total 2004 sales.

## LONG-TERM FINANCIAL TARGETS

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

1

- - SALES GROWTH OF 8% PER YEAR - Despite the apparel industry having been relatively flat in terms of unit volume with generally flat to slightly declining prices in recent years, our 2004 sales increased 16%, driven by growth in our core (i.e., ongoing) businesses, the full year effect of our 2003 acquisition of Nautica Enterprises, Inc. ("Nautica") and four acquisitions completed in 2004. We currently expect sales growth of 6 - 8% in 2005, excluding any additional acquisitions. On a longer-term basis, achieving our growth target will require a combination of core growth and acquisitions.

In our search for acquisitions, we focus on branded apparel businesses that satisfy our strategic and financial goals. Refer to the section titled "Strategic Objectives" for further details.

- - OPERATING INCOME OF 14% OF SALES - In recent years, we have made progress toward this goal, as demonstrated by attaining an operating margin of 12.8% in 2004.

Many of our businesses currently exceed the 14% benchmark, and nearly all of our businesses have double digit margins. We continually evaluate our existing businesses, which in 2004 resulted in the decision to exit our Healthtex(R) and licensed Nike(R) childrenswear business ("VF Playwear") as it no longer met our strategic and financial objectives. We believe that our recently acquired companies can achieve the 14% target.

The improvement in operating margins in recent years was related, in part, to specific actions taken to reduce our cost structure. These actions have focused on lowering our product cost by moving our production to lower cost locations around the world. We will continue to pursue cost reduction opportunities in product cost, distribution and administrative areas.

- - 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 follows:

Income before net interest expense, after income taxes
-----
Average short and long-term debt, plus common stockholders' equity

VF earned a 15.8% return on capital in 2004. We expect acquisition targets

will achieve returns in line with our 17% return on capital goal.

2

- - 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, to support an appropriate investment opportunity. Despite significant acquisition spending in the last two years, this ratio was reduced to 28.5% at the end of 2004. And at year-end, we reported \$485.5 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. VF has increased dividends paid per share each year for the past 32 years. Our payout rate was 24.9% for 2004. In the fourth quarter of 2004, we increased the quarterly dividend to an indicated annual payout of \$1.08 per share for 2005.

#### STRATEGIC OBJECTIVES

In early 2004, we developed a growth plan that we believe will enable VF to achieve its long-term sales and earnings targets. Our growth strategy consists of five drivers:

1. BUILD NEW GROWING LIFESTYLE BRANDS. Focus on building more growing, global lifestyle brands with an emphasis on younger consumers and on female consumers.
2. EXPAND OUR SHARE WITH WINNING CUSTOMERS. Adapt our organizational structure to a more customer-specific focus to more successfully expand market share and leverage new business opportunities with these successful retailers.
3. STRETCH OUR BRANDS AND CUSTOMERS TO NEW GEOGRAPHIES. Grow our international presence, particularly in rapidly expanding economies such as those in the Far East.
4. FUEL THE GROWTH. Leverage our supply chain and information technology capabilities across VF to drive costs and inventory levels lower, increase productivity and integrate acquisitions efficiently.
5. BUILD NEW GROWTH ENABLERS. Support our growth plans by identifying and developing high potential employees and by recruiting qualified leaders with new skill sets.

#### HIGHLIGHTS OF 2004

There were several notable actions and results in 2004:

3

- - Sales, net income, earnings per share and cash flow were each at record levels.
- - VF completed four acquisitions -- Vans(R) brand performance and casual footwear and apparel for skateboarders and other action sports participants and enthusiasts ("Vans"); Kipling(R) brand backpacks, bags and accessories ("Kipling"); Napapijri(R) brand premium outdoor-based sportswear ("Napapijri"); and a 51% interest in an intimate apparel marketing company in Mexico. These are collectively referred to as the "2004 Acquisitions."
- - Net sales increased 16% to \$6,054.5 million. In addition to sales of the 2004 Acquisitions, contributing to this increase were a full year of sales of Nautica (compared with four months in the prior year following its acquisition) and organic sales growth in core businesses.
- - Net income increased 19% to \$474.7 million, and earnings per share increased 17% to \$4.21. (All per share amounts are presented on a diluted basis.) These increases resulted from improved operating performance in most core businesses, plus profit contributions from our 2004 and 2003 acquisitions mentioned above.
- - We invested \$40 million in specific growth and cost reduction initiatives that will assist VF in meeting its long-term sales and earnings targets. This spending was not originally planned for 2004.
- - We sold our VF Playwear business, which had been underperforming in recent years.

- - Integration of our recent acquisitions is proceeding on or ahead of schedule.

ANALYSIS OF RESULTS OF CONTINUING OPERATIONS

ACQUISITIONS

VF acquired Vans, Kipling and Napapijri in 2004. The Vans(R), Kipling(R) and Napapijri(R) brands are lifestyle brands that we believe have global growth potential. In addition, VF acquired a controlling interest in a newly formed intimate apparel marketing company in Mexico to expand our presence in that growing market.

The total cost of these acquisitions was \$667.5 million in cash. These acquisitions added \$303.0 million to sales and \$0.14 to earnings per share in 2004. These four businesses are expected to contribute at least \$200 million in additional sales and could contribute an additional \$0.14 to earnings per share in 2005.

See Note B to the Consolidated Financial Statements for more information on the 2004 Acquisitions and on the acquisition of Nautica in 2003.

4

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	2004 Compared with 2003	2003 Compared with 2002
	-----	-----
<S>	<C>	<C>
Net sales - prior year	\$ 5,207	\$ 5,084
Core businesses	235	(110)
Acquisitions in prior year (to anniversary date)	367	-
Acquisitions in current year	303	264
Disposition of VF Playwear	(57)	(31)
	-----	-----
Net sales - current year	\$ 6,055	\$ 5,207
	=====	=====

</TABLE>

Sales increased in most core businesses in 2004 due to unit volume increases, particularly in our outdoor and intimate apparel businesses, and the favorable effects of foreign currency translation. Substantially all of the sales decline in our core businesses during 2003 was due to decreases in unit volume, offset in part by the effects of foreign currency translation. Sales in core businesses in 2003 declined by \$126 million resulting from two major customers operating under bankruptcy protection and their store closures: 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 until its liquidation in the second half of 2002. Additional details on sales are provided in the section titled Information by Business Segment.

The 2004 Acquisitions added 6% to sales in 2004. The acquisition of Nautica in August 2003 added 7% (prior to the 2004 anniversary date of its acquisition) to 2004 sales and contributed 5% to 2003 sales.

In translating foreign currencies into the U.S. dollar, the weaker U.S. dollar in relation to the functional currencies where VF conducts the majority of its business (primarily the European euro countries) improved sales comparisons by \$96 million in 2004 relative to 2003. For 2003, sales comparisons benefited by \$128 million relative to 2002. The average translation rate for the euro was \$1.23 per euro during 2004, compared with \$1.12 during 2003 and \$0.94 during 2002. Based on the translation rate of \$1.36 per euro at the end of 2004, reported sales in 2005 may also receive a translation benefit compared with 2004.

5

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

<TABLE>  
<CAPTION>

	2004	2003	2002
	----	----	----
<S>	<C>	<C>	<C>
Gross margin (net sales less cost of goods sold)	39.8%	37.4%	36.0%
Marketing, administrative and general expenses	(27.7)	(25.6)	(24.2)

Royalty income and other	0.7	0.6	0.4
	----	----	----
Operating income	12.8%	12.4%	12.2%
	====	====	====

</TABLE>

Gross margins increased to 39.8% of sales in 2004, compared with 37.4% in 2003 and 36.0% in 2002. Approximately 1.8% of the 2004 increase was in our core businesses, including changes in the mix of our businesses as we have experienced sales growth in our higher margin outdoor businesses, benefits of cost reduction actions and operating efficiencies. The additional 0.6% increase in gross margin as a percent of sales was due to higher gross margins of the 2004 Acquisitions and the 2003 acquisition of Nautica (prior to its anniversary date). Approximately 1.0% of the 2003 increase in gross margin was due to changes in the mix of our businesses, as we experienced sales growth in our higher margin outdoor and international jeans businesses, and from the acquisition of Nautica. The remaining 0.4% improvement related to benefits of our cost reduction initiatives and lower restructuring costs incurred relative to 2002.

Over the last five years, we closed a significant number of manufacturing facilities in the United States and shifted production to lower cost sources. As a result of this shift in sourcing, the amount of sales in the United States derived from products manufactured in lower cost locations outside the United States has increased each year over the last three years. During 2004, 3% of the units we sold in the United States were manufactured in VF-owned plants in the United States. In contrast, at the end of 2000, approximately one-third of our products sold in the United States were manufactured in our United States plants. Today, of the total products supporting sales to customers in the United States, 38% were manufactured in VF-owned facilities in Mexico and the Caribbean Basin and 59% were obtained from contractors, primarily in Asia. We believe this combination of VF-owned and contracted production from different geographic regions provides a competitive advantage in our product sourcing.

Marketing, Administrative and General Expenses increased as a percent of sales to 27.7% in 2004, compared with 25.6% in 2003 and 24.2% in 2002. During 2004, approximately 1.4% of the increase was due to the higher cost to sales relationship of the 2004 Acquisitions and Nautica

6

(prior to the anniversary date of its acquisition) than other VF businesses. The remaining 0.7% is due to spending on the growth and cost reduction initiatives discussed in the following paragraph, increased incentive compensation expense and increased advertising as a percent of sales, offset in part by favorable effects of higher volume and cost reduction efforts. 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 core businesses without a proportionate decline in expenses.

Operating results in 2004 included \$40 million of expense (0.7% of net sales) related to growth and cost reduction initiatives. Of this total, approximately \$36 million related to Marketing, Administrative and General Expenses, with the balance related to Cost of Goods Sold. Approximately 40% of this spending related to new or expanded advertising programs and market research associated with our Nautica(R) and other brands. Approximately 45% of the spending related to cost reduction actions and consulting related to future cost reduction opportunities. For example, we entered into an information technology outsourcing agreement with a major third party service provider, and we incurred charges for the closure of a production plant and for consolidation of distribution centers. And finally, approximately 10% of the spending related to additional positions to drive growth. We added four new executive positions, and will be adding supporting staff positions, dedicated to working more closely with our major customers, driving increased strategic planning for brand development and pursuing targeted acquisition efforts.

We include cooperative advertising, retail store and distribution costs in Marketing, Administrative and General Expenses, as stated in our significant accounting policies in Note A to the Consolidated Financial Statements. Some other companies may classify cooperative advertising costs as a reduction of Net Sales, while some may classify retail store and distribution costs in Cost of Goods Sold. Accordingly, our gross margins and operating expenses may not be directly comparable with those companies.

Royalty Income and Other increased by \$12.7 million in 2004 and \$7.0 million in 2003. Net royalty income was \$49.9 million in 2004, \$28.6 million in 2003 and \$20.5 million in 2002. The increase in both years was primarily from higher levels of licensing activity related to Nautica, acquired in August 2003. Also included in this caption is \$9.5 million of net charges related to the disposition of VF Playwear in 2004.

7

Goodwill Impairment consisted of a charge of \$2.3 million in our VF Playwear reporting unit in 2002 based on a revised forecast of its profits and cash flows.

Interest Expense (including amortization of debt discount, debt issuance costs and gain/loss on interest rate hedging contracts) increased by \$14.7 million in 2004 and decreased by \$10.0 million in 2003. The increase in 2004 was primarily due to higher average borrowings, and the decrease in 2003 was primarily due to lower average interest rates. Average interest-bearing debt outstanding totaled approximately \$1,050 million for 2004, \$810 million for 2003 and \$770 million for 2002. The weighted average interest rate was 7.0% for 2004, 7.3% for 2003 and 8.1% for 2002. 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 33.3% in 2004, compared with 33.5% in 2003 and 35.1% in 2002. The effective income tax rate declined in 2004 relative to 2003 primarily due to increased income in international jurisdictions that was taxed at lower rates. The effective tax rate declined in 2003 relative to the prior year due to (1) higher 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.

Income from continuing operations was \$474.7 million (\$4.21 per share) in 2004. This compares with income from continuing operations of \$397.9 million (\$3.61 per share) in 2003 and \$364.4 million (\$3.24 per share) in 2002. Income from continuing operations increased 19% in 2004, while earnings per share increased 17%, reflecting a larger number of shares outstanding due to exercises of stock options. In 2003, income from continuing operations increased 9% over the prior year, while earnings per share increased 11%, reflecting the benefit of shares repurchased during 2003 and 2002. In translating foreign currencies into the U.S. dollar, the weaker U.S. dollar had a \$0.09 favorable impact on earnings per share in 2004 compared with the prior year and a \$0.14 favorable impact in 2003 compared with the prior year. The 2004 Acquisitions had a \$0.14 favorable impact on 2004 operating results, and the acquisition of Nautica in 2003 had a \$0.16 per share favorable impact on 2003 results.

In 2002, VF exited the Private Label Knitwear and the Jantzen swimwear businesses. Both businesses met the criteria for treatment as discontinued operations. Accordingly, their operating results and cash flows are separately presented as discontinued operations in the accompanying

8

consolidated financial statements. During 2002, these businesses contributed net income of \$8.3 million (\$0.07 per share), primarily due to gains on disposal of real estate.

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 our 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 established at their acquisition dates. More specifically, the European intimate apparel, childrenswear, occupational apparel and licensed sportswear business units had been profitable in prior years 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 this Statement 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 this Statement resulted in a 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 \$474.7 million (\$4.21 per share) in 2004, compared with \$397.9 million (\$3.61 per share) in 2003. Including the effect of the above accounting change and the discontinued operations discussed in the preceding paragraphs, VF reported a net loss of \$154.5 million (\$1.38 per share) in 2002.

#### INFORMATION BY BUSINESS SEGMENT

VF's businesses are organized into five product categories, and by brands within those product categories, for management and internal financial reporting purposes. These groupings of businesses are referred to as "coalitions." Both management and VF's Board of Directors evaluate operating performance at the coalition level. These coalitions represent VF's reportable business segments.

For business segment reporting purposes, Coalition Sales and Coalition Profit represent net sales and operating expenses under the direct control of an individual coalition, royalty income for which it has responsibility,



amortization of acquisition-related intangible assets and its share of centralized corporate expenses directly related to the coalition. Corporate expenses not

apportioned to the coalitions and net interest expense are excluded from Coalition Profit. Importantly, this basis of performance evaluation is consistent with that used for management incentive compensation.

See Note R to the Consolidated Financial Statements for composition of the coalitions. Also see Note R for a summary of our results of operations and other information by coalition, along with a reconciliation of Coalition Profit to Consolidated Income from Continuing Operations before Income Taxes. Coalition results are not necessarily indicative of the operating results that would have been reported had each business coalition been an independent, stand-alone entity during the periods presented. Further, VF's presentation of Coalition 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 coalition during the last two years:

<TABLE>  
<CAPTION>

In millions	Jeanswear	Outdoor Apparel and Equipment	Intimate Apparel	Imagewear	Sportswear	Other
	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net sales - 2002	\$ 2,789	\$ 508	\$ 840	\$ 752	\$ -	\$ 195
Core businesses	(122)	73	(10)	(40)	-	(11)
Acquisitions in current year	-	-	-	15	249	-
Disposition of VF Playwear	-	-	-	-	-	(31)
	-----	-----	-----	-----	-----	-----
Net sales - 2003	2,667	581	830	727	249	153
Core businesses	(5)	127	68	31	-	14
Acquisitions in prior year	-	-	-	12	355	-
Acquisitions in current year	-	296	6	-	1	-
Disposition of VF Playwear	-	-	-	-	-	(57)
	-----	-----	-----	-----	-----	-----
Net sales - 2004	\$ 2,662	\$ 1,004	\$ 904	\$ 770	\$ 605	\$ 110
	=====	=====	=====	=====	=====	=====

</TABLE>

JEANSWEAR:

The Jeanswear coalition consists of our global jeanswear businesses, led by the Wrangler(R) and Lee(R) brands. Overall jeanswear sales in 2004 declined slightly, with a 3% decline in domestic jeanswear substantially offset by a 7% increase in international jeanswear. Domestic jeanswear sales declined due to a continued reduction in sales to Kmart Holding Corporation, which emerged from bankruptcy protection in 2003, lower sales of off-price product and reduced sales of Lee(R) branded women's products. Sales in international markets benefited from \$57 million

of favorable foreign currency translation. Increased sales in Canada, Latin America and Mexico helped to offset declines in our European businesses. In 2003, overall jeanswear sales declined 4%. Domestic jeanswear sales declined 7%, with the unit volume decline related to the two bankruptcies noted in the previous section accounting for almost all of the sales dollar decline. The balance was due to selected price reductions and changes in product mix. International jeanswear sales increased 5% in 2003 due to a \$72 million favorable effect of foreign currency translation.

Jeanswear Coalition Profit increased 9% in 2004 due to lower sales of off-price products and improvements in operating efficiencies, particularly in the United States. Coalition Profit declined by 12% during 2003, with two-thirds of the decline related to the bankruptcies mentioned above. Coalition Profit in 2003 also declined due to selected price decreases and a net change in product mix (lower margin products), offset by benefits from previous years' restructuring actions.

