

VF CORPORATION
1999 ANNUAL REPORT

VF 20/20



We see the big picture

1999 FINANCIAL HIGHLIGHTS

In thousands, except per share amounts	1999	1998	1997
Summary of Operations			
Net sales	\$5,551,616	\$5,478,807	\$5,222,246
Operating income	652,632	684,169	605,073
Net income	366,242	388,306	350,942
Return on average common equity	17.3%	19.7%	18.2%
Financial Position			
Working capital	\$ 763,943	\$ 815,146	\$ 835,558
Current ratio	1.7 to 1	1.8 to 1	2.1 to 1
Common shareholders' equity	\$2,163,818	\$2,066,308	\$1,866,769
Per Common Share			
Earnings – basic	\$ 3.04	\$ 3.17	\$ 2.76
Dividends	.85	.81	.77
Book value	18.62	17.30	15.40

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We Fit Your Life.™

20/20: WE SEE THE BIG PICTURE

At VF, seeing the big picture means focusing our resources to keep consumers satisfied. We've done this successfully for more than 100 years – and we're already making progress in the new century. In this annual report, we take a look at how our industry is likely to change over the next 20 years. For one thing, success will depend on gathering information about how people live and turning it into fresh ideas. And it will take imagination to make the most of what technology offers. We've got a clear vision of what lies ahead.





We fit



your life

VF 1999 HIGHLIGHTS

Our primary strength is our diversified portfolio of brands in jeanswear, intimate apparel, workwear, knitwear, playwear, daypacks and swimwear. VF has created an organizational structure to maximize the opportunities among its many brands. Today VF consists of more than two dozen distinct marketing units that form the foundation for its six coalitions – North & South American Jeanswear, Intimate Apparel, Workwear, Knitwear, Playwear and International. During the year, they made progress in identifying ways to share resources and manufacturing capacity, giving our organization greater flexibility and energizing our entrepreneurial spirit.

Multiple Brands/Multiple Distribution						
Channel of Distribution	Jeanswear	Intimates	Workwear	Knitwear	Playwear	International
Department	Lee	Vanity Fair Lily of France Nike* Natori* Josie* Tommy Hilfiger* Lou Bolero Gemma JanSport Jantzen		Lee Sport Nutmeg Chase Authentics	Healthtex Lee Nike*	Lee Wrangler Lou Bolero Belcor Vanity Fair Intima Cherry Gemma JanSport Jantzen
Discount	Wrangler Hero Riders Rustler Timber Creek Brittania	Vassarette Bestform Exquisite Form Wolf Creek		CSA		Wrangler Hero Maverick Old Axe Variance Bestform Exquisite Form Vassarette
Specialty	Wrangler Western Rugged Wear	JanSport Nike*	Red Kap Bulwark Penn State Textile Fibrotek Horace Small Uniform Solutions			

*Licensed

NORTH & SOUTH AMERICAN JEANSWEAR

Overview

Our Jeanswear coalition is comprised of six business units: Mass Market, which includes our Wrangler, Rustler, Riders, Britannia and Timber Creek brands; Lee; Western, including the Wrangler Western and Rugged Wear brands; Canada; Mexico; and Latin America. VF's jeans' unit market share is approximately 25% in the U.S.

Market Trends

The U.S. market for jeans continues to grow approximately 5% annually, driven by consumers' more casual lifestyles and a growing range of styles, fits and finishes to suit a variety of preferences. Currently, the growth of specialty store and private label brands poses one of the biggest competitive challenges we face. In response, we're leveraging our portfolio of brands and introducing innovative products to strengthen our reach in nearly every retail distribution channel.

Focus 2000

In 2000, Lee will work with its retail partners to strengthen its in-store presence and generate increased excitement within the jeans category. In addition to a revamped *Lee Riveted* line, Lee will also continue to build on its men's *Dungarees* line. Lee's popular ad campaign featuring Buddy Lee will continue in 2000, providing a focal point for new point of sale marketing. Our Mass Market business will concentrate on its Wrangler and Riders brands to build its share of the women's market and on expanding its casual pants programs. VF's Wrangler Western unit expects progress in extending its strong western franchise with products targeted to a broader consumer base. Proprietary new inventory micromarketing programs are also slated to roll out this year.



INTIMATE APPAREL

Overview

Our Intimates coalition includes our Vanity Fair, Lily of France, Vassarette, Bestform and Exquisite Form brands. Through license agreements, we also make and market Nike, Josie and Natori intimate apparel. Victoria's Secret, Sears, JCPenney's and Target are among our Private Brands customers. Vanity Fair is a top player in department stores, while Vassarette bras have captured the lead share position in mass market stores. Bestform likewise leads in sports bras in mass stores. This coalition also includes our JanSport daypack and Jantzen swimwear businesses, both leaders in their respective categories.

Market Trends

Continuous product innovation, particularly in bras, propels today's intimate apparel market. New fabrications and styles, including microfibers, seamless and figure-enhancing products, are adding excitement to the category. New product development also plays a critical role in daypacks and swimwear. In 1999, JanSport introduced its *Airlift* daypack line, featuring a comfortable padded strap system.

Focus 2000

Our licensed Tommy Hilfiger lingerie line will debut this summer, and we will be adding new sports bras and pants to our Nike licensed business. In August, Vanity Fair will launch *Body Sculpting*, a bra that replaces traditional underwires with a revolutionary foam support frame. Lily of France will introduce its *X-bra* and *Strappies* bra. JanSport will expand its successful *Airlift* line and introduce a new line of luggage, while Jantzen will begin work on a line of Tommy Hilfiger swimwear.



WORKWEAR

Overview

Through our Red Kap unit, VF has long held the lead position in occupational apparel. VF Workwear, having made several acquisitions since 1996, now comprises three units: Red Kap, Penn State Textile and VF Uniforms. Our products span a broad spectrum from basic work pants and shirts to uniforms for airlines and government organizations, to specialized and protective apparel.

Market Trends

The U.S. market for occupational apparel is fragmented with many players offering specialized products. Increasingly, companies and organizations seek to support their images, brands and services by offering their employees customized apparel. VF is leveraging its low-cost, high-service capabilities into new product categories through internal development and acquisitions.

Focus 2000

In the year 2000 we will concentrate on integrating our new acquisitions and on sharing the capabilities we have gained among our units. Our multiple workwear brands, particularly those most recently acquired, give us entry into growing markets such as corporate image apparel, protective apparel and hospitality and cleanroom products that offer opportunities for additional sales growth. A number of new business-to-business Internet sites will be launched within Workwear this year as well.



KNITWEAR

Overview

Our Knitwear business, which focuses on fleece, t-shirts and other casual apparel, is divided into two categories: Printwear/Private Label includes sales to the wholesale screenprint channel under the Lee Sport brand as well as sales to customers such as Nike, JCPenney and Target. Our Licensed Sports unit is the market leader in providing a variety of knitwear products that carry the names and logos of professional sports teams and NASCAR drivers.

Market Trends

Consumer demand for basic t-shirts and fleece products has remained relatively healthy. However, for the past several years, the knitwear market has been hurt by competitive pricing pressures, which have challenged the profitability of most industry participants. While overall demand for licensed sports knitwear has been declining, some categories, NASCAR, for example, are showing solid growth.

Focus 2000

VF's Knitwear business has withstood the pressures affecting its industry. The coalition has made excellent progress in lowering its cost structure and maintaining its profitability in a difficult market. Our NASCAR business continues to grow rapidly, and we have established a new and growing Corporate Casuals business, which includes customized shirts, knitwear and other apparel for company employee programs.



PLAYWEAR

Overview

Our Playwear coalition is made up of three brands targeted to infant, toddler and preschool sizes. Healthtex and Lee are both sold through middle market and department stores, while our Nike licensed products are sold through middle market, department stores and sports apparel stores.

Market Trends

Combining all industry participants, the playwear category we serve with our size ranges and brands generates approximately \$7 billion in retail sales per year. While recent industry growth has been fueled by the expansion of specialty stores, both Healthtex and Nike hit new highs in market shares in 1999. Lee continued to build its distribution base in the infant and toddler categories with improved styling in tops and better value in its fashion pants.

Focus 2000

Growth opportunities include our Nike program, which posted a 13% sales increase in 1999; *Little Impressions Layette*; *Girls Club* for girls sizes seven to 12; and a broader assortment of tops for our Lee denim infant and toddler business. We will also continue to develop our business-to-business Internet site, which is enabling us to serve our retail customers with enhanced levels of efficiency and speed. In addition, we sell Healthtex products directly to consumers through our website: www.healthtex.com.

INTERNATIONAL

Overview

Our International coalition includes our jeanswear and intimate apparel businesses in Europe and Asia. VF is the second largest jeans supplier in Europe. In addition to offering our Lee, Wrangler, Maverick and Old Axe jeans brands, we license our brands for distribution in such countries as Australia, Japan, the Philippines and Venezuela. Our intimate apparel brands are sold primarily in Spain and France. We also sell JanSport daypacks in Europe.

Market Trends

Authentic U.S. brands have historically driven the European jeans market. In 1999, however, this market declined as consumers moved to twills and other casual styles. But the expansion of hypermarkets and mass merchandise stores in Europe offers new opportunities for jeans and other apparel products. In addition, as acceptance of new technologies continues to grow, we will make the most of our service and replenishment capabilities throughout our international businesses.

Focus 2000

We are concentrating on a variety of new product and marketing initiatives to drive consumer interest in the jeans category. Lee's *Denim 42* and Wrangler's *Trail* programs are examples. And both brands are broadening their casual pant offerings through such programs as *Leasures*, *Sedgefield* and Wrangler *Chinos*. In Intimates, we will launch our Vanity Fair, Vassarette, Bestform and Exquisite Form brands in Europe this year.



TO OUR SHAREHOLDERS

Marking our Company's 100th anniversary, 1999 sales reached an all-time high, our margins remained at healthy levels, our cash flow was strong and we successfully navigated our way through several difficult operational and market issues. And 1999 marked the 27th consecutive year of increased dividend payments to shareholders. While we didn't achieve the record earnings we had hoped for, we made great progress in a number of areas.

Our Mass Market jeans business, which includes the Wrangler, Riders, Rustler, Britannia and Timber Creek brands, had its best year ever. Our domestic intimate apparel business also achieved record results, primarily due to strong performance in our Vassarette and Private Brands businesses. During the year we signed an agreement with Tommy Hilfiger Licensing, Inc. to produce and market a complete line of intimate apparel, which will be launched this summer. This relationship was recently expanded when our Jantzen unit agreed to launch a Tommy Hilfiger swimwear line. Playwear also had an excellent year, with Healthtex, Lee and our Nike licensed businesses each posting higher sales in 1999. Workwear sales jumped over 30%, as we added three occupational apparel companies – Horace Small, Todd Uniform and Fibrotek – to our portfolio in 1999. We also expanded our presence in Latin America, and acquired UFO, Argentina's leading jeans brand. JanSport also reported record sales in 1999.

Sales rose to a record \$5,552 million in 1999, due primarily to our Workwear acquisitions and the addition of formerly licensed businesses in Latin America, Turkey and Japan. However, following three years of double-digit increases, earnings dipped 4%, to \$3.04 per share.

The earnings decline reflects several factors. In the second quarter, difficulties in consolidating operations at two distribution centers created shipping problems and generated excess costs. These issues have largely been resolved.

Two significant market issues also had an impact on earnings. Weak sales in mid-tier department stores, particularly in the jeans category, affected our Lee brand sales. Due to strong, consumer-driven marketing and new product programs, Lee outperformed many brands in this retail channel, yet sales volume in 1999 was below anticipated levels. In 2000, we will work with our retail partners to increase visibility and excitement within the jeans category. An array of advertising and product introductions should lead to improved results for Lee in 2000.

