

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended JUNE 29, 1996

Commission file number: 1-5256

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

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

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

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

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

On July 27, 1996, there were 63,534,326 shares of Common Stock  
outstanding.

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VF CORPORATION

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

<TABLE>  
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	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 29 1996	JULY 1 1995	JUNE 29 1996	JULY 1 1995
<S>	<C>	<C>	<C>	<C>
NET SALES	\$ 1,220,997	\$ 1,271,936	\$ 2,379,120	\$ 2,459,523
 COSTS AND OPERATING EXPENSES				
Cost of products sold	824,678	871,012	1,602,284	1,670,160
Marketing, administrative and general expenses	266,974	272,666	536,763	545,860
Other operating (income) expense	(1,440)	40	(861)	1,340
	1,090,212	1,143,718	2,138,186	2,217,360
OPERATING INCOME	130,785	128,218	240,934	242,163
 OTHER INCOME (EXPENSE)				
Interest income	4,187	2,155	6,247	4,366
Interest expense	(16,037)	(20,615)	(33,904)	(39,080)
Miscellaneous, net	(446)	(1,817)	(1,632)	(3,017)
	(12,296)	(20,277)	(29,289)	(37,731)
INCOME BEFORE INCOME TAXES	118,489	107,941	211,645	204,432
INCOME TAXES	48,597	42,704	85,823	81,242
NET INCOME	\$ 69,892	\$ 65,237	\$ 125,822	\$ 123,190

## EARNINGS PER COMMON SHARE

Primary	\$1.08	\$1.01	\$1.94	\$1.90
Fully diluted	1.06	0.99	1.91	1.86
CASH DIVIDENDS PER COMMON SHARE	\$0.36	\$0.34	\$0.72	\$0.68

&lt;/TABLE&gt;

See notes to consolidated financial statements.

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VF CORPORATION  
CONSOLIDATED BALANCE SHEETS  
(IN THOUSANDS)

<TABLE>  
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	JUNE 29 1996	DECEMBER 30 1995	JULY 1 1995
	----- (UNAUDITED) <C>	----- <C>	----- (UNAUDITED) <C>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and equivalents	\$ 69,179	\$ 84,075	\$ 50,335
Accounts receivable, less allowances:			
June 29 - \$37,555; Dec. 30 - \$34,621; July 1 - \$29,815	740,705	629,506	828,894
Inventories:			
Finished products	500,137	514,688	676,198
Work in process	165,791	139,721	165,064
Materials and supplies	141,007	187,498	180,273
	-----	-----	-----
	806,935	841,907	1,021,535
Other current assets	119,175	112,149	85,744
	-----	-----	-----
Total current assets	1,735,994	1,667,637	1,986,508
<b>PROPERTY, PLANT AND EQUIPMENT</b>	1,517,040	1,490,384	1,462,688
Less accumulated depreciation	786,678	740,504	696,788
	-----	-----	-----
	730,362	749,880	765,900
<b>INTANGIBLE ASSETS</b>	861,368	887,606	910,930
<b>OTHER ASSETS</b>	151,003	141,948	136,469
	-----	-----	-----
	\$ 3,478,727	\$ 3,447,071	\$ 3,799,807
	=====	=====	=====

## LIABILITIES AND SHAREHOLDERS' EQUITY

## CURRENT LIABILITIES

Short-term borrowings	\$ 132,654	\$ 229,945	\$ 485,719
Current portion of long-term debt	1,037	2,715	2,473
Accounts payable	278,687	276,598	320,854
Accrued liabilities	404,768	359,062	375,849
	-----	-----	-----

Total current liabilities	817,146	868,320	1,184,895
LONG-TERM DEBT	626,530	614,217	615,673
OTHER LIABILITIES	176,380	169,392	173,330
REDEEMABLE PREFERRED STOCK	59,024	60,667	61,382
DEFERRED CONTRIBUTIONS TO EMPLOYEE STOCK OWNERSHIP PLAN	(34,057)	(37,031)	(39,727)
	-----	-----	-----
	24,967	23,636	21,655
COMMON SHAREHOLDERS' EQUITY			
Common Stock	63,547	63,439	63,666
Additional paid-in capital	632,204	593,976	570,092
Foreign currency translation	7,708	20,483	25,986
Retained earnings	1,130,245	1,093,608	1,144,510
	-----	-----	-----
	1,833,704	1,771,506	1,804,254
	-----	-----	-----
	\$ 3,478,727	\$ 3,447,071	\$ 3,799,807
	=====	=====	=====

</TABLE>

See notes to consolidated financial statements.