OUTDOOR APPAREL AND EQUIPMENT:

The Outdoor Apparel and Equipment coalition consists of VF's outdoor-related businesses represented by The North Face(R) brand (apparel and equipment) and the JanSport(R) and Eastpak(R) brands (apparel and daypacks). Acquisitions in 2004 added Vans(R) brand performance and casual footwear and apparel for skateboarders and other action sports participants and enthusiasts, Kipling(R) brand backpacks, bags and accessories and Napapijri(R) brand outdoor-based sportswear, which collectively contributed \$296 million to 2004 sales. Sales increased in both 2004 and 2003 in the core businesses, with unit volume increases at The North Face resulting from strong consumer demand for its

products in the United States and internationally. Sales in both years benefited from the favorable effects of foreign currency translation - \$23 million in 2004 and \$31 million in 2003 relative to the respective prior year.

Coalition Profit increased 61% in 2004 over the prior year and increased 34% in 2003 over 2002. About one-half of the 2004 increase was due to the 2004 Acquisitions. The remainder of the 2004 increase and most of the 2003 increase was due to volume increases at The North Face.

#### INTIMATE APPAREL:

The Intimate Apparel coalition consists of our global women's intimate apparel businesses, led by the Vanity Fair(R), Lily of France(R), Vassarette(R) and Bestform(R) brands in the United States. Sales increased 9% in 2004, with unit volume growth in our private label business resulting from

11

new programs sold to a major private label customer and unit growth in our mass market Vassarette(R) and Curvation(R) brands. 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. International intimate apparel sales advanced in both 2004 and 2003. During 2004, the comparison was helped by the acquisition of a new business in Mexico in 2004 and favorable effects of foreign currency translation of \$16 million. Currency translation benefited 2003 by \$25 million relative to the respective prior year.

Coalition Profit increased 37% in 2004 and declined 11% in 2003 from the respective prior year. The 2004 increase was due to higher volume and improved operating efficiencies. The decline in 2003 resulted from lower sales volume and a \$7.7 million charge related to a withdrawal liability for a multiemployer union pension plan.

#### IMAGEWEAR:

The Imagewear coalition includes VF's occupational (industrial, career and safety) apparel business, as well as our licensed sports apparel business. Coalition Sales increased 6% in 2004 and declined 3% in 2003.

Occupational apparel sales increased 5% in 2004, primarily due to higher sales of service uniforms to governmental agencies, compared with a sales decline of 9% in 2003. While sales of career and safety apparel have generally been increasing in recent years, industrial workwear has been declining since 2000. This decline in workwear resulted from (1) workforce reductions in the United States manufacturing sector, which 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. Sales of the licensed sports business grew 15% in 2004 and 16% in 2003, led by increases in sales of products under license from the National Football League, Major League Baseball and Harley-Davidson Motor Company, Inc.

Coalition Profit increased 14% in 2004 due to volume gains across most business units, offset in part by a small loss in the distributor knitwear business. Coalition Profit increased 18% in 2003 due to cost reduction benefits resulting from prior years' restructuring actions, which allowed for a higher margin on a lower sales volume, and the absence of restructuring charges in 2003.

#### SPORTSWEAR:

The Sportswear coalition consists of our Nautica(R) fashion sportswear, John Varvatos(R) luxury

12

apparel and accessories and Earl Jean(R) fashion jeans brands, all acquired as part of the Nautica acquisition in August 2003. Both Coalition Sales and Coalition Profit include a full year of operating results for 2004, compared with only four months in 2003. On a comparable full year basis and as anticipated at the time of the acquisition, unit sales for the Nautica(R) brand declined slightly due to fewer department store doors. Unit sales also declined at Earl Jean but advanced at John Varvatos. Also on a comparable full year basis, Coalition Profit for the Nautica(R) brand increased due to improved retail performance resulting in fewer markdowns and returns, cost reductions, the exit of an unprofitable product line and other operating efficiencies.

The operating plan for the Nautica business at the acquisition date was to (1) restore and rebuild the brand's image, (2) stabilize its men's wholesale sportswear business by designing product that was consistent with the brand's image, (3) grow the other core businesses, including men's jeans, retail and licensing, and (4) exit underperforming businesses. Several management team changes were made to drive the needed changes in the business. The 2004 product lines were returned to the more classic Nautica(R) brand styling, and we made substantial progress toward achieving each of the four operating objectives set forth above. We believe that Nautica is positioned for growth and increased profitability in 2005, and we expect another year of significant growth in John

Varvatos.

OTHER:

The Other business segment consists primarily of VF Playwear. Trademarks and certain operating assets of this business unit were sold in May 2004. Inventories and other retained assets were liquidated during the remainder of the year. The segment loss in 2004 included net charges of \$9.5 million related to the disposal of this business. See Note C to the Consolidated Financial Statements for a summary of VF Playwear's sales and losses for the three years.

This segment also includes the VF Outlet business unit, which consists of company-operated retail outlet stores in the United States that sell a broad selection of products, primarily excess quantities of first quality VF products. Sales and profit of non-VF products (primarily hosiery, underwear and accessories to provide a broader selection of merchandise to attract consumer traffic) are reported in this business segment. Sales and profit of VF products are reported as part of the operating results of the respective coalitions.

RECONCILIATION OF COALITION PROFIT TO CONSOLIDATED INCOME BEFORE INCOME TAXES:

There are two types of costs necessary to reconcile total Coalition Profit, as discussed in the preceding paragraphs, to Consolidated Income from Continuing Operations before Income

13

Taxes. These costs, discussed below, are Interest and Corporate and Other Expenses. See Note R to the Consolidated Financial Statements.

Interest Expense, Net, was discussed in the previous "Consolidated Statements of Income" section. Interest is excluded from Coalition Profit because substantially all of our financing costs are managed at the corporate office and are not under the control of coalition management.

Corporate and Other Expenses consists of corporate and similar costs that are not apportioned to the operating coalitions. These expenses are summarized as follows and discussed in the paragraphs below:

<TABLE> <CAPTION> In millions	2004	2003	2002
<C>	<C>	<C>	<C>
Information systems	\$ 137.1	\$ 125.1	\$ 126.4
Less costs apportioned to segments	(108.4)	(102.1)	(101.1)
	28.7	23.0	25.3
Corporate headquarters' costs	69.6	46.7	47.5
Trademark maintenance and enforcement	12.9	10.3	11.3
Other	(2.0)	1.5	19.4
Corporate and Other Expenses	\$ 109.2	\$ 81.5	\$ 103.5

</TABLE>

- - INFORMATION SYSTEMS - Included are costs of our U.S.-based management information systems and of our centralized shared services center. Operating costs of information systems and shared services are charged to the coalitions based on utilization of those services, such as minutes of computer processing time, number of transactions or number of users. However, costs to develop new computer applications that will be used across VF are not allocated to the coalitions. The biggest factor in the information systems cost increase in 2004 was \$8.3 million of consulting, severance and asset write-downs related to outsourcing certain of our information technology needs to a major third party service provider.

- - CORPORATE HEADQUARTERS' COSTS - Headquarters' 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 coalitions. Costs increased in 2004 primarily due to a \$15.0 million increase in incentive compensation related to VF's strong 2004 financial performance relative to its targets. Also included in 2004 was \$5.8 million of consulting and research expenses related to VF's growth and cost saving initiatives.

14

- - 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 coalitions.

- - OTHER - This category includes (1) adjustments to convert the earnings of

certain business units using the FIFO inventory valuation method for internal reporting to the LIFO method for consolidated financial reporting, (2) other consolidating adjustments and (3) miscellaneous costs that result from corporate programs or corporate-managed decisions that are 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 based on consultation with our independent adviser. These charges were retained in corporate for internal management reporting and not apportioned to the coalitions due to the nature of these items and the inability of our coalition management to influence them.

#### ANALYSIS OF FINANCIAL CONDITION

##### BALANCE SHEETS

Accounts Receivable increased in 2004 primarily due to the 2004 Acquisitions. The number of days' sales outstanding increased slightly in 2004 due to longer terms offered to customers at certain of the 2004 Acquisitions.

Inventories increased in 2004 due to the 2004 Acquisitions. Inventory levels at core businesses declined 3% from the end of 2003. Inventories have been declining in recent years through more efficient sales forecasting and production planning techniques. In addition, sales near the end of 2004 were higher than forecasted, resulting in inventory levels below expectations.

Property, Plant and Equipment declined in 2004 because depreciation expense during the year exceeded the sum of capital spending and assets acquired as part of the 2004 Acquisitions. Intangible Assets and Goodwill each increased in 2004 due to the 2004 Acquisitions. See Notes B, F, G and H to the Consolidated Financial Statements.

Deferred Income Taxes, recorded as noncurrent assets, declined in 2004 due to the inclusion of \$85.6 million of noncurrent deferred income tax credits arising from the 2004 Acquisitions.

15

These deferred tax credits related primarily to Intangible Assets of the acquired companies.

Accounts Payable increased in 2004 due to the 2004 Acquisitions and growth in our businesses. Accrued Liabilities increased due to the 2004 Acquisitions and an increase in accrued compensation related to increased incentive compensation payable based on VF's strong 2004 performance relative to its targets.

Total Long-term Debt was relatively flat from 2003 to 2004, with \$400.0 million of notes reclassified to Current Portion of Long-term Debt based on debt retirement schedules. Of the current portion, \$100.0 million is due on June 1, 2005 and \$300.0 million is due on October 1, 2005.

Other Liabilities increased in 2004 by \$17.5 million. Included are increases of \$43.6 million in liabilities from growth in core businesses and \$16.1 million in deferred income taxes, offset by a \$42.2 million reduction in our minimum pension liability. See Note N to the Consolidated Financial Statements and the following paragraph.

In VF's defined benefit pension plans, accumulated benefit obligations exceeded the fair value of plan assets by \$213.5 million at our plans' last valuation date. At the end of 2004, VF had a minimum pension liability of \$157.0 million (net of a prepaid pension asset). The related charge to Accumulated Other Comprehensive Income (Loss), net of income taxes, was \$119.1 million in 2004. Of the total minimum pension liability, \$55.0 million was recorded as a current liability based on our contribution to the plan in January 2005, and \$102.0 million was recorded as a long-term liability. The minimum pension liability at the end of 2004 compares with \$199.2 million at the end of 2003 (of which \$55.0 was classified as a current liability) and a related charge to Accumulated Other Comprehensive Income (Loss), net of income taxes, of \$160.9 million. The reduction in underfunding at the end of 2004 resulted from growth in plan assets and VF contributions made during the year.

##### LIQUIDITY AND CASH FLOWS

The financial condition of VF is reflected in the following:

16

<TABLE>

<CAPTION>

Dollars in millions	2004	2003
	-----	-----
<S>	<C>	<C>
Working capital	\$ 1,006.4	\$ 1,419.3

Current ratio	1.7 to 1	2.8 to 1
Debt to total capital	28.5%	33.7%

</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 17.0% at the end of 2004.

VF's primary source of liquidity is its strong cash flow provided by operations, which was \$730.3 million in 2004, \$543.7 million in 2003 and \$645.6 million in 2002. Cash flow from operations is primarily dependent on the level of operating income and controlling investments in inventories and other working capital components. Income from continuing operations increased significantly in 2004 over 2003, and in 2003 over 2002. The net change in working capital components during 2004 and during 2002 resulted in \$63.4 million and \$50.0 million, respectively, of cash provided by operations, compared with cash usage of \$6.9 million in 2003. A major reason for the year-to-year cash impact from changes in working capital over this three year period related to changes in incentive compensation, as amounts earned in a year are paid early in the following year. Cash provided by operating activities in 2004 included approximately \$11 million of cash provided by the 2004 Acquisitions (for the periods after their acquisition), while 2003 included approximately \$60 million of cash provided by Nautica (for the period after its acquisition). Cash provided from operations resulting from the liquidation of VF Playwear (but excluding proceeds from sale of the business) was approximately \$40 million during 2004 (see Note C to the Consolidated Financial Statements).

In addition to cash flow from operations, VF is well-positioned to finance its ongoing operations and meet unusual circumstances that may arise. VF has a \$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 2004, \$738.2 million was available for borrowing under the credit agreement, with \$11.8 million of 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

17

\$300.0 million of additional debt, equity or other securities.

The principal investing and financing activities in 2004 and 2003 related to acquisitions. We paid cash of \$655.1 million and \$578.0 million for acquisitions in 2004 and 2003, respectively, net of cash balances in the acquired companies. The acquisitions were funded with existing VF cash balances, short-term commercial paper borrowings and, in 2003, \$292.1 million borrowed in the long-term capital markets. All commercial paper borrowings, plus debt of the acquired companies of \$28.8 million in 2004 and \$14.9 million in 2003, were repaid during the respective years, and we ended 2004 with \$485.5 million in cash and equivalents.

In April 2004, Standard & Poor's Ratings Services affirmed its 'A minus' long-term corporate credit and senior unsecured debt ratings for VF. Standard & Poor's ratings outlook is 'stable.' Also in April 2004, Moody's Investors Service affirmed VF's long-term debt rating of 'A3' and short-term debt rating of 'Prime-2' and continued the ratings outlook as 'negative.' Based on current conditions, we do not believe that the negative outlook 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 \$81.4 million in 2004, compared with \$86.6 million and \$64.5 million in 2003 and 2002, respectively. Capital expenditures in each of these years generally related to maintenance spending in our worldwide manufacturing and other facilities. We expect that capital spending could reach \$120 million in 2005, with the increase related to distribution projects and to higher retail store investments. Capital spending 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 \$213.5 million at the plans' latest valuation date. We believe 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 2004, 2003 and 2002 and will not be required to do so in 2005, we made cash contributions of \$55.0 million in each of January 2005 and 2004 and \$75.0 million in 2003. These contributions were significantly higher than our contributions of \$20.0 million in each of the prior two years. We will continue to monitor the funded status of the plan and evaluate future funding levels. We believe VF has adequate

liquidity to meet future funding requirements.

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 an additional 5.3 million shares. We suspended the share repurchase program during the second quarter of 2003 through the end of 2004 to fund acquisition spending. Our current intent is to repurchase 2.0 million shares during 2005 to offset dilution caused by exercises of stock options. However, the actual number purchased during 2005 may vary depending on funding required to support business acquisition opportunities.

Cash dividends totaled \$1.05 per common share in 2004, compared with \$1.01 in 2003 and \$0.97 in 2002. Our target is to pay dividends totaling approximately 30% of our diluted earnings per share on a long-term basis. The dividend payout rate was 24.9% in 2004 compared with payout rates of 28.0% in 2003 and 29.9% in 2002, based on income from continuing operations. The current indicated annual dividend rate for 2005 is \$1.08 per share.

In 2002, cash provided by discontinued operations totaled \$69.9 million from the sale of the Jantzen business and related assets and from liquidation of working capital from the Jantzen and knitwear businesses.

Following is a summary of VF's fixed obligations at the end of 2004 that will require the use of funds:

<TABLE>  
<CAPTION>

In millions Thereafter	Total	Payments Due or Forecasted by Period					2009	
		2005	2006	2007	2008	2009		
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Long-term debt * 949	\$ 1,622	\$ 464	\$ 69	\$ 69	\$ 36	\$ 35	\$	\$
Operating leases 75	415	98	84	66	53	39		
Minimum royalty payments -	66	14	17	16	14	5		
Inventory obligations ** 75	817	682	15	15	15	15		
Other obligations *** 287	885	221	111	91	88	87		
Total 1,386	\$ 3,805	\$ 1,479	\$ 296	\$257	\$ 206	\$ 181	\$	

</TABLE>

\* Long-term debt service obligations include both principal and related interest.

\*\* Inventory purchase obligations represent commitments for raw material, sewing labor and finished goods in the ordinary course of business that are payable upon satisfactory receipt of the inventory by VF, plus a commitment to purchase \$15.0 million per year through 2013 of finished goods from one supplier.

\*\*\* Other obligations represent other commitments for the expenditure of funds, many of which do not meet the criteria for recognition as a liability for financial statement purposes. These commitments include forecasted amounts related to (1) contracts not involving the purchase of inventories, such as advertising and the noncancelable portion of service or maintenance agreements, (2) capital expenditures for approved projects and (3) components of Other Liabilities, as presented and classified as noncurrent liabilities in VF's Consolidated Balance Sheet, that will require the use of cash. Projected cash requirements for components of Other Liabilities include (1) portions of those liabilities recorded in Current Liabilities, (2) discretionary funding contributions to our pension plan trust of \$55 million per year through 2009 based on information provided by our independent actuary and management's current intent and (3) payments of deferred compensation and other employee-related benefits based on forecasted activity and prior

experience.

We have other financial commitments at the end of 2004 that may require the use of funds under certain circumstances:

- - Shares of Series B Redeemable Preferred Stock have been issued to participants as matching contributions under the Employee Stock Ownership Plan ("ESOP"). 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 his or her account. The amounts of these redemptions vary based on the conversion value of the Preferred Stock. In 2004 and 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.
- - VF has entered into \$80.5 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.

20

Management believes that VF's cash balances and funds provided by operations, as well as unused committed bank credit lines, additional borrowing capacity and access to equity markets, taken as a whole, provide (1) adequate liquidity to meet all of its obligations when due, (2) adequate liquidity to fund capital expenditures and to maintain our dividend payout policy and (3) 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.

#### 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. Derivative financial instruments are contracts in which the payments are linked to changes in currency exchange rates, interest rates or other financial measures. 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 \$96 million during 2004. 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 2004, the effect of a hypothetical 1.0% change in interest rates on reported net income would not be material.

Approximately 23% of our business is conducted in international markets. Our foreign businesses 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.

21

A growing percentage of the total product needs to support our businesses are manufactured in our plants in foreign countries or by independent 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 losses and gains on the transactions being hedged. Our practice is to hedge a portion of our net foreign currency cash flows (relating to cross-border inventory purchases and production costs, product sales and intercompany royalty payments anticipated during the following 12 months) by buying or selling United States dollar contracts against various currencies.

