==

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 5, 2001 or

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

For the transition period from ____________ to _____________

Commission file number 1-16097

THE MEN'S WEARHOUSE, INC.
(Exact Name of Registrant as Specified in its Charter)

TEXAS	74-1790172
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)
5803 GLENMONT DRIVE HOUSTON, TEXAS	77081-1701
(Address of Principal Executive Offices)	(Zip Code)

(713) 592-7200
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (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 [X]. No [ ].

The number of shares of common stock of the Registrant, par value $.01 per share, outstanding at June 15, 2001 was 40,921,896, excluding 1,365,364 shares classified as Treasury Stock.

==

REPORT INDEX

<TABLE>
<CAPTION>

</TABLE>

PART I. FINANCIAL INFORMATION
ITEM 1 - FINANCIAL STATEMENTS
GENERAL INFORMATION

The consolidated financial statements herein include the accounts of The Men's Wearhouse, Inc. and its subsidiaries (the "Company") and have been prepared without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). As applicable under such regulations, certain information and footnote disclosures have been condensed or omitted. The Company believes that the presentation and disclosures herein are adequate to make the information not misleading, and the financial statements reflect all elimination entries and normal adjustments which are necessary for a fair statement of the results for the three months ended April 29, 2000 and May 5, 2001.

Operating results for interim periods are not necessarily indicative of the results for full years. It is suggested that these consolidated financial statements be read in conjunction with the consolidated financial statements for the year ended February 3, 2001 and the related notes thereto included in the Company's 2000 Annual Report on Form 10-K filed with the SEC.

THE MEN'S WEARHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

<TABLE>
<CAPTION>

ASSETS	APRIL 29, 2000	MAY 5, 2001	FEBRUARY 3, 2001
<S>	<C>	<C>	<C>
CURRENT ASSETS:			
Cash	$ 63,268	$ 20,907	$ 84,426
Inventories	352,405	402,502	355,284
Other current assets	24,487	31,947	29,371
Total current assets	440,160	455,356	469,081
PROPERTY AND EQUIPMENT, Net	143,992	195,539	185,917
OTHER ASSETS, Net	49,504	53,540	52,736
TOTAL	$ 633,656	$ 704,435	$ 707,734
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable	$ 96,511	$ 110,360	$ 77,502
Accrued expenses	38,719	38,662	49,894
Current portion of long-term debt	2,534	2,397	2,508
Income taxes payable	10,946	15,052	20,593
Total current liabilities	148,710	166,471	150,497
LONG-TERM DEBT	52,397	40,150	42,645
OTHER LIABILITIES	12,554	19,478	19,605
Total liabilities	213,661	226,099	212,747
COMMITMENTS AND CONTINGENCIES			
SHAREHOLDERS' EQUITY:			

Preferred stock	--	--	--
Common stock	413	423	422
Capital in excess of par	183,243	190,243	189,656
Retained earnings	240,619	324,594	311,852
Accumulated other comprehensive loss	(234)	(2,565)	(316)
Total	424,041	512,695	501,614
Treasury stock, at cost	(4,046)	(34,359)	(6,627)
Total shareholders' equity	419,995	478,336	494,987
TOTAL	$ 633,656	$ 704,435	$ 707,734

</TABLE>

See Notes to Consolidated Financial Statements.

THE MEN'S WEARHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

(IN THOUSANDS, EXCEPT PER SHARE DATA)

<TABLE>
<CAPTION>

	FOR THE QUARTER ENDED	
	APRIL 29, 2000	MAY 5, 2001
<S>	<C>	<C>
Net sales	$ 287,876	$ 304,651
Cost of goods sold, including buying and occupancy costs	183,563	192,963
Gross margin	104,313	111,688
Selling, general and administrative expenses	82,083	90,532
Operating income	22,230	21,156
Interest (expense) income, net	62	(266)
Earnings before income taxes	22,292	20,890
Provision for income taxes	8,864	8,148
Net earnings	$ 13,428	$ 12,742
Net earnings per share:		
Basic	$ 0.32	$ 0.31
Diluted	$ 0.32	$ 0.31
Weighted average shares outstanding:		
Basic	41,766	41,110
Diluted	42,379	41,620

</TABLE>

See Notes to Consolidated Financial Statements.