Unlike in the U.S. where demand for overall jeans continues to grow, the European jeans market showed a marked decline in 1999, adversely affecting sales of our Lee and Wrangler brands in such key countries as Germany and the U.K. Traditionally, the European jeanswear market has been more volatile, fragmented and fashion-driven than in the U.S. Because it is difficult to pinpoint the cause of the current downturn in consumer demand for jeans, it is even harder to predict the timing for a market recovery. We are, however, encouraged by the response to new programs introduced by both Lee and Wrangler. In particular, we see great potential in European hypermarkets for Hero by Wrangler, the first major U.S. brand to be launched into this growing retail channel.

Investor concern over these issues, and a contraction in the prices of apparel stocks generally, contributed to a sharp decline in VF's share price during 1999. While the overall economy remained strong and the major stock market indices reached new highs, shares of many apparel companies performed poorly. For example, the S&P SuperCap Textile Index declined 23% in 1999, compared to an increase of 25% in the



Dow Jones Industrial Average and an increase of 20% percent in the S&P 500 Index. At current levels, we believe our shares represent an excellent investment opportunity. In July, our Board of Directors authorized the repurchase of an additional 10 million shares. In 1999, we repurchased four million shares of VF, representing an investment of \$149 million. We plan to continue to repurchase our shares this year as well.

In October, our Board of Directors announced the election of two new members, Erskine Bowles and Daniel Hesse. Mr. Bowles is a general partner with Forstmann Little & Co., a major New York private equity firm, and is managing director of Carousel Capital, a North Carolina-based merchant bank he cofounded. He previously served in the Clinton administration, most recently as White House Chief of Staff. Mr. Hesse, formerly President and CEO of AT&T Wireless Services, has recently been named President and CEO of TeraBeam Corporation. Both men bring the benefit of their far reaching experience and insight to VF.

Building World-class Capabilities

Our industry has experienced tremendous shifts over the past several years, with consumer trends changing practically at the speed of light. The range of products offered within such “basic” categories as jeans, knitwear and intimate apparel continues to expand rapidly. The Internet has created an entirely new medium for people to communicate, shop and conduct business. Today’s consumers have more information and more choices about where, how and when to purchase products and services than ever before.

VF is ready for this new information-based economy. Indeed, we view ourselves as the technology play of the apparel industry. For some time now we’ve been investing in the types of technologies and processes that will give us a

competitive edge. We are fundamentally changing the way we do business in order to respond better and faster to consumer demand for a wide variety of differentiated brands and products. These changes are all part of VF’s consumerization strategy – our way of creating and maintaining a consumer-driven business that ensures future growth and profitability.

One important component of this effort, our Consumer Response System (CRS), is a disciplined product development process that helps us identify the needs of specific consumer segments and meet them with a continuous flow of new products. The CRS process has been successfully installed in our Vanity Fair Intimates operation. During the next two years, it will be extended throughout our domestic jeanswear, Bestform and JanSport businesses. Another key initiative, which benefits both VF and our retail partners, is our Retail Floor Space Management (RFSM) or micromarketing program. It allows us to customize product assortments to match the profile of the consumers who shop in a particular retail location. Both CRS and RFSM are discussed more fully, beginning on page 14.



Mackey J. McDonald
Chairman, President and
Chief Executive Officer

New technologies are being put in place to support these programs across VF's coalitions. New planning and forecasting software will help us better allocate resources and reduce costs, inventories and manufacturing cycle times. And in February 2000, following three years of development, we successfully implemented the manufacturing and finance components of SAP's enterprise resource planning software in our domestic jeanswear business. The rollout of these leading-edge technologies and processes will continue to be an area of intense focus and investment for us. This has been an extraordinarily complex and exciting initiative for VF, and we are pleased to see our efforts gathering momentum.

Consumerization also requires a competitive cost position. Over the past several years we have gradually moved an increasing percentage of our U.S. manufacturing to offshore locations. At year-end, approximately 65% of the products we sell in the U.S. were manufactured offshore, up from 57% in 1998, yielding significant cost savings.

Explosive Growth of Electronic Commerce

No discussion of our business would be complete without a word about e-commerce. On-line sales of apparel still comprise only a small fraction of total industry volume, but they're growing rapidly. Our strategy is to collaborate with our retail partners to provide consumers with the brands and products they want, wherever and whenever they choose to shop.

Our e-commerce efforts are currently focused in two primary areas. The first is on building a web-based business-to-business capability. Early

this year we announced a partnership with i2 Technologies to spearhead the SoftgoodsMatrix, an open, web-enabled marketplace for softgoods retailers, manufacturers and suppliers to procure goods and services. In Workwear, we're developing a number of new web-based uniform catalogs for government agencies and several major companies. And our Healthtex site allows retail customers to log in, browse our product lines and place orders. Wrangler's "Traders Pass" site gives retailers access to advertising and a variety of marketing communications tools.

We're also examining the direct-to-consumer market. Currently, the only brand we sell directly to consumers on-line is Healthtex, whose products can be purchased at www.healthtex.com. We will continue to improve upon this initial foray, working in tandem with our retail partners and developing capabilities that could be extended to other brands as well.

At the Start of a New Century

We are by no means satisfied with our financial performance in 1999 and no doubt we'll face a host of tough challenges in 2000 as well. But we believe we'll be ready for them. Our plan for 2000 includes aggressive actions to improve future top and bottom line growth. It encompasses continued investments in systems and processes that will enable growth, such as new product development, acquisition integration and micromarketing. And it includes a focus on cost reduction to help sustain profitability. Looking forward, we believe VF has the people and organizational structure to lead change in a changing world.



Mackey J. McDonald
Chairman, President and Chief Executive Officer

Our Vision of the Future

Technology is changing not only where and how we shop, but global commerce overall. The implications for retailers, manufacturers and consumers are enormous – and not entirely predictable. While the future will likely surprise even us, we at VF have always known that our success depends on our ability to envision and respond actively to what lies ahead.

The Changing Face of Consumers

We already know quite a few things about the consumer of the future. According to current calculations, between now and 2025, the number of Americans 65 years and older will nearly double. The average age of U.S. consumers will likewise rise from 36 to just over 40. The good news is that consumers between the ages of 35 and 54, with their preference for outdoor activities, travel and entertainment, spend more on apparel than any other age group. Apparel companies able to

respond to them with comfortable, functional clothing will be winners.

Ethnically, U.S. consumers will be more diverse, with

the Hispanic population growing most rapidly, followed by Asian-Americans. The apparel marketplace will have to incorporate more multicultural and multiethnic traditions, trends and styles. But at the same time, centripetal forces like mass media will tend to make us more homogenous. Traditional marketing

demographics of age and ethnicity may ultimately be less relevant than lifestyle differences.

Redefining Retail

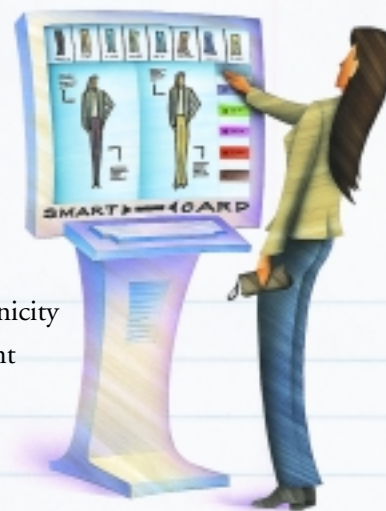
The store of the future will undoubtedly be very different from the department, chain and discount stores we know today. These delivery channels may change altogether, evolving into locations that transform regularly to respond to narrowly targeted groups of consumers. In addition, between now and the year 2020, technology and information sharing between manufacturers and retailers will make it easy for stores to customize product assortments, layouts and point-of-sale communications.

The retailer/manufacturer relationship of the future will rely on real time information that drives an interenterprise supply chain. This interaction will enable manufacturers to routinely meet the exact requirements of consumers in each and every retail location.

And there's no stopping the Internet, which is giving consumers access to vast quantities of information. It has already begun to shift power away from retailers and manufacturers. In the process, the Internet is enhancing the value of brands, which increasingly serve as filters for consumers faced with the dizzying proliferation of on-line retailers and specialty labels.

Shopping in the 21st Century

To compete effectively against the growing number of Internet-based marketers, retailers will have to work harder to draw consumers out of their homes. Retailers will need to provide compelling, easy-to-shop venues to retain their



In-store kiosks that download personal data from smartcards will make shopping a breeze, letting consumers “see” themselves in particular garments or request specific features. They’ll also be able to check inventory availability and order items for home or store delivery.



Enhanced smartcards that hold a variety of information about shopping and product preferences will allow consumers to interact with retail stores in entirely new ways.

share of consumer dollars. And apparel manufacturers will have to be ready to make the most of the many in-store technologies now being developed, some of which are illustrated in this sketchbook.

Tomorrow's retail environment will use a variety of technologies to create a more interactive and customized shopping experience. Body scanning techniques will give rise to new sizing metrics, offering consumers truly personalized apparel options. The shopping experience itself will be transformed as consumers use smartcards to gain access to store and product information and to provide retailers with credit, delivery and personal lifestyle preferences. Products themselves will incorporate innovations like nanotechnology, which allows fabrics to change color or pattern, and microcapsule technologies that could enable fabrics to regulate body temperature or moisturize the skin. And when consumers are ready to leave the store, they'll be able to check out on their own through exit portals that scan information contained in tiny chips

embedded in the garments. This will allow stores to monitor stock levels in real time, reducing inventory losses due to shoplifting and inaccuracies.



Meeting Tomorrow's Demand

In the future, convenience will outweigh price in the value equation. Consumers won't wait around for anything that's not in stock. And manufacturers will have to find ways to maximize efficiency throughout the supply chain. New e-commerce applications will offer powerful opportunities.

In addition to in-store services, Internet-savvy retailers will begin using sophisticated filtering techniques to market a highly focused mix of products and services directly to individual consumers. At the same time, consumers will build their own "intelligent" Web sites, commanding their computers to shop for them on-line and extending the reach of brick and mortar shops.

In this new century, the ability to manage complex data warehouses will determine competitive strength. The flexible, global supply chain of the future will respond instantly to information about labor, fabric, manufacturing and delivery and will direct production to the most appropriate location, anywhere in the world. Inventory management will

be a continuous process, offering the capacity to track goods at any point in the product cycle – all the way through to point of sale. New delivery mechanisms, too, will emerge to get products to consumers and retailers whenever and wherever they dictate.



Wireless, voice-activated and other new technologies will free salespeople to field customer queries, track inventory and complete transactions quickly and easily from anywhere in the store.



Back to the Future

Because VF has always recognized the value of business intelligence – and has led the development of systems and processes to obtain it – we’re well ahead of the curve in preparing for tomorrow’s challenges.

We’ve been collecting and analyzing in-depth information about consumers for years. Our Consumer Response System (CRS) is designed specifically to ensure that our products and marketing communications respond accurately to consumers’ diverse needs. This tool is helping us bring a greater variety of products to market faster and more cost effectively than ever before. Going forward, we plan to build on our leadership in providing consumer knowledge to our retail partners.

Our micromarketing program positions us as the first apparel manufacturer able to replenish inventory assortments customized by store location. Beginning with information about who

shops at which stores, it determines how best to appeal to each type of consumer. It then addresses everything from store layout to merchandising and presentation. We’ve also pioneered solutions for many of our retail partners through flow replenishment and retail floor space management to make sure shoppers never hear the words “out of stock.”

The recent launch of i2 Technologies’ SoftgoodsMatrix, with VF as its strategic partner, will usher in a new era of collaborative, web-based relationships among industry participants. Over time, this on-line marketplace should enable VF and other softgoods companies to conduct business in a faster, more consumer-responsive manner – and with significantly lower costs.

The most important principle for our business is that we’ve chosen to compete on the basis of knowledge. At VF, we’re not just envisioning the future, we’re helping to build it.



The next big challenge: to manage a constant stream of consumer and retail information to fulfill store needs rapidly. Flexible, quick response manufacturing and sophisticated flow replenishment systems will ensure that retail product assortments match consumer requirements exactly.