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 the end of 2004 would be

approximately \$23 million. Based on changes in the timing and amount of foreign currency exchange rate movements, actual gains and losses could differ.

VF is exposed to market risks for the pricing of cotton and other fibers, which indirectly affects fabric prices. We manage our fabric prices by ordering denim and other fabrics several months in advance, but we have not historically managed commodity price exposures by using derivative instruments.

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 that substantially mirrors 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.

22

#### STOCK-BASED COMPENSATION; CHANGE IN ACCOUNTING POLICY EFFECTIVE IN 2005

We are currently evaluating FASB Statement No. 123 (R), Share-Based Payment, which was issued in late 2004. This Statement requires that the cost of stock options, based on the fair value of such options at the date of grant, be recognized as compensation expense over the vesting period. This Statement also changes the method of expense recognition for our performance-based restricted stock units.

The new Statement, which must be adopted no later than the beginning of the third quarter of 2005, has two methods of adoption. VF may elect to recognize compensation expense for options granted prior to but not vested as of the date of adoption, in which case prior periods would remain unchanged and pro forma disclosures would continue to be provided for those periods. Alternatively, VF may elect to restate either all prior periods presented, or all periods since the beginning of 2005, by recognizing compensation expense in the amounts previously reported in the pro forma disclosures.

Management has not yet determined which method of adoption it will use for the new Statement. The estimated effect of adopting the new rules for all unvested stock options and other stock-based compensation will be to reduce reported earnings per share by approximately \$0.05 for each quarter of 2005 following adoption. In addition, if the first method above is selected, we would record a noncash charge at the date of adoption for the cumulative effect of applying the new rules for all unvested stock options, which we estimate to be approximately \$0.10 per share. Although the new rules will result in a reduction in future earnings, there will be no impact on total Common Stockholders' Equity.

As described in Note A to the Consolidated Financial Statements, in accordance with applicable accounting pronouncements to date, compensation expense has not been recognized for stock options but has been recorded for other forms of equity compensation. If compensation expense in 2004 and prior years had been recognized for stock options based on the fair value-based method, reported earnings per share would have been reduced by \$0.11 in 2004 and \$0.12 in 2003. The pro forma effect in 2004 was slightly less than 2003 due primarily to the reduced number of stock options granted in 2004, offset in part by the higher fair value of those options.

Compensation expense recorded in the financial statements for performance-based restricted stock units was \$0.06 per share in 2004, compared with \$0.01 per share in 2003. Compensation expense increased for these performance-based restricted stock units during 2004 due to (1) a

23

shift in the overall mix of long-term executive compensation, with an increased number of restricted stock units granted in 2004 offset by a reduced number of stock options granted, (2) the increased price of VF Common Stock and (3) the high level of performance relative to targets previously established by the Compensation Committee of the Board of Directors.

#### 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 application of these accounting policies 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. If actual results ultimately differ from previous estimates, the revisions are included in results of operations in the period in which the actual amounts become known.

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. Cost includes all material, labor and overhead costs incurred to manufacture or purchase the finished goods. 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 or expected selling price based on historical and 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 inventory exposures, on an

24

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 the assets. These evaluations have not resulted in any significant impairment adjustments during the past three years.

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 us 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. For 2004 and 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. In 2002, we determined that \$2.3 million of goodwill in our VF Playwear business unit was impaired and, accordingly, recorded an impairment charge for that amount.

We recorded Property, Plant and Equipment and Intangible Assets acquired in our 2004 Acquisitions and in our 2003 acquisition of Nautica at the fair value of those assets. We engage an independent valuation firm to assist us in assigning fair values to our acquired Intangible Assets and, as necessary, other assets.

- - 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

25

future, determination of accumulated and projected pension benefit liabilities and of our annual pension expense is subject to assumptions and estimation. The principal assumptions are summarized in Note N 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 discount rate is used to estimate the present value of

our accumulated and projected benefit obligations at each valuation date. We evaluate our discount rate assumption each year and adjust it as necessary based on current market interest rates. For our September 30, 2004 valuation, we decided, in consultation with our independent actuary, to refine our approach for selecting a discount rate. We changed to a method of estimating our discount rate based on matching high quality corporate bond yields to the expected benefit payments and duration of obligations for participants in our pension plans. Previously, we had estimated our discount rate by reference to the Moody's Aa bond index. This change was prompted by a significant change in the composition of bonds in the Moody's Aa bond index during 2004, resulting in (1) a yield for the revised index differing significantly from other high quality bond indices and (2) the index becoming less reflective of our expected pension payments. We believe our 2004 discount rate of 6.10% appropriately reflects current market conditions and the long-term nature of projected benefit payments to participants of our pension plans. Further, the discount rate for our plans may be higher than rates used for plans at some other companies because of our plans' higher percentage of females with a longer life expectancy and higher percentage of inactive participants with vested benefits who will not begin receiving benefits for many years.

Another critical assumption of the actuarial model is the expected long-term rate of return on investment assets in our pension trust. Because the rate of return is a long-term assumption, it generally does not change each year. This rate, determined in consultation with our independent actuary, is based on several factors, including the plan's mix of investment assets, historic and projected market returns on those assets and current market conditions. We had been using an 8.75% return assumption during 2003 and 2002, which was less than our actual compounded annual return over the preceding 15 years. Based on a current

26

evaluation of the factors mentioned above, our investment return assumption was reduced to 8.50% for 2004 and 2005.

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>

Dollars in millions	Increase (Decrease) in	
	Pension Expense	PBO
<S>	<C>	<C>
0.50% decrease in discount rate	\$ 14	\$ 78
0.50% increase in discount rate	(13)	(73)
0.50% decrease in expected investment return	4	
0.50% increase in expected investment return	(4)	

</TABLE>

Differences between actual results and actuarial assumptions are accumulated and amortized over future periods. During the last several years, actual results have differed significantly from actuarial assumptions, resulting in \$267.7 million of accumulated net unrecognized losses at our 2004 valuation date. These accumulated losses arose because (1) our pension plan liabilities increased substantially as a result of the overall decline in the discount rate from 8.00% in 2000 to 6.10% in 2004 and (2) although our actual investment return on pension plan assets exceeded the actuarially assumed rate in 2003 and 2004, significant investment losses were incurred in 2002 and 2001 due to the overall decline in the securities markets. Our policy is to amortize these unrecognized gains and losses to pension expense, as follows: amounts totaling less than 10% of the lower of investment assets or PBO at the beginning of the year are not amortized; amounts totaling 10% to 20% of PBO are amortized over 10 years; and amounts in excess of 20% of PBO are amortized over five years.

The cost of pension benefits earned by our employees (commonly called "service cost") has averaged \$19.7 million per year over the last three years. However, pension expense recognized in our financial statements has significantly exceeded the average annual service cost. Our recorded pension expense for continuing operations was \$57.8 million (including a \$7.1 million partial plan curtailment charge) in 2004, compared with \$55.7 million in 2003 and \$26.2 million in 2002 (including a \$2.4 million curtailment charge). Both the 2004 and the 2003 expense were higher than the average annual service cost because those years

27

included a significant cost component for amortization of accumulated net

unrecognized losses. For 2005, our pension expense is expected to be approximately \$44 million.

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 \$157.0 million (net of a prepaid pension asset). 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 have increased our level of contributions to the plan, with cash contributions of \$55.0 million in January 2005 and 2004 and \$75.0 million in 2003.

Effective December 31, 2004, VF's domestic defined benefit plans were amended to close the existing plans to new entrants. The amendments did not affect the benefits of current plan participants or their accrual of future benefits. Domestic employees hired after that date, plus employees at recently acquired businesses not covered by those plans, will participate in a new defined contribution arrangement with VF contributing amounts based on a percentage of eligible compensation. Funds contributed under this new arrangement will be invested as directed by the participants. This new defined contribution feature will not have an impact on the 2005 expense for our defined benefit pension plans. Over a period of years, however, the expense of our defined benefit plans is expected to decline as a percentage of our total retirement benefit expense. In addition, the year-to-year variability of our retirement benefit expense should also decrease.

- - RESTRUCTURING CHARGES - We have provided restructuring charges related to actions taken to reduce our manufacturing, marketing and administrative cost structure and to exit underperforming businesses. We have also recognized liabilities at newly acquired businesses related to our intent to exit certain activities or positions as we integrate the operations of the acquired businesses with those of VF. These liabilities relate primarily to workforce reduction and consolidation and elimination of facilities. Severance and related charges are accrued based on estimates of amounts that will be paid to affected employees. Asset impairment charges related to consolidation or closure of manufacturing or distribution facilities are based on estimates 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.

28

We reassess these liabilities at the end of each reporting period. If circumstances change, causing current estimates to differ from prior estimates, adjustments are recorded in the period of change.

- - 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 recorded amounts that reflect our best estimates of the probable outcomes related to these matters. We do not anticipate any material impact on earnings from their ultimate resolution.

We have recorded deferred income tax assets related to operating loss carryforwards and, when necessary, have recorded valuation allowances to reduce those assets to amounts 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. The American Jobs Creation Act of 2004 contained provisions for a temporary incentive for repatriation of foreign earnings during 2005. We are evaluating our foreign undistributed earnings and studying the impact of the changes in tax law. If we were to decide to remit some or all of these earnings, the incremental income tax expense related to the repatriation would be recognized in 2005, along with any effects on our deferred income tax assets and liabilities.

The balance sheet classifications and amounts of accrued and deferred income taxes related to assets and liabilities of acquired companies were based on assumptions that could change depending on the ultimate resolution of certain tax matters. Since these income tax accruals and deferrals were established in the allocation of the purchase price of the acquired businesses, future changes in these amounts could result in adjustments to Goodwill.

## 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. These include 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; ongoing selling price and cost pressures in the worldwide apparel industry; financial strength and competitive conditions, including consolidation, of our customers and of our suppliers; actions of competitors, customers, suppliers, service providers and licensees that may impact VF's business; our ability to make and integrate acquisitions successfully; our ability to achieve expected sales and earnings growth from ongoing businesses and acquisitions; our ability to achieve planned cost savings; terrorist actions; natural disasters; and the impact of economic and political factors in the markets where VF competes or from which VF imports products, 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 REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of VF Corporation:

We have completed an integrated audit of VF Corporation's January 1, 2005 consolidated financial statements and of its internal control over financial reporting as of January 1, 2005 and audits of its January 3, 2004 and January 4, 2003 consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions, based on our audits, are presented below.

## Consolidated financial statements

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 1, 2005 and January 3, 2004, and the results of their operations and their cash flows for each of the three fiscal years in the period ended January 1, 2005 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 the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements 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.

## Internal control over financial reporting

Also, in our opinion, management's assessment, included in the accompanying Management's Report on Internal Control Over Financial Reporting appearing on page 68 of the 2004 Annual Report to Stockholders, that the Company maintained effective internal control over financial reporting as of January 1, 2005 based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), is fairly stated, in all material respects, based on those criteria. Furthermore, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 1, 2005, based on criteria established in Internal Control - Integrated Framework issued by the COSO. The Company's management is responsible for maintaining effective internal control over

financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express opinions on management's assessment and on the effectiveness of the Company's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP  
PricewaterhouseCoopers LLP

Greensboro, North Carolina  
March 7, 2005

2

VF CORPORATION  
CONSOLIDATED BALANCE SHEETS

<TABLE>  
<CAPTION>

	DECEMBER	
	2004	2003
	-----	-----
In thousands, except share amounts		
	-----	-----
<S>	<C>	<C>
ASSETS		
CURRENT ASSETS		
Cash and equivalents	\$ 485,507	\$ 514,785
Accounts receivable, less allowance for doubtful accounts of \$60,790 in 2004 and \$65,769 in 2003	751,582	633,863
Inventories	973,248	932,985
Deferred income taxes	99,338	92,828
Other current assets	68,893	34,070
	-----	-----
Total current assets	2,378,568	2,208,531
PROPERTY, PLANT AND EQUIPMENT	572,254	591,680
INTANGIBLE ASSETS	639,520	318,634
GOODWILL	1,031,594	700,972
DEFERRED INCOME TAXES	12,476	117,436
OTHER ASSETS	369,866	308,299
	-----	-----
	\$ 5,004,278	\$ 4,245,552
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term borrowings	\$ 42,830	\$ 33,948
Current portion of long-term debt	401,232	1,144
Accounts payable	369,937	315,219
Accrued liabilities	558,215	438,939
	-----	-----
Total current liabilities	1,372,214	789,250
LONG-TERM DEBT	556,639	956,383
OTHER LIABILITIES	536,131	518,625
COMMITMENTS AND CONTINGENCIES		
REDEEMABLE PREFERRED STOCK	26,053	29,987

## COMMON STOCKHOLDERS' EQUITY

Common Stock, stated value \$1; shares authorized, 300,000,000; shares outstanding, 111,388,353 in 2004 and 108,170,091 in 2003	111,388	108,170
Additional paid-in capital	1,087,641	964,990
Accumulated other comprehensive income (loss)	(113,071)	(189,455)
Retained earnings	1,427,283	1,067,602
	-----	-----
Total common stockholders' equity	2,513,241	1,951,307
	-----	-----
	\$ 5,004,278	\$ 4,245,552
	=====	=====

&lt;/TABLE&gt;

See notes to consolidated financial statements.

3

## VF CORPORATION

## CONSOLIDATED STATEMENTS OF INCOME

&lt;TABLE&gt;

&lt;CAPTION&gt;

In thousands, except per share amounts	YEAR ENDED DECEMBER		
	2004	2003	2002
	-----	-----	-----
<S>	<C>	<C>	<C>
NET SALES	\$ 6,054,536	\$ 5,207,459	\$ 5,083,523
COSTS AND OPERATING EXPENSES			
Cost of goods sold	3,644,255	3,262,375	3,254,008
Marketing, administrative and general expenses	1,676,769	1,331,814	1,229,902
Royalty income and other	(44,276)	(31,619)	(24,587)
Goodwill impairment	-	-	2,276
	-----	-----	-----
	5,276,748	4,562,570	4,461,599
	-----	-----	-----
OPERATING INCOME	777,788	644,889	621,924
OTHER INCOME (EXPENSE)			
Interest income	7,151	11,456	7,397
Interest expense	(76,087)	(61,368)	(71,325)
Miscellaneous, net	3,268	3,529	3,732
	-----	-----	-----
	(65,668)	(46,383)	(60,196)
	-----	-----	-----
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	712,120	598,506	561,728
INCOME TAXES	237,418	200,573	197,300
	-----	-----	-----
INCOME FROM CONTINUING OPERATIONS DISCONTINUED OPERATIONS	474,702	397,933	364,428
CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING POLICY	-	-	8,283
	-----	-----	-----
	-	-	(527,254)
	-----	-----	-----
NET INCOME (LOSS)	\$ 474,702	\$ 397,933	\$ (154,543)
	=====	=====	=====
EARNINGS (LOSS) PER COMMON SHARE - BASIC			
Income from continuing operations	\$ 4.30	\$ 3.67	\$ 3.26
Discontinued operations	-	-	.08
Cumulative effect of a change in accounting policy	-	-	(4.83)
Net income (loss)	4.30	3.67	(1.49)
EARNINGS (LOSS) PER COMMON SHARE - DILUTED			
Income from continuing operations	\$ 4.21	\$ 3.61	\$ 3.24
Discontinued operations	-	-	.07
Cumulative effect of a change in accounting policy	-	-	(4.69)
Net income (loss)	4.21	3.61	(1.38)
CASH DIVIDENDS PER COMMON SHARE	\$ 1.05	\$ 1.01	\$ .97

&lt;/TABLE&gt;

See notes to consolidated financial statements.

4

## VF CORPORATION

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

&lt;TABLE&gt;

&lt;CAPTION&gt;

In thousands	YEAR ENDED DECEMBER		
	2004	2003	2002
	-----	-----	-----

	----- <C>	----- <C>	----- <C>
<S> NET INCOME (LOSS)	\$ 474,702	\$ 397,933	\$ (154,543)
OTHER COMPREHENSIVE INCOME (LOSS)			
Foreign currency translation			
Amount arising during year	61,716	89,000	40,693
Less income tax effect	(31,647)	(40,157)	(15,252)
Minimum pension liability adjustment			
Amount arising during year	65,969	(52,691)	(205,080)
Less income tax effect	(24,257)	20,335	78,239
Derivative financial instruments			
Amount arising during year	(9,924)	(14,492)	(15,802)
Less income tax effect	3,802	5,536	6,168
Reclassification to net income for losses realized	8,803	15,817	280
Less income tax effect	(3,372)	(6,042)	(107)
Unrealized gains and losses on marketable securities			
Amount arising during year	9,808	13,730	(3,184)
Less income tax effect	(3,842)	(5,369)	1,255
Reclassification to net income for (gains) losses realized	(1,105)	(1,613)	2,763
Less income tax effect	433	632	(1,074)
COMPREHENSIVE INCOME (LOSS)	----- \$ 551,086	----- \$ 422,619	----- \$ (265,644)

</TABLE>

See notes to consolidated financial statements.

