RALPH LAUREN CORP
Form 10-K
May 23, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K
(Mark One)

þ	ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
	For the fiscal year ended March 30, 2013

or

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

Commission File Number: 001-13057
RALPH LAUREN CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	13-2622036
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
650 Madison Avenue, New York, New York	10022
(Address of principal executive offices)	(Zip Code)

(212) 318-7000
(Registrant’s telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Class A Common Stock, $.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.	Yes þ No o
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.	Yes o No þ
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.	Yes þ No o
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).	Yes þ No o
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.	o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer þ Accelerated filer o

Non-accelerated filer o (Do not check if a smaller reporting company) Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No þ

The aggregate market value of the registrant's voting common stock held by non-affiliates of the registrant was approximately $9,138,882,586 as of September 28, 2012, the last business day of the registrant's most recently completed second fiscal quarter based on the closing price of the common stock on the New York Stock Exchange.

At May 17, 2013, 61,016,733 shares of the registrant's Class A common stock, $.01 par value and 29,881,276 shares of the registrant's Class B common stock, $.01 par value were outstanding.

Part III incorporates information from certain portions of the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission within 120 days after the fiscal year end of March 30, 2013.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Various statements in this Form 10-K or incorporated by reference into this Form 10-K, in future filings by us with the Securities and Exchange Commission (the "SEC"), in our press releases, and in oral statements made from time to time by us or on our behalf constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on current expectations and are indicated by words or phrases such as "anticipate," "estimate," "expect," "project," "we believe," "is or remains optimistic," "currently envisions," ar similar words or phrases and involve known and unknown risks, uncertainties, and other factors which may cause actual results, performance, or achievements to be materially different from the future results, performance, or achievements expressed in or implied by such forward-looking statements. These risks, uncertainties, and other factors include, among others:

- the loss of key personnel, including Mr. Ralph Lauren;
- our ability to successfully implement our anticipated growth strategies and to capitalize on our repositioning initiatives in certain merchandise categories;
- the impact of global economic conditions, including the ongoing sovereign debt crisis and credit downgrades, on us, our customers, our suppliers, and our vendors and on our ability and their ability to access sources of liquidity;
- our ability to secure our facilities and systems and those of our third-party service providers from, among other things, cybersecurity breaches, acts of vandalism, computer viruses, or similar Internet or email events;
- our ability to continue to maintain our brand image and reputation and protect our trademarks;
- the impact of the challenging state of the global economy on consumer purchases of premium lifestyle products that we offer for sale and our ability to forecast consumer demand;
- changes in the competitive marketplace, including the introduction of new products or pricing changes by our competitors, and consolidations, liquidations, restructurings, and other ownership changes in the retail industry;
- our exposure to domestic and foreign currency fluctuations and risks associated with raw materials, transportation, and labor costs;
- changes to our anticipated effective tax rates in future years;
- our ability to continue to expand or grow our business internationally, and the impact of related changes in our customer, channel, and geographic sales mix as a result;
- changes in our relationships with department store customers and licensing partners;
- a variety of legal, regulatory, tax, political, and economic risks, including risks related to the importation and exportation of products, tariffs, and other trade barriers, to which our international operations are subject and other risks associated with our international operations, such as compliance with the Foreign Corrupt Practices Act or violations of other anti-bribery and corruption laws prohibiting improper payments, and the burdens of complying with a variety of foreign laws and regulations, including tax laws, trade and labor restrictions, and related laws that may reduce the flexibility of our business;
- our intention to introduce new products or enter into or renew alliances and exclusive relationships;
- our ability to access sources of liquidity to provide for our cash needs, including our debt obligations, payment of dividends, capital expenditures, and potential repurchase of our Class A common stock;
- our efforts to improve the efficiency of our distribution system and to continue to enhance and upgrade our global information technology systems;
- our ability to make certain strategic acquisitions of selected licenses held by our licensees and successfully integrate the acquired businesses, including our operations in Asia and Latin America, our recently acquired North American Chaps-branded men's sportswear business, and our transition of the licensed business in Australia and New Zealand to a wholly-owned operation in June 2013;
- our ability to open new retail stores, concession shops, and e-commerce sites in an effort to expand our direct-to-consumer presence;

- our ability to maintain our credit profile and ratings with the financial community;
- the potential impact on our operations and customers resulting from natural or man-made disasters; and
- the impact to our business of events of unrest and instability that are currently taking place in certain parts of the world, as well as from any terrorist action, retaliation, and the threat of further action or retaliation.

These forward-looking statements are based largely on our expectations and judgments and are subject to a number of risks and uncertainties, many of which are unforeseeable and beyond our control. A detailed discussion of significant risk factors that have the potential to cause our actual results to differ materially from our expectations is described in Part I of this Form 10-K under the heading of “Risk Factors.” We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

WEBSITE ACCESS TO COMPANY REPORTS AND OTHER INFORMATION

Our investor website is http://investor.ralphlauren.com. We were incorporated in June 1997 under the laws of the State of Delaware. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed with or furnished to the SEC pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 are available at our investor website under the caption “SEC Filings” promptly after we electronically file such materials with or furnish such materials to the SEC. Information relating to corporate governance at Ralph Lauren Corporation, including our Corporate Governance Policies, our Code of Business Conduct and Ethics for all directors, officers, and employees, our Code of Ethics for Principal Executive Officers and Senior Financial Officers, and information concerning our directors, Committees of the Board, including Committee charters, and transactions in Ralph Lauren Corporation securities by directors and executive officers is available at our website under the captions “Corporate Governance” and “SEC Filings.” Paper copies of these filings and corporate governance documents are available to stockholders without charge by written request to Investor Relations, Ralph Lauren Corporation, 625 Madison Avenue, New York, New York 10022.

In this Form 10-K, references to “Ralph Lauren,” “ourselves,” “we,” “our,” “us,” and the “Company” refer to Ralph Lauren Corporation and its subsidiaries (“RLC”), unless the context indicates otherwise. Due to the collaborative and ongoing nature of our relationships with our licensees, such licensees are sometimes referred to in this Form 10-K as “licensing alliances.” Our fiscal year ends on the Saturday closest to March 31. All references to “Fiscal 2013” represent the 52-week fiscal year ended March 30, 2013. All references to “Fiscal 2012” represent the 52-week fiscal year ended March 31, 2012. All references to “Fiscal 2011” represent the 52-week fiscal year ended April 2, 2011.

PART I

Item 1. Business.

General

Founded in 1967 by Mr. Ralph Lauren, we are a global leader in the design, marketing, and distribution of premium lifestyle products, including men’s, women’s, and children’s apparel, accessories, fragrances, and home furnishings. Our long-standing reputation and distinctive image have been consistently developed across an expanding number of products, brands, sales channels, and international markets. We believe that our global reach, breadth of product offerings, and multi-channel distribution are unique among luxury and apparel companies.

We operate in three distinct but integrated segments: Wholesale, Retail, and Licensing. Our Wholesale business, representing approximately 45% of our Fiscal 2013 net revenues, consists of sales made principally to major department stores and specialty stores located throughout North America, Europe, Asia, and Latin America. Our Retail business, representing approximately 52% of our Fiscal 2013 net revenues, consists of sales made directly to consumers through our retail stores located throughout North America, Europe, Asia, and Latin America; through concession-based shop-within-shops located primarily in Asia and Europe; and through our retail e-commerce channel in North America, Europe, and Asia. Our Licensing business, representing approximately 3% of our Fiscal 2013 net revenues, consists of royalty-based arrangements under which we license the right to third parties to use our various trademarks in connection with the manufacture and sale of designated products, such as apparel, eyewear, and fragrances, in specified geographical areas for specified periods. Approximately 37% of our Fiscal 2013 net revenues were earned in international regions outside of the U.S. See Note 22 to the accompanying audited consolidated financial statements for a summary of net revenues by reportable segment and by geographic location.

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Over the past five fiscal years, our sales have grown over 38% to $6.945 billion in Fiscal 2013 from $5.019 billion in the fiscal year ended March 28, 2009. This growth has been attributable to both our acquisitions and organic growth. We have diversified our business by channels of distribution, price point, and target consumer, as well as by geography. Our global reach is extensive, with Ralph Lauren-branded merchandise available through our wholesale distribution channels at approximately 11,000 different retail locations worldwide. In addition to our wholesale distribution, we sell directly to customers throughout the world via our 388 retail stores, our 494 concession-based shop-within-shops, and our seven e-commerce sites. In addition to our directly-operated stores and shops, our international licensing partners operate 62 Ralph Lauren Stores, 32 Ralph Lauren concession shops, and 64 Club Monaco stores and shops.

We continue to invest in our business. In the past five fiscal years, we have invested approximately $1.371 billion for acquisitions and capital improvements, primarily funded through strong operating cash flow. We intend to continue to execute our long-term strategy, which includes expanding our presence internationally, extending our direct-to-consumer reach, expanding our accessories and other product and brand offerings, and investing in our operational infrastructure. See “Objectives and Opportunities” for further discussion of our long-term strategy.

We have been controlled by the Lauren family since the founding of our Company. As of March 30, 2013, Mr. Ralph Lauren, or entities controlled by the Lauren family, owned approximately 83% of the voting power of the outstanding common stock of the Company.

Seasonality of Business

Our business is typically affected by seasonal trends, with higher levels of wholesale sales in our second and fourth quarters and higher retail sales in our second and third quarters. These trends result primarily from the timing of seasonal wholesale shipments and key vacation travel, back-to-school, and holiday shopping periods in our Retail segment. As a result of the growth and other changes in our business, along with changes in consumer spending patterns and the macroeconomic environment, historical quarterly operating trends and working capital requirements may not be indicative of our future performance. In addition, fluctuations in sales, operating income, and cash flows in any fiscal quarter may be affected by, among other things, the timing of seasonal wholesale shipments and other events affecting retail sales, such as changes in weather patterns.

Working capital requirements vary throughout the year. Working capital requirements typically increase during the first half of the fiscal year as inventory builds to support peak shipping/selling periods and, accordingly, typically decrease during the second half of the fiscal year as inventory is shipped/sold. Cash provided by operating activities is typically higher in the second half of the fiscal year due to reduced working capital requirements during that period.

Objectives and Opportunities

Our core strengths include a portfolio of global premium lifestyle brands, a strong and experienced management team, a proven ability to develop and extend our brands distributed through multiple channels in global markets, and a disciplined investment philosophy, which is supported by a strong balance sheet. Despite the various risks and uncertainties associated with the current global economic environment, as discussed further in Item 7 – “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Global Economic Developments,” we believe our core strengths will allow us to continue to execute our strategy for long-term sustainable growth in revenue, net income, and operating cash flow.

As our business has grown, our portfolio mix and brand control has evolved from primarily that of a mono-brand U.S.-centric menswear wholesaler with a broad array of product and geographic licenses, to that of a portfolio of lifestyle brands with a “direct control” model over most of our brands, products, and international territories. We believe that this broader and better-diversified portfolio mix positions us for ongoing growth, offering our customers a range of products, price points, and channels of distribution. In addition, we believe that our size and global operations favorably position us to take advantage of synergies in design, sourcing, and distribution.

While balancing our key long-term strategic objectives with our near-term priorities to manage through the various risks associated with the current global economic environment, we intend to continue to pursue select opportunities for growth during the course of Fiscal 2014 and beyond. These opportunities and continued investment initiatives include:

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- International Growth Opportunities

Continued development and growth of our businesses in Asia, including the continued execution of our plans to reposition our existing distribution network by securing brand-appropriate retail locations and maximizing our distribution opportunities in conjunction with the implementation of new merchandising, marketing, and advertising strategies to elevate brand perception and positioning in the region;

The transition of our Ralph Lauren business in Australia and New Zealand from a licensed business to a wholly-owned operation in the second quarter of Fiscal 2014;

The evaluation and development of our strategies related to the expansion of our operations into Latin America; and

Continued growth of our European operations.

- Direct-to-Consumer Growth Opportunities

Continued global growth and expansion of our freestanding stores and concession shops, with a particular emphasis on our growth in Asia; and

Further expansion of our e-commerce presence in Asia, as well as the implementation of new and refined merchandising and marketing strategies to grow our existing e-commerce operations, including our recently launched Ralph Lauren site in Japan and Club Monaco site in Canada, as well as expanded European distribution.

- Product Innovation and Brand Extension Growth Opportunities

Seasonal innovation in our core merchandise categories;

Further growth and broadening of our accessories product offerings, including handbags, footwear, small leathergoods, belts, eyewear, and watches/jewelry, and continued expansion of our related distribution into new channels and geographies;

The ongoing development and growth of our recently acquired licensed businesses and the continued transition of our licensed businesses to wholly-owned arrangements, including the Chaps men's sportswear license acquired from PVH Corp. in April 2013; and

Continued expansion of our emerging brands, including Club Monaco, Chaps, and Denim & Supply Ralph Lauren product assortments across various categories on a global basis.

- Investment in Operational Infrastructure

Further system enhancements and implementations to standardize our operating platforms and meet the expanding needs of our global organization. Such enhancements include the continued implementation of a global operating and financial reporting information technology system as part of a multi-year global initiative, the next phase of which involves the migration of certain core areas of our business to the new system, including global merchandise procurement, customer order management, and record-to-report for our North American wholesale operations; and

Continued supply chain enhancements to achieve efficiencies through the global coordination of our manufacturing and logistics operations, including product lifecycle management, merchandise alignment, and planning.

- Global Talent Development and Management

Continue to enhance our organizational development and talent management to support our global growth initiatives, including the refinement of succession plans for our key leadership positions.

- Strong Financial Management and Cash Flow Reinvestment

Continue to make disciplined reinvestments of our cash flows from operations to support our global growth, including through capital improvements and investments in new distribution channel and product opportunities, with an increased focus on our international initiatives; and

Continue to focus on our capital structure to provide for our cash needs, including debt obligations, and return value to our shareholders through dividend payments and repurchases of our common stock.

Recent Developments

Chaps

In April 2013, in connection with the transition of the North American Chaps-branded men's sportswear business from a licensed to a wholly-owned operation, we entered into an agreement with The Warnaco Group, Inc. (“Warnaco”), a subsidiary of PVH Corp. (“PVH”), to acquire certain net assets (including inventory, a finite-lived intangible asset, and certain customer liabilities), in exchange for an aggregate payment of approximately $18 million (the "Chaps Menswear License Acquisition"). We funded the Chaps Menswear License Acquisition with available cash on-hand. Warnaco was our licensee for Chaps-branded men's sportswear apparel in North America. In connection with the Chaps Menswear License Acquisition, we entered into a transition services agreement with PVH for the provision of certain support services related to sourcing, distribution, customer service, finance, and information systems through June 30, 2013. The operating results of the Chaps men's sportswear business will be consolidated in our operating results commencing on April 10, 2013. We are currently in the process of assessing the fair values of the assets acquired and liabilities assumed.

Wind-down of Rugby

In October 2012, we approved a plan to wind-down our Rugby brand retail operations (the “Rugby Closure Plan”). This decision was primarily based on the results of an analysis of the brand concept, as well as an opportunity to reallocate our resources related to these operations to support other high-growth business opportunities and initiatives. In connection with the Rugby Closure Plan, 13 of our 14 global freestanding Rugby stores and our related domestic e-commerce site located at Rugby.com were closed during Fiscal 2013. The one remaining Rugby store is expected to be closed during Fiscal 2014. The Rugby Closure Plan resulted in a reduction in our workforce of approximately 160 employees. See Notes 11 and 12 to our consolidated financial statements for detailed discussions of impairment and restructuring charges recorded during Fiscal 2013 in connection with the Rugby Closure Plan.

E-Commerce Expansion

During Fiscal 2013, we continued to execute on our strategic objective of growing and expanding our global e-commerce operations as follows:

- We broadened our e-commerce presence in Europe by expanding our existing retail site in France to service customers in Italy, Greece, Spain, and Portugal;
- We expanded our global e-commerce presence into Asia by launching a new retail site for our Ralph Lauren business in Japan located at www.RalphLauren.co.jp; and
- We broadened our e-commerce presence in North America by launching a new retail site for our Club Monaco business in Canada located at www.ClubMonaco.ca.

Suspension of Argentina Operations

During the second quarter of Fiscal 2013, we suspended our business operations in Argentina. The suspension of these operations did not have a material impact on the Company’s consolidated or segment results.

Discontinuance of American Living

During the fourth quarter of Fiscal 2012, we decided, along with our wholesale partner J.C. Penney Company, Inc. (“JCPenney”), to discontinue the majority of the products sold under the American Living brand created for and exclusively sold to JCPenney, effective for the Fall 2012 wholesale selling season. The discontinuance of these American Living product lines did not have a material impact on the Company’s consolidated or segment results.