THE MEN'S WEARHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(IN THOUSANDS)

<TABLE>
<CAPTION>

<S>	FOR THE QUARTER ENDED APRIL 29, 2000 <C>	FOR THE QUARTER ENDED MAY 5, 2001 <C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	$ 13,428	$ 12,742
Adjustments to reconcile net earnings to net cash used in operating activities:		
Depreciation and amortization	8,165	9,752
Deferred tax provision (benefit)	(589)	472
Increase in inventories	(34,375)	(49,138)
(Increase) decrease in other current assets	1,112	(4,955)
Increase in accounts payable and accrued expenses	8,379	23,372
Increase (decrease) in income taxes payable	254	(5,352)
Increase (decrease) in other liabilities	258	(111)
Net cash used in operating activities	(3,368)	(13,218)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures, net	(13,219)	(19,186)
Investment in trademarks, tradenames and other assets	(79)	(210)
Net cash used in investing activities	(13,298)	(19,396)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock	664	680
Long-term borrowings	7,525	--
Principal payments on long-term debt	(643)	(606)
Tax payments related to options exercised	(111)	--
Purchase of treasury stock	(5,290)	(30,409)
Net cash provided by (used in) financing activities	2,145	(30,335)
Effect of exchange rate changes on cash	(9)	(570)
DECREASE IN CASH	(14,530)	(63,519)
CASH:		
Beginning of period	77,798	84,426
End of period	$ 63,268	$ 20,907

</TABLE>

See Notes to Consolidated Financial Statements.

THE MEN'S WEARHOUSE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES--

Basis of Presentation - The consolidated financial statements include the accounts of The Men's Wearhouse, Inc. and its subsidiaries (the "Company"). Except for those discussed below, there have been no significant changes in the accounting policies of the Company during the periods presented. For a description of these policies, see Note 1 of Notes to Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended February 3, 2001.

Accounting Change - The Company adopted Statement of Financial Accounting Standard No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"), as amended, on February 4, 2001. In accordance with the transition provisions of SFAS 133, the Company recorded a cumulative loss adjustment of $0.5 million ($0.3 million, net of tax) in accumulated other comprehensive income related primarily to the unrealized losses on foreign currency forward exchange contracts, which were designated as cash-flow hedging instruments.

2. EARNINGS PER SHARE--

Basic earnings per share ("EPS") is computed using the weighted average number of common shares outstanding during the period and net earnings. Diluted EPS gives effect to the potential dilution which would have occurred if additional shares were issued for stock options exercised under the treasury stock method.

3. ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING

The Company's policy is to enter into foreign currency forward exchange contracts to minimize foreign currency exposure related to forecasted purchases of certain inventories. Under this standard, such contracts have been designated as and accounted for as cash flow hedges. The settlement terms of the forward contracts, including amount, currency and maturity, correspond with payment terms for the merchandise inventories. As a result, there is no hedge ineffectiveness to be reflected in earnings. At May 5, 2001, the Company had 28 contracts maturing in varying increments to purchase an aggregate notional amount of $23.9 million in foreign currency, maturing at various dates through September 2002.

The changes in the fair value of the foreign currency forward exchange contracts are matched to inventory purchases by period and are recognized in earnings as such inventory is sold. The Company expects to recognize in earnings through May 4, 2002, approximately $0.7 million, net of tax, of existing net losses presently deferred in accumulated other comprehensive income.

4. COMPREHENSIVE INCOME AND SUPPLEMENTAL CASH FLOWS

The Company's comprehensive income, which encompasses net earnings, currency translation adjustments, cumulative effect of accounting change and changes in derivative fair values, is as follows (in thousands):

<TABLE>
<CAPTION>

	FOR THE QUARTER ENDED	
	APRIL 29, 2000	MAY 5, 2001
<S>	<C>	<C>
Net earnings	$ 13,428	$ 12,742
Cumulative effect of accounting change, net of tax	--	(331)
Change in derivative fair value, net of tax	--	(575)
Currency translation adjustments, net of tax	(293)	(1,343)
Comprehensive income	$ 13,135	$ 10,493

</TABLE>

The Company paid cash during the first quarter of 2000 of $0.8 million for interest and $9.4 million for taxes, compared with $0.8 million for interest and $13.6 million for taxes during the first quarter of 2001. The Company had non-cash investing and financing activities resulting from the issuance of treasury stock to the employee stock ownership plan of $2.5 million and $2.5 million in the first quarters of 2000 and 2001, respectively, and from the tax benefit recognized upon exercise of stock options of $0.1 million and $0.1 million, respectively.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

For supplemental information, it is suggested that "Management's Discussion and Analysis of Financial Condition and Results of Operations" be read in conjunction with the corresponding section included in the Company's Annual Report on Form 10-K for the year ended February 3, 2001. References herein to years are to the Company's 52-week or 53-week fiscal year which ends on the Saturday nearest January 31 in the following calendar year. For example, references to "2001" mean the 52-week fiscal year ending February 2, 2002.

In large part, changes in net sales and operating results are impacted by the number of stores operating during the fiscal period. The following table presents information with respect to stores in operation during each of the respective fiscal periods.