5

VF CORPORATION  
CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>  
<CAPTION>

In thousands	YEAR ENDED DECEMBER		
	----- 2004	----- 2003	----- 2002
<S>	----- <C>	----- <C>	----- <C>
OPERATING ACTIVITIES			
Net income (loss)	\$ 474,702	\$ 397,933	\$ (154,543)
Adjustments to reconcile net income (loss) to cash provided by operating activities of continuing operations:			
Discontinued operations	-	-	(8,283)
Cumulative effect of a change in accounting policy	-	-	527,254
Restructuring costs	-	-	26,342
Depreciation	110,868	104,463	107,398
Amortization and impairment	29,849	13,675	16,285
Provision for doubtful accounts	3,516	11,197	18,490
Pension funding in excess of expense	(236)	(21,785)	3,770
Deferred income taxes	16,172	30,961	70,849
Stock-based compensation	10,956	1,584	1,003
Other, net	20,984	12,543	(12,990)
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	(20,301)	47,502	(24,077)
Inventories	51,450	61,596	43,253
Other current assets	(19,006)	22,865	(135)
Accounts payable	3,812	(60,636)	54,123
Accrued compensation	48,897	(42,823)	28,697
Other accrued liabilities	(1,407)	(35,371)	(51,852)
Cash provided by operating activities of continuing operations	----- 730,256	----- 543,704	----- 645,584
INVESTING ACTIVITIES			
Capital expenditures	(81,410)	(86,619)	(64,503)
Business acquisitions, net of cash acquired	(655,089)	(578,038)	(1,342)
Software purchases	(13,018)	(12,775)	(12,141)
Sale of property, plant and equipment	12,900	17,964	25,731
Sale of VF Playwear business	4,517	-	-
Other, net	(103)	(51)	7,675
Cash used by investing activities of continuing operations	----- (732,203)	----- (659,519)	----- (44,580)
FINANCING ACTIVITIES			
Decrease in short-term borrowings	(19,056)	(30,080)	(16,586)
Proceeds from long-term debt	-	292,110	-

Payments on long-term debt	(3,494)	(16,183)	(301,564)
Purchase of Common Stock	-	(61,400)	(124,623)
Cash dividends paid	(117,731)	(111,258)	(108,773)
Proceeds from issuance of Common Stock	106,613	32,631	39,753
Other, net	(730)	(510)	(8,290)
	-----	-----	-----
Cash provided (used) by financing activities of continuing operations	(34,398)	105,310	(520,083)
NET CASH PROVIDED (USED) BY DISCONTINUED OPERATIONS	(3,320)	(1,417)	69,899
EFFECT OF FOREIGN CURRENCY RATE CHANGES ON CASH	10,387	30,340	13,498
	-----	-----	-----
NET CHANGE IN CASH AND EQUIVALENTS	(29,278)	18,418	164,318
CASH AND EQUIVALENTS - BEGINNING OF YEAR	514,785	496,367	332,049
	-----	-----	-----
CASH AND EQUIVALENTS - END OF YEAR	\$ 485,507	\$ 514,785	\$ 496,367
	=====	=====	=====

</TABLE>

See notes to consolidated financial statements.

6

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 2001	\$ 109,998	\$ 884,638	\$ (103,040)	\$1,221,200
Net loss	-	-	-	(154,543)
Cash dividends:				
Common Stock	-	-	-	(106,018)
Series B Redeemable 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, DECEMBER 2002	108,525	930,132	(214,141)	833,332
Net income	-	-	-	397,933
Cash dividends:				
Common Stock	-	-	-	(109,020)
Series B Redeemable 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, DECEMBER 2003	\$ 108,170	\$ 964,990	\$ (189,455)	\$1,067,602
	=====	=====	=====	=====

</TABLE>

Continued

7

VF CORPORATION  
CONSOLIDATED STATEMENTS OF COMMON STOCKHOLDERS' EQUITY  
(continued)

<TABLE>  
<CAPTION>

ADDITIONAL ACCUMULATED OTHER



In thousands	COMMON STOCK	PAID-IN CAPITAL	COMPREHENSIVE INCOME (LOSS)	RETAINED EARNINGS
<S>	<C>	<C>	<C>	<C>
BALANCE, DECEMBER 2003	\$ 108,170	\$ 964,990	\$ (189,455)	\$ 1,067,602
Net income	-	-	-	474,702
Cash dividends:				
Common Stock	-	-	-	(115,900)
Series B Redeemable Preferred Stock	-	-	-	(1,831)
Conversion of Preferred Stock	205	-	-	3,729
Stock compensation plans, net	3,026	122,651	-	(273)
Common Stock held in trust for deferred compensation plans	(13)	-	-	(746)
Foreign currency translation	-	-	30,069	-
Minimum pension liability adjustment	-	-	41,712	-
Derivative financial instruments	-	-	(691)	-
Unrealized gains on marketable securities	-	-	5,294	-
	-----	-----	-----	-----
BALANCE, DECEMBER 2004	\$ 111,388	\$ 1,087,641	\$ (113,071)	\$ 1,427,283
	=====	=====	=====	=====

</TABLE>

See notes to consolidated financial statements.

8

VF CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 2004

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

**DESCRIPTION OF BUSINESS:** VF Corporation ("VF") is a multinational consumer apparel company based in the United States ("U.S."). VF, through its subsidiaries, designs and manufactures or sources from independent contractors a variety of apparel for all ages. VF has 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 specialty, department and discount stores throughout the world. VF's ten largest customers, all U.S.-based retailers, accounted for 38% of consolidated 2004 sales and 29% of total accounts receivable at the end of 2004. Sales are made on an unsecured basis under customary terms that may vary by channel of distribution or by geographic region. VF continuously monitors the creditworthiness of its customers and has established internal policies regarding customer credit limits. The breadth of product offerings, combined with the large number and geographic diversity of its customers, limits VF's concentration of risks.

**FISCAL YEAR AND BASIS OF PRESENTATION:** VF operates and reports using a 52/53 week fiscal year ending on the Saturday closest to December 31 of each year. All references to "2004", "2003" and "2002" relate to the fiscal years ended on January 1, 2005 (52 weeks), January 3, 2004 (52 weeks) and January 4, 2003 (53 weeks), respectively. For presentation purposes herein, all fiscal years are presented as ended in December.

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 and majority-owned subsidiaries, after elimination of intercompany transactions and profits. Minority ownership interests are not significant. Investments in 50%-owned joint ventures, in which VF does not exercise control, 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 revenues and expenses 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 the Consolidated Statements of Income. Net transaction gains of \$0.5 million in 2004, \$5.3 million in 2003 and \$3.1 million in 2002 arising from transactions denominated in a currency other than the functional currency of a particular entity are included in the Consolidated Statements of Income.

CASH AND EQUIVALENTS includes demand deposits and temporary investments that are

readily convertible into cash and will mature within three months of their purchase.

ACCOUNTS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS: Trade accounts receivable are recorded at invoiced amounts, less amounts accrued for returns, discounts and sales incentive programs. Royalty receivables are recorded at amounts earned based on sales of licensed products, subject in some cases to

9

minimum amounts from individual licensees. VF maintains an allowance for doubtful accounts for estimated losses resulting from the inability of customers and licensees to make required payments. All accounts are subject to ongoing review for ultimate collectibility. An allowance is provided for specific customer accounts where collection is doubtful and for the inherent risk in ultimate collectibility of total balances due at any point in time. Receivables are charged off against the allowance when it is probable the amounts will not be recovered. There is no off-balance sheet credit exposure related to customer receivables.

INVENTORIES are stated at the lower of cost or market. Cost is determined on the first-in, first-out ("FIFO") method for 71% of total 2004 inventories and 66% of total 2003 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. The value of inventories stated on the LIFO method is not significantly different from the value determined under the FIFO method.

LONG-LIVED ASSETS: Property, plant and equipment and intangible assets 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. Leasehold improvements are amortized over the shorter of their estimated useful lives or the lease term. Intangible assets, other than those having indefinite lives, are amortized over their estimated useful lives using straight-line or accelerated methods consistent with the expected realization of benefits to be received. The useful lives of property and intangible assets are reviewed annually.

VF's policy is to evaluate property, intangible assets and goodwill for possible impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. An impairment loss is recorded for property or intangible assets with identified useful lives (and therefore are being amortized) if projected undiscounted cash flows to be generated by the asset or asset group are not expected to be adequate to recover the assets' carrying value. An impairment loss is recorded for intangible assets with indefinite lives (and therefore are not being amortized) or goodwill if the assets' carrying value is in excess of its fair value.

GOODWILL represents the excess of costs over the fair value of net tangible assets and identifiable intangible assets of businesses acquired. 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, and other intangible assets are amortized over their estimated useful lives.

In adopting the Statement, VF engaged an independent valuation firm to assist management in its review of 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 resulting write-downs of goodwill were 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-downs, and the business units accounting for the charges, are summarized by reportable segment as follows (in thousands):

10

BUSINESS SEGMENT	AMOUNT	BUSINESS UNIT
<S>	<C>	<C>
Jeanswear	\$ 63,199	Latin American jeanswear
Intimate Apparel	109,751	European intimate apparel
Imagewear	295,128	Workwear and licensed knitwear
Other	59,176	Childrenswear

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.

ACCRUED SELF-INSURANCE: VF is primarily self-insured for employee group medical, workers' compensation, vehicle, property and general liability exposures. Liabilities for self-insured exposures are accrued on a discounted basis, in consultation with an independent actuary, based on historical trends and actuarial data for projected settlements of claims filed and for incurred but not yet reported claims. Accruals for self-insured exposures are included in current and noncurrent liabilities based on the expected period of payment. Excess liability insurance has been purchased to cover claims in excess of self-insured amounts.

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. Shipping and handling costs billed to customers are included in Net Sales. Allowances for estimated returns, discounts and sales incentive programs are recognized as reductions of sales when the sales are recorded. Sales incentive programs with retailers include stated discounts and discounts based on the retailer agreeing to advertise or promote VF products. Sales incentive programs directly with consumers include rebate and coupon offers. Allowances are based on customer commitments, specific product circumstances and historical claim rates. Sales at VF-owned and operated retail stores are recognized at the time of purchase of products by consumers.

COST OF GOODS SOLD for VF-manufactured goods includes all materials, labor and overhead costs incurred in the production process. Overhead allocated to manufactured product is based on the normal capacity of our plants and does not include amounts related to idle capacity or abnormal production inefficiencies. Cost of Goods Sold for contracted or 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, quality control, freight and duties. For product lines having a lifetime warranty, a provision for estimated future repair or replacement costs, based on historical experience, is recorded when these products are sold.

MARKETING, ADMINISTRATIVE AND GENERAL EXPENSES includes marketing and advertising, VF-operated retail store costs, warehousing, shipping and handling, administrative and general expenses. Advertising costs are expensed as incurred and totaled \$314.1 million in 2004, \$258.6 million in 2003 and \$244.7 million in 2002. 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 \$43.4 million in 2004, \$42.0 million in 2003 and \$40.0 million in 2002. Shipping and handling costs totaled \$199.0 million in 2004, \$183.3 million in 2003 and \$177.0 million in 2002.

ROYALTY INCOME AND OTHER: Royalty income is recognized at rates specified in the licensing contracts, based on the licensees' sales of licensed products. Royalty income was \$49.9 million in 2004, \$28.6 million in 2003 and \$20.5 million in 2002, net of related expenses (including amortization of licensing intangible assets) of \$18.2 million in 2004, \$7.6 million in 2003 and \$4.6 million in 2002. This category also includes the equity in

11

income of 50%-owned joint ventures and, in 2004, charges of \$9.5 million related to disposal of a business unit (Note C).

INCOME TAXES are provided on Net Income for financial reporting purposes. Income taxes are based on amounts of taxes payable or refundable in the current year and on 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 these 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 these net 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. The provision for Income Taxes also includes estimated interest expense related to tax deficiencies and assessments.

STOCK-BASED COMPENSATION is accounted for under the recognition and measurement principles of APB Opinion No. 25, Accounting for Stock Issued to Employees. Compensation expense is not required for stock options, 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 performance-based restricted stock units, compensation expense equal to the market value of the shares expected to be issued is recognized over the three year performance period being measured. For

grants of restricted stock, 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

	2004	2003	2002
	-----	-----	-----
<S>	<C>	<C>	<C>
Net income (loss), as reported	\$ 474,702	\$ 397,933	\$ (154,543)
Add employee compensation expense for performance-based restricted stock units and restricted stock included in reported net income, net of income taxes	6,793	990	627
Less total stock-based employee compensation expense determined under the fair value-based method, net of income taxes	(18,757)	(13,648)	(15,512)
	-----	-----	-----
Pro forma net income (loss)	\$ 462,738	\$ 385,275	\$ (169,428)
	=====	=====	=====
Earnings (loss) per common share:			
Basic - as reported	\$ 4.30	\$ 3.67	\$ (1.49)
Basic - pro forma	4.19	3.55	(1.63)
Diluted - as reported	\$ 4.21	\$ 3.61	\$ (1.38)
Diluted - pro forma	4.10	3.49	(1.52)

</TABLE>

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

12

In the fourth quarter of 2004, the FASB issued Statement No. 123 (R), Share-Based Payment. This revision to Statement No. 123 requires that compensation expense be recognized for the fair value of stock options over their vesting period and changes the method of expense recognition for performance-based stock awards. The Statement is required to be adopted no later than the third quarter of 2005 and applies to all outstanding stock options and stock awards that have not yet vested at the date of adoption. Management is evaluating the effects of this Statement.

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 a 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 criteria 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 exposure and (2) to determine if there is a high correlation between the value of the hedging instrument and the identified exposure. Changes in the fair value of derivatives accounted for as cash flow hedges are deferred in Other Comprehensive Income and 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 or Expense as an offset to the earnings impact of the hedged item. The changes in fair value, as evaluated and adjusted each quarter, are deferred in Other Comprehensive Income or reported in earnings, depending on the nature and effectiveness of the hedged item or the risk. Any ineffectiveness in a hedging relationship is recorded immediately in earnings. For those limited number of derivatives that do not meet the criteria for hedge accounting, changes in fair value are recognized in Miscellaneous Income or Expense as they occur.

RECLASSIFICATIONS: Certain prior year amounts have been reclassified to conform with the 2004 presentation.

LEGAL AND TAX CONTINGENCIES: VF is involved in legal and tax proceedings and claims arising from time to time. Management, in connection with outside advisers, periodically assesses liabilities and contingencies in connection with these matters, based on the latest information available. For those matters where it is probable that a loss has been or will be incurred, we record the loss, or a reasonable estimate of the loss, in the consolidated financial statements. As additional information becomes available, estimates of probable losses are adjusted based on an assessment of the circumstances. Management believes that the outcome of these matters, individually and in the aggregate,

will not have a material adverse effect on the consolidated financial statements.

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

During 2004, VF acquired the following four businesses for a total cash cost, including transaction costs, of \$667.5 million (collectively referred to as the "2004 Acquisitions"):

- - The most significant transaction was the acquisition on June 30, 2004 of 100% of the common stock of Vans, Inc. ("Vans") at a price of \$20.55 per share, for a total cost of \$373.1 million. Vans designs and markets Vans(R) performance and casual footwear and apparel for skateboarders and other action sports participants and enthusiasts. In its most recent fiscal year, Vans had sales of \$344 million (unaudited), with

13

sales being split approximately equally among domestic wholesale accounts, domestic retail stores and international operations.

- - A subsidiary of VF acquired the operating assets of Kipling(R) bags, backpacks and accessories ("Kipling") on June 14, 2004. Including the acquisition of the brand rights in the United States in late 2004, the total cost was \$185.0 million. Based in Belgium, Kipling had sales of \$69 million (unaudited) in its most recent year.

- - On May 31, 2004, VF acquired 100% of the common stock of Green Sport Monte Bianco S.p.A., makers of Napapijri(R) premium casual outdoor sportswear ("Napapijri"), for a total cost of \$103.4 million. Based in Italy, Napapijri had sales of \$76 million (unaudited) in its most recent year.

- - VF acquired 51% ownership of a newly formed company in Mexico for \$6.0 million. This company will market several of VF's intimate apparel brands, as well as the Ilusion(R) brand licensed from the minority partner, to discount stores and department stores in Mexico.

The Vans, Kipling and Napapijri businesses add lifestyle brands having global growth potential. Their brands are targeted to specific consumer groups, and their products extend across multiple categories. Vans and Kipling provide expertise and growth opportunities in two new product categories for VF - - footwear and women's accessories. In addition, the sportswear design talent at Napapijri is being used to assist in the European launch of Nautica(R) apparel in 2005.

On August 27, 2003, VF acquired all of the common stock of Nautica Enterprises, Inc. ("Nautica") for a total cash cost of \$587.6 million, including transaction costs. Nautica designs, sources and markets sportswear under the Nautica(R) brand. The Nautica(R) brand is licensed for apparel and accessories in the United States and internationally and for home furnishings in the United States. The Nautica acquisition (1) provided a growth platform for sportswear, which was a new product category for VF, (2) provided broader lifestyle product capabilities and (3) significantly expanded 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. In a separate transaction, VF acquired from a former officer of Nautica his rights to receive 50% of Nautica's net royalty income, along with other rights in the Nautica(R) name, trademarks and intellectual property owned, held or used by Nautica. Under this agreement, VF paid \$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 were recorded at their present value of \$58.3 million. As additional consideration, VF will pay 31.7% of Nautica's gross royalty revenues in excess of \$34.7 million in any year through 2008, with such excess payments to be recorded as Goodwill. Gross royalty revenues were \$33.7 million in 2004. The acquisitions of Nautica and of the former officer's rights are collectively referred to herein as the "Nautica Acquisition."

Operating results of these acquisitions have been included in the consolidated financial statements since their respective dates of acquisition.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed for these transactions at their respective dates of acquisition. The purchase price allocation for the 2004 Acquisitions is subject to adjustment over the first half of 2005 as VF management finalizes their integration plans. In addition, management is awaiting information from outside counsel on litigation related to one of the acquisitions.