FINANCIAL REVIEW

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS AND FINANCIAL CONDITION

Analysis of Operations

Consolidated sales rose 1% to a record \$5,551 million in 1999. The sales increase in 1999 was primarily due to the acquisitions of occupational apparel businesses in late 1998/early 1999 and jeanswear businesses in South America, offset in part by a slowdown of jeanswear sales in Europe and in the mid-tier channel in the U.S. Sales in 1998 rose 5% over the 1997 level, due primarily to the acquisition of Bestform Group, Inc., a major manufacturer and marketer of women's intimate apparel.

Gross margins were 34.1% of sales in 1999, compared with 34.5% in 1998 and 34.1% in 1997. Margins were favorably impacted during the last two years from the continuing shift to lower cost sourcing, lower raw material costs and increased operating efficiencies. However, in 1999 this was offset by lower gross margins in the domestic Lee jeanswear, European jeanswear and workwear businesses. In jeanswear, these reductions resulted from lower than anticipated volume and the resulting impact in expense absorption, as well the need to reduce inventory levels closer to demand. In workwear, lower margins resulted from the newly acquired companies.

For the United States market, VF manufactures its products in owned domestic plants and offshore plants, primarily in Mexico. In addition, VF contracts production from independent contractors mostly located outside of the U.S. There has been a shift over the last three years toward a more balanced sourcing mix, with more products being manufactured in and contracted from lower cost facilities in Mexico and the Caribbean Basin. The amount of domestic sales derived from products sewn outside the United States has increased each year so that now 65% is sourced from international locations. Similarly, in foreign markets, sourcing is being shifted from higher cost owned plants located primarily in Western Europe to lower cost owned and contracted production in locations outside of Western Europe.

Marketing, administrative and general expenses were 22.2% of sales in 1999, compared with 21.9% and 22.5% in 1998 and 1997, respectively. Expenses as a percent of sales increased in 1999 primarily due to fixed short-term expenses on a lower sales level in European jeanswear. This increase was partially offset by lower advertising spending.

Other operating income and expense includes goodwill amortization expense, offset by net royalty income. In each of the last two years, amortization of goodwill increased from acquisitions completed during those years, and net royalty income declined from the conversion of certain formerly licensed businesses to owned operations.

Net interest expense increased in each of the last two years due to higher short-term borrowings related to the business acquisitions. Interest income includes \$3.0 million in 1999 and \$10.5 million in 1997 related to settlements of prior years' tax examinations.

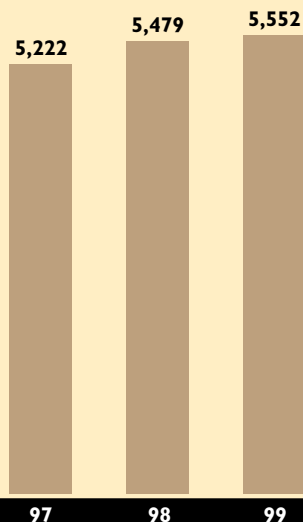
The effective income tax rate was 38.5% in 1999 and 1998 and 40.1% in 1997. The effective rate declined in 1998 due to a reduction in foreign operating losses with no current tax benefit, lower state income taxes and higher tax-free income attributable to investments that fund certain deferred compensation plans.

Information by Business Segment The Consumer Apparel segment consists of jeanswear, women's intimate apparel and swimwear, and children's apparel businesses. Overall, segment sales were relatively flat in 1999. Record sales in mass market domestic jeanswear sold in the discount channel and sales in the newly acquired Latin American jeanswear businesses offset declines reported in the Lee branded domestic business and in European jeanswear businesses. The decline in Lee was due to softness in retail sales in mid-tier department stores in the U.S., and the decline in Europe was due to a consumer shift away from basic jeans products to alternative fabrics and stylings. Segment profit in 1999 declined due to lower

Sales

Dollars in millions

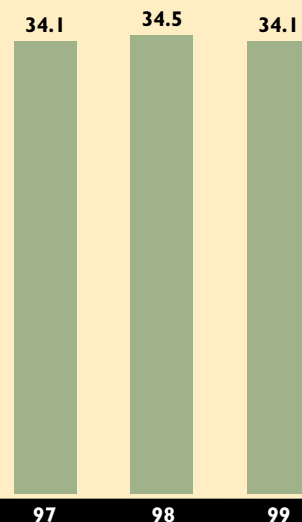
Sales reached record levels in 1999.



Gross Margin

Percent to sales

More balanced manufacturing, lower raw material costs and increased operating efficiencies are enabling VF to maintain strong gross margins.



sales in Lee, lower sales in Europe, European jeanswear consolidation efforts that created operating difficulties, and a \$6 million charge to close the Jantzen women's sportswear division. In 1998, segment sales advanced due to the acquisition of Bestform and growth in all categories of domestic jeanswear, offset in part by the elimination of unprofitable children's playwear product lines. Segment profit in 1998 increased due to the acquisition of Bestform and higher profitability in domestic jeanswear, existing intimate apparel businesses and children's playwear, offset in part by a modest decline in European jeanswear.

The Occupational Apparel segment includes the Company's industrial, career and safety apparel businesses. Sales increased in 1999 over the prior two years due to one acquisition in the latter part of 1998 and three acquisitions in early 1999. Segment profit as a percent of sales declined from 1997 and 1998 due to the lower level of profitability of the acquired businesses and to systems, distribution and other costs incurred to integrate these new businesses into VF's existing infrastructure.

The All Other segment includes the Company's knitwear, day-pack and backpack businesses. The decline in sales and segment profit over the last two years is due to difficult market conditions existing in the knitwear market.

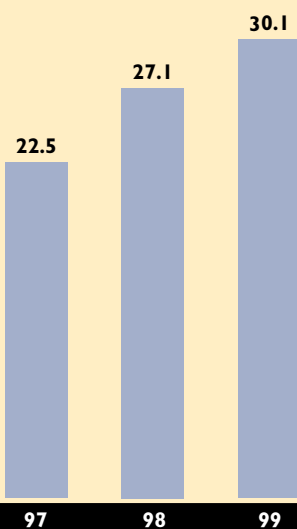
Analysis of Financial Condition

In managing its capital structure, VF balances financial leverage with equity to reduce its overall cost of capital, while providing the flexibility to pursue investment opportunities that may become available. It is management's goal to maintain a debt to capital ratio of less than 40%. Our debt to capital ratio remains within these guidelines: 30.1% at the end of 1999 and 27.1% at the end of 1998.

Debt to Capital Ratio

Percent

VF's debt to capital ratio remains well within our target range, providing flexibility to pursue a variety of investment opportunities.



Balance Sheets Accounts receivable increased in 1999 due to higher December sales and slightly higher days sales outstanding in the recently acquired companies. Inventories increased slightly in 1999 due to balances at recently acquired companies being higher than historic VF levels. Excluding businesses acquired in 1999, inventories declined by 6%.

Intangible assets increased during 1999 due to the acquisitions completed during the year. Other assets increased during 1999 due to an increase in deferred income tax assets over the 1998 level and an increase in life insurance contracts and other investment securities underlying the Company's deferred compensation and retirement programs.

The deficit in the Accumulated Other Comprehensive Income component of Common Shareholders' Equity increased during 1999 due to foreign currency translation adjustments resulting from the strengthening of the U.S. dollar in relation to the currencies of most European countries where the Company has operations.

Liquidity and Cash Flows Working capital was \$763.9 million and the current ratio was 1.7 to 1 at the end of 1999, compared with \$815.1 million and 1.8 to 1 at the end of 1998. The decline in 1999 was due to an increase in short-term borrowings.

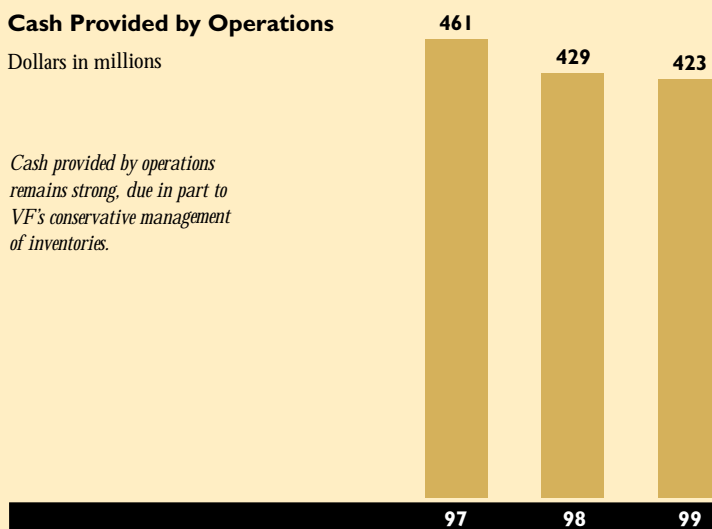
The primary source of liquidity is the Company's strong cash flow provided by operations, which was \$423.4 million in 1999, \$429.3 million in 1998 and \$460.7 million in 1997.

Capital expenditures were \$150.1 million in 1999, compared with \$189.1 million and \$154.3 million in 1998 and 1997, respectively. Capital expenditures relate to expansion of offshore manufacturing capacity, primarily in jeanswear, investments in information systems and ongoing capital improvements in our worldwide manufacturing and other facilities. Capital expenditures in 2000 are expected to be less than the 1999 level and to be funded by cash flow from operations.

Cash Provided by Operations

Dollars in millions

Cash provided by operations remains strong, due in part to VF's conservative management of inventories.



During 1999, the Company purchased 4.0 million shares of its Common Stock in open market transactions at a cost of \$149.1 million. During 1998, the Company purchased 3.2 million shares for \$147.4 million. Under its current authorization from the Board of Directors, the Company may purchase up to an additional 8.0 million shares. Depending on the level of acquisition opportunities during 2000, the Company intends to continue to invest available cash flow to repurchase shares.

Cash dividends totaled \$.85 per common share in 1999, compared with \$.81 in 1998 and \$.77 in 1997. The dividend payout rate was 28% in 1999, compared with 26% in 1998 and 28% in 1997. The indicated annual dividend rate for 2000 is \$.88 per share. VF has paid dividends on its Common Stock annually since 1941 and intends to maintain a long-term payout rate of 30%.

Looking ahead to 2000, operating results should benefit from steps taken to improve profitability in the Lee domestic business, the European jeanswear businesses and the recently acquired companies. Next year will bring continued investments in systems and technology, as well as expenses related to further reducing our product cost and operating cost structure. The combined effect of these actions indicates that earnings in 2000 may be flat with 1999 and that cash flow from operations should exceed \$500 million. With our strong financial position, unused credit lines and additional borrowing capacity, the Company has substantial liquidity and flexibility to meet investment opportunities that may arise.

Euro Currency Conversion Effective January 1, 1999, 11 of the 15 member countries of the European Union established fixed conversion rates between their existing currencies and a single new currency, the "euro." During a transition period through June 2002, business transactions can be conducted in both the euro and the legacy currencies. After that date, the euro will be the sole currency of the participating countries. Approximately 11% of the Company's 1999 sales were generated in the European Union.

Management is evaluating the many areas involved with introduction of the euro, including information technology systems. As of January 1, 2000, substantially all of these systems were euro compliant, with the remainder expected to be compliant by the end of 2000. Management is also evaluating the strategic implications of adoption of the euro, including pricing and distribution of the Company's products. Although this evaluation is ongoing, it is likely that the euro will lead to a more uniform pricing in all European markets, including those that have not adopted the euro as their common currency.

The Company is unable to determine the financial impact of the conversion on its operations, if any, because the impact will depend on the competitive situations that exist in the various regional markets. However, management believes that the conversion to the euro will not have a material effect on the Company's results of operations or financial position. All costs relating to the conversion to the euro, which are not significant, are being expensed as incurred.