Asia-Pacific Restructuring Plan

In May 2011, we initiated a restructuring plan to reposition and upgrade our existing distribution network and merchandising operations in the Asia-Pacific region, which includes mainland China, Macau, Hong Kong, Taiwan, Malaysia, Singapore, Japan, and South Korea (the “Asia-Pacific Restructuring Plan”). This plan included a reduction in workforce and the closure of certain stores and concession shops that did not support our new merchandising strategy.

Our Brands and Products

Since 1967, our distinctive brand image has been consistently developed across an expanding number of products, price tiers, and markets. Our products, which include apparel, accessories, and fragrance collections for men and women, as well as childrenswear and home furnishings, comprise one of the world's most widely recognized families of consumer brands. Reflecting a distinctive American perspective, we have been an innovator in aspirational lifestyle branding and believe that, under the direction of internationally renowned designer Mr. Ralph Lauren, we have had a considerable influence on the way people dress and the way that fashion is advertised throughout the world. We combine consumer insight with our design, marketing, and imaging skills to offer, along with our licensing alliances, broad lifestyle product collections with a unified vision:

- Apparel — Products include extensive collections of men's, women's, and children's clothing;
- Accessories — Products encompass a broad range, including footwear, eyewear, watches, fine jewelry, hats, belts, and leathergoods, including handbags and luggage;
- Home — Coordinated home products include bedding and bath products, furniture, fabric and wallpaper, lighting, paint, tabletop, and giftware; and
- Fragrance — Fragrance products are sold under our Big Pony, Romance, Love, Polo, Lauren, Safari, Ralph, and Black Label brands, among others.

Our lifestyle brand image is reinforced by our stores and concession shop-within-shops, our wholesale channels of distribution, and our e-commerce sites, including our North American Ralph Lauren and Club Monaco Internet sites; our Ralph Lauren e-commerce sites in Europe; and our Ralph Lauren e-commerce site in Japan.

Ralph Lauren Women's Collection

Each runway season, Ralph Lauren's most dramatic vision of women's fashion is presented to the world. Timeless and sophisticated, Women's Collection reflects Ralph Lauren's definitive design philosophy in its groundbreaking juxtapositions of feminine glamour with impeccable tailoring once found only in menswear. From exquisite hand-embroidered evening gowns worn on the red carpet to luxurious hand-finished cashmere tweed suitings to chic vintage denim inspired by rustic Americana, Women's Collection is the epitome of modern, rarefied fashion. Ralph Lauren Women's Collection is available in Ralph Lauren stores around the world, in an exclusive selection of fine specialty stores, and online at our Ralph Lauren e-commerce sites, including RalphLauren.com.

Ralph Lauren Purple Label

In the time-honored tradition of bespoke clothing and haberdashery, Ralph Lauren Purple Label presents a level of sartorial craftsmanship unparalleled today. Refined suitings are hand-tailored from a selection of fine fabrics. Custom-tailored Made-to-Measure suits are hand-constructed by artisans trained in the art of handmade clothing. Sophisticated sportswear and dandy-inspired dress furnishings are designed with meticulous attention to every detail. Dedicated to the highest level of quality and elegance, Ralph Lauren Purple Label is the ultimate expression of luxury for the modern gentleman. Ralph Lauren Purple Label also offers benchmade footwear and Made-to-Order dress furnishings, accessories, and luggage, as well as hand monogramming and custom engraving services. Ralph Lauren Purple Label is available in Ralph Lauren stores around the world, in an exclusive selection of fine specialty stores, and online at our Ralph Lauren e-commerce sites, including at RalphLauren.com.

Accessories

Ralph Lauren accessories for men and women reflect the distinctive design philosophies known throughout the world of Ralph Lauren and represent a continuous dedication to impeccable craftsmanship and iconic beauty. Ralph Lauren accessories for women capture a wide array of timeless styles, from a glamorous handmade alligator Ricky Bag that takes up to 12 hours to craft to weathered canvas saddle bags with authentic equestrian hardware to vintage luggage-inspired handbags that recall the golden age of travel. Ralph Lauren's signature motifs can be found throughout — from jockey-print scarves, riding boots with equestrian hardware, and vintage aviator sunglasses to striking diamante evening shoes, romantic ruffled scarves, and antique, one-of-a-kind belts and jewelry. Ralph Lauren accessories and dress furnishings are a man's most refined finishing touch. Iconic and innovative neckties, which launched the Polo brand in 1967, are woven from the finest silks. Footwear ranges from velvet monogrammed slippers and benchmade dress shoes to hand-sewn penny loafers and rugged suede and shearling duck boots. Handcrafted luggage and leathergoods combine handsome sophistication with functionality. Each accessory is meticulously designed to complement Ralph Lauren’s menswear collections — from vintage-inspired eyewear and Savile Row-inspired haberdashery to sleek silver engraved cuff links and engine-turned belt buckles to luxe cashmere scarves and hand-sewn shearling gloves. Ralph Lauren accessories are available in Ralph Lauren stores around the world, select specialty stores, and online at our Ralph Lauren e-commerce sites, including RalphLauren.com.

Ralph Lauren Watches

In 2008, Ralph Lauren launched his premier collection of timepieces in partnership with internationally renowned luxury group Compagnie Financiere Richemont SA ("Richemont"). The three pillar collections — the iconic Ralph Lauren Stirrup, the refined Ralph Lauren Slim Classique, and the Ralph Lauren Sporting, which features classic sport, automotive, and safari inspirations — embody Ralph Lauren's passion for impeccable quality and exquisite design. Ralph Lauren timepieces feature the finest in Swiss Made manufacture movements and some of the world's most luxurious materials — from pure platinum and polished 18-carat gold cases to enamel dials, traditional guilloché patterns, and full-cut diamonds. Each year, Ralph Lauren Watches debuts new designs that continue this legacy of authentic, high-end watchmaking. Ralph Lauren Watches are available at select Ralph Lauren stores around the world and the finest watch retailers.

Ralph Lauren Fine Jewelry

In 2010, Ralph Lauren Watch & Jewelry Co. introduced the premier collections of Ralph Lauren Fine Jewelry in celebration of Ralph Lauren's new women's flagship store in New York City. Inspired by brilliance, movement, and the alluring tradition of fine jewelry, this debut unveiled several collections, including the Ralph Lauren Diamond Link Collection, the Ralph Lauren Equestrian Collection, and the Ralph Lauren Chunky Chains Collection — all capturing the glamour and craftsmanship of Ralph Lauren's most luxurious designs. The fine jewelry collections include elegantly set pavé diamond links, classic equestrian motifs stylized in shimmering diamonds, chic chunky chains, and romantic chandelier earrings. Each piece is handcrafted using precious materials and intricate finishing techniques, highlighting a unique beauty and graceful silhouette that is signature Ralph Lauren. Ralph Lauren Fine Jewelry is available in select Ralph Lauren stores and flagships locations around the world.

Ralph Lauren Women's Black Label

Black Label is the essence of sleek, modern sophistication for women. Proportions are chic and dramatic, ranging from menswear-inspired silhouettes to shimmering and feminine eveningwear. Fabrics are ultra-luxe and textural, color statements are rich and striking, and racy technical references infuse this glamorous collection with a bold edge. The women's Black Label Denim collection possesses the same ultramodern appeal with sexy fashion-forward fits, cool innovative treatments, and an elevated mix of rugged and luxury fabrics. Black Label is offered in select Ralph Lauren stores around the world, designer boutiques, fine specialty stores, better department stores, and online at our Ralph Lauren e-commerce sites, including RalphLauren.com.

Ralph Lauren Men's Black Label

With a sharp, modern attitude, Ralph Lauren Black Label is the essence of sophisticated dressing for men. Classic suitings feature razor-sharp tailoring and dramatically lean silhouettes. Luxe, racy sportswear is crafted from fine fabrics and designed with subtle references to technical performance wear. Ultra-stylish yet timeless, the Black Label collection is sleek, bold, and masculine. Ralph Lauren Black Label is available in Ralph Lauren stores around the world, a limited selection of specialty stores and better department stores, and online at our Ralph Lauren e-commerce sites, including at RalphLauren.com.

Ralph Lauren Men's Black Label Denim

Introduced in 2011, Ralph Lauren Men's Black Label Denim represents the next evolution of luxe, ultramodern denim for men, with fashion-forward fits, chic signature details, and a focus on authentic, innovative treatments. With a renegade edge and international appeal, Black Label Denim redefines iconic pieces in luxury and rugged fabrics, with accents that capture Ralph Lauren's unique sensibility, from utility and leather to western and automotive. Confident and masculine, Ralph Lauren combines state-of-the-art denim and superfine sportswear to create the ultimate in cool sophistication. Black Label Denim is available in Ralph Lauren stores around the world, a limited selection of specialty stores and better department stores, and online at our Ralph Lauren e-commerce sites, including at RalphLauren.com.

Ralph Lauren Women's Black Label Denim

The Ralph Lauren Women's Black Label Denim collection possesses the ultramodern appeal with sexy fashion-forward fits, cool innovative treatments and an elevated mix of rugged and luxury fabrics. Black Label Denim is offered at select Ralph Lauren stores around the world, designer boutiques, fine specialty stores, better department stores, and online at our Ralph Lauren e-commerce sites, including RalphLauren.com.

Ralph Lauren Blue Label

Modern and eclectic with a sexy, youthful spirit, Blue Label embodies the iconic Ralph Lauren sensibility in its mix of vintage Ivy League prep, equestrian heritage, romantic bohemian, and rugged Western inspirations. Unmistakably Ralph Lauren in its elegance and sophistication, Blue Label defines a fresh, free-spirited femininity. Blue Label is offered in Ralph Lauren stores around the world, better department stores, and online at our Ralph Lauren e-commerce sites, including RalphLauren.com.

Polo Ralph Lauren

Authentic and iconic, Polo is the original symbol of the modern, preppy lifestyle. Combining Ivy League classics and time-honored English haberdashery with downtown styles and All-American sporting looks, Polo sportswear and tailored clothing present a one-of-a-kind vision of menswear that is stylish and timeless, and appeals to all generations of men. Polo's signature aesthetic — along with our renowned polo player logo — is recognized worldwide as a mark of contemporary heritage excellence. Polo is available in Ralph Lauren stores around the world, better department stores, select specialty stores, and online at our Ralph Lauren e-commerce sites, including RalphLauren.com.

RRL

RRL captures an authentic American spirit with a focus on integrity, character, and timeworn charm. Founded in 1993 and named after Ralph and Ricky Lauren's "Double RL" ranch in Colorado, RRL for men and women offers a mix of selvage denim, vintage apparel and accessories, and cool, rugged sportswear with roots in workwear and military gear. With denim at the heart of the brand, RRL is dedicated to time-honored details and the highest quality workmanship — from ring-spun long-staple cotton yarns to traditional dyeing techniques and hand-applied artisanal finishes that result in one-of-a-kind, exceptionally durable pieces. RRL is available at RRL stores, at select Ralph Lauren stores, and an exclusive selection of the finest specialty stores around the world, as well as online at our Ralph Lauren e-commerce sites, including RalphLauren.com.

Ralph Lauren Childrenswear

Ralph Lauren Childrenswear is designed to reflect the timeless heritage and modern spirit of Ralph Lauren's collections for men and women. Signature classics, including iconic polo knit shirts and luxurious cashmere cable sweaters, are interpreted in the most sophisticated and vibrant colors. Fashionable styles are inspired by Ralph Lauren's unique vision each season — from All-American sportswear with preppy and equestrian inspirations to tailored and elegant ensembles for special occasions. Ralph Lauren Childrenswear is available in a full range of sizes for children, from baby, infant, and toddler to girls size 16 and boys size 20. Ralph Lauren Childrenswear can be found in select Ralph Lauren stores around the world, better department stores, and online at our Ralph Lauren e-commerce sites, including RalphLauren.com.

Lauren Ralph Lauren

Lauren translates the sophisticated luxury of Ralph Lauren womenswear into an affordable wardrobe for every occasion. From timeless essentials with special finishing touches to polished silhouettes with a chic, modern spirit, Lauren maintains an elegant, feminine heritage while making strong seasonal fashion statements. Lauren Active infuses a fashion sensibility into practical sports apparel for golf, tennis, yoga, and weekend wear. Lauren Jeans Co. presents a fresh perspective on denim with a breadth of styles and a complementary collection of sportswear items. Lauren Handbags, first introduced for the Fall 2010 season, add to a wide range of accessories offerings from Lauren, including belts, scarves, gloves, footwear, and jewelry. Lauren offers a range of fits from Petites to Women's sizes. Lauren is sold in select department stores in the U.S., Europe, Canada, and Mexico, and is also available online at our Ralph Lauren e-commerce sites, including RalphLauren.com.

Pink Pony

Established in 2000, Pink Pony is Ralph Lauren's worldwide initiative in the fight against cancer. Pink Pony supports programs for early diagnosis, education, treatment, and research, and is dedicated to bringing patient navigation and quality cancer care to medically underserved communities. A percentage of sales from all Pink Pony products benefits the Pink Pony Fund of the Polo Ralph Lauren Foundation and other major cancer charities around the world. Pink Pony consists of feminine, slim-fitting women's sportswear and accessories crafted in luxurious fabrics. From hooded sweatshirts and cotton mesh polos to canvas tote bags and cashmere yoga pants, all Pink Pony items feature our iconic pink Polo Player — a symbol of our commitment to the fight against cancer. Pink Pony is available at select Ralph

Lauren stores and online at our Ralph Lauren e-commerce sites, including RalphLauren.com. During the month of October, Pink Pony is also available at select Macy's stores and Macys.com. To learn more about Pink Pony and our Company’s other philanthropic efforts, please visit RalphLauren.com/Philanthropy.

RLX Ralph Lauren

Created to answer the demand for superior, high-performance outfitting, RLX Ralph Lauren for men and women unites the highest standards of luxury, technology, and style. From cutting-edge functional gear for professional athletes to exceptionally luxe lifestyle apparel for modern living, RLX Ralph Lauren defines the next evolution of design with a philosophy focused on purity of form, unique construction techniques, and innovative fabrications. The RLX Ralph Lauren line is available at select Ralph Lauren stores around the world, top specialty and department stores, and online at our Ralph Lauren e-commerce sites, including RalphLauren.com.

Denim & Supply Ralph Lauren

Introduced in Fall 2011 with a young bohemian attitude, Denim & Supply Ralph Lauren captures the unique, effortless style of clothes that live and breathe individuality. Eclectic and carefree — from destructed premium denim to sexy, romantic free-spirited clothes to rugged, weathered American utility — Denim & Supply is the next generation of down-to-earth dressing. Denim & Supply Ralph Lauren is available in North America at Macy’s and Hudson Bay, in Europe at our inaugural Denim & Supply store in Amsterdam and select specialty stores, in Canada at select specialty stores, and in Asia at Denim & Supply stores, select specialty stores and concession-based shop-within-shops. In addition, Denim & Supply Ralph Lauren is available online at our Ralph Lauren e-commerce sites, including RalphLauren.com. Denim & Supply will open its first freestanding stores in the U.S. located in New York and Boston in the Summer of 2013.

Golf

Tested and worn by top-ranked professional golfers, Polo Golf for men and Ralph Lauren Golf for women define heritage excellence in the world of golf. With a sharpened focus on the needs of the modern player but always rooted in the rich design tradition of Ralph Lauren, the Golf collections combine state-of-the-art performance wear with luxurious finishing touches for collections that travel effortlessly between the course and the clubhouse. The RLX Golf collection is ultramodern, graphic, and dedicated to performance-driven design. From progressive fits and sophisticated styles to the technologically advanced fabrics, RLX golf is the ultimate in functional luxury. Ralph Lauren is proud to sponsor professional golfers, including Tom Watson, Davis Love III, Jonathan Byrd, Luke Donald, Matteo Manassero, Billy Horschel, and Morgan Hoffman. The Polo, Ralph Lauren, and RLX Golf collections are available in select Ralph Lauren stores around the world, exclusive private clubs and resorts, and online at our Ralph Lauren e-commerce sites, including RalphLauren.com.

Lauren for Men

Classic and polished, Lauren for Men conveys a spirit of tradition with a contemporary attitude. A complete collection of men’s tailored clothing, including suits, sport coats, dress shirts, dress pants, tuxedos, topcoats, and ties, the Lauren men’s line offers the sophisticated spirit and preppy heritage of Ralph Lauren menswear at a more accessible price point. A soft, natural shoulder and modern construction details ensure elegant styling with superior comfort and the integrity of a well-made garment. Lauren for Men is available at select department stores in North America and Europe.