14

<TABLE>  
<CAPTION>

In thousands	2004 ACQUISITIONS -----	NAUTICA ACQUISITION -----
<S>	<C>	<C>
Cash and equivalents	\$ 59,899	\$ 75,597
Other current assets	159,343	247,675
Property, plant and equipment	20,034	52,197
Intangible assets	323,500	319,700
Other assets	48,867	10,954
	-----	-----
Total assets acquired	611,643	706,123
	-----	-----
Current liabilities	171,979	172,751
Long-term debt	1,619	18,092
Other liabilities, primarily deferred income taxes	86,745	48,595
	-----	-----
Total liabilities assumed	260,343	239,438
	-----	-----
Net assets acquired	351,300	466,685
Goodwill	316,199	217,178
	-----	-----
Purchase price	\$ 667,499	\$ 683,863
	=====	=====

</TABLE>

Amounts assigned to intangible assets were based on management's evaluation of their fair values, with assistance from an independent valuation firm. Management believes that amounts assigned to major trademarks and tradenames have an indefinite life. Amounts assigned to amortizable intangible assets for the 2004 Acquisitions totaled \$90.4 million and consisted principally of \$57.2 million of customer relationships and \$24.4 million of licensing contracts. These assets were determined to have weighted average useful lives of 21 years and 8 years, respectively, and are being amortized primarily using accelerated methods. Amortizable intangible assets for the Nautica Acquisition totaled \$102.3 million and consisted principally of \$89.5 million of licensing contracts and \$9.7 million of customer relationships. These assets have weighted average useful lives of 30 years and 24 years, respectively, and are being amortized using accelerated methods.

Factors that contributed to the recognition of Goodwill for the 2004 Acquisitions and the Nautica Acquisition included (1) expected growth rates and profitability of the acquired companies, (2) their experienced workforce, (3) VF's strategies for growth in sales, income and cash flows in the various wholesale, retail and licensing businesses and (4) expected synergies with existing VF business units. Goodwill of \$48.0 million related to the 2004 Acquisitions and of \$51.6 million related to the Nautica Acquisition is expected to be deductible for income tax purposes.

The following unaudited pro forma results of operations assume that the 2004 and the 2003 acquisitions had occurred at the beginning of 2003. These pro forma amounts should not be relied on as an indication of the results of operations that VF would have achieved had the acquisitions taken place at a different date or of future results that VF might achieve:

15

<TABLE>  
<CAPTION>

In thousands, except per share amounts	2004 *	2003 *
<S>	<C>	<C>
Net sales	\$ 6,278,790	\$ 6,062,955
Net income	460,311	343,726
Earnings per common share:		
Basic	\$ 4.17	\$ 3.17
Diluted	4.08	3.12

</TABLE>

\* Pro forma operating results for 2004 include expenses totaling \$59.6 million (\$0.41 basic and \$0.40 diluted per share) and for 2003 include expenses totaling \$35.6 million (\$0.24 basic and \$0.23 diluted EPS) for settlement of stock options, management contracts and other transaction expenses incurred by the acquired businesses related to their acquisition by VF.

VF completed two other acquisitions during 2003 for a total consideration of \$3.7 million. Contingent consideration of up to \$1.3 million related to one of these acquisitions is payable if certain sales targets are achieved over each of the years through 2006. Accordingly, in each of 2004 and 2003, \$0.3 million of contingent consideration was earned and capitalized as additional licensing intangible assets. Pro forma operating results for prior periods are not presented due to immateriality.

VF accrued various restructuring charges in connection with the 2003 and 2004 acquisitions. Remaining cash payments related to these actions will be substantially completed during 2005.

Activity in the restructuring accruals for the 2004 Acquisitions is summarized as follows:

<TABLE>  
<CAPTION>

In thousands	SEVERANCE	FACILITIES EXIT COSTS	LEASE TERMINATION	TOTAL
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Accrual for 2004 acquisitions	\$ 24,562	\$ 811	\$ 1,593	\$ 26,966
Cash payments	(20,667)	-	(176)	(20,843)
	-----	-----	-----	-----
Balance, December 2004	\$ 3,895	\$ 811	\$ 1,417	\$ 6,123
	=====	=====	=====	=====

</TABLE>

Activity in the restructuring accruals for the 2003 acquisitions is summarized as follows:

<TABLE>  
<CAPTION>

In thousands	SEVERANCE	FACILITIES EXIT COSTS	LEASE 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, December 2003	6,044	403	12,948	19,395
Additional accrual	3,682	-	-	3,682
Write-off of assets	-	(376)	-	(376)
Cash payments	(4,322)	(27)	(12,948)	(17,297)
	-----	-----	-----	-----
Balance, December 2004	\$ 5,404	\$ -	\$ -	\$ 5,404
	=====	=====	=====	=====

</TABLE>

NOTE C - DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

In 2001, management announced a plan to exit the Private Label knitwear business and the Jantzen swimwear business. The Jantzen(R) trademarks and certain other assets of this swimwear business were sold in 2002 for \$24.0 million. Liquidation of the Private Label knitwear business and of the remaining Jantzen inventories and other assets was completed during 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 and cash flows of these businesses are separately presented as discontinued operations in the accompanying financial statements. Summarized operating results for these discontinued businesses for 2002 were net sales of \$98.0 million; income before taxes of \$13.5 million (including gain on disposal of \$1.4 million); income taxes of \$5.2 million; and income of \$8.3 million.

VF's children's playwear business ("VF Playwear") consisted of the Healthtex(R) and licensed Nike(R) apparel products. Certain assets of VF Playwear were sold in May 2004 for cash and notes totaling \$17.1 million. VF Playwear retained all inventories and other working capital and continued to ship products through the end of the third quarter. Under the sale agreement, VF agreed to purchase \$150.0 million of branded childrenswear from the purchaser over a 10 year period for sale in its outlet stores. Due to this ongoing involvement, VF Playwear does not qualify for treatment as a discontinued operation. VF Playwear contributed sales of \$87.1 million, \$144.0 million and \$175.5 million and operating losses of \$(14.0) million, \$(7.7) million and \$(3.2) million in 2004, 2003 and 2002, respectively. Operating results include net charges of \$9.5 million related to the disposal of the business in 2004 and a \$2.3 million goodwill impairment charge in 2002.

Assets and liabilities of VF Playwear included in the respective captions of the

Consolidated Balance Sheets are summarized as follows:

In thousands	2004	2003
	-----	-----
<S>	<C>	<C>
Accounts receivable, net	\$ 4,363	\$ 12,958
Inventories	-	35,082
Property, plant and equipment, net	6,249	14,305
Other, primarily deferred income taxes	4,181	7,521
	-----	-----
	\$ 14,793	\$ 69,866
	=====	=====
Accounts payable	\$ -	\$ 11,162
Accrued liabilities	15,129	7,274
	-----	-----
	\$ 15,129	\$ 18,436
	=====	=====

</TABLE>

At the end of 2004, Accrued Liabilities related primarily to expected losses on formerly occupied leased premises.

17

NOTE D - ACCOUNTS RECEIVABLE

In thousands	2004	2003
	-----	-----
<S>	<C>	<C>
Trade	\$ 758,882	\$ 646,332
Other	53,490	53,300
	-----	-----
Total accounts receivable	812,372	699,632
Less allowance for doubtful accounts	60,790	65,769
	-----	-----
	\$ 751,582	\$ 633,863
	=====	=====

NOTE E - INVENTORIES

In thousands	2004	2003
	-----	-----
Finished products	\$ 744,517	\$ 714,867
Work in process	99,669	91,593
Materials and supplies	129,062	126,525
	-----	-----
	\$ 973,248	\$ 932,985
	=====	=====

NOTE F - PROPERTY, PLANT AND EQUIPMENT

In thousands	2004	2003
	-----	-----
Land	\$ 52,989	\$ 52,124
Buildings and improvements	502,369	479,725
Machinery and equipment	984,132	1,027,997
	-----	-----
	1,539,490	1,559,846
Less accumulated depreciation	967,236	968,166
	-----	-----
	\$ 572,254	\$ 591,680
	=====	=====

</TABLE>

18

NOTE G - INTANGIBLE ASSETS

<TABLE>  
<CAPTION>

DECEMBER 2004



Dollars in thousands	WEIGHTED AVERAGE LIFE	GROSS CARRYING AMOUNT	ACCUMULATED AMORTIZATION	NET CARRYING AMOUNT
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Amortizable intangible assets*:				
License agreements	25 years	\$ 114,623	\$ 7,343	\$ 107,280
Customer relationships	21 years	71,305	2,797	68,508
Trademarks, backlog and other	6 years	13,111	7,646	5,465
				-----
Amortizable intangible assets, net				181,253
Indefinite-lived intangible assets:				
Trademarks and tradenames				458,267
				-----
Intangible assets, net				\$ 639,520
				=====

</TABLE>

<TABLE>  
<CAPTION>

	DECEMBER 2003			
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
Trademarks, backlog and other	5 years	5,090	2,175	2,915
				-----
Amortizable intangible assets, net				101,234
Indefinite-lived intangible assets:				
Trademarks and tradenames				217,400
				-----
Intangible assets, net				\$ 318,634
				=====

</TABLE>

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

Amortization expense was \$15.4 million in 2004 (including an impairment charge of \$1.1 million for a miscellaneous intangible asset) and \$3.6 million in 2003. Estimated amortization expense for the years 2005 through 2009 is \$14.6 million, \$14.2 million, \$13.5 million, \$10.4 million and \$8.1 million, respectively.

19

NOTE H - GOODWILL

Activity is summarized by business segment as follows:

<TABLE>  
<CAPTION>

In thousands	JEANSWEAR APPAREL	OUTDOOR APPAREL AND EQUIPMENT	INTIMATE APPAREL	IMAGEWEAR	SPORTSWEAR	OTHER
	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, December 2001	\$ 253,841	\$ 110,036	\$ 221,343	\$ 351,374	\$ -	\$ 61,452
Change in accounting policy (Note A)	(63,199)	-	(109,751)	(295,128)	-	(59,176)
Adjustments to purchase price allocation	(275)	(924)	-	-	-	-
Impairment loss (Note C)	-	-	-	-	-	(2,276)
Currency translation	6,038	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
Balance, December 2002	196,405	109,112	111,592	56,246	-	-
2003 acquisitions	-	-	-	-	217,178	-
Currency translation	10,439	-	-	-	-	-
	-----	-----	-----	-----	-----	-----
Balance, December 2003	206,844	109,112	111,592	56,246	217,178	-
2004 acquisitions	-	310,175	6,000	-	24	-
Adjustments to purchase price allocation	-	-	-	-	(2,934)	-
Currency translation	4,411	12,946	-	-	-	-

Balance, December 2004	\$ 211,255	\$ 432,233	\$ 117,592	\$ 56,246	\$ 214,268	\$ -
------------------------	------------	------------	------------	-----------	------------	------

</TABLE>

NOTE I - OTHER ASSETS

<TABLE>

<CAPTION>

In thousands	2004	2003
Investment securities held for deferred compensation plans	\$167,715	\$158,074
Other investment securities	45,116	36,800
Computer software, net of accumulated amortization of \$45,057 in 2004 and \$35,343 in 2003	63,810	61,499
Pension plan intangible asset (Note N)	46,960	17,919
Other	46,265	34,007
	\$369,866	\$308,299

</TABLE>

Investment securities held for deferred compensation plans consist of marketable securities and life insurance contracts. These securities substantially mirror the participant-directed investment selections underlying the deferred compensation liabilities (Note M). These securities, held in an irrevocable trust, are recorded at fair value. Realized and unrealized gains and losses on these investment securities are recorded in the Consolidated Statements of Income and substantially offset changes in deferred compensation liabilities to participants.

20

Other investment securities are held primarily to support liabilities under the supplemental defined benefit pension plan (Note M). These securities, held in an irrevocable trust, are recorded at fair value. Realized gains and losses are recorded in the Consolidated Statements of Income, and unrealized gains and losses, net of income taxes, are recorded in Accumulated Other Comprehensive Income (Loss).

VF is the beneficiary of life insurance policies mentioned above on certain current and former members of VF management. Policy loans against the cash value of these policies are not significant.

NOTE J - SHORT-TERM BORROWINGS

Short-term borrowings, all from foreign banks, had a weighted average interest rate of 7.0% at the end of 2004 and at the end of 2003.

The Company maintains a \$750.0 million unsecured committed revolving bank credit agreement that supports issuance of up to \$750.0 million in commercial paper 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 requiring VF's ratio of consolidated indebtedness to consolidated capitalization to remain below 60%. The agreement also contains other covenants and events of default, including 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 the end of 2004, management believes that VF was in compliance with all covenants. Also at the end of 2004, the entire amount of the credit agreement was available for borrowing, except for \$11.8 million of standby letters of credit issued under the agreement on behalf of VF.

NOTE K - ACCRUED LIABILITIES

<TABLE>

<CAPTION>

In thousands	2004	2003
Compensation	\$141,584	\$ 89,856
Income taxes	39,750	21,520
Other taxes	51,829	32,432
Minimum pension liability (Note N)	55,000	55,000
Advertising	29,374	34,742
Insurance	25,831	18,212
Interest	14,989	14,789
Product warranty claims (Note M)	7,193	8,426
Other	192,665	163,962

-----	-----
\$558,215	\$438,939
=====	=====

</TABLE>

21

NOTE L - LONG-TERM DEBT

<TABLE>

<CAPTION>

In thousands	2004	2003
	-----	-----
<S>	<C>	<C>
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	292,230	292,133
Other	65,641	65,394
	-----	-----
	957,871	957,527
Less current portion	401,232	1,144
	-----	-----
	\$556,639	\$956,383
	=====	=====

</TABLE>

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 the end of 2004, management believes that VF was in compliance with all covenants. VF may redeem the 8.10%, the 8.50% and the 6.00% obligations, in whole or in part, at a price equal to 100% of the principal amount, plus accrued interest to the redemption date and a premium (if any) relating to the then-prevailing treasury yield over the remaining life of the obligations.

The 6.00% notes having a principal balance of \$300.0 million were sold at an original issue discount of \$7.9 million. 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 original issue discount, deferred gain on the interest rate hedging contract (Note U) and debt issuance costs.

Other debt includes \$66.0 million payable to a former officer of Nautica, of which \$33.0 million is 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. The carrying value of this debt was \$61.1 million at the end of 2004 and \$59.0 million at the end of 2003.

The scheduled payments of long-term debt are \$34.1 million in 2006, \$34.2 million in 2007, \$0.8 million in 2008 and \$0.2 million in 2009.

22

NOTE M - OTHER LIABILITIES

<TABLE>

<CAPTION>

In thousands	2004	2003
	-----	-----
<S>	<C>	<C>
Deferred compensation	\$186,834	\$174,771
Minimum pension liability (Note N)	102,009	144,239
Accrued pension benefits (Note N)	56,512	49,375
Income taxes	83,033	70,201
Product warranty claims	26,976	20,426
Other	80,767	59,613
	-----	-----
	\$536,131	\$518,625
	=====	=====

</TABLE>

VF maintains deferred compensation plans for the benefit of eligible employees. These plans allow participants to defer compensation and, in some plans, receive

matching contributions by VF. Deferred compensation, including accumulated earnings on the participant-directed investment options, is distributable in cash at employee-specified dates or upon retirement, death, disability or termination of employment. See Note I for investment securities owned by VF to fund liabilities under certain of these deferred compensation plans.

Activity relating to accrued product warranty costs is summarized as follows:

<TABLE> <CAPTION>			
In thousands	2004	2003	2002
	-----	-----	-----
<S>	<C>	<C>	<C>
Balance, beginning of year	\$ 28,852	\$ 25,782	\$ 21,698
Balances of acquired businesses	347	-	-
Accrual for products sold during the year	10,788	10,597	8,548
Repair or replacement costs incurred	(6,840)	(8,552)	(5,293)
Currency translation	1,022	1,025	829
	-----	-----	-----
Balance, end of year	34,169	28,852	\$ 25,782
			=====
Less current portion (Note K)	7,193	8,426	
	-----	-----	
Long-term accrual	\$ 26,976	\$ 20,426	
	=====	=====	

NOTE N - BENEFIT PLANS

VF sponsors a noncontributory qualified defined benefit pension plan covering most full-time domestic employees other than employees of companies acquired in 2004 and 2003. VF also sponsors an unfunded supplemental defined benefit pension plan that provides benefits computed under VF's principal benefit plan that exceed 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:

23

<TABLE> <CAPTION>			
Dollars in thousands	2004	2003	2002
	-----	-----	-----
<S>	<C>	<C>	<C>
Service cost - benefits earned during the year	\$ 22,470	\$ 18,475	\$ 18,240
Interest cost on projected benefit obligations	59,272	53,883	51,734
Expected return on plan assets	(59,728)	(48,225)	(50,433)
Curtailment charge	7,100	-	2,388
Amortization of:			
Prior service cost	3,960	3,138	4,243
Actuarial loss	24,697	28,425	1,370
	-----	-----	-----
Total pension expense	57,771	55,696	27,542
Amount allocable to discontinued operations	-	-	1,317
	-----	-----	-----
Pension expense - continuing operations	\$ 57,771	\$ 55,696	\$ 26,225
	=====	=====	=====
Assumptions used to determine pension expense:			
Discount rate	6.00%	6.75%	7.50%
Expected long-term return on plan assets	8.50%	8.75%	8.75%
Rate of compensation increase	3.75%	4.00%	4.00%

The \$7.1 million partial pension plan curtailment charge in 2004 related to reductions in the number of plan participants, including \$2.9 million related to the disposition of VF Playwear (Note C).