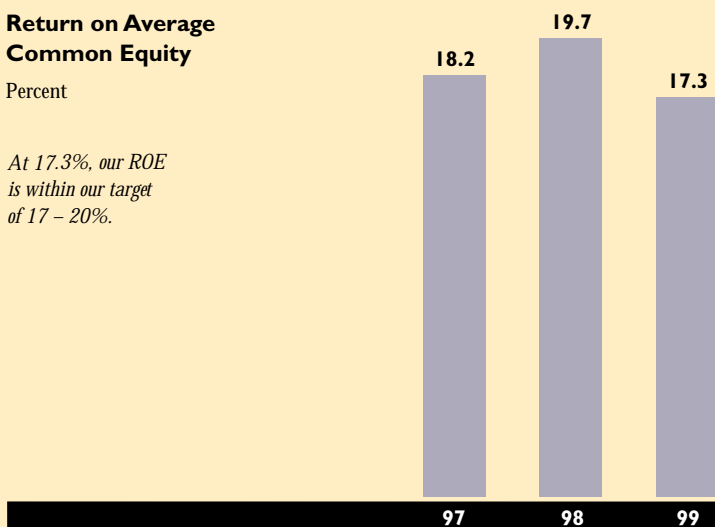
Year 2000 Update The Year 2000 issue relates to computer systems that may not properly recognize date-sensitive information when the year changed to 2000. Since entering the year 2000, the Company has not experienced any disruptions to its business, nor is it aware of any significant Year 2000 issues impacting its suppliers and customers. The Company will continue to monitor its critical systems over the next several months but does not anticipate any exposures from its internal systems or from the activities of its suppliers and customers. The total cost of resolving the Year 2000 issues, including internal personnel and outside vendors and consultants, was \$26 million over the period 1997 through 1999, which was expensed as incurred.

Risk Management The Company is exposed to a variety of market risks in the ordinary course of business, including the effects of changes in interest rates, foreign currency exchange rates and the

Return on Average Common Equity

Percent

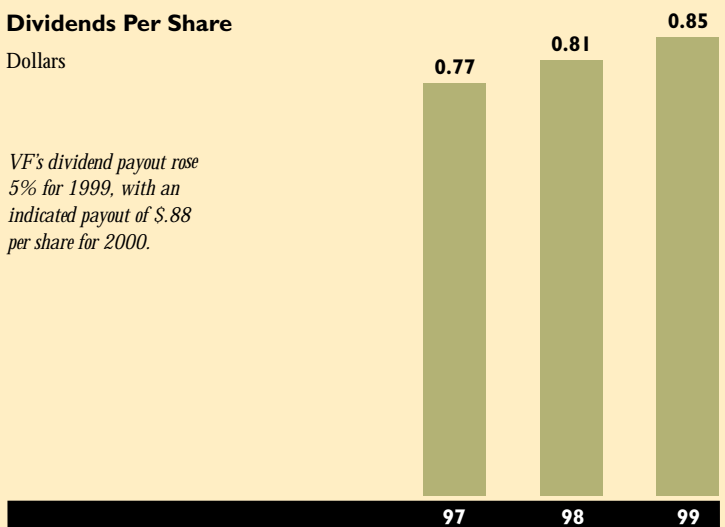
At 17.3%, our ROE is within our target of 17 - 20%.



Dividends Per Share

Dollars

VF's dividend payout rose 5% for 1999, with an indicated payout of \$.88 per share for 2000.



value of marketable securities. The Company regularly assesses these potential risks and has policies and procedures to manage these risks.

The Company limits its risk from interest rate fluctuations on its net income and cash flows by managing its mix of long-term borrowings at fixed interest rates and short-term borrowings at variable interest rates. The Company may also use derivative instruments to minimize its interest rate risk. The primary interest rate exposure, which is not significant, relates to short-term domestic and foreign borrowings. These borrowings averaged \$430 million during 1999 and \$245 million during 1998. In addition, at the end of 1998, the Company had an interest rate swap contract related to \$100 million of long-term debt. This swap expired in October 1999.

The Company has assets and liabilities in foreign subsidiaries that are subject to fluctuations in foreign currency exchange rates. Investments in these primarily European subsidiaries are considered to be long-term investments, and accordingly, the Company uses a functional currency other than the U.S. dollar. The Company does not hedge these net investments and does not hedge the translation of foreign currency operating results into the U.S. dollar. In addition, a growing percentage of the total product needs to support our domestic businesses are manufactured in Company-owned plants in foreign countries or by foreign contractors. The Company's primary foreign currency exposures relate to the euro and to the Mexican peso. Management monitors foreign currency exposures and may in the ordinary course of business enter into foreign currency forward exchange contracts related to specific foreign currency transactions or anticipated cash flows occurring within twelve months. The amount of these contracts, and related gains and losses, are not material. There are no financial instruments held for trading or speculative purposes.

The Company is exposed to changes in the overall investment securities markets because amounts accrued under various non-qualified deferred compensation plans are based on market values

of investment funds that are selected by the plans' participants. Changes in the market values of the participants' underlying investment selections expose the Company to risks of stock market fluctuations. This securities market risk is hedged by the Company's investments in a portfolio of variable life insurance contracts and other securities that substantially mirror the investment selections underlying the deferred compensation liabilities. Increases and decreases in deferred compensation liabilities are substantially offset by corresponding increases and decreases in the market value of the Company-owned investment securities, resulting in an insignificant net exposure to the Company's operating results and financial position.

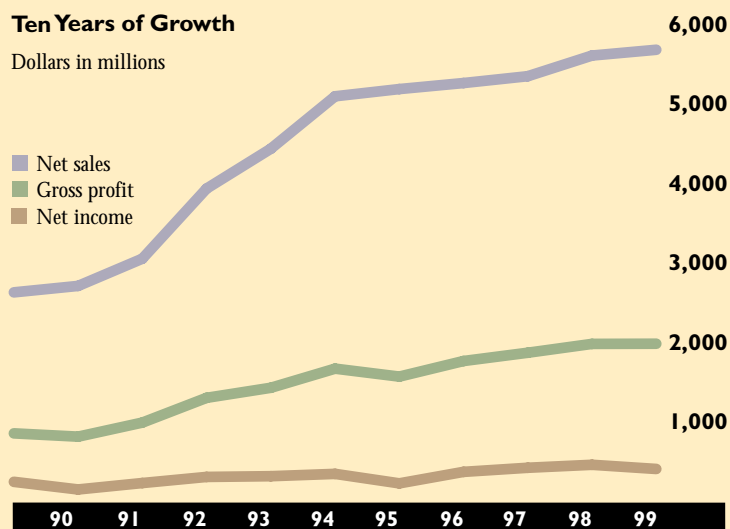
Cautionary Statement on Forward-Looking Statements From time to time, the Company may make oral or written statements, including statements in this Annual Report, that constitute "forward-looking statements" within the meaning of the federal securities laws. This includes statements concerning plans and objectives of management relating to the Company's operations or economic performance, and assumptions related thereto.

Forward-looking statements are made based on management's expectations and beliefs concerning future events impacting the Company and therefore involve a number of risks and uncertainties. Management cautions 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 the Company to differ include, but are not necessarily limited to, the overall level of consumer spending for apparel; changes in trends in the segments of the market in which the Company competes; the financial strength of the retail industry; actions of competitors that may impact the Company's business; and the impact of unforeseen economic changes in the markets where the Company competes, such as changes in interest rates, currency exchange rates, inflation rates, recession, and other external economic and political factors over which the Company has no control.

QUARTERLY RESULTS OF OPERATIONS (Unaudited)

In thousands, except per share amounts	Net Sales	Gross Profit	Net Income	Earnings Per Common Share		Dividends Per Common Share
				Basic	Diluted	
1999						
First quarter	\$1,358,244	\$ 467,470	\$ 85,566	\$.70	\$.69	\$.21
Second quarter	1,364,830	461,935	79,582	.65	.64	.21
Third quarter	1,464,856	502,913	103,896	.87	.85	.21
Fourth quarter	1,363,686	462,178	97,198	.82	.81	.22
	\$5,551,616	\$1,894,496	\$366,242	\$3.04	\$2.99	\$.85
1998						
First quarter	\$1,326,205	\$ 453,225	\$ 78,106	\$.63	\$.62	\$.20
Second quarter	1,350,319	455,956	86,781	.70	.69	.20
Third quarter	1,458,780	514,108	119,615	.98	.96	.20
Fourth quarter	1,343,503	468,832	103,804	.86	.84	.21
	\$5,478,807	\$1,892,121	\$388,306	\$3.17	\$3.10	\$.81
1997						
First quarter	\$1,262,781	\$ 417,837	\$ 70,186	\$.54	\$.53	\$.19
Second quarter	1,255,549	427,650	78,904	.61	.60	.19
Third quarter	1,416,906	487,311	108,692	.86	.84	.19
Fourth quarter	1,287,010	448,837	93,160	.75	.74	.20
	\$5,222,246	\$1,781,635	\$350,942	\$2.76	\$2.70	\$.77



CONSOLIDATED STATEMENTS OF INCOME

In thousands, except per share amounts	Fiscal year ended	January 1, 2000	January 2, 1999	January 3, 1998
Net Sales		\$5,551,616	\$5,478,807	\$5,222,246
Costs and Operating Expenses				
Cost of products sold		3,657,120	3,586,686	3,440,611
Marketing, administrative and general expenses		1,230,009	1,198,854	1,175,598
Other operating expense, net		11,855	9,098	964
		4,898,984	4,794,638	4,617,173
Operating Income		652,632	684,169	605,073
Other Income (Expense)				
Interest income		8,936	6,411	23,818
Interest expense		(71,426)	(62,282)	(49,695)
Miscellaneous, net		5,434	3,300	6,684
		(57,056)	(52,571)	(19,193)
Income Before Income Taxes		595,576	631,598	585,880
Income Taxes		229,334	243,292	234,938
Net Income		\$ 366,242	\$ 388,306	\$ 350,942
Earnings Per Common Share				
Basic		\$ 3.04	\$ 3.17	\$ 2.76
Diluted		2.99	3.10	2.70
Cash Dividends Per Common Share		\$.85	\$.81	\$.77

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

In thousands	Fiscal year ended	January 1, 2000	January 2, 1999	January 3, 1998
Net Income		\$366,242	\$388,306	\$350,942
Other Comprehensive Income				
Foreign currency translation, net of income taxes		(39,117)	10,471	(42,538)
Comprehensive Income		\$327,125	\$398,777	\$308,404

See notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

In thousands	January 1, 2000	January 2, 1999
Assets		
Current Assets		
Cash and equivalents	\$ 79,861	\$ 63,208
Accounts receivable, less allowances of \$54,477 in 1999 and \$52,011 in 1998	732,502	705,734
Inventories	964,040	954,007
Deferred income taxes	74,067	99,608
Other current assets	26,946	25,595
Total current assets	1,877,416	1,848,152
Property, Plant and Equipment	804,422	776,091
Intangible Assets	992,463	951,562
Other Assets	352,213	260,861
	\$4,026,514	\$3,836,666
Liabilities and Shareholders' Equity		
Current Liabilities		
Short-term borrowings	\$ 408,932	\$ 244,910
Current portion of long-term debt	4,751	969
Accounts payable	332,666	341,126
Accrued liabilities	367,124	446,001
Total current liabilities	1,113,473	1,033,006
Long-term Debt	517,834	521,657
Other Liabilities	194,113	181,750
Redeemable Preferred Stock	51,544	54,344
Deferred Contributions to Employee Stock Ownership Plan	(14,268)	(20,399)
	37,276	33,945
Common Shareholders' Equity		
Common Stock, stated value \$1; shares authorized, 300,000,000; shares outstanding, 116,204,655 in 1999 and 119,466,101 in 1998	116,205	119,466
Additional paid-in capital	831,054	801,511
Accumulated other comprehensive income	(64,756)	(25,639)
Retained earnings	1,281,315	1,170,970
Total common shareholders' equity	2,163,818	2,066,308
	\$4,026,514	\$3,836,666