Ralph by Ralph Lauren

Superior fabrics and a precise, impeccable construction define the distinguished aesthetic of the Ralph by Ralph Lauren collection for men. Suit separates, sport coats, vests, and topcoats are all fashioned with the hallmarks of better men’s suitings, from half-canvas jacket constructions and high-quality Bemberg linings to hand-finished seams, felled cuffs, and hems and reinforcements at natural points of wear. Timeless and unmistakably Ralph Lauren, the Ralph by Ralph Lauren collection offers refined luxury at an excellent value. Ralph by Ralph Lauren is available exclusively at Dillard’s stores and Dillards.com.

Fragrance

In 1978, Mr. Ralph Lauren expanded his lifestyle brand to encompass the world of fragrance, launching Lauren for women and Polo for men. Since then, Ralph Lauren Fragrance has captured the essence of Ralph Lauren’s men’s and women’s brands, from the timeless heritage of Lauren and Polo to the sophisticated beauty of Polo Black for men and Romance for women to the modern, fresh Ralph fragrances for her, designed to appeal to a younger audience. Women’s fragrances include Safari, Ralph Lauren Blue, Lauren, Romance, the Ralph Collection, Notorious, Love, and the Big Pony collection. Men’s fragrances include Safari, Polo Sport, Polo Blue, Romance, Romance Silver, Purple

Label, Explorer, Polo Black, Double Black, Red, White and Blue, and the Big Pony collection. During Fiscal 2013, Ralph Lauren introduced the new Polo Red fragrance for men. Ralph Lauren fragrances are available in department stores, specialty and duty free stores, perfumeries, select Ralph Lauren stores around the world, and online at our Ralph Lauren e-commerce sites, including RalphLauren.com.

Ralph Lauren Home

As the first American fashion designer to create an all-encompassing collection for the home, Ralph Lauren presents home furnishings and accessories that reflect the enduring style and exquisite craftsmanship synonymous with the name Ralph Lauren. Whether inspired by time-honored tradition, the utmost in modern sophistication, or the beauty of rare objects collected around the world, Ralph Lauren Home is dedicated to fine materials and great attention to detail for the ultimate in artisanal luxury. The collections include furniture, bed and bath linens, china, crystal, silver, decorative accessories and gifts, as well as lighting, fabric, wallcovering, and floorcovering. Ralph Lauren Home offers exclusive luxury goods at select Ralph Lauren stores, home specialty stores, trade showrooms, and online at our Ralph Lauren e-commerce sites, including RalphLauren.com. The complete world of Ralph Lauren Home can be explored online at RalphLaurenHome.com.

Lauren Home

Lauren Home presents a signature design sensibility that combines heritage elegance with a fresh, modern flair. Finely crafted and highly accessible for any well-appointed home, Lauren Home offers a wide array of collections that range from classic to modern, including bedding, bath, furniture, tabletop, gifts, decorative accessories, floorcovering, and lighting. Lauren Home is available at select department stores, home specialty stores around the world, and online at our Ralph Lauren e-commerce sites, including RalphLauren.com.

Ralph Lauren Paint

Introduced in 1995, Ralph Lauren Paint offers exceptional quality and beauty in the Ralph Lauren tradition. Drawing on over four decades of iconic design, Ralph Lauren paint is meticulously crafted from the finest materials in the industry to perform best in class, from impeccable coverage to long-lasting brilliance. In addition to a signature palette of over 400 one-of-a-kind colors, Ralph Lauren Paint brings the texture and appearance of some of Ralph Lauren's most celebrated lifestyles to the home with a distinctive collection of faux techniques and unique specialty finishes. Ralph Lauren Paint is offered at select specialty stores in the U.S. The complete color palette, paint how-to’s, and a guide to professional painters are online at RalphLaurenPaint.com.

Chaps

Chaps translates the classic heritage and timeless aesthetic of Ralph Lauren into an accessible line for men, women, children, and the home. From casual basics designed for versatility and ease of wear to smart, finely tailored silhouettes perfect for business and more formal occasions, Chaps creates interchangeable classics that are both enduring and affordable. The Chaps men’s collection is available at select department and specialty stores, primarily in the U.S. The Chaps collections for women, children, and the home are offered exclusively by Kohl's Corporation ("Kohl’s") at their stores and Kohls.com.

Club Monaco

Founded in 1985, Club Monaco is an international destination for affordable, stylish luxury. Each season, Club Monaco designs, manufactures, and markets its own clothing and accessories for men and women, offering key fashion pieces with modern, urban sophistication and a selection of updated classics — from the perfect white shirt and black pencil skirt to refined suiting and Italian cashmere. The brand’s signature aesthetic is defined by clean, contemporary design and a palette of versatile neutrals infused with pops of vibrant colors. Club Monaco apparel and accessories are available at Club Monaco stores around the world, as well as online at our Club Monaco domestic e-commerce site at ClubMonaco.com. In April 2012, Club Monaco further expanded its e-commerce presence in North America by launching ClubMonaco.ca in Canada. Club Monaco is currently also available in Europe at select department stores and specialty shops, and in Asia through our licensing arrangements.

Our Wholesale Segment

Our Wholesale segment sells our products to leading upscale and certain mid-tier department stores, specialty stores, and golf and pro shops, both domestically and internationally. We have continued to focus on elevating our brand by improving in-store product assortment and presentation, as well as full-price sell-throughs to consumers. As of the end of Fiscal 2013, our Ralph Lauren-branded products were sold through approximately 11,000 doors worldwide and during Fiscal 2013, we invested approximately $40 million of capital in related shop-within-shops primarily in domestic and international department and specialty stores. Our products are also sold through the e-commerce sites of certain of our wholesale customers.

The primary product offerings sold through our wholesale channels of distribution include menswear, womenswear, childrenswear, accessories, and home furnishings. Our collection brands — Women's Ralph Lauren Collection and Black Label and Men's Purple Label and Black Label — are distributed worldwide through a limited number of premier fashion retailers. Department stores are our major wholesale customers in North America. In Latin America, our wholesale products are sold in department stores and specialty stores. In Europe, our wholesale sales are a varying mix of sales to both department stores and specialty stores, depending on the country. We also distribute product to certain licensed stores operated by franchisees in Europe and Asia. In addition, our Club Monaco products are distributed through select department stores and specialty stores in Europe. In Japan, our wholesale products are distributed primarily through shop-within-shops at premier and top-tier department stores, and the mix of business is weighted to Women's and Men's Blue Label. In the Greater China and Southeast Asia region, our wholesale products are sold at mid and top-tier department stores in China, Thailand, and the Philippines, and the mix of business is primarily weighted to Men's and Women's Blue Label.

We sell the majority of our excess and out-of-season products through secondary distribution channels worldwide, including our retail factory stores.

Worldwide Distribution Channels

The following table presents the number of doors by geographic location in which Ralph Lauren-branded products distributed by our Wholesale segment were sold to consumers in our primary channels of distribution as of March 30, 2013:

Location	Number of Doors
The Americas	6,043
Europe	4,504
Asia	78
Total	10,625

In addition, Chaps-branded products distributed by our Wholesale segment were sold domestically through approximately 1,200 doors as of March 30, 2013.

We have three key wholesale customers that generate significant sales volume. For Fiscal 2013, these customers in the aggregate accounted for approximately 45% of our total Wholesale revenues, with Macy's, Inc. ("Macy's") representing approximately 25% of our total Wholesale revenues.

Our products are sold primarily through our own sales forces. Our Wholesale segment maintains its primary showrooms in New York City. In addition, we maintain regional showrooms in Boston, Milan, Paris, London, Munich, Madrid, and Stockholm.

Shop-within-Shops. As a critical element of our distribution to department stores, we and our licensing partners utilize shop-within-shops to enhance brand recognition, to permit more complete merchandising of our lines by the department stores, and to differentiate the presentation of our products. Shop-within-shop fixed assets primarily include items such as customized freestanding fixtures, wall cases and components, decorative items, and flooring.

As of March 30, 2013, we had approximately 20,000 shop-within-shops dedicated to our Ralph Lauren-branded wholesale products worldwide. The size of our shop-within-shops ranges from approximately 100 to 7,400 square feet. We normally share in the cost of building-out these shop-within-shops with our wholesale customers.

Basic Stock Replenishment Program. Basic products such as knit shirts, chino pants, oxford cloth shirts, selected accessories, and Home products can be ordered by our wholesale customers at any time through our basic stock replenishment programs. We generally ship these products within two-to-five days of order receipt.

Our Retail Segment

As of March 30, 2013, our Retail segment consisted of 388 directly-operated freestanding stores worldwide, totaling approximately 3 million square feet, 494 concession-based shop-within-shops, and seven e-commerce websites. The extension of our direct-to-consumer reach is one of our primary long-term strategic goals.

Ralph Lauren Stores

Our Ralph Lauren stores reinforce the luxury image and distinct sensibility of our brands and feature exclusive lines that are not sold in department stores. We opened 20 new Ralph Lauren stores, acquired 2 previously licensed stores, and closed 10 Ralph Lauren stores in Fiscal 2013. Our retail stores are primarily situated in major upscale street locations and upscale regional malls, generally in large urban markets.

We operated the following Ralph Lauren stores as of March 30, 2013:

Location	Ralph Lauren Stores
The Americas	56
Europe	27
Asia	32
Total	115

Ralph Lauren stores feature a broad range of Ralph Lauren apparel, accessories, and Home product assortments in an atmosphere reflecting the distinctive attitude and luxury positioning of the Ralph Lauren brand. Our seven flagship Ralph Lauren store locations showcase our upper-end luxury styles and products and demonstrate our most refined merchandising techniques. In addition to generating sales of our products, our worldwide Ralph Lauren stores set, reinforce, and capitalize on the image of our brands. Our Ralph Lauren stores range in size from approximately 700 to 38,000 square feet.

Club Monaco Stores

Our Club Monaco stores feature fashion apparel and accessories for both men and women. The brand’s clean and contemporary signature style forms the foundation of a modern wardrobe. As of March 30, 2013, we operated 59 Club Monaco retail stores in North America. Our Club Monaco stores range in size from approximately 1,700 to 17,400 square feet.

Rugby Stores

In October 2012, we approved a plan to wind-down our retail Rugby brand operations, resulting in the closure of 13 of our 14 global freestanding Rugby stores and the related domestic e-commerce site during Fiscal 2013. As of March 30, 2013, we continued to operate one Rugby store in Japan, which we plan to close in Fiscal 2014.

Factory Stores

We extend our reach to additional consumer groups through our 213 factory stores worldwide. Our factory stores are generally located in outlet centers. During Fiscal 2013, we added 14 new factory stores and closed 2 factory stores.

We operated the following factory stores as of March 30, 2013:

Location	Factory Stores
The Americas	148
Europe	40
Asia	25
Total	213

- Our factory stores in the Americas offer selections of our menswear, womenswear, childrenswear, accessories, home furnishings, and fragrances. Ranging in size from approximately 2,700 to 20,000 square feet, with an average of approximately 9,900 square feet, these stores are principally located in major outlet centers in 42 states in the U.S. and in Puerto Rico.
- Our factory stores in Europe offer selections of our menswear, womenswear, childrenswear, accessories, home furnishings, and fragrances. Ranging in size from approximately 1,400 to 19,700 square feet, with an average of approximately 6,500 square feet, these stores are located in 12 countries, principally in major outlet centers.
- Our factory stores in Asia offer selections of our menswear, womenswear, childrenswear, accessories, and fragrances. Ranging in size from approximately 2,800 to 11,800 square feet, with an average of approximately 6,600 square feet,

these stores are primarily located throughout Japan, in Hong Kong and in or near other major cities in Asia, principally in major outlet centers.

Factory stores obtain products from our suppliers, our product licensing partners, and our retail stores and e-commerce operations, and serve as a secondary distribution channel for our excess and out-of-season products.

Concession-based Shop-within-Shops

In Asia, the terms of trade for shop-within-shops are largely conducted on a concession basis, whereby inventory continues to be owned by us (not the department store) until ultimate sale to the end consumer. The salespeople involved in the sales transaction are generally our employees and not those of the department store.

As of March 30, 2013, we had 494 concession-based shop-within-shops at 225 retail locations dedicated to our products, primarily in Asia. The size of our concession-based shop-within-shops ranges from approximately 140 to 4,300 square feet. We may share in the cost of building-out certain of these shop-within-shops with our department store partners.

E-commerce Websites

In addition to our stores, our Retail segment sells products online through our e-commerce channel, which includes:

- Our North American sites located at www.RalphLauren.com and www.ClubMonaco.com, including our Club Monaco site in Canada located at www.ClubMonaco.ca;
- Our Ralph Lauren sites in Europe servicing Austria, Belgium, France, Germany, Greece, Italy, Luxembourg, the Netherlands, Portugal, Spain, and the United Kingdom; and
- Our recently launched Ralph Lauren site in Japan located at www.RalphLauren.co.jp.

Our Ralph Lauren e-commerce sites in the U.S., Europe, and Japan offer our customers access to a broad array of Ralph Lauren apparel, accessories, and Home products, allow us to reach retail customers on a multi-channel basis, and reinforce the luxury image of our brands.

Our Club Monaco e-commerce sites in the U.S. and Canada offer our domestic and Canadian customers access to our Club Monaco global assortment of womenswear, menswear, and accessories product lines, as well as select online exclusives.

Our Licensing Segment

Through licensing alliances, we combine our consumer insight, design, and marketing skills with the specific product or geographic competencies of our licensing partners to create and build new businesses. We generally seek out licensing partners who are leaders in their respective markets, contribute the majority of the product development costs, provide the operational infrastructure required to support the business, and own the inventory.

We grant our product licensees the right to manufacture and sell at wholesale specified categories of products under one or more of our trademarks. We grant our international geographic area licensing partners exclusive rights to distribute certain brands or classes of our products and operate retail stores in specific international territories. These geographic area licensees source products from us, our product licensing partners, and independent sources. Each product licensing partner pays us royalties based upon its sales of our products, generally subject to a minimum royalty requirement for the right to use our trademarks and design services. In addition, licensing partners may be required to allocate a portion of their revenues to advertising our products and sharing in the creative costs associated with these products. Larger allocations are required in connection with launches of new products or in new territories. Our licenses generally have one to five-year terms and may grant the licensees conditional renewal options.

We work closely with all of our licensing partners to ensure that their products are developed, marketed, and distributed to reach the intended market opportunity and are presented consistently to consumers across product categories and international markets to convey the distinctive identity and lifestyle associated with our brands. Virtually all aspects of the design, production quality, packaging, merchandising, distribution, advertising, and promotion of Ralph Lauren products are subject to our prior approval and continuing oversight. We perform a broader range of services for our Ralph Lauren Home licensing partners than we do for our other licensing partners, including design, operating showrooms, marketing, advertising, and, in some cases, sales. In general, our Home licensing partners manufacture and own the inventory, and ship the products. Approximately 44% of our licensing revenue for Fiscal 2013 was earned from four of our largest licensing partners: PVH Corp. (successor to The Warnaco Group, Inc.), Luxottica Group, S.p.A., Peerless, Inc., and L'Oreal S.A. The following table lists our largest product and Home licensing agreements as of March 30, 2013. Except as noted in the table, these product licenses cover the U.S. or North America only.

Category	Licensed Products	Licensing Partners
Men's Apparel	Underwear and Sleepwear	Hanes Brands
	Chaps, Lauren, and Ralph Tailored Clothing	Peerless, Inc.
	Chaps Sportswear(1)	PVH Corp. (successor to The Warnaco Group, Inc.)(1)
Beauty Products	Fragrances, Cosmetics, Color, and Skin Care	L'Oreal S.A. (global)
Accessories	Eyewear	Luxottica Group, S.p.A. (global)
Home(2)	Bedding and Bath	Ichida (Japan) and Kohl's Department Stores, Inc.
	Home Décor	Folia and EJ Victor, Inc.

(1) In connection with the acquisition of The Warnaco Group, Inc. by PVH Corp., we exercised our right under the existing licensing agreement to reacquire our North American Chaps men's sportswear license, and assumed control over this wholesale business effective April 10, 2013.

(2) Our Home products are sold under our Ralph Lauren Home, Lauren by Ralph Lauren, and Chaps brands. As of March 30, 2013, we had agreements with 11 domestic and three international Home product licensing partners, and one international Home product sublicensing partner.