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

24

<TABLE> <CAPTION>		
Dollars in thousands	2004	2003
	-----	-----
<S>	<C>	<C>
Fair value of plan assets, beginning of year	\$ 647,723	\$ 519,013
Actual return on plan assets	68,583	86,290
VF contributions	57,947	77,481
Benefits paid	(40,447)	(35,061)

Fair value of plan assets, end of year	733,806	647,723
Projected benefit obligations, beginning of year	957,437	797,173
Service cost	22,470	18,475
Interest cost	59,272	53,883
Plan amendments	25,783	501
Partial plan curtailment	(3,188)	-
Actuarial (gain) loss	(14,897)	122,466
Benefits paid	(40,447)	(35,061)
Projected benefit obligations, end of year	1,006,430	957,437
Funded status, end of year	(272,624)	(309,714)
Unrecognized net actuarial loss	267,727	321,375
Unrecognized prior service cost	32,642	17,919
Pension asset, net	\$ 27,745	\$ 29,580

Amounts included in Consolidated Balance Sheets:

Noncurrent assets	\$ 46,960	\$ 17,919
Current liabilities	(55,000)	(55,000)
Noncurrent liabilities	(158,521)	(193,614)
Accumulated other comprehensive income (loss)	194,306	260,275
	\$ 27,745	\$ 29,580

Assumptions used to determine benefit obligations:

Discount rate	6.10%	6.00%
Rate of compensation increase	3.75%	3.75%

</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

25

strategy, the resulting allocation of plan assets and the selection of independent investment managers are reviewed periodically.

The expected long-term rate of return on plan assets was based on the weighted average of the expected returns for the major asset classes in which the plan invests. Expected returns by asset class were developed through analysis of historical market returns, current market conditions, inflation expectations and other economic factors. The assumed rate of return on plan assets of 8.50% in 2004 is lower than actual long-term historical returns. The target allocation by asset class, and the actual asset allocations at the latest measurement dates, were as follows:

<TABLE>

<CAPTION>

	TARGET	SEPTEMBER 30	
	ALLOCATION	2004	2003
<S>	<C>	<C>	<C>
Equity securities	65%	71%	61%
Fixed income securities	30	21	31
Real estate securities	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 2005 under applicable regulations, VF contributed \$55.0 million to its qualified pension plan in January 2005. Estimated future benefit payments, including benefits attributable to estimated future employee service, are approximately \$42 million in 2005, \$43 million in 2006, \$46 million in 2007, \$48 million in 2008, \$51 million in 2009 and \$312 million for the years 2010

through 2014.

Accumulated benefit obligations earned through the respective measurement dates for these plans totaled \$947.3 million in 2004 and \$896.3 million in 2003. The excess of accumulated benefit obligations over the sum of the fair value of plan assets and previously accrued pension liabilities ("minimum pension liability") was \$157.0 million in 2004 and \$199.2 million in 2003. The offset to this minimum pension liability is recorded, after income tax effect, as a component of Accumulated Other Comprehensive Income (Loss). At the end of both 2004 and 2003, \$55.0 million of the minimum pension liability was classified as a current liability because VF contributed that amount to the pension plan in early 2005 and 2004, respectively.

VF sponsors an Employee Stock Ownership Plan ("ESOP") as part of a 401(k) savings plan covering most domestic salaried employees. Cash contributions made by VF to the 401(k) plan are based on a specified percentage of employee contributions. By the end of 2002, all VF stock had been allocated to the ESOP accounts of the participating employees. VF also sponsors other savings and retirement plans for certain domestic and foreign employees. Expense for these plans totaled \$7.0 million in 2004, \$6.5 million in 2003 and \$7.1 million in 2002.

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 \$0.1 million in 2004, \$0.2 million in 2003 and \$0.6 million in 2002. If there were a significant reduction in union employees, VF 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 reductions in union-based employment. An additional \$1.0 million expense was recognized during 2004.

26

#### NOTE O - CAPITAL

COMMON STOCK outstanding is net of shares held in treasury, and in substance retired. There were 1,098,172 treasury shares at the end of 2004, 1,297,953 treasury shares at the end of 2003 (after retirement of 32,000,000 shares during the year) and 32,233,996 treasury shares at the end of 2002. 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, 256,088 shares of VF Common Stock at the end of 2004, 242,443 shares at the end of 2003 and 266,146 shares at the end of 2002 were held in trust for deferred compensation plans. These additional shares are treated for financial reporting purposes as treasury shares at a cost of \$9.2 million, \$8.4 million and \$9.3 million at the end of 2004, 2003 and 2002, respectively.

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

Series A Preferred Stock: At the end of 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 Redeemable Preferred Stock: At the end of 2004, 2,105,263 shares are designated as 6.75% Series B Redeemable Preferred Stock, which were purchased by the ESOP in 1990. (See Note N.) Changes in shares of Preferred Stock outstanding are summarized as follows:

<TABLE>  
<CAPTION>

	2004	2003	2002
	-----	-----	-----
<S>	<C>	<C>	<C>
Balance, beginning of year	971,250	1,195,199	1,477,930
Conversion to Common Stock	(127,436)	(223,949)	(113,527)
Redemption of Preferred Stock	-	-	(169,204)
	-----	-----	-----
Balance, end of year	843,814	971,250	1,195,199
	=====	=====	=====

</TABLE>

Each share of Series B Redeemable 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 Redeemable Preferred Stock also has preference in liquidation over all other stock issues. By the end of 2002, all Preferred Stock had been allocated to the ESOP accounts of the participating employees.

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

27

<TABLE>  
<CAPTION>

In thousands	2004	2003
	-----	-----
<S>	<C>	<C>
Foreign currency translation	\$ (1,816)	\$ (31,885)
Minimum pension liability adjustment	(119,138)	(160,850)
Derivative financial instruments	(5,141)	(4,450)
Unrealized gains on marketable securities	13,024	7,730
	-----	-----
	\$ (113,071)	\$ (189,455)
	=====	=====

</TABLE>

NOTE P - STOCK-BASED COMPENSATION

VF may grant nonqualified stock options, restricted stock units and restricted stock to officers, key employees and nonemployee members of VF's Board of 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 from one to three years after the date of grant and expire ten years after the date of grant. Stock option activity is summarized as follows:

<TABLE>  
<CAPTION>

	SHARES UNDER OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
	-----	-----
<S>	<C>	<C>
Balance, December 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, December 2002	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, December 2003	10,902,610	37.54
Options granted	1,755,890	44.80
Options exercised	(3,015,044)	36.78
Options canceled	(13,500)	38.20
	-----	-----
Balance, December 2004	9,629,956	\$ 39.10
	=====	

</TABLE>

Stock options outstanding at the end of 2004 are summarized as follows:

28

<TABLE>  
<CAPTION>

RANGE OF EXERCISE PRICES	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
	NUMBER OUTSTANDING	WEIGHTED AVERAGE REMAINING YEARS CONTRACTUAL LIFE	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE	WEIGHTED AVERAGE EXERCISE PRICE
	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
\$ 25 - 30	624,700	4.5	\$ 26.16	624,700	\$ 26.16

30 - 35	1,966,340	6.1	34.58	1,439,676	34.57
35 - 40	1,413,446	7.2	35.87	1,353,446	35.89
40 - 45	5,625,470	6.8	42.93	3,616,550	42.17
	-----	---	-----	-----	-----
\$ 25 - 45	9,629,956	6.6	\$ 39.10	7,034,372	\$ 37.98
	=====			=====	

</TABLE>

Options to purchase 7,664,766 shares were exercisable at the end of 2003 at a weighted average exercise price of \$38.23. At the end of 2002, there were options exercisable to purchase 6,061,240 shares at a weighted average exercise price of \$36.20. At the end of 2004, there were 9,186,248 shares available for future grants of stock options and stock awards, of which no more than 2,582,575 may be grants of restricted stock or shares delivered in settlement of restricted stock units.

VF has granted performance-based restricted stock units to certain key employees as a long-term incentive under the stock compensation plan. The restricted stock units entitle the participants to receive shares of VF Common Stock at the end of a three year performance period. Each restricted stock unit has a final value ranging from zero to two shares of VF Common Stock. For the 2004 grants, the number of shares to be earned is based on achievement of preestablished performance goals set by the Compensation Committee of the Board of Directors. For grants in prior years, the number of shares to be earned was based on three year stockholder return comparisons of VF Common Stock with a peer group of apparel companies. Dividend equivalents, payable in additional shares of VF Common Stock, accrue on the restricted stock units. 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 280,007 restricted stock units having a grant date fair value per unit of \$43.18 in 2004 for the performance period ending in 2006; similarly, 49,147 units were granted at \$36.10 in 2003 and 44,143 units at \$39.27 in 2002. A total of 23,727, 25,064 and 57,188 shares of VF Common Stock were earned for the three year performance periods ended in 2004, 2003 and 2002, respectively. At the end of 2004, there were 49,147 restricted stock units outstanding for the performance period ending in 2005 and 280,007 for the performance period ending in 2006. A total of 101,943 shares of Common Stock are issuable in future years to participants who have elected to defer receipt of their shares earned.

At the end of 2004, VF had 62,611 shares of restricted stock outstanding that vest in 2005, which had been granted to key employees in prior years. This total included dividends payable in additional restricted shares of 1,328, 1,579 and 1,425 shares accrued in 2004, 2003 and 2002, respectively, on prior years' grants of restricted stock.

Compensation expense recognized in the Consolidated Statements of Income for restricted stock units and restricted stock totaled \$11.0 million in 2004, \$1.6 million in 2003 and \$1.0 million in 2002. 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

29

on the fair value method for all stock-based compensation. Fair value for stock options, as presented in Note A, was estimated using the Black-Scholes option-pricing model. The resulting weighted average fair value of stock options granted during 2004 was \$11.64 per share, during 2003 was \$8.33 per share and during 2002 was \$10.51 per share, based on the following assumptions:

<TABLE>

<CAPTION>

	2004	2003	2002
	----	----	----
<S>	<C>	<C>	<C>
Risk-free interest rate	2.6%	2.6%	4.0%
Expected dividend yield	2.4%	2.9%	2.7%
Expected volatility	35%	36%	36%
Expected life (years)	4	4	4

</TABLE>

NOTE Q - INCOME TAXES

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

<TABLE>

<CAPTION>

In thousands	2004	2003	2002
	-----	-----	-----
<S>	<C>	<C>	<C>
Domestic	\$ 545,516	\$ 459,507	\$ 439,744
Foreign	166,604	138,999	121,984
	-----	-----	-----



\$ 712,120      \$ 598,506      \$ 561,728  
=====

</TABLE>

The provision for Income Taxes for continuing operations consists of:

In thousands	2004	2003	2002
	-----	-----	-----
<S>	<C>	<C>	<C>
Current:			
Federal	\$ 170,649	\$ 132,160	\$ 95,738
Foreign	38,703	29,912	28,935
State	11,895	7,540	1,778
	-----	-----	-----
	221,247	169,612	126,451
Deferred, primarily federal	16,172	30,961	70,849
	-----	-----	-----
	\$ 237,419	\$ 200,573	\$ 197,300
	=====	=====	=====

</TABLE>

30

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:

In thousands	2004	2003	2002
	-----	-----	-----
<S>	<C>	<C>	<C>
Tax at federal statutory rate	\$ 249,242	\$ 209,477	\$ 196,605
State income taxes,			
net of federal tax benefit	5,525	7,459	9,918
Foreign operating losses			
with no current benefit	7,276	2,476	7,531
Foreign rate differences	(18,311)	(9,674)	(16,989)
Change in valuation allowance	(6,297)	(3,068)	(6,115)
Other, net	(16)	(6,097)	6,350
	-----	-----	-----
	\$ 237,419	\$ 200,573	\$ 197,300
	=====	=====	=====

</TABLE>

Deferred income tax assets and liabilities consist of the following:

In thousands	2004	2003
	-----	-----
<S>	<C>	<C>
Deferred income tax assets:		
Employee benefits	\$ 50,126	\$ 41,993
Inventories	19,036	22,280
Other accrued expenses	162,584	159,663
Minimum pension liability	73,985	99,425
Operating loss carryforwards	110,446	91,720
Foreign currency translation	-	26,214
	-----	-----
	416,177	441,295
Valuation allowance	(67,475)	(67,810)
	-----	-----
Deferred income tax assets	348,702	373,485
	-----	-----
Deferred income tax liabilities:		
Depreciation	34,346	39,636
Intangible assets	158,841	87,538
Other	64,262	36,047
	-----	-----
Deferred income tax liabilities	257,449	163,221
	-----	-----
Net deferred income tax assets	\$ 91,253	\$ 210,264
	=====	=====

</TABLE>

31

In thousands	2004	2003
	-----	-----
<S>	<C>	<C>

Amounts included in Consolidated Balance Sheets:		
Current assets	\$ 99,338	\$ 92,828
Current liabilities	(4,468)	-
Noncurrent assets	12,476	117,436
Noncurrent liabilities	(16,093)	-
	-----	-----
	\$ 91,253	\$ 210,264
	=====	=====

</TABLE>

As of the end of 2004, VF has not provided deferred U.S. income taxes on \$318.0 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 foreign cash balances to the United States. VF has undertaken initiatives resulting in a reduced effective tax rate on earnings of one of VF's foreign subsidiaries. The income tax benefit from this tax status was \$16.5 million (\$0.15 per diluted share) in 2004, \$10.8 million (\$0.10 per share) in 2003 and \$13.3 million (\$0.12 per share) in 2002. The tax status providing this benefit is scheduled to expire at the end of 2009.

VF has \$190.2 million of foreign operating loss carryforwards expiring \$6.9 million in 2005, \$17.5 million in 2006, \$9.5 million in 2007, \$1.0 million in 2008 and \$4.2 million in 2009, with the remainder having an unlimited carryforward life. A valuation allowance has been provided where it is more likely than not, based on an evaluation of currently available information, 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.

The American Jobs Creation Act of 2004 ("the Act") was signed into law in late 2004. The Act contains a temporary incentive for repatriation of foreign earnings during 2005 at a 5.25% effective income tax rate. At the end of 2004, VF had approximately \$375 million of accumulated foreign earnings subject to repatriation. If VF were to decide to remit some or all of these earnings during 2005, it would result in an additional one-time income tax expense ranging up to \$16 million. Management is evaluating its unremitted foreign earnings and the provisions of the Act.

#### NOTE R - BUSINESS SEGMENT INFORMATION

From an organizational standpoint, VF's businesses are organized into product categories, and by brands within those product categories, for management and internal reporting purposes. These groupings of businesses are referred to as "coalitions." These coalitions, as described below, represent VF's reportable business segments:

- - Jeanswear - Jeanswear and related products
- - Outdoor Apparel and Equipment - Outerwear and adventure apparel, footwear, daypacks and bags, and technical equipment
- - Intimate Apparel - Women's intimate apparel
- - Imagewear - Occupational apparel, licensed sports apparel and distributor knitwear.
- - Sportswear - Fashion sportswear
- - Other - Primarily VF Playwear, which was sold in 2004 (Note C)

Business segment information presented for 2003 and 2002 has been restated to conform with this organizational structure. In addition, segment profit in 2003 and 2002 has been restated to include restructuring

charges in the appropriate coalition. Previously, these expenses had not been included in the operating results of the business units.

The Vans, Kipling and Napapijri businesses acquired in 2004 are part of the Outdoor Apparel and Equipment coalition. The operations of Nautica, John Varvatos and Earl Jean, acquired in August 2003, comprise the Sportswear coalition, except that the golf apparel product line is part of the Imagewear coalition.

Management at each of the coalitions has direct control over and responsibility for their sales, operating income and assets, hereinafter termed Coalition Sales, Coalition Profit and Coalition Assets, respectively. VF management evaluates operating performance and makes decisions based on Coalition Sales and Coalition Profit. Accounting policies used for internal management reporting at the individual coalitions 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 the coalitions based on appropriate metrics such as

usage or employment.

Corporate costs other than costs directly related to the coalitions and net interest expense are not controlled by coalition management and are therefore excluded from the Coalition Profit performance measure used for internal management reporting. These items are separately presented in the reconciliation of Coalition 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 coalitions (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 coalitions 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).

Coalition Assets, for internal management purposes, are those used directly in the operations of each business unit, such as accounts receivable, inventories and property. Corporate assets include investments held in trusts for deferred compensation and retirement benefit plans and information systems assets.