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

In thousands	Fiscal year ended	January 1, 2000	January 2, 1999	January 3, 1998
Operations				
Net income		\$ 366,242	\$ 388,306	\$ 350,942
Adjustments to reconcile net income to cash provided by operations:				
Depreciation		134,335	128,495	128,734
Amortization of intangible assets		33,097	32,890	27,518
Other, net		5,341	27,764	(3,405)
Changes in current assets and liabilities:				
Accounts receivable		(12,379)	(48,771)	(9,972)
Inventories		43,655	(52,406)	(55,677)
Accounts payable		(21,414)	(17,013)	(12,587)
Other, net		(125,516)	(29,983)	35,099
Cash provided by operations		423,361	429,282	460,652
Investments				
Capital expenditures		(150,076)	(189,059)	(154,262)
Business acquisitions		(156,587)	(299,900)	(16,003)
Other, net		(13,114)	(16,943)	(13,578)
Cash invested		(319,777)	(505,902)	(183,843)
Financing				
Increase in short-term borrowings		145,768	212,457	8,745
Proceeds from long-term debt		1,032	4,132	–
Payment of long-term debt		(3,269)	(2,998)	(1,253)
Purchase of Common Stock		(149,075)	(147,398)	(391,651)
Cash dividends paid		(104,302)	(101,660)	(100,141)
Proceeds from issuance of Common Stock		25,323	45,689	64,964
Other, net		1,269	2,115	1,983
Cash provided (used) by financing		(83,254)	12,337	(417,353)
Effect of Foreign Currency Rate Changes on Cash		(3,677)	3,397	(5,991)
Net Change in Cash and Equivalents		16,653	(60,886)	(146,535)
Cash and Equivalents – Beginning of Year		63,208	124,094	270,629
Cash and Equivalents – End of Year		\$ 79,861	\$ 63,208	\$ 124,094

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDERS' EQUITY

In thousands	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings
Balance January 4, 1997	\$ 63,908	\$668,554	\$ 6,428	\$1,234,849
Net income	–	–	–	350,942
Cash dividends:				
Common Stock	–	–	–	(96,337)
Series B Preferred Stock	–	–	–	(3,804)
Tax benefit from Preferred Stock dividends	–	–	–	700
Redemption of Preferred Stock	–	–	–	(1,855)
Purchase of treasury shares	(5,239)	–	–	(386,412)
Exercise of stock options, net of shares surrendered	1,457	76,074	–	(48)
Restricted Common Stock	9	(520)	–	601
Foreign currency translation, net of \$22,905 deferred income taxes	–	–	(42,538)	–
Two-for-one stock split	61,090	–	–	(61,090)
Balance January 3, 1998	121,225	744,108	(36,110)	1,037,546
Net income	–	–	–	388,306
Cash dividends:				
Common Stock	–	–	–	(97,943)
Series B Preferred Stock	–	–	–	(3,717)
Tax benefit from Preferred Stock dividends	–	–	–	568
Redemption of Preferred Stock	–	–	–	(2,763)
Purchase of treasury shares	(3,223)	–	–	(144,175)
Exercise of stock options, net of shares surrendered	1,678	57,195	–	(87)
Restricted Common Stock	19	208	–	(37)
Common Stock held in trust for deferred compensation plans	(233)	–	–	(6,728)
Foreign currency translation, net of \$5,638 deferred income taxes	–	–	10,471	–
Balance January 2, 1999	119,466	801,511	(25,639)	1,170,970
Net income	–	–	–	366,242
Cash dividends:				
Common Stock	–	–	–	(100,755)
Series B Preferred Stock	–	–	–	(3,547)
Tax benefit from Preferred Stock dividends	–	–	–	437
Redemption of Preferred Stock	–	–	–	(3,284)
Purchase of treasury shares	(4,000)	–	–	(145,075)
Exercise of stock options, net of shares surrendered	793	29,209	–	(131)
Restricted Common Stock	20	334	–	(56)
Common Stock held in trust for deferred compensation plans	(74)	–	–	(3,486)
Foreign currency translation, net of \$21,063 deferred income taxes	–	–	(39,117)	–
Balance January 1, 2000	\$116,205	\$831,054	\$(64,756)	\$1,281,315

See notes to consolidated financial statements.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note A Accounting Policies

Principles of Consolidation: The consolidated financial statements include the accounts of VF Corporation and all majority owned subsidiaries after elimination of intercompany transactions and profits.

Inventories are stated at the lower of cost or market. Inventories stated on the last-in, first-out method represent 42% of total 1999 inventories and 48% in 1998. Remaining inventories are valued using the first-in, first-out method.

Property and Depreciation: Property, plant and equipment are stated at cost. Depreciation is computed by the straight-line method over the estimated useful lives of the assets, ranging up to 40 years for buildings and 10 years for machinery and equipment.

Intangible Assets represent the excess of costs over the fair value of net tangible assets of businesses acquired, less accumulated amortization of \$270.5 million and \$243.5 million in 1999 and 1998. These assets are amortized on the straight-line method over 10 to 40 years.

The Company's policy is to evaluate intangible assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. An impairment loss may be recorded if undiscounted future cash flows, net of income tax payments, are not expected to be adequate to recover the assets' carrying value.

Revenue Recognition: Sales are recorded when products are shipped to customers, net of discounts and allowances.

Advertising Costs are expensed as incurred and were \$257.6 million in 1999, \$287.5 million in 1998 and \$309.3 million in 1997.

Stock-based Compensation: Compensation expense is recorded for the excess, if any, of the market price of VF Common Stock at the date of grant over the amount the employee must pay for the stock.

Other Comprehensive Income consists of certain changes in assets and liabilities that are not included in Net Income but are instead reported under generally accepted accounting principles within a separate component of Common Shareholders' Equity. All amounts in Accumulated Other Comprehensive Income relate to foreign currency translation and are net of income taxes at a 35% rate.

Stock Split: During 1997, the Company declared a two-for-one stock split. Common Stock increased and Retained Earnings decreased by \$61.1 million, representing the stated value of additional shares issued. Amounts presented in the Consolidated Statements of Common Shareholders' Equity are based on actual share amounts outstanding for each period presented.

Reclassifications: Certain amounts in prior years have been reclassified to conform with the current year presentation.

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

Note B Acquisitions

In 1999, the Company acquired the common stock of Horace Small Holdings Corporation of Delaware, Inc., a manufacturer and marketer of occupational apparel, for \$57.7 million in cash, plus repayment of \$23.3 million in debt. The Company also acquired two other work-wear and four jeanswear businesses for an aggregate cost of \$78.4 million, plus additional contingent consideration if future earnings targets are attained. Intangible assets related to these acquisitions totaled \$87.4 million. The Company accrued various restructuring charges in connection with certain of these businesses. The charges relate to severance, closure of manufacturing and distribution facilities, and lease and contract termination costs. Cash payments related to these actions will be substantially completed during 2000. Charges are summarized as follows (in thousands):

	Severance	Facilities Exit Costs	Lease and Contract Termination	Total
Restructuring accrual	\$ 5,061	\$1,622	\$17,948	\$24,631
Cash payments	(1,362)	(208)	(2,218)	(3,788)
Estimated remaining costs	\$ 3,699	\$1,414	\$15,730	\$20,843

During 1998, the Company acquired Bestform Group, Inc. for \$184.3 million in cash, plus repayment of \$44.4 million in debt. The Company also acquired three other businesses in 1998 for an aggregate cost of \$76.1 million and three businesses in 1997 for an aggregate cost of \$16.0 million. Intangible assets related to these acquisitions totaled \$168.5 million in 1998 and \$10.0 million in 1997.

The following unaudited pro forma results of operations assume that acquisitions during the last two years had occurred at the beginning of 1998:

In thousands, except per share amounts	1999	1998
Net sales	\$5,614,028	\$5,826,443
Net income	363,097	383,933
Earnings per common share:		
Basic	\$3.01	\$3.13
Diluted	2.96	3.06

All acquisitions have been accounted for as purchases, and accordingly, the purchase prices have been allocated to the net assets acquired based on fair values at the dates of acquisition. The excess of cost over fair value of the purchased businesses has been allocated to intangible assets and is being amortized over periods from 19 to 40 years. Operating results of these businesses have been included in the consolidated financial statements since the dates of acquisition.

Note C Inventories

In thousands	1999	1998
Finished products	\$575,617	\$552,729
Work in process	171,275	185,929
Materials and supplies	217,148	215,349
	\$964,040	\$954,007

The current cost of inventories stated on the last-in, first-out method is not significantly different from their value determined under the first-in, first-out method.

Note D Property, Plant and Equipment

In thousands	1999	1998
Land	\$ 46,626	\$ 45,296
Buildings	478,372	443,619
Machinery and equipment	1,289,064	1,222,216
	1,814,062	1,711,131
Less accumulated depreciation	1,009,640	935,040
	\$ 804,422	\$ 776,091

Note E Short-term Borrowings

In thousands	1999	1998
Commercial paper	\$319,033	\$ –
Banks	89,899	244,910
	\$408,932	\$244,910

The weighted average interest rate for short-term borrowings was 6.5% at the end of 1999 and 5.8% at the end of 1998. The Company maintains an unsecured revolving credit agreement with a group of banks for \$750.0 million that supports commercial paper borrowings and is otherwise available for general corporate purposes. The agreement, which extends to July 2004, requires an .08% facility fee per year and contains various financial covenants, including a debt to net worth requirement. At January 1, 2000, there were no borrowings under the agreement.

Note F Accrued Liabilities

In thousands	1999	1998
Income taxes	\$ 59,242	\$ 70,112
Compensation	71,798	103,769
Other	236,084	272,120
	\$367,124	\$446,001

Note G Long-term Debt

In thousands	1999	1998
9.50% notes, due 2001	\$100,000	\$100,000
6.63% notes, due 2003	100,000	100,000
7.60% notes, due 2004	100,000	100,000
6.75% notes, due 2005	100,000	100,000
9.25% debentures, due 2022	100,000	100,000
Other	22,585	22,626
	522,585	522,626
Less current portion	4,751	969
	\$517,834	\$521,657

The scheduled payments of long-term debt are \$114.0 million in 2001, \$.5 million in 2002, \$100.4 million in 2003 and \$100.4 million in 2004. The Company paid interest of \$73.4 million in 1999, \$59.5 million in 1998 and \$48.0 million in 1997.

Note H Other Liabilities

In thousands	1999	1998
Deferred compensation	\$179,321	\$151,436
Deferred income taxes	–	11,512
Other	14,792	18,802
	\$194,113	\$181,750

Note I Benefit Plans

The Company sponsors a noncontributory defined benefit pension plan covering substantially all full-time domestic employees and a nonqualified supplemental defined benefit pension plan covering key employees. The effect of the defined benefit plans on income is as follows:

In thousands	1999	1998	1997
Service cost – benefits earned during the year	\$ 22,174	\$ 20,391	\$ 17,264
Interest cost on projected benefit obligation	41,166	38,584	35,934
Expected return on plan assets	(50,692)	(45,270)	(34,771)
Amortization of:			
Transition asset	–	(3,068)	(4,378)
Prior service cost	5,359	5,667	5,475
Actuarial (gain) loss	(831)	610	391
Pension expense	\$ 17,176	\$ 16,914	\$ 19,915

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

In thousands	1999	1998
Fair value of plan assets, beginning of year	\$553,591	\$526,087
Actual return on plan assets	112,848	28,013
Company contributions	24,000	20,400
Benefits paid	(23,144)	(20,909)
Fair value of plan assets, end of year	667,295	553,591
Benefit obligations, beginning of year	591,726	503,340
Service cost	22,174	20,391
Interest cost	41,166	38,584
Plan amendments	–	22,427
Actuarial (gain) loss	(44,831)	29,019
Benefits paid	(24,385)	(22,035)
Benefit obligations, end of year	585,850	591,726
Funded status, end of year	81,445	(38,135)
Unrecognized net actuarial (gain) loss	(88,095)	17,825
Unrecognized prior service cost	29,911	35,269
Pension asset, net	\$ 23,261	\$ 14,959
Amount included in:		
Other Assets	\$ 47,633	\$ 35,164
Other Liabilities	(24,372)	(20,205)
	\$ 23,261	\$ 14,959

For the unfunded supplemental defined benefit pension plan, the projected benefit obligation and the accumulated benefit obligation were \$50.2 million and \$37.6 million, respectively, at the end of 1999 and \$41.2 million and \$27.9 million, respectively, at the end of 1998. To support these benefit liabilities, the Company has purchased life insurance contracts and other investment securities. These securities are held in irrevocable trusts and are included in Other Assets. The cash value of life insurance and the market value of other investments, which approximates cost, was \$27.9 million in 1999 and \$23.7 million in 1998.