International Licensing

We believe that international markets offer additional opportunities for our quintessential American designs and lifestyle image. Our international licensing partners acquire the right to sell, promote, market, and/or distribute various categories of our products in a given geographic area. These rights may include the right to own and operate retail stores. As of March 30, 2013, our international licensing partners operated 62 Ralph Lauren stores, 32 Ralph Lauren concession shops, and 64 Club Monaco stores and concession shops.

In June 2012, our international licensing agreement with P.R.L. Enterprises, S.A. expired and we assumed control over the related product distribution in Latin America. As of March 30, 2013, our principal international licensing partners (excluding Ralph Lauren Home and Club Monaco Licensees) included Oroton Group/PRL Australia in Australia and New Zealand, and Commercial Madison, S.A. in Chile. Our license agreements with each of these licensing partners will terminate in June 2013, at which point we will assume control over the related product distribution.

Product Design

Our products reflect a timeless and innovative interpretation of American style with a strong international appeal. Our consistent emphasis on new and distinctive design has been an important contributor to the prominence, strength, and reputation of the Ralph Lauren brands.

Our Ralph Lauren products are designed by, or under the direction of, Mr. Ralph Lauren and our design staff. We form design teams around our brands and product categories to develop concepts, themes, and products for each brand and category. Through close collaboration with merchandising, sales, and production staff, these teams support all three segments of our business — Wholesale, Retail, and Licensing — in order to gain market and other valuable input.

Marketing and Advertising

Our marketing and advertising programs communicate the themes and images of our brands and are integral to our product offering. The majority of our advertising program is created and executed on a centralized basis through our in-house creative and advertising organization to ensure consistency of presentation, which is complemented by our marketing experts in each region who help to execute our international strategies.

We create distinctive image advertising for our brands, conveying the particular message of each one within the context of the overall Ralph Lauren aesthetic. Advertisements generally portray a lifestyle rather than a specific item and include a variety of products offered by ourselves and, in some cases, our licensing partners. Our primary advertising medium is print, with multiple page advertisements appearing regularly in a range of fashion, lifestyle, and general interest magazines. Major print advertising campaigns are conducted during the fall and spring retail seasons, with additions throughout the year to coincide with product deliveries. In addition to print, we utilize television and outdoor media in certain of our marketing programs. We also market our brand through direct-to-consumer marketing, special events, and interactive digital activities. We use our consumer database and consumer knowledge to guide these activities.

Our digital advertising programs focus on high impact and innovative digital media outlets, which allow us to convey our key brand messages and lifestyle positioning. We also develop digital editorial initiatives that allow for deeper education and engagement around the Ralph Lauren lifestyle, including the Ralph Lauren magazine, style guides, and brand videos. We deploy these marketing and advertising initiatives through the Internet, mobile platforms, and social media. Our e-commerce sites present the Ralph Lauren lifestyle on the Internet while offering a broad array of our apparel, accessories, and Home product lines.

We advertise in consumer and trade print and digital media, and participate in cooperative advertising on a shared cost basis with some of our retail and licensing partners. We also provide point-of-sale fixtures and signage to our wholesale customers to enhance the presentation of our products at their retail locations. In addition, when our licensing partners are required to spend an amount equal to a percent of their licensed product sales on advertising, we coordinate the advertising placement on their behalf. We believe our investments in shop-within-shop environments and retail stores, including our flagship locations worldwide, contribute to and enhance the themes of our brands to consumers. We expensed approximately $217 million related to the advertising, marketing, and promotion of our products in Fiscal 2013.

We also conduct a variety of public relations activities. Each of our spring and fall womenswear collections are presented at major fashion shows in New York City, which typically generate extensive domestic and international media coverage. We introduce each of the spring and fall menswear collections at press presentations in major cities such as New York and Milan. In addition, we organize in-store appearances by our models and certain professional athletes.

We continue to be the exclusive outfitter for all on-court officials at the Wimbledon tennis tournament and the official outfitter of all on-court officials at the U.S. Open tennis tournament. Both tournaments provide worldwide exposure for our brand in a relevant lifestyle environment. We also continue to be the exclusive Official Parade Outfitter for the U.S. Olympic and Paralympic Teams with the right to manufacture, distribute, advertise, promote, and sell products in the U.S. which replicate the Parade Outfits and associated leisure wear. As part of our involvement with Team U.S.A., we have established a partnership with athletes serving as brand ambassadors and as the faces of our advertising, marketing, and public relations campaigns.

In January 2011, we entered into a five-year agreement with the United States Golf Association (“USGA”) to be the official apparel outfitter for the USGA and the U.S. Open Championships and serve as the championship’s largest on-site apparel supplier. Additionally, in 2011, we entered into a five-year agreement with The Royal & Ancient to become an Official Patron of The Open Championship that is played annually on British links golf courses. As part of this agreement, we are outfitting all officials and staff members at The Open Championship and are serving as the championship’s largest on-site apparel retailer. We believe our partnerships with prestigious global tournaments reinforce our brand’s sporting heritage.

Sourcing, Production and Quality

We contract for the manufacture of our products and do not own or operate any production facilities. Over 700 different manufacturers worldwide produce our apparel, footwear, accessories, and home products, with no one manufacturer providing more than approximately 4% of our total production during Fiscal 2013. We source both finished products and raw materials. Raw materials include fabric, buttons, and other trim. Finished products consist of manufactured and fully assembled products ready for shipment to our customers. In Fiscal 2013, less than 2% of our products (by dollar value) were produced in the U.S., and over 98% of our products (by dollar value) were produced outside the U.S., primarily in Asia, Europe, and Latin America. See "Import Restrictions and other Government Regulations" and Item 1A — "Risk Factors — Risks Related to Our Business — Our business is subject to risks associated with importing products and could suffer as a result of increases in the price of raw materials, freight, or labor or a manufacturer's inability to produce our goods on time and to our specifications."

Most of our businesses must commit to manufacture our garments before we sell finished goods, whether to wholly-owned retail stores or to wholesale customers. We also must commit to purchase fabric from mills well in advance of our sales. If we overestimate our primary customers' demand for a particular product or the need for a particular fabric or yarn, we may sell the excess products or garments made from such fabric or yarn in our factory stores or through secondary distribution channels.

Suppliers operate under the close supervision of our global manufacturing division and buying agents headquartered in Asia, the Americas, the Middle East, and Europe. All products are produced according to our specifications. Production and quality control staff in Asia, the Americas, the Middle East, and Europe monitor manufacturing at supplier facilities in order to correct problems prior to shipment of the final product. Procedures have been implemented under our vendor certification and compliance programs so that quality assurance is reviewed early in the production process, allowing merchandise to be received at the distribution facilities and shipped to customers with minimal interruption.

Competition

Competition is very strong in the segments of the fashion and consumer product industries in which we operate. We compete with numerous designers and manufacturers of apparel and accessories, fragrances, and home furnishing products, both domestic and international. Some of our competitors may be significantly larger and have substantially greater resources than us. We compete primarily on the basis of fashion, quality, value, and service, which depend on our ability to:

- anticipate and respond to changing consumer demands in a timely manner;
- maintain favorable brand recognition, loyalty, and reputation for quality;
- develop and produce high quality products that appeal to consumers;
- appropriately source raw materials at cost-effective prices;
- appropriately price our products;
- provide strong and effective marketing support;
- ensure product availability; and
- obtain additional points of distribution and sufficient retail floor space, and effectively present our products at retail.

See Item 1A — "Risk Factors — Risks Relating to the Industry in Which We Compete — We face intense competition worldwide in the markets in which we operate."

Distribution

To facilitate global distribution, our products are shipped from manufacturers to a network of distribution centers around the world for inspection, sorting, packing, and delivery to retail and wholesale customers. This network includes the following primary distribution facilities:

Geographic Region	Facility Type	Facility Location	Facility Ownership
U.S.	Wholesale and Retail distribution center	Greensboro, North Carolina	Owned
	Wholesale distribution center	High Point, North Carolina	Leased
	E-commerce distribution center	High Point, North Carolina(1)	Leased
	Distribution center	Chino Hills, California	Third-party
	Distribution center	Miami, Florida	Third-party
Canada	Distribution center	Toronto, Ontario	Third-party
Europe	Distribution center	Parma, Italy(2)	Third-party
Japan	Distribution center	Yokohama, Japan(3)	Third-party
South Korea	Distribution center	Bugok, South Korea	Leased
Greater China and Southeast Asia(4)	Distribution centers	Hong Kong, China, Singapore, Malaysia, and Taiwan	Third-party
Latin America	Distribution centers	Uruguay and Panama	Third-party

(1) This distribution center performs customer order fulfillment for RalphLauren.com and ClubMonaco.com. In October 2012, we entered into an agreement to purchase and expand this distribution center, which is expected to be completed in September 2013.

(2) This distribution center performs customer order fulfillment for our European businesses, including our e-commerce operations in Europe.

(3) This distribution center performs customer order fulfillment for our Japanese businesses, including our e-commerce operations in Japan.

(4) Includes China, Hong Kong, Macau, Malaysia, the Philippines, Singapore, Taiwan, and Thailand.

All facilities are designed to allow for high-density cube storage and value-added services, and utilize unit and carton tracking technology to facilitate process control and inventory management. The distribution network is managed through globally integrated information technology systems.

Management Information Systems

Our management information systems make the design, marketing, manufacturing, importing, and distribution of our products more efficient by providing, among other things:

- comprehensive order processing;
- production and design information;
- accounting information; and
- an enterprise view of information for our design, marketing, manufacturing, importing, and distribution functions.

The point-of-sale registers in conjunction with other systems in our stores enable us to track inventory from store receipt to final sale on a real-time basis. We believe our merchandising and financial systems, coupled with our point-of-sale registers and software programs, allow for stock replenishment, effective merchandise planning, and real-time inventory and sales accounting.

In the U.S. and Europe, we utilize an automated replenishment system to facilitate the processing of basic replenishment orders from our Retail segment and wholesale customers, the movement of goods through distribution channels, and the collection of information for planning and forecasting.

In the U.S. and Europe, we also utilize an automated allocation system to facilitate the flow of inventory for our Retail segment.

We are in the process of implementing a new global operating and financial reporting information technology system as part of a multi-year plan to integrate and upgrade our systems and processes. The implementation of this global system, scheduled to occur in phases over the next several years, began with the migration of certain of our domestic human resource systems during Fiscal 2011 and continued with the transition of certain of our domestic operational and financial systems to the new global operating and financial reporting system during Fiscal 2012. During Fiscal 2013, we continued to develop and enhance those operational and financial systems previously transitioned to the new global operating and financial reporting system. The next phase of this implementation effort involves the migration of certain core areas of our business to the new system, including global merchandise procurement, and customer order management and record-to-report for our North American wholesale operations, beginning in Fiscal 2014. See Item 1A — "Risk Factors — Risks Related to Our Business — Implementation of management information systems may negatively impact our business" and "Risk Factors — Risks Related to Our Business — Our business could suffer if our computer systems and websites are disrupted or cease to operate effectively."

Wholesale Credit Control

We manage our own credit function. We sell our merchandise principally to major department stores and extend credit based on an evaluation of the wholesale customer's financial capacity and condition, usually without requiring collateral. We monitor credit levels and the financial condition of our wholesale customers on a continuing basis to minimize credit risk. We do not factor or underwrite our accounts receivables, or maintain credit insurance to manage the risk of bad debts. In North America, collection and deduction transactional activities are provided through a third-party service provider. See Item 1A — "Risk Factors — Risks Related to Our Business — Our business could be negatively impacted by any financial instability of our customers."

Wholesale Backlog

We generally receive wholesale orders for apparel products approximately three to five months prior to the time the products are delivered to customers. Such orders are generally subject to broad cancellation rights. Our total backlog was approximately $1.4 billion as of March 30, 2013 and March 31, 2012. We expect that substantially all of our backlog orders as of March 30, 2013 will be filled within the next fiscal year.

The size of our order backlog depends upon a number of factors, including the timing of the market weeks for our particular lines during which a significant percentage of our orders are received and the timing of shipments, which varies from year to year with consideration for holidays, consumer trends, concept plans, and the basic stock replenishment programs usage. As a consequence, a comparison of the size of our order backlog from period to period may not be meaningful, nor may it be indicative of eventual shipments.

Trademarks

We own the RALPH LAUREN, POLO, POLO BY RALPH LAUREN DESIGN, and the famous polo player astride a horse trademarks in the U.S. and approximately 100 countries worldwide. Other trademarks that we similarly own include:

- PURPLE LABEL;
- BLACK LABEL;
- BLUE LABEL;
- RRL;
- LAUREN RALPH LAUREN;
- PINK PONY;

- RLX;
- DENIM & SUPPLY RALPH LAUREN;
- LAUREN;
- RALPH;
- CHAPS;
- CLUB MONACO;
- RUGBY;
- AMERICAN LIVING; and
- Various trademarks pertaining to fragrances and cosmetics.

Mr. Ralph Lauren has the royalty-free right to use as trademarks RALPH LAUREN, DOUBLE RL, and RRL in perpetuity in connection with, among other things, beef and living animals. The trademarks DOUBLE RL and RRL are currently used by the Double RL Company, an entity wholly-owned by Mr. Lauren. In addition, Mr. Lauren has the right to engage in personal projects involving film or theatrical productions (not including or relating to our business) through RRL Productions, Inc., a company wholly-owned by Mr. Lauren. Any activity by these companies has no impact on us.

Our trademarks are the subject of registrations and pending applications throughout the world for use on a variety of items of apparel, apparel-related products, home furnishings, restaurant and café services, online services and online publications, and beauty products, as well as in connection with retail services, and we continue to expand our worldwide usage and registration of related trademarks. In general, trademarks remain valid and enforceable as long as the marks are used in connection with the related products and services and the required registration renewals are filed. We regard the license to use the trademarks and our other proprietary rights in and to the trademarks as extremely valuable assets in marketing our products and, on a worldwide basis, vigorously seek to protect them against infringement. As a result of the appeal of our trademarks, our products have been the object of counterfeiting. While we have a broad enforcement program which has been generally effective in protecting our intellectual property rights and limiting the sale of counterfeit products in the U.S. and in most major markets abroad, we face greater challenges with respect to enforcing our rights against trademark infringement in certain parts of Asia.

In markets outside of the U.S., our rights to some or all of our trademarks may not be clearly established. In the course of our international expansion, we have experienced conflicts with various third parties who have acquired ownership rights in certain trademarks, including POLO and/or a representation of a Polo Player Design, which impede our use and registration of our principal trademarks. While such conflicts are common and may arise again from time to time as we continue our international expansion, we have, in general, successfully resolved such conflicts in the past through both legal action and negotiated settlements with third-party owners of the conflicting marks (see Item 1A — "Risk Factors — Risks Related to Our Business — Our trademarks and other intellectual property rights may not be adequately protected outside the U.S." and Item 3 — "Legal Proceedings" for further discussion). Although we have not in the past suffered any material restraints or restrictions on doing business in desirable markets, we cannot assure that significant impediments will not arise in the future as we expand product offerings and introduce trademarks to new markets.

Import Restrictions and Other Government Regulations

Virtually all of our merchandise imported into the Americas, Europe, and Asia is subject to duties. In addition, most of the countries to which we ship could impose safeguard quotas and duties to protect their local industries from import surges that threaten to create market disruption. The U.S. and other countries may also unilaterally impose additional duties in response to a particular product being imported (from China or other countries) at unfairly traded prices in such increased quantities that would cause (or threaten) injury to the relevant domestic industry (generally known as "anti-dumping" actions). If dumping is suspected in the U.S., the U.S. Government may self-initiate a dumping case on behalf of the U.S. textile industry which could significantly affect our costs. Furthermore, additional duties, generally known as countervailing duties, can also be imposed by the U.S. Government to offset subsidies provided by a foreign government to foreign manufacturers if the importation of such subsidized merchandise injures or threatens to injure a U.S. industry. Legislative proposals have been introduced which, if adopted, would treat a manipulation by China of the value of its currency as actionable under the anti-dumping or countervailing duty laws.

We are also subject to other international trade agreements and regulations, such as the North American Free Trade Agreement, the Central American Free Trade Agreement, the Caribbean Basin Initiative, and other special trade programs. A portion of our imported products are eligible for certain of these duty-advantaged programs. In addition, each of the countries in which our products are sold has laws and regulations covering imports. Because the U.S. and the other countries in which our products are manufactured and sold may, from time to time, impose new duties, tariffs, surcharges, or other import controls or restrictions, including the imposition of a "safeguard quota," or adjust presently prevailing duty or tariff rates or levels, we maintain a program of intensive monitoring of import restrictions and opportunities. We seek to minimize our potential exposure to import related risks through, among other measures, adjustments in product design and fabrication, shifts of production among countries and manufacturers, and through geographical diversification of our sources of supply.