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

<TABLE> <CAPTION> In thousands	2004	2003	2002
<S>	<C>	<C>	<C>
Coalition sales:			
Jeanswear	\$ 2,661,946	\$ 2,666,815	\$ 2,788,486
Outdoor Apparel and Equipment	1,003,851	580,663	508,020
Intimate Apparel	903,552	830,225	839,786
Imagewear	769,552	727,223	751,893
Sportswear	604,879	248,967	-
Other	110,756	153,566	195,338
Consolidated net sales	\$ 6,054,536	\$ 5,207,459	\$ 5,083,523

</TABLE>

33

<TABLE> <CAPTION> In thousands	2004	2003	2002
<S>	<C>	<C>	<C>
Coalition profit:			
Jeanswear	\$ 452,160	\$ 415,572	\$ 472,816
Outdoor Apparel and Equipment	154,256	95,720	71,447
Intimate Apparel	118,733	86,671	97,675
Imagewear	116,123	101,475	85,934
Sportswear	59,745	35,215	-
Other	(10,727)	(4,770)	1,288
Total coalition profit	890,290	729,883	729,160
Corporate and other expenses	(109,234)	(81,465)	(103,504)
Interest, net	(68,936)	(49,912)	(63,928)
Consolidated income from continuing operations before income taxes	\$ 712,120	\$ 598,506	\$ 561,728
Coalition assets:			
Jeanswear	\$ 1,075,739	\$ 1,002,910	\$ 1,052,447
Outdoor Apparel and Equipment	414,343	217,473	147,990
Intimate Apparel	345,292	332,754	331,528
Imagewear	288,537	304,927	310,882
Sportswear	135,394	205,450	-
Other	76,979	111,705	124,391
Total coalition assets	2,336,284	2,175,219	1,967,238
Cash and equivalents	485,507	514,785	496,367
Intangible assets and goodwill	1,671,114	1,019,606	473,355
Deferred income taxes	111,814	208,391	258,589
Corporate assets	399,559	327,551	307,602
Consolidated assets	\$ 5,004,278	\$ 4,245,552	\$ 3,503,151

</TABLE>

<TABLE> <CAPTION> In thousands	2004	2003	2002
<S>	<C>	<C>	<C>
Capital expenditures:			
Jeanswear	\$ 37,587	\$ 41,495	\$ 33,819
Outdoor Apparel and Equipment	8,237	6,889	5,318
Intimate Apparel	7,269	7,660	7,189
Imagewear	3,441	1,578	1,951
Sportswear	8,871	2,845	-
Other	6,567	3,512	3,903
Corporate	9,438	22,640	12,323
	-----	-----	-----
Total	\$ 81,410	\$ 86,619	\$ 64,503
	=====	=====	=====
Depreciation expense:			
Jeanswear	\$ 52,317	\$ 53,830	\$ 54,068
Outdoor Apparel and Equipment	8,617	3,860	9,545
Intimate Apparel	10,207	9,860	11,358
Imagewear	8,869	13,724	12,275
Sportswear	8,369	2,976	-
Other	10,108	9,538	9,554
Corporate	12,381	10,855	10,598
	-----	-----	-----
Total	\$110,868	\$104,643	\$107,398
	=====	=====	=====

&lt;/TABLE&gt;

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

<TABLE> <CAPTION> In thousands	2004	2003	2002
<S>	<C>	<C>	<C>
Net sales:			
United States	\$4,678,593	\$4,090,749	\$4,078,385
Foreign, primarily Europe	1,375,943	1,116,710	1,005,138
	-----	-----	-----
Total	\$6,054,536	\$5,207,459	\$5,083,523
	=====	=====	=====
Property, plant and equipment:			
United States	\$ 354,274	\$ 381,619	\$ 346,637
Mexico	94,489	109,681	125,525
Other foreign, primarily Europe	123,491	100,380	94,384
	-----	-----	-----
Total	\$ 572,254	\$ 591,680	\$ 566,546
	=====	=====	=====

&lt;/TABLE&gt;

Worldwide sales by product category are as follows:

<TABLE> <CAPTION> In thousands	2004	2003	2002
<S>	<C>	<C>	<C>
Jeans and related apparel	\$ 2,661,946	\$ 2,666,815	\$ 2,788,486
Outdoor products	1,003,851	580,663	508,020
Intimate apparel	903,552	830,225	839,786
Sportswear	604,879	248,967	-
Occupational apparel	471,176	450,511	492,798
Other apparel	409,132	430,278	454,433
	-----	-----	-----
Total	\$ 6,054,536	\$ 5,207,459	\$ 5,083,523
	=====	=====	=====

&lt;/TABLE&gt;

Sales to Wal-Mart Stores, Inc., substantially all in the Jeanswear and Intimate Apparel coalitions, comprised 15.0% of consolidated sales in 2004, 16.5% in 2003 and 16.2% in 2002. Trade receivables from this customer totaled \$93.2 million at the end of 2004 and \$75.4 million at the end of 2003.

## 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 lease incentives or escalating rentals are recorded on a straight-line basis over the minimum lease terms. Certain of the leases contain requirements for additional rental payments based on sales volume or for payments of real estate taxes and other occupancy costs. Rent expense included in the Consolidated Statements of Income was as follows:

<TABLE>			
<CAPTION>			
In thousands	2004	2003	2002
	-----	-----	-----
<S>	<C>	<C>	<C>
Minimum rent expense	\$ 95,103	\$ 74,367	\$ 62,408
Contingent rent	3,669	1,953	381
	-----	-----	-----
Rent expense	\$ 98,772	\$ 76,320	\$ 62,789
	=====	=====	=====

&lt;/TABLE&gt;

Future minimum lease payments are \$97.7 million, \$83.7 million, \$65.8 million, \$52.8 million and \$38.6 million for the years 2005 through 2009, respectively, and \$76.6 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. Future minimum royalty payments, including any required minimum advertising payments, are \$14.3 million, \$16.6 million, \$16.2 million, \$13.8 million and \$4.7 million for the years 2005 through 2009, respectively.

VF in the ordinary course of business enters into purchase commitments for raw materials, sewing labor and finished products inventories. These agreements, typically ranging from 2 to 6 months in duration, require total payments of \$667.2 million in 2005. In addition, VF has committed to purchase \$15.0 million of finished product in each of the next 10 years in connection with the sale of a business (Note C).

36

VF has also entered into commitments for capital spending, advertising and service and maintenance agreements for its management information systems. Future payments under these agreements are \$90.0 million, \$8.0 million, \$3.2 million, \$1.4 million and \$0.1 million for the years 2005 through 2009, respectively.

The trustee of the Employee Stock Ownership Plan may require VF to redeem Series B Redeemable 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 Redeemable Preferred Stock for withdrawing participants into shares of Common Stock.

VF has entered into \$80.5 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

<TABLE>			
<CAPTION>			
In thousands, except per share amounts	2004	2003	2002
	-----	-----	-----
<S>	<C>	<C>	<C>
Basic earnings per share:			
Income from continuing operations	\$ 474,702	\$ 397,933	\$ 364,428
Less Preferred Stock dividends and redemption premium	1,832	2,238	8,523
	-----	-----	-----
Income available for Common Stock	\$ 472,870	\$ 395,695	\$ 355,905
	=====	=====	=====
Weighted average Common Stock outstanding	109,872	107,713	109,167
	=====	=====	=====

Basic earnings per share

from continuing operations	\$ 4.30	\$ 3.67	\$ 3.26
	=====	=====	=====

</TABLE>

37

<TABLE>

<CAPTION>

In thousands, except per share amounts	2004	2003	2002
	-----	-----	-----
<S>	<C>	<C>	<C>
Diluted earnings per share:			
Income from continuing operations	\$474,702	\$397,933	\$364,428
Increased ESOP expense if Preferred Stock were converted to Common Stock	-	-	652
	-----	-----	-----
Income available for Common Stock and dilutive securities	\$474,702	\$397,933	\$363,776
	=====	=====	=====
Weighted average Common Stock outstanding	109,872	107,713	109,167
Effect of dilutive securities:			
Preferred Stock	1,406	1,674	2,103
Stock options and other	1,452	936	1,066
	-----	-----	-----
Weighted average Common Stock and dilutive securities outstanding	112,730	110,323	112,336
	=====	=====	=====
Diluted earnings per share from continuing operations	\$ 4.21	\$ 3.61	\$ 3.24
	=====	=====	=====

</TABLE>

Outstanding options to purchase 5.0 million shares of Common Stock were excluded from the computation of diluted earnings per share in 2003 and 5.6 million shares in 2002 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 a Change in Accounting Policy and for Net Income (Loss) in 2002 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>

In thousands	2004		2003	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Long-term debt	\$ (957,871)	\$ (1,027,331)	\$ (957,527)	\$ (1,038,544)
Series B Redeemable Preferred Stock	(26,053)	(74,769)	(29,987)	(66,169)

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 Redeemable Preferred Stock was based on a valuation by an independent financial consulting firm. The carrying amounts of cash and equivalents, accounts receivable, marketable securities and life insurance contracts, 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

38

payments anticipated for the following 12 months. Other contracts hedge against the effects of exchange rate fluctuations 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.

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

<TABLE>  
<CAPTION>

In thousands	2004		2003	
	NOTIONAL VALUE - BOUGHT (SOLD)	FAIR VALUE - ASSET (LIABILITY)	NOTIONAL VALUE - BOUGHT (SOLD)	FAIR VALUE - ASSET (LIABILITY)
<S>	<C>	<C>	<C>	<C>
European euro	\$ (210,914)	\$ (9,877)	\$ (73,439)	\$ (8,189)
Mexican peso	76,925	2,788	69,762	208
Canadian dollar	(39,463)	(2,842)	(25,980)	(1,302)
Other	8,465	-	(11,928)	-
		\$ (9,931)		\$ (9,283)

</TABLE>

VF recognized net pretax losses of \$8.8 million during 2004, \$15.8 million during 2003 and \$0.3 million during 2002, primarily in Cost of Goods Sold in the Consolidated Statements of Income, for foreign currency hedging contracts that had matured. At the end of 2004, net pretax losses of \$11.7 million were deferred in Accumulated Other Comprehensive Income. These net deferred losses are expected to be reclassified into earnings during 2005 at the time the underlying hedged transactions are realized. Hedge ineffectiveness was not significant in any period.

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 L). This contract was settled concurrent with the issuance of the debt, with the gain of \$3.5 million deferred in Accumulated Other Comprehensive Income.

In addition, as a result of the interest rate hedging contract mentioned above, VF recognized a pretax gain of \$0.1 million during 2004 and during 2003 as a reduction of Interest Expense. At the end of 2004, a pretax gain of \$3.3 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.

39

NOTE V - SUPPLEMENTAL CASH FLOW INFORMATION

<TABLE>  
<CAPTION>

In thousands	2004	2003	2002
<S>	<C>	<C>	<C>
Income taxes paid	\$ 186,223	\$ 128,770	\$ 132,645
Interest paid	73,171	56,148	72,182
Noncash transactions:			
Notes received for sale of assets	13,664	-	-
Notes issued in acquisition	-	58,300	-
Debt assumed in acquisitions	28,842	18,758	-
Conversion of Redeemable Preferred Stock to Common Stock	3,934	6,914	3,514
Issuance of Common Stock for compensation plans	647	1,004	973

</TABLE>

NOTE W - SUBSEQUENT EVENTS

A subsidiary of VF acquired substantially all of the net assets of Holoubek, Inc., a business having rights to manufacture and market apparel products under license from Harley-Davidson Motor Company, Inc. The purchase price was \$26.4 million, with an additional maximum of \$2.5 million in contingent consideration. VF also sold a 20% interest in its John Varvatos(R) luxury sportswear business to Mr. Varvatos, reducing VF's ownership to 80%.

40

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

<TABLE>  
<CAPTION>

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FULL YEAR
--	------------------	-------------------	------------------	-------------------	--------------

<S>	<C>	<C>	<C>	<C>	<C>
2004					
Net sales	\$ 1,432,669	\$ 1,269,537	\$ 1,792,569	\$ 1,559,761	\$ 6,054,536
Gross profit	554,276	499,829	719,828	636,348	2,410,281
Net income	103,874	90,088	155,437	125,303	474,702
Earnings per share:					
Basic	\$ 0.95	\$ 0.82	\$ 1.41	\$ 1.13	\$ 4.30
Diluted	0.93	0.80	1.38	1.10	4.21
Dividends per common share	\$ 0.26	\$ 0.26	\$ 0.26	\$ 0.27	\$ 1.05
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
Net income	92,066	74,945	125,289	105,633	397,933
Earnings per share:					
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

</TABLE>

VF Corporation Financial Summary

<TABLE> <CAPTION> Dollars in thousands, except per share amounts 2000	2004	2003	2002	2001
-				
<S>	<C>	<C>	<C>	<C>
<C>				
SUMMARY OF OPERATIONS				
Net sales	\$ 6,054,536	\$ 5,207,459	\$ 5,083,523	\$ 5,220,417
\$ 5,403,123				
Operating income	777,788	644,889	621,924	454,427
505,558				
Income from continuing operations	474,702	397,933	364,428	217,278
265,951				
Discontinued operations	-	-	8,283	
(79,448) 1,165				
Cumulative effect of change in accounting policy	-	-	(527,254)	-
(6,782)				
Net income (loss)	474,702	397,933	(154,543)	137,830
260,334				
Earnings (loss) per common share - basic				
Income from continuing operations	\$ 4.30	\$ 3.67	\$ 3.26	\$ 1.90
\$ 2.29				
Discontinued operations	-	-	0.08	
(0.71) 0.01				
Cumulative effect of change in accounting policy	-	-	(4.83)	-
(0.06)				
Net income (loss)	4.30	3.67	(1.49)	1.19
2.25				
Earnings (loss) per common share - diluted				
Income from continuing operations	\$ 4.21	\$ 3.61	\$ 3.24	\$ 1.89
\$ 2.26				
Discontinued operations	-	-	0.07	
(0.69) 0.01				
Cumulative effect of change in accounting policy	-	-	(4.69)	-
(0.06)				
Net income (loss)	4.21	3.61	(1.38)	1.19
2.21				
Dividends per share	1.05	1.01	.97	.93
.89				
Average number of common shares outstanding	109,872	107,713	109,167	111,294
114,075				



## FINANCIAL POSITION

Working capital	\$	1,006,354	\$	1,419,281	\$	1,199,696	\$	1,217,587
\$ 1,103,896								
Current ratio		1.7		2.8		2.4		2.5
2.1								
Total assets	\$	5,004,278	\$	4,245,552	\$	3,503,151	\$	4,103,016
\$ 4,358,156								
Long-term debt		556,639		956,383		602,287		904,035
905,036								
Redeemable preferred stock		26,053		29,987		36,902		45,631
48,483								
Common stockholders' equity		2,513,241		1,951,307		1,657,848		2,112,796
2,191,813								
Debt to capital ratio (1)		28.5%		33.7%		28.6%		31.7%
34.7%								

-----  
OTHER STATISTICS (3)

Operating margin		12.8%		12.4%		12.2%		
8.7%	9.4%							
Return on capital (1) (2)		15.8%		16.6%		16.9%		8.0%
9.6%								
Return on average common stockholders' equity		21.2%		22.3%		22.1%		9.8%
12.1%								
Return on average total assets		10.1%		10.5%		10.4%		5.0%
6.1%								
Cash provided by operations	\$	730,256	\$	543,704	\$	645,584	\$	600,556
\$ 434,381								
Purchase of Common Stock		-		61,400		124,623		146,592
105,723								
Dividends		117,731		111,258		108,773		106,864
104,920								

-----  
MARKET DATA (3)

Market price range	\$55.61 - 42.06	\$44.08 - 32.62	\$45.64 - 31.50	\$42.70 - 28.15
\$36.90 - 20.94				
Book value per common share	22.56	18.04	15.28	19.21
19.52				
Price earnings ratio - high-low (4)	13.2 - 10.0	12.2 - 9.0	14.1 - 9.7	22.6 - 14.9
16.3 - 9.3				
Rate of payout (5)	24.9%	28.0%	29.9%	
49.2%	39.4%			

&lt;/TABLE&gt;

- (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.

## INVESTOR INFORMATION

## COMMON STOCK

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

## SHAREHOLDERS OF RECORD

As of February 11, 2005, there were 5,539 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>

	2004		2003		2002	
<S>	High	Low	High	Low	High	Low
	<C>	<C>	<C>	<C>	<C>	<C>
First Quarter	\$ 47.04	\$ 42.06	\$ 39.35	\$ 32.62	\$ 44.98	\$ 39.00
Second Quarter	50.45	43.50	40.17	33.51	45.64	38.20
Third Quarter	51.02	45.87	41.59	33.43	43.07	33.88
Fourth Quarter	55.61	47.15	44.08	38.81	39.35	31.50

</TABLE>

## VF CORPORATION CODE OF BUSINESS CONDUCT

## VALUES STATEMENT

VF is the global leader in creating powerful brands of apparel. The consumer is the focus of everything we do.

We are the best at bringing people comfort and quality in our brands. We know our consumers, where they are and where they're headed. We are dedicated to our retail partners. We believe in treating our associates, our colleagues and all those we serve in the course of doing business with the highest levels of honesty, integrity, consideration and respect.

Our world-class people are the source of our success. As a company, we bring excellence in operations and the latest technology to the art of apparel. We bring to market the right products at the right time. Working together, we have a bright future because we create superior products and market them with exceptional skill.

All these things mean success - for our associates, our retailers, our shareholders, our communities, and the millions of people who feel good in our brands.

These are the things that make us great. These are the things that make us VF.

## PURPOSE AND COMPLIANCE

A cornerstone of our business philosophy is to achieve a leadership position in every facet of our business while maintaining the highest standards of excellence and integrity.

The conduct of business with associates, customers, consumers, suppliers, and all others shall be on an honest, fair and equitable basis. It has been and will continue to be the Company's policy to obey all applicable laws and to honor our obligations to society by being an economic, intellectual, and social asset to each community and nation in which the Company operates.

The Board of Directors and Management of the Company have adopted the Code of Business Conduct as set forth below. The Code is intended to establish minimum general standards of conduct encompassing the most common and sensitive areas in which the business operates. Other specific corporate policies and guidelines will expand on broad statements made in this policy and will cover other subjects relative to the management of the business.

All managers will be responsible for the distribution of this Code to their associates. Every associate is responsible for complying with these principles, guidelines, and policies. Any violation may be grounds for dismissal.

## BUSINESS ETHICS

The Company enjoys a reputation for integrity and is committed to continuing its high standard of integrity worldwide.