The projected benefit obligation was determined using an assumed discount rate of 7.8% in 1999, 6.8% in 1998 and 7.5% in 1997. The assumption for compensation increases was 4.0% in 1999 and 1998 and 4.5% in 1997, and the assumption for return on plan assets was 8.8% in each year.

The Company sponsors an Employee Stock Ownership Plan (ESOP) as part of a 401(k) savings plan covering most domestic salaried employees. Contributions made by the Company to the 401(k) plan are based on a specified percentage of employee contributions. Cash contributions by the Company were \$6.9 million in 1999, \$6.5 million in 1998 and \$5.7 million in 1997. Plan expense was \$5.2 million in 1999 and \$5.5 million in 1998 and 1997, after giving effect to dividends on the Series B Preferred Stock of \$3.5 million in 1999, \$3.7 million in 1998 and \$3.8 million in 1997.

The Company also sponsors other savings and retirement plans for certain domestic and foreign employees. Expense for these plans totaled \$6.2 million in 1999, \$6.5 million in 1998 and \$5.8 million in 1997.

Note J Capital

Common shares outstanding are net of shares held in treasury, and in substance retired, of 21,136,952 in 1999, 17,134,370 in 1998 and 13,910,519 in 1997. In addition, 306,698 shares of VF Common Stock at the end of 1999 and 232,899 shares at the end of 1998 are held in trust for deferred compensation plans. These shares are treated for financial accounting purposes as treasury shares at a cost of \$10.5 million and \$7.0 million, respectively.

There are 25,000,000 authorized shares of Preferred Stock, \$1 par value. As of January 1, 2000, 2,000,000 shares are designated as Series A Preferred Stock, of which none has been issued. In addition, 2,105,263 shares are designated as 6.75% Series B Preferred Stock, which were purchased by the ESOP.

There were 1,669,444 shares of Series B Preferred Stock outstanding at January 1, 2000, 1,760,119 outstanding at January 2, 1999 and 1,824,820 outstanding at January 3, 1998, after share redemptions.

Each outstanding share of Common Stock has one 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 the Company 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 \$.01 per right prior to their becoming exercisable.

Note K Redeemable Preferred Stock

Each share of Series B Preferred Stock has a redemption 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. The trustee for the ESOP may convert the preferred shares to Common Stock at any time or may cause the Company to redeem the preferred shares under certain circumstances. The Series B Preferred Stock also has preference in liquidation over all other stock issues.

The ESOP's purchase of the preferred shares was funded by a loan of \$65.0 million from the Company that bears interest at 9.80% and is payable in increasing installments through 2002. Interest related to this loan was \$2.6 million in 1999, \$3.3 million in 1998 and \$3.9 million in 1997. Principal and interest obligations on the loan are satisfied as the Company makes contributions to the savings plan and dividends are paid on the Preferred Stock. As principal payments are made on the loan, shares of Preferred Stock are allocated to participating employees' accounts within the ESOP. At the end of 1999, 1,207,392 shares of Preferred Stock had been allocated to participating employees' accounts.

Note L Stock Option Plan

The Company has granted nonqualified stock options to officers, directors and key employees under a stock compensation plan at prices not less than fair market value on the date of grant. Options become exercisable one year after the date of grant and expire ten years after the date of grant. Activity in the stock compensation plan is summarized as follows:

	Shares Under Options	Weighted Average Exercise Price
Balance January 4, 1997	8,164,472	\$26.21
Options exercised	(2,521,346)	25.78
Options canceled	(131,510)	29.88
Balance January 3, 1998	5,511,616	28.21
Options granted	1,940,000	43.30
Options exercised	(1,680,000)	27.26
Options canceled	(69,310)	25.41
Balance January 2, 1999	5,702,306	33.65
Options granted	1,975,400	43.20
Options exercised	(795,400)	31.87
Options canceled	(250,810)	32.88
Balance January 1, 2000	6,631,496	\$36.74

Stock options outstanding at January 1, 2000 are summarized as follows:

Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price
\$ 6–10	8,900	.9 years	\$ 8.09
16–20	44,220	1.9 years	17.95
21–25	641,616	4.6 years	23.49
26–30	1,179,510	4.7 years	27.01
31–35	1,127,900	6.9 years	34.48
40–45	3,629,350	8.6 years	43.25
\$ 6–45	6,631,496	7.2 years	\$36.74

All above options are exercisable, except for those granted in 1999. There are 4,646,983 shares available for future grants of stock options and stock awards, of which no more than 1,030,053 may be grants of restricted stock awards.

Since all stock options are granted at market value, compensation expense is not required. However, had compensation expense been determined based on the fair value of the options on the grant dates, the Company's net income would have been reduced by \$11.9 million (\$.10 per share) in 1999, \$9.7 million (\$.08 per share) in 1998 and \$9.0 million (\$.07 per share) in 1997.

The fair value of options granted during 1999 was \$9.97 per share and of options granted during 1998 was \$8.78 per share. Fair value is estimated based on the Black-Scholes option-pricing model with the following assumptions for grants in 1999 and 1998: dividend yield of 2.0%; expected volatility of 26% in 1999 and 20% in 1998; risk-free interest rates of 4.8% in 1999 and 5.4% in 1998; and expected lives of 4 years.

The Company has granted to key employees 67,367 shares of restricted stock that vest in the year 2005. Compensation equal to the market value of shares at the date of grant is amortized to expense over the vesting period. Expense for these shares was \$.3 million in 1999 and \$.2 million in 1998 and 1997.

In 1999, the Company granted stock awards to certain key employees under a new stock award plan, which replaced a portion of the cash incentive compensation for those employees. The stock awards entitle the participants to the right to receive shares of VF Common Stock, with the number of shares to be earned based on the three year total shareholder return of VF Common Stock compared with a peer group of other major apparel companies. Shares earned at the end of each three year period are issued to participants in the following year, unless they elect to defer receipt of the shares. A total of 44,962 shares of VF Common Stock were earned for the three year performance period ended in 1999. At the end of 1999, there are 34,062 stock awards outstanding for the performance period ending in 2000 and 34,062 for the performance period ending in 2001. Compensation expense equal to the market value of the shares to be issued is recognized ratably over each three year performance period. In 1999, expense of \$2.0 million was recognized for this plan.

Note M Income Taxes

The provision for income taxes is computed based on the following amounts of income before income taxes:

In thousands	1999	1998	1997
Domestic	\$567,545	\$582,128	\$514,028
Foreign	28,031	49,470	71,852
	\$595,576	\$631,598	\$585,880

The provision for income taxes consists of:

In thousands	1999	1998	1997
Current:			
Federal	\$175,052	\$174,346	\$201,924
Foreign	14,113	35,082	46,466
State	19,607	14,757	19,553
	208,772	224,185	267,943
Deferred, primarily federal	20,562	19,107	(33,005)
	\$229,334	\$243,292	\$234,938

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

In thousands	1999	1998	1997
Tax at federal statutory rate	\$208,452	\$221,059	\$205,058
State income taxes,			
net of federal tax benefit	12,744	9,592	12,709
Amortization of intangible assets	8,241	7,916	7,084
Foreign operating losses			
with no current benefit	11,608	4,715	4,033
Other, net	(11,711)	10	6,054
	\$229,334	\$243,292	\$234,938

Deferred income tax assets and liabilities consist of the following:

In thousands	1999	1998
Deferred income tax assets:		
Employee benefits	\$ 51,582	\$ 62,564
Inventories	19,990	16,780
Other accrued expenses	79,767	103,811
Operating loss carryforwards	71,911	38,083
Foreign currency translation	34,869	13,806
	258,119	235,044
Valuation allowance	(46,526)	(34,249)
Deferred income tax assets	211,593	200,795
Deferred income tax liabilities:		
Depreciation	56,103	59,288
Other	25,244	39,857
Deferred income tax liabilities	81,347	99,145
Net deferred income tax assets	\$130,246	\$101,650
Amount included in:		
Current Assets	\$ 74,067	\$ 99,608
Other Assets	56,179	13,554
Other Liabilities	–	(11,512)
	\$130,246	\$101,650



The Company has \$141.8 million of foreign operating loss carryforwards expiring at various dates; a valuation allowance has been provided where it is more likely than not that the deferred tax assets relating to certain of those loss carryforwards will not be realized. Income taxes paid were \$228.0 million in 1999, \$215.2 million in 1998 and \$230.1 million in 1997. Interest income includes \$3.0 million in 1999 and \$10.5 million in 1997 relating to settlements of prior years' tax examinations.

Note N Business Segment Information

The Company designs and manufactures apparel products marketed primarily under Company-owned brand names. Customers are primarily department, discount and specialty stores throughout the world.

The Company manages its businesses through separate marketing companies that support specific brands. Manufacturing and product sourcing needs are met by groups that support individual or in some cases several different product types. These operations have been aggregated into three reportable segments. The "Consumer Apparel" segment includes jeanswear and related products, women's intimate apparel and swimwear, and children's apparel, all having similar characteristics of economic performance, product type, production process, method of distribution and class of customer. The "Occupational Apparel" segment is distinguished from the Consumer Apparel segment because of a different class of customer. The "All Other" segment consists of the Company's knitwear, daypack and backpack operations, which have different product or economic characteristics than those in the other segments. The Occupational Apparel segment is separately reportable for 1999 because of recent acquisitions; accordingly, prior years' segment information has been restated to conform to the 1999 presentation.