As almost all our products are manufactured by foreign suppliers, the enactment of new legislation or the administration of current international trade regulations, executive action affecting textile agreements, or changes in sourcing patterns resulting from the elimination of quotas could adversely affect our operations. On January 1, 2005, the World Trade Organization's 148 member nations lifted all quotas on apparel and textiles. As a result, all textiles and apparel manufactured in each member nation and exported after January 1, 2005 are no longer subject to quota restrictions. Although we generally expect that the 2005 elimination of quotas will result, over the long term, in an overall reduction in the cost of apparel produced abroad, the implementation of any "safeguard quota provisions," any "anti-dumping" or "countervailing duty" actions, or any other actions impacting international trade may result, in the near term, in cost increases and in disruption of the supply chain for certain product categories. See Item 1A — "Risk Factors — Risks Related to Our Business — Our business is subject to risks associated with importing products and could suffer as a result of increases in the price of raw materials, freight, or labor, or a manufacturer's inability to produce our goods on time and to our specifications" and "Risk Factors — Risks Related to Our Business — Our ability to conduct business in international markets may be affected by legal, regulatory, political and economic risks."

Apparel and other products sold by us are also subject to regulation in the U.S. and other countries by other governmental agencies, including, in the U.S., the Federal Trade Commission, U.S. Fish and Wildlife Service, and the Consumer Products Safety Commission, including the Consumer Product Safety Improvement Act, which imposes limitations on the permissible amounts of lead and phthalates allowed in children's products. These regulations relate principally to product labeling, licensing requirements, flammability testing, and product safety particularly with respect to products used by children. We believe that we are in substantial compliance with these regulations, as well as applicable federal, state, local, and foreign rules and regulations governing the discharge of materials hazardous to the environment. We do not estimate any significant capital expenditures for environmental control matters either in the next fiscal year or in the near future. Our licensed products, licensing partners, buying/sourcing agents, and the vendors and factories with which we contract for the manufacture and distribution of our products are also subject to regulation. Our agreements require our licensing partners, buying/sourcing agents, vendors, and factories to operate in compliance with all laws and regulations, and we are not aware of any violations which could reasonably be expected to have a material adverse effect on our business or operating results.

We are also subject to new disclosure and reporting requirements, established under existing or new federal or state laws, such as the requirements to identify the origin and existence of certain "conflict minerals" under the Dodd-Frank Wall Street Reform and Consumer Protection Act, and disclosures of abusive labor practices in portions of our supply chain under the California Transparency in Supply Chains Act, which could increase the cost of doing business, adversely affecting our results of operations.

Although we have not suffered any material restriction from doing business in desirable markets in the past, we cannot assure that significant impediments will not arise in the future as we expand product offerings and introduce additional trademarks to new markets.

Employees

As of March 30, 2013, we had approximately 23,000 employees, including approximately 14,000 full-time and approximately 9,000 part-time employees. Approximately 14,000 of our employees are located in the U.S. and approximately 9,000 are located in foreign countries. Approximately 30 of our U.S. production and distribution employees in the womenswear business are members of Amalgamated Ladies Garment Cutters Union, Local 10

UNITE (which was previously known as UNITE HERE) under an industry association collective bargaining agreement, which our womenswear subsidiary has adopted. We consider our relations with both our union and non-union employees to be good.

Executive Officers

The following are our current executive officers and their principal recent business experience:

Ralph Lauren	Age 73	Mr. Lauren has been Chairman, Chief Executive Officer, and a director of the Company since prior to the Company's initial public offering in 1997, and was a member of the Advisory Board of the board of directors of the Company's predecessors since their organization. He founded the Company in 1967 and has provided leadership in the design, marketing, advertising, and operational areas since such time.
Roger N. Farah	Age 60	Mr. Farah has been President, Chief Operating Officer, and a director of the Company since April 2000. He was Chairman of the board of directors of Venator Group, Inc. from December 1994 to April 2000, and was Chief Executive Officer of Venator Group, Inc. from December 1994 to August 1999. He is a Chairman of the Finance Committee and a member of the Executive Committee of the National Retail Federation. Mr. Farah is also a member of the board of directors of Aetna, Inc. and The Progressive Corporation.
Jackwyn L. Nemerov	Age 61	Ms. Nemerov has been Executive Vice President of the Company since September 2004 and a director of the Company since February 2007. From 1998 to 2002, she was President and Chief Operating Officer of Jones Apparel Group, Inc. She is a member of the Board of Governors of Parsons The New School for Design.
Christopher H. Peterson	Age 46	Mr. Peterson has been Senior Vice President and Chief Financial Officer of the Company since September 2012. From 1992 to 2012, Mr. Peterson held various positions with The Procter & Gamble Company, most recently serving as Vice President and Chief Financial Officer of its Global Household Care division.
Mitchell A. Kosh	Age 63	Mr. Kosh has served as Senior Vice President of Human Resources of the Company since July 2000. He was Senior Vice President of Human Resources of Conseco, Inc. from February 2000 to July 2000. Prior to that time, Mr. Kosh held executive human resource positions with the Venator Group, Inc. starting in 1996.

Item 1A. Risk Factors

There are risks associated with an investment in our securities. The following risk factors should be read carefully in connection with evaluating our business and the forward-looking statements contained in this Annual Report on Form 10-K. Any of the following risk factors could materially adversely affect our business, our prospects, our results of operations, our financial condition, our liquidity, the trading prices of our securities, and/or the actual outcome of matters as to which forward-looking statements are made in this report. Additional risks and uncertainties not currently known to us or that we currently view as immaterial may also materially adversely affect our business, financial condition, and results of operations in future periods or if circumstances change.

Risks Related to Our Business

The loss of the services of Mr. Ralph Lauren, members of our executive management, or other key personnel could have a material adverse effect on our business.

Mr. Ralph Lauren's leadership in the design, marketing, and operational areas of our business has been a critical element of our success since the inception of our Company. Mr. Lauren is instrumental to, and closely identified with, our brand that bears his name. Our ability to maintain our brand image and leverage the goodwill associated with Mr. Lauren's name may be damaged if we were to lose his services. We depend on the service and management experience of Mr. Lauren and other key executive officers, who have substantial experience and expertise in our industry and our business. The death or disability of Mr. Lauren or other extended or permanent loss of his services, or any negative market or industry perception with respect to him or arising from his loss, could have a material adverse effect on our business, financial condition, and results of operations. Our other executive officers and other members of senior management have substantial experience and expertise in our business and have made significant contributions to our growth and success. The loss of the services of Mr. Roger Farah, our President and Chief Operating Officer, or one or more of our other key personnel, or the concurrent loss of several of these individuals, could also have a material adverse effect on our business, financial condition, and results of operations. We are not protected by a material amount of key-man or similar life insurance covering Mr. Lauren, our other executive officers, and certain other members of senior management. We have entered into employment agreements with Mr. Lauren and other executive officers, but competition for experienced executives in our industry is intense and the non-compete period with respect to Mr. Lauren and certain other executive officers could, in some circumstances in the event of their termination of employment with our Company, end prior to the employment term set forth in their employment agreements.

We cannot assure the successful implementation of our growth strategy.

As part of our growth strategy, we seek to extend our brands and merchandise categories, expand our geographic coverage, and increase direct management of our brands by opening more of our own stores, strategically acquiring or integrating select businesses previously held by our licensees, and enhancing our operations. Implementation of our strategy involves the continued expansion of our business in North America, Asia, Europe, Latin America, and other international areas. For example, as discussed in Item 1 — "Business — Recent Developments," in April 2013, we completed the Chaps men's sportswear license acquisition, and we are in the process of repositioning and upgrading our existing distribution network in the Asia-Pacific region.

We may have difficulty integrating acquired businesses into our operations, hiring and retaining qualified key employees, or otherwise successfully managing such expansion. Furthermore, we may not be able to successfully integrate the business of any licensee that we acquire into our own business, incur additional costs, and/or fail to achieve any expected cost savings or synergies from such integration.

Implementation of our growth strategy involves the continuation and expansion of our retail distribution network on a global basis, including our e-commerce operations, which is subject to many factors beyond our control. We may not be able to procure, purchase, or lease desirable freestanding or department store locations, renew, and maintain existing freestanding store leases and department store locations on acceptable terms, or secure suitable replacement locations. The lease negotiation, as well as the number and timing of new stores and shop-within-shop locations actually opened during any given period and their associated contribution to net income for the period, depends on a number of factors including, but not limited to: (i) the availability of suitable financing to us and our landlords; (ii) the timing of the delivery of the leased premises to us from our landlords in order to commence build-out construction activities; (iii) our ability and our landlords' ability to obtain all necessary governmental licenses and permits to construct and operate our stores on a timely basis; (iv) our ability to manage the construction and development costs of new stores; (v) the rectification of any unforeseen engineering or environmental problems with the leased premises; (vi) adverse weather conditions during the construction period; and (vii) the hiring and training of qualified operating personnel in the local market. While we continue to explore new markets and are always evaluating new potential locations, any of the above factors could have an adverse impact on our business, financial condition, and results of operations. Further, as we continue to expand and increase the global presence of our e-commerce business, sales from our brick and mortar stores and wholesale channels of distribution in areas where e-commerce sites are introduced may decline due to cannibalization.

In Europe, we lack the large wholesale distribution channels we have in the U.S., and we may have difficulty developing and maintaining successful distribution strategies and alliances in certain of the major European countries. In Asia, our primary mode of distribution is via a network of shops located within leading department stores. As we have limited experience operating a direct-to-consumer business in this region and face established competitors, we may have difficulty in successfully retaining this network and expanding into alternate distribution channels. In addition, certain of the international countries in which we operate, particularly in Asia, have unique operational characteristics that vary from the U.S., including but not limited to employment and labor, transportation, logistics, acquiring store locations, and legal requirements, which may pose challenges to the execution and success of our related growth strategies. Further, macroeconomic trends may not be favorable and could limit our ability to implement our growth strategies in select geographies where we have foreign operations, such as Europe, Asia, and Latin America.

Achievement of our growth strategy requires investment in new capabilities, distribution channels, and technologies worldwide. These investments may result in short-term costs without accompanying current revenues and, therefore, may be dilutive to our earnings in the short term. In addition, we may continue to incur costs in connection with repositioning our business in certain geographic areas, including in the Asia-Pacific region. Although we believe that our strategy will lead to long-term growth in revenue and profitability, the anticipated benefits may not be fully realized.

Our ability to conduct business in international markets may be affected by legal, regulatory, political, and economic risks.

Our ability to capitalize on growth in new international markets and to maintain our current level of operations in our existing international markets is subject to certain risks associated with operating in various international locations. These include:

- the burdens of complying with a variety of foreign laws and regulations, including trade and labor restrictions;
- compliance with U.S. and other country laws relating to foreign operations, including the Foreign Corrupt Practices Act, which prohibits U.S. companies from making improper payments to foreign officials for the purpose of obtaining or retaining business, and the U.K. Bribery Act, which prohibits U.K. and related companies from any form of bribery;
- unexpected changes in laws, judicial process, or regulatory requirements; and
- new tariffs or other barriers in certain international markets.

We are also subject to general political and economic risks in connection with our international operations, including:

- political instability and terrorist attacks;
- changes in diplomatic and trade relationships; and
- general economic fluctuations in specific countries or markets.

We cannot predict whether quotas, duties, taxes, or other similar restrictions will be imposed by the U.S., the European Union, Asia, or other countries upon the import or export of our products in the future, or what effect any of these actions would have, if any, on our business, financial condition, and results of operations. Changes in regulatory, geopolitical, social, or economic policies and other factors may have a material adverse effect on our business in the future, or may require us to exit a particular market or significantly modify our current business practices.

A data security or privacy breach could damage our reputation and our relationships with our customers, expose us to litigation risk, and adversely affect our business.

We are dependent on information technology systems and networks, including the Internet, for a significant portion of our direct-to-consumer sales, including our e-commerce operations and retail business credit card transaction authorization and processing. We are also responsible for storing data relating to our customers and employees and rely on third parties for the operation of our e-commerce websites and for the various social media tools and websites we use as part of our marketing strategy. In our normal course of business, we often collect, retain, and transmit certain sensitive and confidential customer information, including credit card information, over public networks. There is significant concern by consumers and employees over the security of personal information transmitted over the Internet, consumer identity theft, and user privacy. Despite the security measures we currently have in place, our facilities and systems and those of our third-party service providers may be vulnerable to security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming and/or human errors, or other Internet or email events. Any electronic or physical security breach involving the misappropriation, loss, or other unauthorized disclosure of confidential or personally identifiable information, including penetration of our network security, whether by us or by a third party, could disrupt our business, severely damage our reputation and our relationships with our customers, expose us to risks of litigation and liability, and adversely affect our business, financial condition, and results of operations. Since we do not control third-party service providers and cannot guarantee that no electronic or physical computer break-ins and security breaches will occur in the future, any perceived or actual unauthorized disclosure of personally identifiable information regarding our customers or website visitors could harm our reputation and credibility, reduce our e-commerce net sales, impair our ability to attract website visitors, and reduce our ability to attract and retain customers. In addition, as the regulatory environment relating to information security and privacy is becoming increasingly demanding, we may also incur significant costs in complying with the various applicable state, federal, and foreign laws regarding protection of, and unauthorized disclosure of, personal information.

Our business could suffer if our computer systems and websites are disrupted or cease to operate effectively.

We are dependent on our computer systems to record and process transactions and manage and operate our business, including in designing, marketing, manufacturing, importing, tracking, and distributing our products, processing payments, and accounting for, and reporting, results. We also utilize an automated replenishment system to facilitate the processing of basic replenishment orders from our Retail segment and our wholesale customers, the movement of goods through distribution channels, and the collection of information for planning and forecasting. In addition, we have e-commerce and other Internet websites in North America, Europe, and Japan and have plans for additional e-commerce sites in Asia and other parts of the world. Given the complexity of our business and the significant number of transactions that we engage in on an annual basis, it is imperative that we maintain uninterrupted operation of our computer hardware and software systems. Despite our preventative efforts, our systems are vulnerable from time to time to damage or interruption from, among other things, security breaches, computer viruses, or power outages. Any material disruptions in our information technology systems could have a material adverse effect on our business, financial condition, and results of operations.

Implementation of management information systems may negatively impact our business.

We are continually improving and upgrading our computer systems and software. For example, we are in the process of implementing a new global operating and financial reporting information technology system as part of a multi-year plan to integrate and upgrade our operational and financial systems and processes. The implementation of this global system, scheduled to occur in phases over the next several years, began with the migration of certain of our domestic human resource systems during Fiscal 2011 and continued with the transition of certain of our domestic operational and financial systems to the new global operating and financial reporting system during Fiscal 2012. During Fiscal 2013, we continued to develop and enhance those operational and financial systems previously transitioned to the new global operating and financial reporting system. The next phase of this implementation effort involves the migration of certain core areas of our business to the new system, including global merchandise procurement, and customer order management and record-to-report for our North American wholesale operations, beginning in Fiscal 2014. We have an orderly plan to transition a number of our existing legacy systems to the new system over the next few years. Implementation of a new management information system involves risks and uncertainties. Any disruptions, delays, or deficiencies in the design or implementation of a new system, such as the new global operating and financial reporting system currently being implemented, could result in increased costs, disruptions in the sourcing and shipment of our product, and delays in the collection of cash from our customers, as well as have an adverse effect on our ability to timely report our financial results, all of which could materially adversely affect our business, financial condition, and results of operations.

The success of our business depends on our ability to retain the value of our Ralph Lauren brands and to continue to develop products that resonate with our existing customers and attract new customers.

Our success depends on the value of our brands and our ability to consistently anticipate and respond to customers' demands, preferences, and fashion trends in the design, pricing, and production of our products. Any failure on our part to anticipate, identify, and respond effectively to these consumer demands, preferences, and trends could adversely affect acceptance of our products. The Ralph Lauren name is integral to our business and our business could be adversely affected if Mr. Lauren's public image or reputation were to be tarnished. Merchandise missteps or unfavorable publicity could negatively impact the image of our brands with our customers and could result in diminished loyalty to our brands, which could adversely impact our business, financial condition, and results of operations.