## PERSONAL INTEGRITY

The Company expects all its associates to be dedicated to providing the consumer with products of superior quality and value. The Company believes associates should consider this a matter of personal integrity. Among other things, personal integrity means performing our jobs to the fullest, being accountable for our actions, and upholding the values, principles and standards upon which our Company's reputation rests.

## CONFLICT OF INTEREST

In dealing with suppliers, contractors, customers and others doing or seeking to do business with the Company, associates shall conduct their business in the best interests of the Company. All associates have a duty to ignore any consideration resulting in personal advantage or gain when they represent the Company in its business affairs.

No associate of the Company shall own any interest in (excluding publicly-traded securities) or have any personal contract or agreement of any nature with suppliers, contractors, customers or others doing business with the Company that might tend to influence a decision with respect to the business of the Company. Any associate who owns securities in any company with whom such associate does business on behalf of the Company shall disclose this interest to his or her supervisor.

Each year a notice concerning conflicts of interest shall be sent to all directors, officers and certain other associates.

Situations involving a conflict of interest may not always be obvious or easy to

resolve. You should report actions that may involve a conflict of interest to your coalition chief financial officer or chief accounting officer, to your human resources manager, or the Company's General Counsel.

In order to avoid conflicts of interests, each of the CEO and senior financial officers must disclose to the General Counsel any material transaction or relationship that reasonably could be expected to give rise to such a conflict, and the General Counsel shall notify the Nominating and Governance Committee of any such disclosure. Conflicts of interests involving the General Counsel shall be disclosed to the Chief Executive Officer, and the Chief Executive Officer shall notify the Nominating and Governance Committee.

2

#### QUESTIONABLE PAYMENTS, GIFTS OR CONTRIBUTIONS

The Company prohibits its associates from, directly or indirectly, paying or receiving bribes, pay-offs, kickbacks, excessive gifts or entertainment perks, or anything else that may be considered illegal, unethical or compromising. Under no circumstances shall gifts be made to governmental officials. Contributions shall not be made to political parties or candidates for political office except to the extent specifically permitted by applicable law. Company associates shall not accept gifts (excluding items of insignificant value) from suppliers, customers or others with whom the Company does business. Generally, it is not appropriate for an associate to accept a supplier's or customer's invitation to attend an entertainment or sporting event at the supplier's or customer's expense. Accepting such an invitation may be appropriate if attending the event demonstrably helps to build or maintain a business relationship for the Company's benefit. Before accepting such an invitation, an associate must obtain approval from the associate's supervisor, and such an invitation should never be accepted or approved if it could be considered unethical or compromising. Suppliers and associates are annually advised of this policy

Members of an associate's family may not receive compensation, commissions, gifts or entertainment perks from companies or organizations that deal with the Company if such receipt could reasonably be construed to influence the associate's decisions.

#### FAIR DEALING

Each associate of the Company should endeavor to deal fairly with customers, suppliers, competitors, the public and one another at all times and in accordance with ethical business practices. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. The Company and the associate involved may be subject to disciplinary action as well as potential civil or criminal liability for violation of this policy.

#### CORPORATE OPPORTUNITIES

Associates are prohibited from taking for themselves business opportunities that arise through the use of corporate property, information or position. No associate may use corporate property, information or position for personal gain, and no associate may compete with the Company. Competing with the Company may involve engaging in the same line of business as the Company, or any situation where an associate takes away from the Company opportunities for sales or purchases of products, services or interests.

#### PURCHASING

Purchases must be made on a basis that is in the best interest of the Company without favoritism to any supplier. Prices paid for materials, supplies and services shall be negotiated on a fair and competitive basis, while seeking to obtain the maximum value

3

for each expenditure. It is imperative that relationships with suppliers be conducted with integrity and with the confidence that each party will fulfill its commitments.

#### INSIDER TRADING

VF has a long-standing commitment to comply with all securities laws and regulations. U.S. securities laws, which apply to the Company worldwide, prohibit, among other things, associates from purchasing or selling shares of the Company's common stock on the basis of material non-public information. Associates are also prohibited from providing family members, friends, or any other persons with material non-public information. Material non-public information is any information concerning a company's business, prospects, securities, or market which an investor might consider important in deciding whether to buy or sell the securities, or which could affect their market price. Examples of material information include: possible mergers, acquisitions or

divestitures; actual or estimated financial results or changes in dividends; purchases and sales of investments in companies; obtaining or losing significant contracts; significant discoveries or product developments; threatened major litigation or developments in such matters; and major changes in business strategies.

#### COMPETITIVE CONDUCT

#### ANTI-TRUST LAWS

Anti-trust laws pertain to dealings with customers, suppliers and competitors, and those involved in this area are expected to be familiar with these laws. Any activity which may be considered in restraint of trade, unfair business practice, price fixing or unfair competitive behavior is in violation of the law and strictly prohibited by the Company. All personnel shall comply fully and in good faith with the anti-trust laws.

A copy of the Company's Anti-Trust Compliance Policy is issued to the sales force and management involved in the sales area. This policy provides general understanding of the anti-trust laws and will assist associates in competing vigorously within the law. If situations arise or there is the slightest doubt about legality of a particular anti-trust sensitive situation, refer the matter to the General Counsel.

#### ADVERTISING PHILOSOPHY

Advertising is an important, essential and valued tool in the sale of consumer products. The Company's advertising will be appealing, tasteful, truthful and without exaggeration or overstatement.

4

#### ASSOCIATE RELATIONS

#### EMPLOYMENT

The Company desires to provide stable employment in positions that will allow employees to develop personally and professionally. It is the Company's aim that our employees will derive satisfaction from achieving corporate objectives through superior performance in an organizational environment characterized by competence, integrity, teamwork and fairness. An atmosphere of mutual respect and trust will be maintained between labor and management.

#### NON-DISCRIMINATION

The Company's associates are its greatest resource. It is the Company's policy to treat its associates fairly in all respects and to select associates on the basis of qualification for the work to be performed without regard to race, color, religion, national origin, sex, age, disability or sexual orientation. The Company will provide compensation programs founded on high performance standards, equitable treatment and competitive opportunities commensurate with corporate and individual performance.

#### HARASSMENT

All associates shall have the opportunity to perform their work in an atmosphere and environment free from any form of unlawful discriminatory or retaliatory treatment or physical or mental abuse, including, but not limited to, harassment based on race, color, religion, national origin, sex, age, disability or sexual orientation.

#### OPPORTUNITIES FOR GROWTH

The Company seeks to provide employees with ample opportunity for professional, economic and personal growth. The Company will provide employees the opportunity to advance their careers through education, training and work experience consistent with proven performance.

#### HEALTH, SAFETY AND DRUGS

Associates are the Company's most valuable resource and, for that reason, their safety and health are of paramount concern. The Company maintains a strong commitment to its associates to provide a clean, safe, healthy, drug-free and alcohol-free workplace and to establish programs promoting high standards of safety and health. Consistent with the spirit and intent of this commitment, the Company expects associates to report for work in proper condition to perform their duties.

5

#### PROTECTING CORPORATE PROPERTY & RECORDS

#### COMPANY PROPERTY AND PROPRIETARY INFORMATION

We must protect the Company's property from loss, damage, theft, vandalism, sabotage or unauthorized use or disposal. This applies to property located in the office, at home or on customer premises. The Company's property includes:

- PHYSICAL PROPERTY including offices and office equipment, plant and equipment, inventory, and vehicles.
- INTELLECTUAL PROPERTY including such things as patents, copyrights, trademarks, work methods and practices, trade secrets, computer software technologies, computer operating systems, written materials, e-mail and voice mail.
- PROPRIETARY INFORMATION including any non-public information that might be useful to a competitor or that could be harmful to the Company or its customers or suppliers if disclosed.

During the course of employment, associates may use the Company's physical and intellectual property for appropriate Company business purposes only. All Company Proprietary Information should be maintained in strict confidence, except when disclosure is authorized by the Company or required by law.

Upon leaving the Company's employment, associates must return all company property in their possession.

#### COMPUTER AND NETWORK SECURITY

Computers and computer networks have become an essential feature of our workplace. Indeed, they form the very backbone of our telecommunications network and operations infrastructure. For this reason, every effort must be made to protect the Company's computer systems and associated software from the various threats to their security, such as accidental or deliberate destruction of data and equipment, interruption of service, unauthorized disclosure of sensitive information, theft, and corruption.

#### ACCOUNTING & FINANCIAL RECORDS

The Company is responsible for furnishing reliable financial information on a periodic and timely basis to its shareholders, potential shareholders, creditors, governmental agencies and others.

The accounting and financial records of the Company shall be maintained on the basis of valid, accurate and complete data with adequate supporting information to substantiate all entries to the books of account. All associates involved in creating, processing and recording the accounting information shall be held responsible for its integrity.

6

The books and accounting records shall be maintained in compliance with generally accepted accounting principles, and properly established controls shall be strictly followed. There shall be no concealment of information from or by management, or from the Company's independent auditors or internal auditors.

#### PUBLIC RELEASE OF CORPORATE INFORMATION AND QUALITY OF PUBLIC DISCLOSURES

The Company is a publicly held corporation and its shares trade on a U.S. national securities exchange. The public, therefore, is entitled to periodic communications concerning certain financial and operating information of the Company. Credibility of such information must be maintained.

The Company has a responsibility to communicate effectively with shareholders so that they are provided with full and accurate information, in all material respects, about the Company's financial condition and results of operations. The Company's reports and documents filed with or submitted to the Securities and Exchange Commission and our other public communications shall include full, fair, accurate, timely and understandable disclosure, and the Company has established a Disclosure Committee to assist senior management of the Company in fulfilling their responsibility for oversight of the accuracy and timeliness of such disclosures.

Interviews with security analysts, members of the press and other interested parties will be conducted only by designated members of Corporate Management. Other interviews must be approved by top Corporate Management. All requests for interviews shall be referred to the Company's Financial and Corporate Communications Department which is responsible for making appropriate arrangements.

The distribution of corporate financial releases, booklets, brochures and publications for general public mailings will be made through the Financial and Corporate Communications Department.

Associates shall not disclose to outsiders material corporate information they obtain during the course of employment with the Company unless the disclosure

has already been made available to the public.

The Company forbids its associates from using inside corporate information for their personal gain or from disclosing it to others who might use it for personal gain. Such action will result in immediate dismissal.

Copies of the Company's disclosure policy can be obtained from the Financial and Corporate Communications Department.

7

#### PUBLIC RESPONSIBILITY

##### LOCAL COMMUNITIES

The Company feels a responsibility toward the communities in which the Company operates on a worldwide basis. The Company has a social obligation to pay its share of taxes, conserve energy, protect the environment, display good citizenship and offer good employment opportunities.

##### ENVIRONMENTAL HEALTH & SAFETY

The Company shall maintain a safe and healthy work environment and manage its business in ways that are sensitive to the environment. The Company will comply with all environmental, health and safety laws and will internally establish and comply with its own strict standards established on behalf of the well-being of our associates and the communities in which the Company operates.

##### COMPLIANCE WITH LAWS, RULES, AND REGULATIONS

The Company operates its business in many countries and the laws, rules, and regulations vary widely from country to country. It is mandatory that all associates conduct Company business in full compliance with the laws, rules, and regulations of each respective country, or follow the Company standards set forth if local laws are more permissive. No associate of the Company shall commit an illegal or unethical act, or instruct others to do so, for any reason. If you believe that any practice raises questions as to compliance with this Code or applicable law, rule, or regulation or if you otherwise have questions regarding any law, rule, or regulation, please contact the Law Department.

##### POLITICAL ACTIVITY

Associates are encouraged to support the political parties and candidates for public office of their own choice. However, any partisan political activity must take place on an associate's own time, at their own expense and not on Company premises.

##### GOOD CITIZENSHIP

We are committed to being a responsible corporate citizen of the worldwide communities in which we reside. We will strive to improve the well-being of our communities through the encouragement of associate participation in civic affairs and through corporate philanthropy.

##### COMPLIANCE WITH THIS CODE AND REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOR

All associates are expected to comply with all of the provisions of this Code. The Code will be strictly enforced throughout the Company and violations will be dealt with immediately, including subjecting persons to corrective and/or disciplinary action such as

8

dismissal or removal from office. Each officer and department head shall be responsible for monitoring and enforcing the Code of Conduct within their areas of responsibility. Violations of the Code that involve illegal behavior will be reported to the appropriate authorities.

Any concerns about violations of laws, rules, regulations or this Code by any senior executive officer or director should be reported promptly to the General Counsel, and the General Counsel shall notify the Nominating and Corporate Governance Committee of any violation. Any conflict of interests involving the General Counsel should be reported promptly to the Chief Executive Officer, and the Chief Executive Officer shall notify the Nominating and Corporate Governance Committee of any violation.

Any associate who may discover any item or situation of a questionable nature, including omission, falsification, inaccuracy or illegality, shall report such violation immediate to their department head, division controller or CFO, or the Company's Controller or CFO, or the General Counsel. The Company encourages all associates to report any suspected violations promptly and intends to thoroughly investigate any good faith reports of violations. You are required to cooperate in internal investigations of misconduct and unethical behavior.

The Company recognizes the need for this Code to be applied equally to everyone it covers. All associates are responsible for complying with these principles, guidelines, and policies. The General Counsel of the Company will have primary authority and responsibility for the enforcement of this Code, subject to the supervision of the Nominating and Corporate Governance Committee, or, in the case of accounting and financial reporting, internal accounting and reporting controls or auditing matters, the Audit Committee of the Board of Directors, and the Company will devote the necessary resources to enable the General Counsel to establish such procedures as may be reasonably necessary to create a culture of accountability and facilitate compliance with the Code. Questions concerning this Code should be directed to the Law Department.

#### WAIVERS AND AMENDMENTS

Any waivers of the provisions in this Code for executive officers or directors may only be granted by the Board of Directors and will be promptly disclosed to the Company's shareholders. Any waivers of this Code for other employees may only be granted by the Law Department. Amendments to this Code must be approved by the Board of Directors and amendments of the provisions in this Code applicable to the CEO and the senior financial officers will also be promptly disclosed to the Company's shareholders.

Revised December 2004



VF CORPORATION  
SUBSIDIARIES OF THE CORPORATION

<TABLE>

<CAPTION>

Following is a listing of the significant subsidiaries of the Corporation, at January 1, 2005:

Name	Jurisdiction of Organization
<S>	<C>
Bulwark Protective Apparel, Ltd.	Canada
Greensport Monte Bianco S.p.A.	Italy
GS Holding Srl	Italy
JanSport Apparel Corp.	Delaware
JanSport, Inc.	Delaware
Kipling Nederland BV	Netherlands
Kipling (UK) Ltd.	United Kingdom
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
VF Asia Ltd.	Hong Kong
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 International Sagl	Switzerland
VF Intimates, LP	Delaware
VF Investments S.a r.l.	Luxembourg
VF Italia, S.r.l.	Italy
VF (J) France, S.A.	France
VF Jeanswear de Mexico S.A. de C.V.	Mexico
VF Jeanswear Limited Partnership	Delaware
VF Lingerie (France) S.A.	France
VF Luxembourg S.a r.l.	Luxembourg
VF Northern Europe Ltd.	United Kingdom
VF Outdoor, Inc.	Delaware
VF Outdoor (Canada), Inc.	Canada
VF Polska Sp. zo.o.	Poland
VF Scandinavia A/S	Denmark

</TABLE>

<TABLE>

<S>

VFI Credit Corp.  
VFJ Credit Corp.  
Vanity Fair, Inc.  
Vans, Inc.  
Vans Europe B.V.  
Vans Madeira, S.L.  
Vives Vidal Vivesa, S.A.  
Wrangler Apparel Corp.

</TABLE>

<C>

Delaware  
Delaware  
Delaware  
Delaware  
Netherlands  
Portugal  
Spain  
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. All listed subsidiaries are 100% owned.

## CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the below listed Registration Statements of VF Corporation of our report dated March 7, 2005 relating to the financial statements, management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting, which appears in the Annual Report to Stockholders, which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report dated March 7, 2005 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;
- (13) Registration Statement No. 333-110458 on Form S-4 and Post-Effective Amendment No. 1 thereto;
- (14) Registration Statement No. 333-118547 on Form S-8.

/s/ PricewaterhouseCoopers LLP  
-----  
Greensboro, North Carolina  
March 7, 2005

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 1, 2005, to be filed with the Securities and Exchange Commission.

IN WITNESS WHEREOF, each of the undersigned has duly executed this Power of Attorney this 8th day of February, 2005.

V.F. CORPORATION

ATTEST:

/s/ Candace S. Cummings  
-----  
Candace S. Cummings  
Secretary

By: /s/ Mackey J. McDonald  
-----  
Mackey J. McDonald  
Chairman of the Board, President  
and Chief Executive Officer

Principal Executive Officer:  
  
/s/ Mackey J. McDonald  
-----  
Mackey J. McDonald  
Chairman of the Board, President  
and Chief Executive Officer

Principal Financial Officer:  
  
/s/ Robert K. Shearer  
-----  
Robert K. Shearer  
Vice President-Finance & Global  
Processes 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

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO 15 U.S.C. SECTION 10A, AS ADOPTED 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 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) 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
  - (d) 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 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:
  - (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, 2005

/s/ Mackey J. McDonald

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

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO 15 U.S.C. SECTION 10A, AS ADOPTED 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 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) 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
  - (d) 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 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:
  - (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, 2005

/s/ Robert K. Shearer

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

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 1, 2005 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, 2005

/s/ Mackey J. McDonald

-----  
Mackey J. McDonald  
Chairman, President and  
Chief Executive Officer

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 1, 2005 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, 2005

/s/ Robert K. Shearer

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