Management evaluates the operating performance of each of its marketing companies based on their income from operations. Accounting policies used for segment reporting are consistent with those stated in Note A, except that inventories are valued on a first-in, first-out basis and that interest income and expense and amortization of intangible assets are not allocated to individual segments. Corporate and other expenses include expenses incurred in and directed by the Corporate offices that are not allocated to specific business units. Segment assets are those used directly in the operations of each business unit, such as accounts receivable, inventories and property, plant and equipment. Corporate assets include investments and deferred income taxes. Financial information for the Company's reportable segments is as follows:

In thousands	1999	1998	1997
Net sales:			
Consumer Apparel	\$4,276,809	\$4,313,082	\$3,963,869
Occupational Apparel	640,227	482,931	461,940
All Other	634,580	682,794	796,437
Consolidated net sales	\$5,551,616	\$5,478,807	\$5,222,246
Segment profit:			
Consumer Apparel	\$629,127	\$693,638	\$574,384
Occupational Apparel	79,164	80,988	72,626
All Other	57,715	38,686	73,517
Total segment profit	766,006	813,312	720,527
Interest, net	(62,490)	(55,871)	(25,877)
Amortization of intangible assets	(33,097)	(32,890)	(27,518)
Corporate and other expenses	(74,843)	(92,953)	(81,252)
Consolidated income before income taxes	\$595,576	\$631,598	\$585,880
Segment assets:			
Consumer Apparel	\$1,783,225	\$1,858,873	\$1,506,035
Occupational Apparel	379,004	247,734	217,239
All Other	332,850	377,155	421,389
Total segment assets	2,495,079	2,483,762	2,144,663
Cash and equivalents	79,861	63,208	124,094
Intangible assets	992,463	951,562	814,332
Corporate assets	459,111	338,134	239,693
Consolidated assets	\$4,026,514	\$3,836,666	\$3,322,782
Depreciation expense:			
Consumer Apparel	\$ 89,313	\$ 83,382	\$ 81,199
Occupational Apparel	14,958	11,769	11,631
All Other	23,555	26,165	29,993
Corporate	6,509	7,179	5,911
Consolidated depreciation expense	\$134,335	\$128,495	\$128,734
Capital expenditures:			
Consumer Apparel	\$ 97,196	\$129,532	\$109,458
Occupational Apparel	20,845	19,362	16,821
All Other	8,358	11,480	15,856
Corporate	23,677	28,685	12,127
Consolidated capital expenditures	\$150,076	\$189,059	\$154,262
Information by geographic area is presented below, with sales based on the location of the customer:			
In thousands	1999	1998	1997
Net sales:			
United States	\$4,605,624	\$4,552,785	\$4,368,474
Foreign, primarily Europe	945,992	926,022	853,772
Consolidated net sales	\$5,551,616	\$5,478,807	\$5,222,246
Long-lived assets, primarily property, plant and equipment:			
United States	\$650,577	\$634,231	\$596,125
Mexico	71,627	60,400	41,055
Other foreign, primarily Europe	83,029	83,842	73,253
Total long-lived assets	\$805,233	\$778,473	\$710,433

Worldwide sales by product category are as follows:

In thousands	1999	1998	1997
Jeanswear and related products	\$2,936,196	\$2,962,790	\$2,888,967
Intimate apparel	981,798	965,782	648,937
Occupational apparel	640,227	482,931	461,940
Knitwear	453,103	506,365	614,798
Other	540,292	560,939	607,604
Total	\$5,551,616	\$5,478,807	\$5,222,246

Sales to one domestic discount store group comprise 13.0% of consolidated sales in 1999, 12.3% in 1998 and 11.1% in 1997.

Note O Leases

The Company leases certain facilities and equipment under noncancelable operating leases. Rental expense was \$59.3 million in 1999, \$64.3 million in 1998 and \$66.2 million in 1997. Future minimum lease payments are \$54.7 million, \$44.2 million, \$35.3 million, \$28.0 million and \$20.4 million for the years 2000 through 2004 and \$43.1 million thereafter.

Note P Earnings Per Share

In thousands, except per share amounts	1999	1998	1997
Basic earnings per share:			
Net income	\$366,242	\$388,306	\$350,942
Less Preferred Stock dividends and redemption premium	6,394	5,912	5,003
Net income available for Common Stock	\$359,848	\$382,394	\$345,939
Weighted average Common Stock outstanding	118,538	120,744	125,504
Basic earnings per share	\$ 3.04	\$ 3.17	\$ 2.76
Diluted earnings per share:			
Net income	\$366,242	\$388,306	\$350,942
Increased ESOP expense if Preferred Stock were converted to Common Stock	1,036	1,136	1,227
Net income available for Common Stock and dilutive securities	\$365,206	\$387,170	\$349,715
Weighted average Common Stock outstanding	118,538	120,744	125,504
Additional Common Stock resulting from dilutive securities:			
Preferred Stock	2,724	2,854	2,955
Stock options and other	996	1,397	1,261
Weighted average Common Stock and dilutive securities outstanding	122,258	124,995	129,720
Diluted earnings per share	\$ 2.99	\$ 3.10	\$ 2.70

Outstanding options to purchase 2.1 million shares of Common Stock have been excluded from the computation of diluted earnings per share in 1999 because the option exercise prices were greater than the average market price of the Common Stock.

Note Q Financial Instruments

The carrying amount and fair value of financial instruments included in the balance sheets are as follows:

In thousands	1999		1998	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities:				
Short-term borrowings	\$408,932	\$408,932	\$244,910	\$244,910
Long-term debt	522,585	507,297	522,626	552,476
Series B Preferred Stock	51,544	80,133	54,344	132,008

The fair value of the Company's short-term and long-term debt is estimated based on quoted market prices or values of comparable borrowings. The fair value of the Series B Preferred Stock is based on a valuation by an independent financial consulting firm.

The Company enters into short-term foreign currency forward exchange contracts to manage exposures related to specific foreign currency transactions or anticipated cash flows. Changes in the fair values of these contracts are recognized currently in operating income. The amounts of the contracts, and related gains and losses, are not material. The fair value of foreign currency financial instruments approximates their carrying value.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

REPORT OF INDEPENDENT ACCOUNTANTS

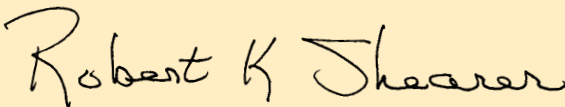
Management of VF Corporation has prepared the accompanying financial statements and is responsible for their content. We believe the statements accurately report the financial position and operating results of the Company, on a basis consistent with generally accepted accounting principles and management's best estimates and judgments. Other financial information in this report is consistent with these financial statements.

Management has established an internal control process which we believe reasonably assures that assets are safeguarded, information is fairly reported, applicable laws and regulations are complied with and operations are conducted on an effective and efficient basis. Inherent in all internal control processes are limitations based on the recognition that the costs of such processes should be related to the benefits to be derived. The internal control process is routinely challenged by management, the independent auditors and our internal audit staff to determine whether the internal control process continues to function effectively. Significant auditor recommendations have been reviewed and adopted when appropriate.

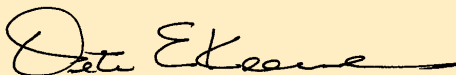
The Audit Committee of the Board of Directors meets periodically with the independent and internal auditors to discuss the scope and findings of audit work performed, the impact of financial reporting issues and the effectiveness of the internal control process. The independent auditors and internal auditors have full access to the Committee, with and without the presence of management, to discuss any appropriate matters.



Mackey J. McDonald
Chairman, President and Chief Executive Officer



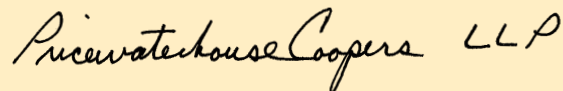
Robert K. Shearer
Vice President – Finance and
Chief Financial Officer



Peter E. Keene
Vice President – Controller and
Chief Accounting Officer

To the Board of Directors and Shareholders
VF Corporation

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, comprehensive income, cash flows and common shareholders' equity present fairly, in all material respects, the financial position of VF Corporation and its subsidiaries at January 1, 2000 and January 2, 1999, and the results of their operations and their cash flows for each of the three fiscal years in the period ended January 1, 2000, in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.



PricewaterhouseCoopers LLP
Greensboro, North Carolina
February 3, 2000

VF CORPORATION FINANCIAL SUMMARY

In thousands, except per share amounts	1999	1998	1997	1996
Summary of Operations				
Net sales	\$5,551,616	\$ 5,478,807	\$5,222,246	\$ 5,137,178
Cost of products sold	3,657,120	3,586,686	3,440,611	3,458,166
Gross margin	1,894,496	1,892,121	1,781,635	1,679,012
Marketing, administrative and other	1,241,864	1,207,952	1,176,562	1,121,729
Operating income	652,632	684,169	605,073	557,283
Interest, net	(62,490)	(55,871)	(25,877)	(49,387)
Miscellaneous, net	5,434	3,300	6,684	512
Income before income taxes	595,576	631,598	585,880	508,408
Income taxes	229,334	243,292	234,938	208,884
Net income	\$ 366,242	\$ 388,306	\$ 350,942	\$ 299,524
Per share of Common Stock ¹				
Earnings – basic	\$ 3.04	\$ 3.17	\$ 2.76	\$ 2.32
Earnings – diluted	2.99	3.10	2.70	2.28
Dividends	.85	.81	.77	.73
Average number of common shares outstanding	118,538	120,744	125,504	127,292
Net income as % of average common shareholders' equity	17.3%	19.7%	18.2%	16.2%
Net income as % of average total assets	8.9%	10.2%	10.1%	8.6%
Financial Position				
Accounts receivable, net	\$ 732,502	\$ 705,734	\$ 587,934	\$ 592,942
Inventories	964,040	954,007	774,755	730,823
Total current assets	1,877,416	1,848,152	1,601,466	1,706,326
Property, plant and equipment, net	804,422	776,091	705,990	721,524
Total assets	4,026,514	3,836,666	3,322,782	3,449,535
Total current liabilities	1,113,473	1,033,006	765,908	766,267
Long-term debt	517,834	521,657	516,226	519,058
Common shareholders' equity	2,163,818	2,066,308	1,866,769	1,973,739
Other Statistics				
Working capital	\$ 763,943	\$ 815,146	\$ 835,558	\$ 940,059
Current ratio	1.7	1.8	2.1	2.2
Debt to capital ratio ²	30.1%	27.1%	22.5%	21.4%
Dividends	\$ 104,302	\$ 101,660	\$ 100,141	\$ 97,036
Purchase of Common Stock	149,075	147,398	391,651	61,483
Cash provided by operations	423,361	429,282	460,652	711,454
Capital expenditures (excluding acquisitions)	150,076	189,059	154,262	138,747
Depreciation and amortization	167,432	161,385	156,252	160,578
Market Data				
Market price range ¹	\$ 55-27 ⁷ / ₁₆	\$54 ¹¹ / ₁₆ -33 ⁷ / ₁₆	\$ 48 ¹ / ₄ -32 ¹ / ₄	\$34 ¹⁵ / ₁₆ -23 ¹³ / ₁₆
Book value per common share ¹	18.62	17.30	15.40	15.44
Price earnings ratio – high-low	18.1-9.0	17.3-10.5	17.5-11.7	15.1-10.3
Rate of payout ³	28.0%	25.6%	27.9%	31.5%

¹ Per share computations and market price ranges have been adjusted to reflect a two-for-one stock split in November 1997.

² Capital is defined as common shareholders' equity plus short-term and long-term debt.

³ Dividends per share divided by earnings per share.