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

<TABLE>  
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	SIX MONTHS ENDED	
	JUNE 29 1996	JULY 1 1995
	-----	-----
	<C>	<C>
OPERATIONS		
Net income	\$ 125,822	\$ 123,190
Adjustments to reconcile net income to cash provided (used) by operations:		
Depreciation	67,805	67,167
Amortization of intangible assets	14,085	16,489
Other, net	(1,476)	(2,437)
Changes in current assets and liabilities:		
Accounts receivable	(122,554)	(194,587)
Inventories	29,456	(210,394)
Accounts payable	4,251	25,390
Other, net	61,970	70,231
	-----	-----
Cash provided (used) by operations	179,359	(104,951)

INVESTMENTS

Capital expenditures	(68,472)	(68,389)
Business acquisitions	-	(12,004)
Other, net	13,216	(7,640)
	-----	-----
Cash invested	(55,256)	(88,033)
FINANCING		
Increase (decrease) in short-term borrowings	(95,425)	162,779
Proceeds from long-term debt	15,556	98,718
Payment of long-term debt	(4,739)	(1,922)
Purchase of Common Stock	(41,774)	(46,787)
Cash dividends paid	(47,859)	(45,429)
Other, net	35,242	16,218
	-----	-----
Cash provided (used) by financing	(138,999)	183,577
	-----	-----
NET CHANGE IN CASH AND EQUIVALENTS	(14,896)	(9,407)
CASH AND EQUIVALENTS - BEGINNING OF YEAR	84,075	59,742
	-----	-----
CASH AND EQUIVALENTS - END OF PERIOD	\$ 69,179	\$ 50,335
	=====	=====

</TABLE>

See notes to consolidated financial statements.

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VF CORPORATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)

NOTE A - BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and notes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the six months ended June 29, 1996 are not necessarily indicative of results that may be expected for the year ending January 4, 1997. For further information, refer to the consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the year ended December 30, 1995.

NOTE B - EARNINGS PER COMMON SHARE

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

NOTE C - CAPITAL

There are 150,000,000 authorized shares of Common Stock, no par value - stated capital \$1 a share. At June 29, 1996, there were 63,546,886 shares outstanding, excluding 2,075,683 treasury shares. At December 30, 1995 and July 1, 1995, there were 63,438,933 and 63,666,105 shares outstanding, excluding 1,376,976 and 593,099 treasury shares, respectively.

There are 25,000,000 authorized shares of Preferred Stock, \$1 par value. Of these shares, 2,000,000 were designated as Series A, of which none have been issued, and 2,105,263 shares were designated and issued as 6.75% Series B Preferred Stock, of which 1,911,706 shares were outstanding at June 29, 1996, 1,964,942 at December 30, 1995 and 1,988,081 at July 1, 1995.

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

RESULTS OF OPERATIONS

Net sales decreased 4% for the second quarter and 3% for the first six months of 1996 compared with the same periods of 1995. Earnings per share increased by 7% for the quarter and 2% for the first six months of 1996. The decline in sales resulted from a decline in unit sales. Earnings increased, however, due to higher operating margins and reduced net interest expense.

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

<TABLE>  
<CAPTION>

ENDED	THREE MONTHS ENDED			SIX MONTHS	
	JUNE 29 1996	JULY 1 1995	PERCENT CHANGE	JUNE 29 1996	JULY
1 PERCENT 1995 CHANGE					
NET SALES	(In thousands)			(In thousands)	
<S> <C>	<C>	<C>	<C>	<C>	<C>
Jeanswear 1,315,372 (2)%	\$ 652,353	\$ 676,876	(4)%	\$ 1,285,019	\$
Decorated Knitwear 230,841 12	142,767	126,709	13	259,578	
Intimate Apparel 370,718 (14)	161,437	188,863	(15)	317,696	
Playwear 179,058 (8)	77,837	96,072	(19)	164,071	
Specialty Apparel 363,534 (3)	186,603	183,416	2	352,756	
	-----	-----	-----	-----	-----
	\$ 1,220,997	\$ 1,271,936	(4)%	\$ 2,379,120	\$
	=====	=====	=====	=====	=====
OPERATING INCOME					
Jeanswear 182,676 2%	\$ 97,629	\$ 92,676	5%	\$ 186,530	\$
Decorated Knitwear (9,581) 100+	7,468	(1,377)	100+	8,689	
Intimate Apparel 33,017 (50)	10,629	16,650	(36)	16,401	
Playwear 13,731 (82)	409	7,813	(95)	2,530	
Specialty Apparel 44,431 (1)	22,010	22,828	(4)	44,267	
	-----	-----	-----	-----	-----
	138,145	138,590	(1)%	258,417	
	=====	=====	=====	=====	=====
OTHER OPERATING INCOME (EXPENSE) (1,340)	1,440	(40)		861	
CORPORATE EXPENSES (20,771)	(8,800)	(10,332)		(18,344)	
	-----	-----		-----	-----
OPERATING INCOME 242,163	\$ 130,785	\$ 128,218		\$ 240,934	\$

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</TABLE>

The Jeanswear business group includes the Lee, Wrangler, Rustler, Riders and Girbaud brands in the United States and the Lee and Wrangler brands in international markets, primarily in Europe. Despite modest declines in sales in the second quarter and six months of 1996, lower product costs resulted in an increase in operating margins. Other cost reductions helped to offset the impact of additional advertising spending both domestically and abroad.