Our business could be negatively impacted by any financial instability of our customers.

We sell our wholesale merchandise primarily to major department stores across North America, Europe, Asia, and Latin America and extend credit based on an evaluation of each wholesale customer's financial condition, usually without requiring collateral. However, the financial difficulties of a wholesale customer could cause us to limit or eliminate our business with that customer. We may also assume more credit risk relating to that customer's receivables. During Fiscal 2013, sales to our largest wholesale customer, Macy's, Inc. ("Macy's"), accounted for approximately 12% of total net revenues. Further, sales to our three largest wholesale customers, including Macy's, comprised approximately 45% of all Wholesale revenues and approximately 20% of total net revenues for Fiscal 2013, and constituted approximately 30% of our gross trade accounts receivable outstanding as of March 30, 2013. Our inability to collect on our trade accounts receivable from any one of these customers could have a material adverse effect on our business, financial condition, and results of operations. See Item 1 — "Business — Wholesale Credit Control."

Uncertain economic conditions could have a negative impact on our major customers, suppliers, and lenders, which in turn could materially adversely affect our business, financial condition, and results of operations.

The uncertain state of the global economy continues to impact businesses around the world. The current global political and economic environments have resulted in continued economic unpredictability in the U.S., Europe, and Asia. In Europe, there are continuing concerns regarding the increased debt levels of certain countries and their ability to meet future financial obligations, as well as the overall stability of the Euro currency. Although we believe that our cash provided by operations and available borrowing capacity under our credit facilities will provide us with sufficient liquidity through the current global economic uncertainty, the impact of economic conditions on our major customers, suppliers, and lenders and their ability to access global capital markets cannot be predicted. The inability of major manufacturers to ship our products could impair our ability to meet the delivery date requirements of our customers. Deterioration in global financial markets could affect our ability to access sources of liquidity to provide for our future cash needs, increase the cost of any future financing, or cause our lenders to be unable to meet their funding commitments under our credit facilities. A disruption in the ability of our significant customers to access liquidity could cause serious disruptions or an overall deterioration of their businesses which could lead to a significant reduction in their future orders of our products and the inability or failure on their part to meet their payment obligations to us, any of which could have a material adverse effect on our business, financial condition, and results of operations.

Our business is subject to risks associated with importing products and could suffer as a result of increases in the price of raw materials, freight, or labor or a manufacturer's inability to produce our goods on time and to our specifications.

We do not own or operate any manufacturing facilities and depend exclusively on independent third parties for the manufacture of our products. Our products are manufactured to our specifications through arrangements with over 700 foreign manufacturers in various countries. In Fiscal 2013, over 98% of our products (by dollar value) were produced outside the U.S., primarily in Asia, Europe, and Latin America. Risks inherent in importing our products include:

- changes in social, political, and economic conditions or terrorist acts that could result in the disruption of trade from the countries in which our manufacturers or suppliers are located;
- the imposition of additional regulations relating to imports or exports;
- the imposition of additional duties, taxes, and other charges on imports or exports;
- significant fluctuations in the cost of raw materials;
- increases in the cost of labor, fuel, travel, and transportation;
- disruptions of shipping and international trade caused by natural and man-made disasters;
- significant delays in the delivery of cargo due to security considerations;
- the imposition of anti-dumping or countervailing duty proceedings resulting in the potential assessment of special anti-dumping or countervailing duties; and
- the imposition of sanctions in the form of additional duties either by the U.S. or its trading partners to remedy perceived illegal actions by national governments.

Any one of these factors could have a material adverse effect on our business, financial condition, and results of operations.

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In addition, the inability of a manufacturer to ship orders of our products in a timely manner or to meet our strict quality standards could cause us to miss the delivery date requirements of our customers for those items, which could result in cancellation of orders, refusal to accept deliveries, or a substantial reduction in purchase prices, any of which could have a material adverse effect on our business, financial condition, and results of operations. Prices of raw materials used to manufacture our products may also fluctuate, and increases in prices of such raw materials could have a material adverse effect on our cost of sales. Furthermore, the cost of labor at many of our third-party manufacturers has been increasing significantly and, as the middle class in developing countries such as China continues to grow, it is unlikely that such cost pressure will abate. The cost of transportation has been increasing as well, and it is unlikely that such cost pressure will abate if oil prices continue to rise and there is continued significant unrest in the Middle East. We may not be able to offset such increases in raw materials, freight, or labor costs through pricing actions or other means.

Our profitability may decline as a result of increasing pressure on margins.

Our industry is subject to significant pricing pressure caused by many factors, including intense competition, consolidation in the retail industry, pressure from retailers to reduce the costs of products, and changes in consumer spending patterns. These factors may cause us to reduce our sales prices to retailers and consumers, which could cause our gross margin to decline if we are unable to appropriately manage inventory levels and/or otherwise offset price reductions with comparable reductions in our operating costs. If our sales prices decline and we fail to sufficiently reduce our product costs or operating expenses, our profitability will decline. This could have a material adverse effect on our business, financial condition, and results of operations. In addition, changes in our customer, channel, and geographic sales mix could have a negative impact on our profitability.

Our business is exposed to domestic and foreign currency fluctuations.

We generally purchase our products in U.S. Dollars. However, we source most of our products overseas. As a result, the cost of these products may be affected by changes in the value of the relevant currencies. Changes in currency exchange rates may also affect the U.S. Dollar value of the foreign currency denominated prices at which our international businesses sell products. Furthermore, our international sales are primarily derived from sales in foreign currencies, as is a portion of our licensing revenues, which could be materially affected by currency fluctuations. These foreign currencies primarily include the Euro, the Japanese Yen, the Hong Kong Dollar, the South Korean Won, the Canadian Dollar, the Swiss Franc, and the British Pound Sterling. Our international expansion will increase our exposure to foreign currency fluctuations. Although we hedge certain exposures to changes in foreign currency exchange rates arising in the ordinary course of business, we cannot fully anticipate all of our currency exposures and therefore foreign currency fluctuations may have a material adverse impact on our business, financial condition, and results of operations. In addition, factors that could impact the effectiveness of our hedging activities include the volatility of currency markets, the accuracy of forecasted transactions, and the availability of hedging instruments. As such, our hedging activities may not completely mitigate the impact of foreign currency fluctuations on our results of operations. See Item 7 — “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Market Risk Management.”

Fluctuations in our tax obligations and effective tax rate may result in volatility of our operating results.

We are subject to income taxes in many U.S. and certain foreign jurisdictions. We record tax expense based on our estimates of future payments, which include reserves for uncertain tax positions in multiple tax jurisdictions. At any one time, multiple tax years are subject to audit by various taxing authorities. The results of these audits and negotiations with taxing authorities may affect the ultimate settlement of these issues. In addition, the tax laws and regulations in the countries where we operate may change or there may be changes in interpretation and enforcement of existing tax laws, which could materially affect our income tax expense in our consolidated financial statements. As a result, we expect that throughout the year there could be ongoing variability in our quarterly tax rates as events occur and exposures are evaluated. In addition, our effective tax rate in a given financial statement period may be materially impacted by changes in the mix and level of earnings by jurisdiction or by changes to existing accounting rules or regulations.

We have significant undistributed earnings held by our subsidiaries outside the U.S. Most of our cash and cash equivalents and short-term investments are held outside of the U.S. and are considered to be permanently reinvested.

We currently intend to reinvest these funds in order to fund strategic initiatives, working capital requirements, and debt repayments (both third-party and intercompany) of such foreign subsidiaries. Any future repatriation of such amounts to the U.S. could result in a significant incremental tax liability in the period in which the decision to repatriate is made.

Our Company has an exclusive relationship with certain customers for some of our products. The loss or significant decline in business of these customers could negatively impact our business.

We have exclusive relationships with certain customers for distribution of some of our products, including with Kohl's for most of our Chaps products. Our arrangement with companies such as Kohl's makes us dependent on those companies' financial and operational health for such products. The loss of these relationships could have an adverse effect on our Wholesale business.

Our business could suffer as a result of consolidations, liquidations, restructurings, and other ownership changes in the retail industry.

Several of our department store customers, including some under common ownership, account for a significant portion of our wholesale net sales. A substantial portion of sales of our licensed products by our domestic licensing partners are also made to our largest department store customers. During Fiscal 2013, sales to our largest wholesale customer, Macy's, accounted for approximately 12% of total net revenues. Further, sales to our three largest wholesale customers, including Macy's, comprised approximately 45% of all Wholesale revenues and approximately 20% of total net revenues for Fiscal 2013, and constituted approximately 30% of our gross trade accounts receivable outstanding as of March 30, 2013. There can be no assurance that consolidations, restructurings, reorganizations, or other ownership changes in the department store sector will not have a material adverse effect on our wholesale business.

We typically do not enter into long-term agreements with our customers. Instead, we enter into a number of purchase order commitments with our customers for each of our lines every season. A decision by the controlling owner of a group of stores or any other significant customer, whether motivated by competitive conditions, financial difficulties, or otherwise, to decrease or eliminate the amount of merchandise purchased from us or our licensing partners or to change their manner of doing business with us or our licensing partners or their new strategic and operational initiatives, including their continued focus on further development of their "private label" initiatives, could have a material adverse effect on our business, financial condition, and results of operations.

Certain legal proceedings, regulatory matters, and accounting changes could adversely impact our results of operations.

We are involved in certain legal proceedings and regulatory matters and are subject from time to time to various claims involving alleged breach of contract claims, intellectual property and other related claims, escheatment and unclaimed property, credit card fraud, security breaches in certain of our retail store information systems, employment issues, consumer matters, and other litigation. Certain of these lawsuits and claims, if decided adversely to us or settled by us, could result in material liability to our Company or have a negative impact on our reputation or relations with our employees, customers, licensees, or other third parties. In addition, regardless of the outcome of any litigation or regulatory proceedings, such proceedings could result in substantial costs and may require our Company to devote substantial time and resources to defend itself. Further, changes in governmental regulations both in the U.S. and in other countries where we conduct business operations, could have an adverse impact on our business, financial condition, and results of operations. See Item 3 — "Legal Proceedings" for further discussion of our Company's legal matters.

In addition, we are subject to changes in accounting rules and interpretations. The Financial Accounting Standards Board is currently in the process of amending a number of existing accounting standards governing a variety of areas. Certain of these proposed standards, particularly the proposed standard governing accounting for leases, if and when effective, would likely have a material impact on our consolidated financial statements. See Note 4 to the accompanying audited consolidated financial statements for further discussion of proposed amendments to current accounting standards.

Our results of operations could be affected by natural events in the locations in which we or our customers or suppliers operate.

We have operations, including retail, distribution, and warehousing operations, in locations subject to natural disasters, such as severe weather and geological events, that could disrupt our operations. In addition, our suppliers and customers also have operations in these locations and could experience similar disruptions. The occurrence of natural events may result in sudden disruptions in the business operations of the local economies affected, as well as of the regional and global economies. In addition, our business is affected by unseasonable weather conditions, such as extended periods of unseasonably warm temperatures in the winter or unseasonably cold temperatures in the summer. Such natural events, including unseasonable weather conditions, could result in decreased demand for our products and disruptions in our sales channels and manufacturing and distribution networks, which could have a material adverse effect on our business, financial condition, and results of operations.

Our trademarks and other intellectual property rights may not be adequately protected outside the U.S.

We believe that our trademarks, intellectual property, and other proprietary rights are extremely important to our success and our competitive position. We devote substantial resources to the establishment and protection of our trademarks and anti-counterfeiting activities worldwide. Significant counterfeiting of our products continues, however, and in the course of our international expansion we have experienced conflicts with various third parties that have acquired or claimed ownership rights to some trademarks that include Polo and/or a representation of a polo player astride a horse, or otherwise have contested our rights to our trademarks. We have in the past resolved certain of these conflicts through both legal action and negotiated settlements, none of which, we believe, has had a material impact on our financial condition and results of operations. We cannot guarantee that the actions we have taken to establish and protect our trademarks and other proprietary rights will be adequate to prevent counterfeiting or a material adverse effect on our business or brands arising from imitation of our products by others or to prevent others from seeking to block sales of our products as a violation of the trademarks and proprietary rights of others. Also, there can be no assurance that others will not assert rights in, or ownership of, trademarks and other proprietary rights of ours or that we will be able to successfully resolve these types of conflicts to our satisfaction or at all. In addition, the laws of certain foreign countries do not protect trademarks or other proprietary rights to the same extent as do the laws of the U.S. and, as a result, our intellectual property may be more vulnerable and difficult to protect in such countries. See Item 1 — "Business — Trademarks," and Item 3 — "Legal Proceedings."

Our business could suffer if one of our manufacturers fails to use acceptable labor or environmental practices.

We require our licensing partners and independent manufacturers to operate in compliance with applicable laws and regulations. While our internal and vendor operating guidelines promote ethical business practices and our employees periodically visit and monitor the operations of our independent manufacturers, we do not control these manufacturers or their labor practices. The violation of labor, environmental, or other laws by an independent manufacturer used by us or one of our licensing partners, or the divergence of an independent manufacturer's or licensing partner's labor or environmental practices from those generally accepted as ethical or appropriate in the U.S., could interrupt, or otherwise disrupt the shipment of finished products to us or damage our reputation. Any of these events, in turn, could have a material adverse effect on our business, financial condition, and results of operations.

Our business could suffer if we need to replace manufacturers or distribution centers.

We compete with other companies for the production capacity of our manufacturers. Some of these competitors have greater financial and other resources than we have, and thus may have an advantage in securing production capacity. If we experience a significant increase in demand, or if an existing manufacturer of ours must be replaced, we may have to expand our third-party manufacturing capacity. We cannot guarantee that this additional capacity will be available when required on terms that are acceptable to us. See Item 1 — "Business — Sourcing, Production and Quality." We enter into a number of purchase order commitments each season specifying a time for delivery, method of payment, design and quality specifications, and other standard industry provisions, but do not have long-term contracts with any manufacturer. None of the manufacturers we use produce our products exclusively.

In addition, we rely on a number of owned and independently-operated distribution facilities around the world to warehouse and ship products to our customers and perform other related logistic services. As such, our ability to meet the needs of our customers depends on the proper operation of our distribution centers. If any of our distribution centers were closed or were to become inoperable for any reason, we could experience a substantial loss of inventory, disruption of deliveries to our customers and our retail stores, increased costs, and longer lead times associated with the distribution of products during the period that would be required to reopen or replace the facility. These disruptions could have a material adverse effect on our business, financial condition, and results of operations.

We rely on our licensing partners to preserve the value of our licenses.

The risks associated with our own products also apply to our licensed products in addition to any number of possible risks specific to a licensing partner's business, including risks associated with a particular licensing partner's ability to:

- obtain capital;
- manage its labor relations;
- maintain relationships with its suppliers;

- manage its credit and bankruptcy risks effectively; and
- maintain relationships with its customers.

Although a number of our license agreements prohibit our licensing partners from entering into licensing arrangements with our competitors, our licensing partners generally are not precluded from offering, under other non-competitor brands, the types of products covered by their license agreements with us. A substantial portion of sales of our products by our domestic licensing partners are also made to our largest customers. While we have significant control over our licensing partners' products and advertising, we rely on our licensing partners for, among other things, operational and financial control over their businesses. Changes in management, reduced sales of licensed products, poor execution, or financial difficulties with respect to any of our licensing partners could adversely affect our revenues, both directly from reduced licensing revenue received and indirectly from reduced sales of our other products. See Item 1 — "Business — Our Licensing Segment."

Failure to maintain licensing partners could harm our business.

Although we believe that we could replace our existing licensing partners in most circumstances, if necessary, our inability to do so for any period of time could adversely affect our revenues, both directly from reduced licensing revenue received and indirectly from reduced sales of our other products. See Item 1 — "Business — Our Licensing Segment."

The voting shares of our Company's stock are concentrated in one majority stockholder.

As of March 30, 2013, Mr. Ralph Lauren, or entities controlled by the Lauren family, owned approximately 83% of the voting power of the outstanding common stock of our Company. Mr. Lauren also serves as our Chairman of the Board and Chief Executive Officer, and we employ other members of the Lauren family. From time to time, and as approved or authorized by our Board of Directors, we may have other business dealings with Mr. Lauren, members of the Lauren family, or entities affiliated with Mr. Lauren or the Lauren family. As a result of his stock ownership and position in our Company, Mr. Lauren has the ability to exercise significant control over our business, including, without limitation, (i) the election of our Class B common stock directors, voting separately as a class, and (ii) any action requiring the approval of our stockholders, including the adoption of amendments to our certificate of incorporation and the approval of mergers or sales of all or substantially all of our assets.