	1995	1994	1993	1992	1991	1990	1989
	\$ 5,062,299	\$4,971,713	\$4,320,404	\$3,824,449	\$2,952,433	\$2,612,613	\$ 2,532,711
	3,577,555	3,387,295	2,974,861	2,603,726	2,039,787	1,874,590	1,753,476
	1,484,744	1,584,418	1,345,543	1,220,723	912,646	738,023	779,235
	1,137,354	1,053,912	911,063	788,216	604,774	528,443	465,095
	347,390	530,506	434,480	432,507	307,872	209,580	314,140
	(66,217)	(70,984)	(37,387)	(53,615)	(55,155)	(64,938)	(38,908)
	2,962	(3,861)	2,894	(3,119)	10,480	(1,558)	8,513
	284,135	455,661	399,987	375,773	263,197	143,084	283,745
	126,844	181,125	153,572	138,742	101,867	61,960	107,734
	\$ 157,291	\$ 274,536	\$ 246,415	\$ 237,031	\$ 161,330	\$ 81,124	\$ 176,011
	\$ 1.20	\$ 2.10	\$ 1.90	\$ 1.98	\$ 1.37	\$.67	\$ 1.36
	1.19	2.05	1.85	1.92	1.34	.66	1.35
	.69	.65	.61	.56	.51	.50	.46
	127,486	129,240	128,022	117,216	114,304	114,244	129,606
	8.8%	16.8%	16.9%	23.0%	18.8%	9.9%	17.4%
	4.4%	7.9%	8.5%	9.7%	8.0%	4.1%	9.3%
	\$ 629,506	\$ 613,337	\$ 511,887	\$ 493,030	\$ 333,073	\$ 301,032	\$ 319,981
	841,907	801,338	778,767	742,474	537,027	436,657	507,451
	1,667,637	1,551,166	1,500,180	1,365,573	1,071,109	824,249	873,532
	749,880	767,011	712,759	711,087	577,019	537,178	513,927
	3,447,071	3,335,608	2,877,348	2,712,380	2,126,913	1,852,829	1,889,764
	868,320	912,332	659,848	684,002	510,776	351,462	325,057
	614,217	516,700	527,573	767,641	583,209	585,142	637,549
	1,771,506	1,734,009	1,547,400	1,153,971	938,078	823,126	819,777
	\$ 799,317	\$ 638,834	\$ 840,332	\$ 681,571	\$ 560,333	\$ 472,787	\$ 548,475
	1.9	1.7	2.3	2.0	2.1	2.3	2.7
	32.3%	32.7%	30.3%	44.8%	42.2%	44.9%	47.3%
	\$ 92,038	\$ 88,223	\$ 82,831	\$ 69,552	\$ 62,712	\$ 61,133	\$ 57,313
	86,251	27,878	—	—	—	29,950	395,213
	323,656	479,401	293,751	123,060	287,172	284,378	172,822
	155,206	132,908	209,494	207,202	110,762	110,143	125,294
	167,721	158,511	125,765	108,281	90,991	97,850	91,029
	\$28 ⁹ / ₁₆ -23 ³ / ₈	\$ 26 ⁷ / ₈ -22 ¹ / ₈	\$ 28 ¹ / ₄ -19 ³ / ₄	\$ 28 ³ / ₄ -19 ¹ / ₄	\$20 ³ / ₄ -8 ¹³ / ₁₆	\$17 ¹ / ₈ -5 ¹³ / ₁₆	\$19 ³ / ₁₆ -13 ⁷ / ₈
	13.96	13.51	12.00	9.70	8.13	7.22	7.07
	23.8-19.5	12.8-10.5	14.9-10.4	14.5-9.7	15.1-6.4	25.6-8.7	14.1-10.2
	57.5%	31.0%	32.1%	28.3%	37.2%	74.6%	33.8%

CORPORATE DIRECTORY

Board of Directors

Erskine B. Bowles 2

General Partner
Forstmann Little & Co.
New York, New York
Managing Director
Carousel Capital Company, LLC
Charlotte, North Carolina
(Investment banking and
private equity firms)
Director since 1999, age 54

Robert D. Buzzell 1,4,6

Distinguished Visiting Professor
Georgetown University
Washington, D.C.
Director since 1983, age 66

Edward E. Crutchfield 3,4

Chairman and Chief Executive Officer
First Union Corporation
Charlotte, North Carolina
(Banking)
Director since 1992, age 58

Ursula F. Fairbairn 1,3,6

Executive Vice President –
Human Resources & Quality
American Express Company
New York, New York
(Financial services company)
Director since 1994, age 57

Barbara S. Feigin 2,5,6

Consultant
New York, New York
(Strategic marketing and branding)
Director since 1987, age 62

George Fellows 2,5,6

Former President and
Chief Executive Officer
Revlon, Inc.
New York, New York
(Cosmetics)
Director since 1997, age 57

Daniel R. Hesse

President and Chief Executive Officer
TeraBeam Corporation
Seattle, Washington
(Telecommunications)
Director since 1999, age 46

Robert J. Hurst 4,5

Vice Chairman
The Goldman Sachs Group, Inc.
New York, New York
(International investment banking
and securities firm)
Director since 1994, age 54

Mackey J. McDonald 1*,3,4*

Chairman of the Board,
President and Chief Executive Officer
Director since 1993, age 53

M. Rust Sharp 3,4

Of Counsel
Heckscher, Teillon, Terrill & Sager
West Conshohocken, Pennsylvania
(Attorneys)
Director since 1984, age 59

L. Dudley Walker 1

Chairman of the Board
VF Knitwear, Inc.
Director since 1984, age 69

Committees of the Board

- 1 Advisory Committee on
Pension Investments
- 2 Audit Committee
- 3 Executive Committee
- 4 Finance Committee
- 5 Nominating Committee
- 6 Organization and
Compensation Committee

* Ex officio member

Corporate Officers

Mackey J. McDonald

Chairman of the Board,
President and Chief Executive Officer
Joined VF in 1982, age 53

Timothy A. Lambeth

Vice President - Global Processes
Joined VF in 1968, age 58

Terry L. Lay

Vice President and Chairman –
International Coalition
Joined VF in 1974, age 52

Daniel G. MacFarlan

Vice President and Chairman –
Knitwear, Playwear &
Intimate Apparel Coalitions
Joined VF in 1978, age 49

John P. Schamberger

Vice President and Chairman –
North & South America
Jeanswear & Workwear
Coalitions
Joined VF in 1972, age 51

Candace S. Cummings

Vice President – Administration,
General Counsel and Secretary
Joined VF in 1995, age 52

Frank C. Pickard III

Vice President – Treasurer
Joined VF in 1976, age 55

Robert K. Shearer

Vice President – Finance and
Chief Financial Officer
Joined VF in 1986, age 48

Peter E. Keene

Vice President – Controller
Joined VF in 1990, age 42

Susan Larson Williams

Vice President – Human Resources
Joined VF in 1983, age 42

Louis J. Fecile

Vice President – Employee Benefits
Joined VF in 1980, age 60

Richard Lipinski

Vice President – Corporate Taxes
Joined VF in 1986, age 54

David L. Reklau

Financial Controller
Joined VF in 1981, age 53

Linda J. Matthews

Assistant Treasurer
Joined VF in 1981, age 43

OPERATING COMMITTEE



Left to right: Frank Pickard, *VP, Treasurer*; John Schamberger, *VP and Chairman, North and South America Jeanswear and Workwear Coalitions*; Dan MacFarlan, *VP and Chairman, Knitwear, Playwear and Intimate Apparel Coalitions*; Candace Cummings, *VP, Administration, General Counsel and Secretary*; Bob Shearer, *VP, Finance and Chief Financial Officer*; Tim Lambeth, *VP, Global Processes*; Mackey McDonald, *Chairman, President and Chief Executive Officer*; Peter Keene, *VP, Controller*; Susan Williams, *VP, Human Resources*; Terry Lay, *VP and Chairman, International Coalition*.

INVESTOR INFORMATION

Common Stock

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

Shareholders of Record

As of February 18, 2000, there were 6,974 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 First Chicago Trust Company of New York. 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 First Chicago.

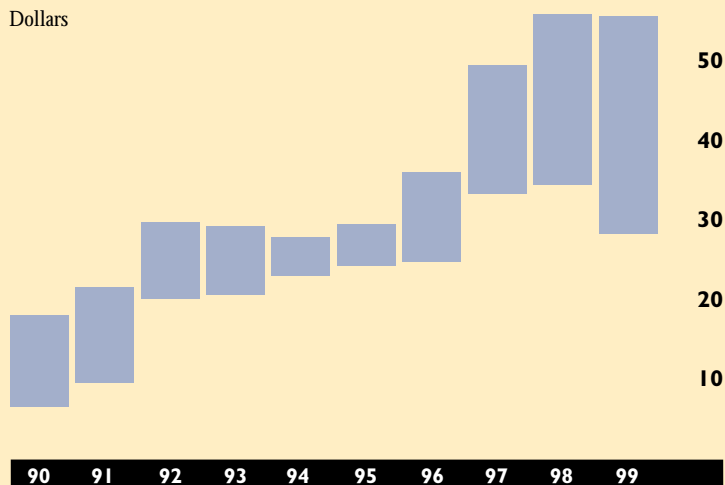
Quarterly Common Stock Price Information

The high and low sales prices for the periods indicated were as follows:

	1999		1998		1997	
	High	Low	High	Low	High	Low
First quarter	\$50 ¹³ / ₁₆	\$40 ⁷ / ₈	\$53 ¹ / ₄	\$40 ³ / ₄	\$35 ¹¹ / ₁₆	\$32 ¹ / ₂
Second quarter	55	37 ¹ / ₂	54 ¹¹ / ₁₆	49 ¹¹ / ₁₆	43 ⁵ / ₈	32 ¹ / ₄
Third quarter	43 ³ / ₈	30	52 ¹ / ₄	36 ⁵ / ₈	48 ¹ / ₄	42 ² / ₁₆
Fourth quarter	32 ⁵ / ₈	27 ⁷ / ₁₆	50 ¹¹ / ₁₆	33 ⁷ / ₁₆	47 ³ / ₁₆	41 ¹¹ / ₁₆

VF Corporation High/Low Stock Prices

Dollars



Corporate Office

628 Green Valley Road, Suite 500
Greensboro, North Carolina 27408
Telephone: (336) 547-6000
Facsimile: (336) 547-7630
Mail Address: P.O. Box 21488
Greensboro, North Carolina 27420

Annual Meeting

The Annual Meeting of Shareholders will be held on Tuesday, April 25, 2000 at 10:30 AM at Grandover Resort & Conference Center, One Thousand Club Road, Greensboro, North Carolina 27407.

Investor Relations

Cindy Knoebel, CFA
Director, Investor and Corporate Communications
VF Corporation
628 Green Valley Road, Suite 500
Greensboro, North Carolina 27408

Transfer Agent and Registrar

First Chicago Trust Company of New York, a Division of EquiServe
Mail Suite 4694, P.O. Box 2536
Jersey City, New Jersey 07303-2536
Telephone Response Center: (201) 324-1225

Independent Accountants

PricewaterhouseCoopers LLP
101 CentrePort Drive
Greensboro, North Carolina 27409

Form 10-K

Copies of the Company's Form 10-K Report to the Securities and Exchange Commission may be obtained from the Investor Relations Office.

Other Information

VF's press releases, annual report and other information can be accessed through the Company's home page on the World Wide Web, <http://www.vfc.com>. Shareholders can also utilize a toll-free number to obtain information and updates on the Company, 1-888-VF-NEWS1.





VF Values in Action: Corporate Citizenship Around the World

Every VF brand is backed by the integrity of our associates and the communities they call home. In August 1999, we celebrated our centennial year on Global VF Day, which spanned 300 communities worldwide and reached 73,000 employees. Aside from festivities, the day is remembered for its outreach programs, among them blood drives, tree plantings, elder visits and service in schools and hospitals. During the year, we also focused on helping people in need, providing supplies to schools in hurricane-devastated Honduras, donations to assist Turkish earthquake victims and initiating numerous domestic programs that aid children. We will continue to serve our communities – on VF Day and throughout 2000.



VF CORPORATION OPERATING COALITIONS

VF Jeanswear

400 North Elm Street
Greensboro, North Carolina 27401
(Lee, Wrangler, Rustler, Riders,
Brittania, Timber Creek by Wrangler)

VF Intimates

3025 Windward Plaza
Suite 600
Alpharetta, Georgia 30005
(Vanity Fair, Vassarette, Bestform, Exquisite Form, Lily of France,
Lou, Bolero, Gemma, Oscar de la Renta*, Natori*, Nike*,
Tommy Hilfiger*, Jantzen, JanSport, Wolf Creek)

VF Workwear

545 Marriott Drive
Nashville, Tennessee 37214
(Red Kap, Bulwark Protective Apparel, Penn State Textile,
Fibrotek, Horace Small Professional Apparel, Uniform Solutions)

VF Knitwear

Walker Road
P.O. Box 5423
Martinsville, Virginia 24115
(Lee Sport, Chase Authentics, CSA)

VF Playwear

7800 Airport Center Drive
Greensboro, North Carolina 27409
(Healthtex, Lee Infant and Toddler, Nike Kids*)

VF International

Drève de Willerieken, 20
1160 Brussels
Belgium
(Lee, Wrangler, Maverick, Old Axe, JanSport, Lou, Bolero,
Belcor, Gemma, Intima Cherry, Vanity Fair, Exquisite Form,
Variance, Bestform, Vassarette, Majestic, Belcor Baño,
Tropic, Bilytis, Jantzen)

*Licensed