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The sales increase in the Decorated Knitwear business group resulted from higher unit volumes in decorated and undecorated fleece and T-shirts. The benefits of additional production volume in fleece and T-shirt manufacturing plants, as well as improvements in operating margins within the sports apparel businesses, resulted in better profitability within this category for the first half of the year.

The Intimate Apparel business group includes the Vanity Fair and Vassarette brands as well as a private label business domestically. The Company also has intimate apparel operations in Europe, primarily in France and Spain. The sales and profit decline resulted from reductions in sales unit volumes both in the United States and in Europe.

The Playwear business group consists of the Healthtex brand, the preschool sizes of Lee and Wrangler, and products imprinted with characters licensed from The Walt Disney Company and others. Sales and operating margins declined in the quarter and six months due to operating difficulties related to changes in the manufacturing structure at Healthtex.

The Specialty Apparel business group includes Red Kap occupational apparel, Jantzen swim and casual apparel and JanSport brand equipment. Sales and profits remained relatively stable during the quarter and six month periods.

Gross margins improved to 32.5% of sales in the quarter and 32.7% in the six months of 1996, compared with 31.5% and 32.1% in 1995. These increases resulted from lower manufacturing costs attributable to the cost reduction initiatives of late 1995 and lower inventory write-down requirements.

Marketing, administrative and general expenses were 21.9% of sales during the quarter and 22.6% for the six month period, compared with 21.4% and 22.2%, respectively, in 1995. For the current quarter and first half of 1996, marketing expenses increased as a percent of sales due to higher advertising, but administrative and general expenses declined in amount and as a percent of sales. Marketing, administrative and general expenses as a percent of sales in the first half are historically at higher levels than annual amounts and are not necessarily representative of the level expected for the year.

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

The effective income tax rate for the six months of 1996 was 40.6%, compared with 39.7% for the 1995 period, based on the expected effective rate for the year. The rate increase is due to expected higher levels of foreign operating losses with no current tax benefit.

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#### FINANCIAL CONDITION AND LIQUIDITY

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

<TABLE>  
<CAPTION>

	JUNE 29 1996	DECEMBER 30 1995	JULY 1 1995
	-----	-----	-----
	(Dollars in millions)		
<S>	<C>	<C>	<C>
Working capital	\$918.8	\$799.3	\$801.6
Current ratio	2.1 to 1	1.9 to 1	1.7 to 1
Debt to total capital	29.3%	32.3%	38.0%

</TABLE>

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

The significant reduction in inventories from the 1995 second quarter resulted from specific efforts to reduce inventory levels in a somewhat unstable retail environment.

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

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

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

#### PART II - OTHER INFORMATION

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

- (a) Exhibit 11 - Computation of earnings per share for the three months and six months ended June 29, 1996 and July 1, 1995.  
  
Exhibit 27 - Financial data schedule as of June 29, 1996.
- (b) Reports on Form 8-K - There were no reports on Form 8-K filed for the quarter ended June 29, 1996.

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SIGNATURES

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

V.F. CORPORATION  
-----  
(Registrant)

By: /s/ Gerard G. Johnson  
-----  
Gerard G. Johnson  
Vice President - Finance  
(Chief Financial Officer)

Date: August 7, 1996

By: /s/ Robert K. Shearer  
-----  
Robert K. Shearer  
Vice President - Controller  
(Chief Accounting Officer)



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

<TABLE>  
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	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 29	JULY 1	JUNE 29	JULY
	1996	1995	1996	1995
1				
<S> PRIMARY EARNINGS PER SHARE	<C>	<C>	<C>	<C>
Net income 123,190	\$ 69,892	\$ 65,237	\$ 125,822	\$
Less Preferred Stock dividends and redemption premium 1,837	1,127	927	2,251	
Net income available to common stockholders 121,353	\$ 68,765	\$ 64,310	\$ 123,571	\$
=====	=====	=====	=====	=====
Average number of common shares outstanding 63,765	63,719	63,509	63,641	
=====	=====	=====	=====	=====
Primary earnings per share 1.90	\$ 1.08	\$ 1.01	\$ 1.94	\$
=====	=====	=====	=====	=====
FULLY DILUTED EARNINGS PER SHARE				
Net income 123,190	\$ 69,892	\$ 65,237	\$ 125,822	\$
Increased ESOP contribution required if Preferred Stock were converted to Common Stock 725	334	362	670	
Net income available to common stockholders 122,465	\$ 69,558	\$ 64,875	\$ 125,152	\$
=====	=====	=====	=====	=====
Average number of common shares outstanding 63,765	63,719	63,509	63,641	
Additional common equivalent shares resulting from:				
Conversion of Preferred Stock 1,595	1,529	1,590	1,546	
Dilutive effect of stock options and restricted shares 444	419	425	419	
=====	=====	=====	=====	=====
Average number of common and common equivalent shares 65,804	65,667	65,524	65,606	
=====	=====	=====	=====	=====
Fully diluted earnings per share 1.86	\$ 1.06	\$ 0.99	\$ 1.91	\$

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</TABLE>

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM FINANCIAL STATEMENTS INCLUDED IN FORM 10-Q FOR JUNE 29, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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