The trading prices of our securities periodically may rise or fall based on the accuracy of predictions of our earnings or other financial performance.

Our business planning process is designed to maximize our long-term strength, growth, and profitability, and not to achieve an earnings target in any particular fiscal quarter. We believe that this longer-term focus is in the best interests of our Company and our stockholders. At the same time, however, we recognize that, from time to time, it may be helpful to provide investors with guidance as to our quarterly and annual forecast of net sales and earnings. While we generally expect to provide updates to our guidance when we report our results each fiscal quarter, we assume no responsibility to update any of our forward-looking statements at such times or otherwise. If, and when, we announce actual results that differ from those that have been predicted by us, outside analysts, or others, the market price of our securities could be adversely affected. Investors who rely on these predictions when making investment decisions with respect to our securities do so at their own risk. We take no responsibility for any losses suffered as a result of such changes in the prices of our securities.

Risks Relating to the Industry in Which We Compete

The downturn in the global economy may continue to affect consumer purchases of discretionary items and luxury retail products, which could adversely affect our business, financial condition, and results of operations.

The industries in which we operate are cyclical. Many economic factors outside of our control affect the level of consumer spending in the apparel, cosmetic, fragrance, accessory, jewelry, watch, and home product industries, including, among others:

- general business conditions;
- economic downturns;
- employment levels;
- downturns in the stock market;
- interest rates;

- the housing market;
- consumer debt levels;
- the availability of consumer credit;
- increases in fuel prices;
- taxation; and
- consumer confidence in future economic conditions.

Consumer purchases of discretionary items and luxury retail products, including our products, tend to decline during recessionary periods and at other times when disposable income is lower. A downturn or an uncertain outlook in the economies in which we, or our licensing partners, sell our products may materially adversely affect our businesses, financial condition, and results of operations. See Item 7 — “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Global Economic Developments” for further discussion.

The domestic and international political situation also affects consumer confidence. The threat, outbreak, or escalation of terrorism, military conflicts or other hostilities could lead to a decrease in consumer spending and may materially adversely affect our business, financial condition, and results of operations.

We face intense competition worldwide in the markets in which we operate.

We face intense competition from other domestic and foreign fashion-oriented apparel, footwear, accessory, and casual apparel producers, some of which may be significantly larger and more diversified and may have greater financial and marketing resources than us. We compete with these companies primarily on the basis of:

- anticipating and responding to changing consumer demands in a timely manner;
- creating and maintaining favorable brand recognition, loyalty, and a reputation for quality;
- developing and maintaining innovative, high-quality products in sizes, colors, and styles that appeal to consumers;
- appropriately sourcing raw materials at cost-effective prices;
- appropriately pricing products;
- anticipating and maintaining proper inventory levels;
- providing strong and effective marketing support;
- retaining and recruiting key employees;
- creating an acceptable value proposition for retail customers;
- ensuring product availability and optimizing supply chain and distribution efficiencies with manufacturers and retailers;
- obtaining sufficient retail floor space and effective presentation of our products at retail stores;
- maintaining and growing market share; and
- protecting our intellectual property.

We also face increasing competition from companies selling apparel, accessories, home, and other of our product categories through the Internet. Although we sell our products through the Internet, increased competition in the worldwide apparel, accessory, and home product industries from Internet-based competitors could reduce our sales, prices, and margins and adversely affect our business, financial condition, and results of operations.

Any increased competition, or our failure to adequately address any of these competitive factors, could result in reduced market share or sales, which could adversely affect our business, financial condition, and results of operations.

The success of our business depends on our ability to respond to constantly changing fashion and retail trends and consumer demands in a timely manner.

The industries in which we operate have historically been subject to rapidly changing fashion trends and consumer preferences. Our success depends in large part on our ability to originate and define fashion product and home product trends, as well as to anticipate, gauge, and react to changing consumer demands in a timely manner. Our products must appeal to a broad range of consumers worldwide whose preferences cannot be predicted with certainty and are subject to rapid change, influenced by fashion trends, current economic conditions, and weather conditions, among other factors. We cannot assure that we will be able to continue to develop appealing styles or successfully meet constantly changing consumer demands in the future. In addition, we cannot assure that any new products or brands that we introduce will be successfully received by consumers. Any failure on our part to anticipate, identify, and respond effectively to changing consumer demands and fashion trends could adversely affect retail and consumer acceptance of our products and leave us with a substantial amount of unsold inventory or missed opportunities. If that occurs, we may be forced to rely on markdowns or promotional sales to dispose of excess, slow-moving inventory, which may harm our business and impair the image of our brands. Conversely, if we underestimate consumer demand for our products or if manufacturers fail to supply quality products in a timely manner, we may experience inventory shortages, which may result in unfilled orders, negatively impact customer relationships, diminish brand loyalty, and result in lost revenues. Any of these outcomes could have a material adverse effect on our business, financial condition, and results of operations. See Item 1 — “Business — Sourcing, Production and Quality.”

Item 1B. Unresolved Staff Comments.

Not applicable.

Item 2. Properties.

We lease space for our retail stores and showrooms, and warehouse and office space in various domestic and international locations. We do not own any real property except for a distribution facility in Greensboro, North Carolina and a parcel of land adjacent to the facility, and retail stores in Southampton, New York, and Nantucket, Massachusetts.

We believe that our existing facilities are well maintained, in good operating condition, and are adequate for our present level of operations.

The following table sets forth information with respect to our key properties:

Location	Use	Approximate Sq. Ft.	Current Lease Term Expiration
Greensboro, NC	Wholesale and retail distribution facility	1,500,000	Owned
High Point, NC	Retail e-commerce call center and distribution facility (1)	363,000	January 31, 2023
High Point, NC	Wholesale distribution facility	343,000	December 31, 2022
625 Madison Avenue, NYC	Corporate offices and Home showroom	356,000	December 31, 2019
650 Madison Avenue, NYC	Executive, corporate offices, design studio, and Men’s showrooms	276,000	December 31, 2024
Lyndhurst, NJ	Corporate and retail administrative offices	178,000	December 31, 2019
550 7th Avenue, NYC	Corporate offices, design studio, and Women’s showrooms	84,000	December 31, 2018
Geneva, Switzerland	European corporate offices	107,000	June 22, 2027
Hong Kong, China	Asia-Pacific corporate offices	47,000	October 31, 2015
London, UK	Retail flagship store	40,000	July 4, 2021
888 Madison Avenue, NYC	Retail flagship store	37,900	August 31, 2027
750 North Michigan Avenue, Chicago	Retail flagship store	37,500	November 14, 2017
867 Madison Avenue, NYC	Retail flagship store	27,700	December 31, 2023
Paris, France	Retail flagship store	25,700	May 31, 2018
Tokyo, Japan	Retail flagship store	21,000	December 31, 2020
444 N. Rodeo Drive, Beverly Hills	Retail flagship store	19,420	September 9, 2033

(1) In October 2012, we entered into an agreement to purchase and expand our retail e-commerce call center and distribution facility in High Point, North Carolina, which is expected to be completed in September 2013. The expanded facility will more than double the existing space to approximately 800,000 square feet.

As of March 30, 2013, we operated 388 retail stores, totaling approximately 3 million square feet. We anticipate that we will be able to extend our retail store leases, as well as those leases for our non-retail facilities, which expire in the near future on satisfactory terms or relocate to desirable alternate locations. We generally lease our freestanding retail stores for initial periods ranging from 5 to 10 years, with renewal options.

Item 3. Legal Proceedings.

Derivative Action

On November 22, 2011, a shareholder derivative action was filed by City Pension Fund for Firefighters and Police Officers in the City of Pembroke Pines (the “Plaintiff”), an alleged shareholder purportedly acting on behalf of the Company, in the Supreme Court of the State of New York, County of New York, naming the Company, as a nominal defendant, and naming members of the Board of Directors and certain members of Company management as defendants. The complaint alleged, among other claims, breaches of fiduciary duty and waste of corporate assets by the Company's directors for permitting excessive compensation to, and alleged related party transactions with, the Company's Chairman and Chief Executive Officer and certain other executives, and unjust enrichment by these executives. The Plaintiff sought damages on behalf of the Company in an unspecified amount sustained from the alleged breaches of fiduciary duty and waste of corporate assets and sought disgorgement of excessive compensation and benefits of related party transactions. The Plaintiff also demanded it be awarded the costs and disbursements of the derivative action, including reasonable attorneys' fees. On January 12, 2012, the Company and all defendants moved to dismiss the complaint, and on June 19, 2012, the Court entered an order dismissing the action due to the Plaintiff's failure to make a pre-suit demand on the Company's Board of Directors. On July 5, 2012, the Plaintiff made a demand on the Company's Board of Directors to investigate and take action to remedy the alleged wrongdoing detailed in the complaint. On February 15, 2013, the Board of Directors unanimously agreed to refuse the demand.

Wathne Imports Litigation

On August 19, 2005, Wathne Imports, Ltd. (“Wathne”), our then domestic licensee for luggage and handbags, filed a complaint in the U.S. District Court in the Southern District of New York against the Company and Mr. Ralph Lauren, our Chairman and Chief Executive Officer, asserting, among other things, federal trademark law violations, breach of contract, breach of obligations of good faith and fair dealing, fraud and negligent misrepresentation. The complaint originally sought, among other relief, injunctive relief, compensatory damages in excess of $250 million and punitive damages of not less than $750 million. On September 13, 2005, Wathne withdrew this complaint from the U.S. District Court and filed a complaint in the Supreme Court of the State of New York, New York County, making substantially the same allegations and claims (excluding the federal trademark claims), and seeking similar relief. On February 1, 2006, the Court granted our motion to dismiss all of the causes of action, including the cause of action against Mr. Lauren, except for breach of contract related claims, and denied Wathne's motion for a preliminary injunction. Following some discovery, we moved for summary judgment on the remaining claims and Wathne cross-moved for partial summary judgment. In an April 11, 2008 Decision and Order, the Court granted our summary judgment motion to dismiss most of the claims against our Company, and denied Wathne's cross-motion for summary judgment. Wathne appealed the dismissal of its claims to the Appellate Division of the Supreme Court. Following a hearing on May 19, 2009, the Appellate Division issued a Decision and Order on June 9, 2009 which, in large part, affirmed the lower Court's ruling.

We subsequently made a motion to exclude Wathne's proposed expert's damages report and, on January 23, 2012, the Court granted our motion. Wathne then appealed the ruling to the Appellate Division and, on October 18, 2012, the Appellate Division reversed the order of the lower Court. At this time, the trial date has not yet been scheduled and we intend to continue to contest the remaining claims and dispute any alleged damages in this lawsuit vigorously. Management does not expect that the ultimate resolution of this matter will have a material adverse effect on our consolidated financial statements.

Other Matters

From time to time, we are involved in litigation, other legal claims, and proceedings involving matters associated with or incidental to our business, including, among other things, matters involving credit card fraud, trademark and other intellectual property, licensing, and employee relations. We believe that the resolution of currently pending matters will not individually or in the aggregate have a material adverse effect on our consolidated financial statements. However, our assessment of the current litigation or other legal claims could change in light of the discovery of facts not presently known or determinations by judges, juries, or other finders of fact which are not in accord with management’s evaluation of the possible liability or outcome of such litigation or claims.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our Class A common stock is traded on the New York Stock Exchange ("NYSE") under the symbol "RL." The following table sets forth the high and low sales prices per share of our Class A common stock, as reported on the NYSE Composite Tape, and the cash dividends per common share declared for each quarterly period in our two most recent fiscal years:

	Market Price of Class A Common Stock High	Low	Dividends Declared per Common Share
Fiscal 2013:			
First Quarter	$179.00	$134.48	$0.40
Second Quarter	164.28	134.29	0.40
Third Quarter	165.41	144.14	0.40
Fourth Quarter	179.90	146.58	0.40
Fiscal 2012:			
First Quarter	$136.50	$114.60	$0.20
Second Quarter	154.62	105.11	0.20
Third Quarter	164.55	121.30	0.20
Fourth Quarter	182.48	136.92	0.20

Since 2003, we have maintained a regular quarterly cash dividend program on our common stock. On May 21, 2012, our Board of Directors approved an increase to our quarterly cash dividend on our common stock from $0.20 per share to $0.40 per share. Approximately $146 million was recorded as a reduction to retained earnings during Fiscal 2013 in connection with our dividends.

As of May 17, 2013, there were 883 holders of record of our Class A common stock and 7 holders of record of our Class B common stock. All of our outstanding shares of Class B common stock are owned by Mr. Ralph Lauren, Chairman of the Board of Directors and Chief Executive Officer, and entities controlled by the Lauren family, and are convertible at any time into shares of Class A common stock on a one-for-one basis. During Fiscal 2013, the Lauren Family, L.L.C., a limited liability company managed by the children of Mr. Lauren, converted 950,000 shares of Class B common stock into an equal number of shares of Class A common stock pursuant to the terms of the security, which were subsequently sold on the open market as part of a predetermined, systematic trading plan.

The following table sets forth repurchases of shares of our Class A common stock during the fiscal quarter ended March 30, 2013:

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet be Purchased Under the Plans or Programs[1]
				(millions)
December 30, 2012 to January 26, 2013	—	$—	—	$ 627
January 27, 2013 to February 23, 2013	—	—	—	627
February 24, 2013 to March 30, 2013	3,230 [2]	167.18	—	577 [3]
	3,230		—	

(1) On August 9, 2012, the Company's Board of Directors approved an expansion of the Company's existing common stock repurchase program that will allow it to repurchase up to an additional $500 million of Class A common stock.

(2) Represents shares surrendered to, or withheld by, the Company in satisfaction of withholding taxes in connection with the vesting of awards issued under the 2010 Long-Term Stock Incentive Plan and the 1997 Long-Term Stock Incentive Plan.

(3) The remaining value of shares authorized for repurchase was reduced by a $50 million prepayment made under a share repurchase program entered into with a third-party financial institution in March 2013, in exchange for the right to receive shares of Class A common stock at the conclusion of a 93-day repurchase term (the "Prepaid Repurchase Program"). The number of shares to be received at the end of the term is based on the volume-weighted average market price of the Company's Class A common stock over the related 93-day period, less a discount. As of March 30, 2013, no shares have been delivered to us pursuant to the Prepaid Repurchase Program, as discussed in Note 18 to the accompanying audited consolidated financial statements.

The following graph compares the cumulative total stockholder return (stock price appreciation plus dividends) on our Class A common stock to the cumulative total return of the Standard & Poor’s 500 Index and a peer group index of companies that we believe are closest to ours (the “Peer Group”) for the period from March 28, 2008, the last trading day of our 2008 fiscal year, through March 28, 2013, the last trading day of our 2013 fiscal year. Our Peer Group consists of Burberry Group PLC, Coach, Inc., Compagnie Financière Richemont SA, The Estée Lauder Companies Inc., Hermes International, The Jones Group Inc., The Warnaco Group, Inc., Luxottica Group, LVMH, PVH Corp., PPR SA, Tiffany & Co., Tod’s S.p.A., and V.F. Corporation. All calculations for foreign companies in our Peer Group are performed using the local foreign issue of such companies. The returns are calculated by assuming an investment in the Class A common stock and each index of $100 on March 29, 2008, with all dividends reinvested.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Ralph Lauren Corporation, the S&P 500 Index, and a Peer Group

*$100 invested on 3/29/08 in stock or 3/31/08 in index, including reinvestment of dividends.

Item 6. Selected Financial Data

See the "Index to Consolidated Financial Statements and Supplementary Information," and specifically "Selected Financial Information" appearing at the end of this Annual Report on Form 10-K. This selected financial data should be read in conjunction with Item 7 — "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 8 — "Financial Statements and Supplementary Data" included in this Annual Report on Form 10-K. Historical results may not be indicative of future results.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following management's discussion and analysis of financial condition and results of operations ("MD&A") should be read together with our audited consolidated financial statements and footnotes, which are included elsewhere in this Annual Report on Form 10-K. We utilize a 52-53 week fiscal year ending on the Saturday closest to March 31. As such, Fiscal 2013 ended on March 30, 2013 and was a 52-week period; Fiscal 2012 ended on March 31, 2012 and was a 52-week period; and Fiscal 2011 ended on April 2, 2011 and was a 52-week period.

INTRODUCTION

MD&A is provided as a supplement to the accompanying audited consolidated financial statements and footnotes to help provide an understanding of our results of operations, financial condition, and liquidity. MD&A is organized as follows:

- Overview. This section provides a general description of our business, global economic developments, and a summary of our financial performance for Fiscal 2013. In addition, this section includes a discussion of recent developments and transactions affecting comparability that we believe are important in understanding our results of operations and financial condition, and in anticipating future trends.
- Results of operations. This section provides an analysis of our results of operations for Fiscal 2013, Fiscal 2012, and Fiscal 2011.
- Financial condition and liquidity. This section provides a discussion of our financial condition and liquidity as of March 30, 2013, which includes (i) an analysis of our financial condition compared to the prior fiscal year-end; (ii) an analysis of our cash flows for Fiscal 2013, Fiscal 2012, and Fiscal 2011; (iii) an analysis of our liquidity, including common stock repurchases, payments of dividends, our outstanding debt and covenant compliance, and the availability under our credit facilities; and (iv) a summary of our contractual and other obligations as of March 30, 2013.
- Market risk management. This section discusses how we manage our risk exposures related to foreign currency exchange rates, interest rates, and our investments, as well as to the underlying market conditions as of March 30, 2013.
- Critical accounting policies. This section discusses accounting policies considered to be important to our financial condition and results of operations, which require significant judgment and estimation on the part of management in their application. In addition, all of our significant accounting policies, including our critical accounting policies, are summarized in Note 3 to our accompanying audited consolidated financial statements.
- Recently issued accounting standards. This section discusses the potential impact on our reported financial condition and results of operations of certain accounting standards that have been recently issued or proposed.

OVERVIEW

Our Business

Our Company is a global leader in the design, marketing, and distribution of premium lifestyle products, including men's, women's, and children's apparel, accessories, fragrances, and home furnishings. Our long-standing reputation and distinctive image have been consistently developed across an expanding number of products, brands, and international markets. Our brand names include Ralph Lauren Women's Collection, Purple Label, Black Label, Blue Label, Polo Ralph Lauren, RRL, Ralph Lauren Childrenswear, Lauren by Ralph Lauren, RLX Ralph Lauren, Denim & Supply Ralph Lauren, Ralph Lauren, Rugby, Chaps, and Club Monaco, among others.

In October 2012, we approved a plan to wind-down our Rugby brand retail operations (the “Rugby Closure Plan”), as discussed further in the "Recent Developments" section below.

We classify our businesses into three segments: Wholesale, Retail, and Licensing. Our Wholesale business, representing approximately 45% of our Fiscal 2013 net revenues, consists of sales made principally to major department stores and specialty stores located throughout North America, Europe, Asia, and Latin America. Our Retail business, representing approximately 52% of our Fiscal 2013 net revenues, consists of sales made directly to consumers through our retail stores located throughout North America, Europe, Asia, and Latin America; through concession-based shop-within-shops located primarily in Asia and Europe; and through our retail e-commerce channel in North America, Europe, and Asia. Our Licensing business, representing approximately 3% of our Fiscal 2013 net revenues, consists of royalty-based arrangements under which we license the right to third parties to use our various trademarks in connection with the manufacture and sale of designated products, such as apparel, eyewear, and fragrances, in specified geographical areas for specified periods. Approximately 37% of our Fiscal 2013 net revenues were earned in international regions outside of the U.S. See Note 22 to the accompanying audited consolidated financial statements for a summary of net revenues by reportable segment and geographic location.

Our business is typically seasonal, with higher levels of wholesale sales in our second and fourth quarters and higher retail sales in our second and third quarters. These trends result primarily from the timing of seasonal wholesale shipments and key vacation travel, back-to-school, and holiday shopping periods in the Retail segment.

Global Economic Developments

The challenging state of the global economy continues to influence the level of consumer spending for discretionary items. This directly impacts our business, as it is highly dependent on consumer demand for our products. The current political and economic environments in the U.S., Europe, and Asia have resulted in significant macroeconomic risks, including high rates of unemployment, currency and commodity price volatility, and continued global economic uncertainty, driven in part by the European debt crisis, as well as the slowdown of economic growth in the U.S. and Asia, among other factors. These risks, combined with continued expectations of slow global economic growth, reduced government spending, and increased austerity measures, have adversely affected consumer and business sentiment. As a result, consumer retail traffic has been inconsistent, and the global retail environment remains highly promotional.

The current global economic environment and fluctuations in consumer confidence have resulted in continued softness in our European wholesale businesses. In addition, during Fiscal 2013, while our overall business performed well, certain of our retail operations exhibited declining comparable store sales trends, particularly our businesses in Japan and Korea. If the global macroeconomic environment remains weak or worsens, the constrained level of worldwide consumer spending and modified consumption behavior will continue to have a negative effect on our sales and operating margin for Fiscal 2014. We will continue to monitor these risks and evaluate and adjust our operating strategies and cost management opportunities to mitigate the related impact on our results of operations.

For a detailed discussion of significant risk factors that have the potential to cause our actual results to differ materially from our expectations, see Part I, Item 1A — “Risk Factors” included in this Annual Report on Form 10-K.

Summary of Financial Performance

Results of Operations

In Fiscal 2013, we reported net revenues of $6.945 billion, net income of $750.0 million, and net income per diluted share of $8.00. This compares to net revenues of $6.860 billion, net income of $681.0 million, and net income per diluted share of $7.13 in Fiscal 2012. The comparability of our operating results has been affected by $18.5 million of pretax charges related to asset impairments and restructurings recognized in Fiscal 2013 in connection with the Rugby Closure Plan, and other items effecting comparability, as discussed further below.

Our operating performance for Fiscal 2013 reflected revenue growth of 1.2%, primarily due to increased revenues from our retail businesses, partially offset by lower revenues from our wholesale businesses and net unfavorable foreign currency effects. Excluding the effect of foreign currency, net revenues increased by 2.7%. Our gross margin percentage increased by 150 basis points to 59.8% during Fiscal 2013, reflecting lower sourcing costs compared to higher cost benchmarks in the prior year period across most of our global businesses, a favorable product mix in most of our wholesale businesses, and the growth of our retail businesses, which generally carry a higher gross margin. The improvement in gross margin was partially offset by a less favorable geographic mix, as well as elevated promotional activity across certain of our North American retail businesses. Selling, general, and administrative ("SG&A") expenses increased largely due to higher compensation-related costs, selling costs, depreciation, and distribution costs, as well as additional expenses incurred to support our growth and new business initiatives.

Net income increased in Fiscal 2013 as compared to Fiscal 2012, primarily due to an $87.3 million increase in operating income, partially offset by an increase in foreign currency losses of $10.0 million, and a $5.2 million increase in our provision for income taxes. The increase in our provision for income taxes was driven by an overall increase in our pretax income, largely offset by a 180 basis point decline in our effective tax rate. Net income per diluted share also increased due to higher net income coupled with lower weighted-average diluted shares outstanding during Fiscal 2013. As noted above, Fiscal 2013 results were negatively impacted by $18.5 million of pretax charges related to asset impairments and restructurings in connection with the Rugby Closure Plan, which had an after-tax effect of reducing net income by $12.0 million, or $0.13 per diluted share.

Financial Condition and Liquidity

Our financial position reflects the overall strength of our business results. We ended Fiscal 2013 in a net cash and investments position (cash and cash equivalents plus short-term and non-current investments, less total debt) of $1.113 billion, compared to $1.013 billion as of the end of Fiscal 2012. The increase in our net cash and investments position was primarily due to our operating cash flows and proceeds from stock option exercises, partially offset by our use of cash to support our common stock repurchases, capital expenditures, and dividend payments during Fiscal 2013.

Our equity increased to $3.785 billion as of March 30, 2013, compared to $3.653 billion as of March 31, 2012, primarily due to our net income and equity issuances made pursuant to stock-based compensation arrangements, partially offset by our share repurchase activity, dividends declared, and other comprehensive loss in Fiscal 2013.

We generated $1.019 billion of cash from operations during Fiscal 2013, compared to $885.3 million during Fiscal 2012. The increase in operating cash flows primarily relates to the increase in our net income before non-cash expenses, coupled with a net favorable change in working capital during Fiscal 2013, compared to the prior fiscal year. We used some of our available cash to support our common stock repurchase program, to reinvest in our business through capital spending, and to pay dividends on our common stock. In particular, we used $547.3 million to repurchase Class A common stock, including shares surrendered for tax withholdings, and to make a payment under a prepaid share repurchase program (see Note 18 to the accompanying audited consolidated financial statements). We also used $276.5 million for capital expenditures, primarily associated with our global retail store expansion and construction, our renovation of department store shop-within-shops, investments in our facilities, and enhancements to our global information technology systems. Furthermore, we made cash dividend payments of $127.8 million.

Transactions Affecting Comparability of Results of Operations and Financial Condition

The comparability of our operating results for the three fiscal years presented herein has been affected by certain items, including:

- certain pretax charges related to asset impairments and restructurings during the fiscal periods presented, including $18.5 million in pretax charges associated with the Rugby Closure Plan during Fiscal 2013, and $5.5 million in pretax charges in connection with the Asia-Pacific Restructuring Plan in Fiscal 2012, which included the closure of approximately 95 owned and licensed stores and concession shops in the Greater China and Southeast Asia region, primarily during the fourth quarter of Fiscal 2012, that did not support our new merchandising strategy, both as discussed below;
- the discontinuance of the majority of products sold under the American Living brand effective for the Fall 2012 selling season; and
- our recent acquisitions, including the transition of our previously licensed business in South Korea to a wholly-owned operation on January 1, 2011, and our assumption of control over the distribution of our previously licensed bedding and bath business on May 1, 2011.

A summary of the effect of certain of these items on pretax income for each applicable fiscal period presented is shown below (references to "Notes" are to the notes to the accompanying audited consolidated financial statements):

	Fiscal Years Ended		
	March 30, 2013	March 31, 2012	April 2, 2011
	(millions)		
Impairments of assets (see Note 11)	$(19.0)	$(2.2)	$(2.5)
Restructuring charges (see Note 12)	(11.7)	(12.4)	(2.6)
	$(30.7)	$(14.6)	$(5.1)

Our "Results of Operations" discussion that follows includes the significant changes in operating results arising from these items affecting comparability. However, unusual items or transactions may occur in any period. Accordingly, investors and other financial statement users individually should consider the types of events and transactions that have affected operating trends.

Recent Developments

Chaps

In April 2013, in connection with the transition of the North American Chaps-branded men's sportswear business from a licensed to a wholly-owned operation, we entered into an agreement with The Warnaco Group, Inc. (“Warnaco”), a subsidiary of PVH Corp. (“PVH”), to acquire certain net assets in exchange for an aggregate payment of approximately $18 million (the "Chaps Menswear License Acquisition"). We funded the Chaps Menswear License Acquisition with available cash on-hand. Warnaco was our licensee for Chaps-branded men's sportswear apparel in North America. In connection with the Chaps Menswear License Acquisition, we entered into a transition services agreement with PVH for the provision of certain support services related to sourcing, distribution, customer service, finance, and information systems through June 30, 2013. The operating results of the Chaps men's sportswear business will be consolidated in our operating results commencing on April 10, 2013. We are currently in the process of assessing the fair values of the assets acquired and liabilities assumed.

Wind-down of Rugby

In October 2012, we approved the Rugby Closure Plan to wind-down our Rugby brand retail operations. This decision was primarily based on the results of an analysis of the brand concept, as well as an opportunity to reallocate our resources related to these operations to support other high-growth business opportunities and initiatives. In connection with the Rugby Closure Plan, 13 of our 14 global freestanding Rugby stores and our related domestic e-commerce site located at Rugby.com were closed during Fiscal 2013. The one remaining Rugby store is expected to be closed during Fiscal 2014. The Rugby Closure Plan resulted in a reduction in our workforce of approximately 160 employees. Refer to Notes 11 and 12 to our accompanying audited consolidated financial statements for detailed discussions of impairment and restructuring charges recorded during Fiscal 2013 in connection with the Rugby Closure Plan.

E-Commerce Expansion

During Fiscal 2013, we continued to execute on our strategic objective of growing and expanding our global e-commerce operations as follows:

- We broadened our e-commerce presence in Europe by expanding our existing retail site in France to service customers in Italy, Greece, Spain, and Portugal;
- We expanded our global e-commerce presence into Asia by launching a new retail site for our Ralph Lauren business in Japan located at www.RalphLauren.co.jp; and
- We broadened our e-commerce presence in North America by launching a new retail site for our Club Monaco business in Canada located at www.ClubMonaco.ca.

Suspension of Argentina Operations

During the second quarter of Fiscal 2013, we suspended our business operations in Argentina. The suspension of these operations did not have a material impact on the Company's consolidated or segment results.

Discontinuance of American Living

During the fourth quarter of Fiscal 2012, we decided, along with our wholesale partner J.C. Penney Company, Inc. (“JCPenney”), to discontinue the majority of the products sold under the American Living brand created for and exclusively sold to JCPenney, effective for the Fall 2012 wholesale selling season. The discontinuance of these American Living product lines did not have a material impact on the Company’s consolidated or segment results.

Asia-Pacific Restructuring Plan

In May 2011, we initiated a restructuring plan to reposition and upgrade our existing distribution network and merchandising operations in the Asia-Pacific region, which includes mainland China, Macau, Hong Kong, Taiwan, Malaysia, Singapore, Japan, and South Korea (the "Asia-Pacific Restructuring Plan"). This plan included a reduction in workforce and the closure of certain stores and concession shops that did not support our new merchandising strategy. See Note 12 to our accompanying audited consolidated financial statements for additional information relating to restructuring charges recorded during Fiscal 2012 in connection with the Asia-Pacific Restructuring Plan.

Assumption of Bedding and Bath Operations

In May 2011, the license for our Lauren by Ralph Lauren bedding and bath products previously held by WestPoint Home, Inc. expired in accordance with the underlying agreement, and we assumed control over this wholesale business. No significant payment or other consideration was provided related to this license expiration. WestPoint Home, Inc. remained the exclusive licensee for our Lauren basic bedding program, which includes utility and blanket products, through December 2012.

RESULTS OF OPERATIONS

Fiscal 2013 Compared to Fiscal 2012

The following table summarizes our results of operations and expresses the percentage relationship to net revenues of certain financial statement captions:

	Fiscal Years Ended			
	March 30, 2013	March 31, 2012	$ Change	% / bps Change
	(millions, except per share data)			
Net revenues	$6,944.8	$6,859.5	$85.3	1.2%
Cost of goods sold[a]	(2,789.0)	(2,861.4)	72.4	(2.5%)
Gross profit	4,155.8	3,998.1	157.7	3.9%
Gross profit as % of net revenues	59.8%	58.3%		150 bps
Selling, general, and administrative expenses[a]	(2,971.6)	(2,915.2)	(56.4)	1.9%
SG&A expenses as % of net revenues	42.8%	42.5%		30 bps
Amortization of intangible assets	(26.8)	(28.9)	2.1	(7.3%)
Impairment of assets	(19.0)	(2.2)	(16.8)	NM
Restructuring charges	(11.7)	(12.4)	0.7	(5.6%)
Operating income	1,126.7	1,039.4	87.3	8.4%
Operating income as % of net revenues	16.2%	15.2%		100 bps
Foreign currency losses	(11.5)	(1.5)	(10.0)	NM
Interest expense	(22.1)	(24.5)	2.4	(9.8%)
Interest and other income, net	5.7	11.0	(5.3)	(48.2%)
Equity in losses of equity-method investees	(9.5)	(9.3)	(0.2)	2.2%
Income before provision for income taxes	1,089.3	1,015.1	74.2	7.3%
Provision for income taxes	(339.3)	(334.1)	(5.2)	1.6%
Effective tax rate[b]	31.1%	32.9%		(180 bps)
Net income	$750.0	$681.0	$69.0	10.1%
Net income per common share:				
Basic	$8.21	$7.35	$0.86	11.7%
Diluted	$8.00	$7.13	$0.87	12.2%

(a) Includes total depreciation expense of $205.5 million and $196.3 million for Fiscal 2013 and Fiscal 2012, respectively.

(b) Effective tax rate is calculated by dividing the provision for income taxes by income before provision for income taxes.

NM Not meaningful.

Net Revenues. Net revenues increased by $85.3 million, or 1.2%, to $6.945 billion in Fiscal 2013 from $6.860 billion in Fiscal 2012. The increase was primarily due to higher revenues from our retail businesses, which were partially offset by lower revenues from our wholesale businesses and net unfavorable foreign currency effects. Excluding the effect of foreign currency, net revenues increased by $183.4 million, or 2.7%.

Net revenues for our three reportable business segments are as follows:

Fiscal Years Ended