<TABLE>
<CAPTION>

	FOR THE THREE MONTHS ENDED	YEAR ENDED

	APRIL 29, 2000	MAY 5, 2001	FEBRUARY 3, 2001
Stores open at beginning of period	614	651	614
Opened	6	8	39
Acquired	--	--	1
Closed	(3)	--	(3)
Stores open at end of period	617	659	651
Stores open at end of period:			
U.S. --			
Men's Wearhouse	452	477	473
K&G/Suit Warehouse	52	69	65
	504	546	538
Canada -- Moores	113	113	113
	617	659	651

RESULTS OF OPERATIONS

Three Months Ended April 29, 2000 and May 5, 2001

The Company's net sales were $304.7 million for the quarter ended May 5, 2001, a $16.8 million or 5.8% increase over the same prior year period. This increase was due primarily to sales resulting from the increased number of stores and increased sales at existing stores in Canada, offset partially by decreased sales at existing U.S. stores. Comparable store sales (which are calculated primarily by excluding the net sales of a store for any month of one period if the store was not open throughout the same month of the prior period) decreased 4.3% for the U.S. stores from the same prior year quarter, while comparable store sales for the Canadian stores increased 8.7% from the same prior year quarter.

Gross margin increased 7.1% over the same prior year quarter to $111.7 million in the first quarter of 2001. As a percentage of sales, gross margin increased from 36.2% in the first quarter of 2000 to 36.7% in the first quarter of 2001. This increase in gross margin predominantly resulted from a decrease in product costs as a percentage of sales, offset partially by an increase in occupancy costs.

Selling, general and administrative ("SG&A") expenses increased as a percentage of sales from 28.5% for the quarter ended April 29, 2000 to 29.7% for the quarter ended May 5, 2001, and SG&A expenditures increased by $8.4 million to $90.5 million. On an absolute dollar basis, the principal components of SG&A expenses increased primarily due to the Company's growth and continued infrastructure investments. Advertising expense decreased from 5.6% to 4.6% of net sales, while store salaries increased from 11.0% to 11.5% of net sales and other SG&A expenses increased from 12.0% to 13.5% of net sales.

Net interest income was $0.1 million in the first quarter of 2000 compared to interest expense, net of interest income, of $0.3 million in the first quarter of 2001. Weighted average borrowings outstanding decreased from $53.8 million in the first quarter of 2000 to $43.6 million in the first quarter of 2001, and the weighted average interest rate on outstanding indebtedness increased from 6.5% to 6.9%. The decrease in the weighted average borrowings was due primarily to reduced borrowings under the Company's credit facilities. The increase in the weighted average interest rate was due primarily to increases in the LIBOR rate.

The Company's effective income tax rate decreased from 39.8% for the first quarter of 2000 to 39.0% for the first quarter of 2001. The effective tax rate was higher than the statutory U.S. federal rate of 35% primarily due to the effect of state income taxes.

LIQUIDITY AND CAPITAL RESOURCES

Working capital was $288.9 million at May 5, 2001, which is down from $318.6 million at February 3, 2001 and $291.5 million at April 29, 2000. Historically, the Company's working capital has been at its lowest level in January and February and has increased through November as inventory buildup is financed with long-term borrowings in preparation for the fourth quarter selling season. However, due primarily to the Company's stock repurchase program, as discussed below, working capital declined during the first quarter of 2001.

Net cash used in operating activities was $3.4 million in the first three months of 2000 compared with $13.2 million in the first three months of 2001. These amounts primarily represent net earnings plus depreciation and amortization and increases in accounts payable and accrued expenses, offset by increases in inventories and, in the first quarter of 2001, an increase in other current assets and income tax payments. Inventories increased $34.4 million and $49.1 million for the quarter ended April 29, 2000 and May 5, 2001, respectively, due to seasonal inventory buildup, the addition of inventory for new stores and stores expected to be opened in the following quarter and the purchase of fabric used in the direct sourcing of inventory.

Net cash used in investing activities was $13.3 million and $19.4 million for the first quarter of 2000 and 2001, respectively. Cash used in investing activities was primarily comprised of capital expenditures relating to stores opened, remodeled or relocated during the period or under construction at the end of the period and infrastructure technology investments.

The Company has a revolving credit agreement with a group of banks (the "Credit Agreement") that provides for borrowing of up to $125 million through February 5, 2004. Advances under the Credit Agreement bear interest at a rate per annum equal to, at the Company's option, the agent's prime rate or the reserve adjusted LIBOR rate plus a varying interest rate margin. The Credit Agreement also provides for fees applicable to unused commitments. In addition, the Company has two Canadian credit facilities which include a revolving credit agreement which provides for borrowings up to Can$30 million (US$20 million) through February 5, 2004 and a term credit agreement under which the Company borrowed Can$75 million (US$50 million) in February 1999. The term credit borrowing is payable in quarterly installments of Can$0.9 million (US$0.6 million) beginning in May 1, 1999, with the remaining unpaid principal payable on February 5, 2004. Covenants and interest rates are substantially similar to those contained in the Company's Credit Agreement. As of May 5, 2001, there was US$42.5 million outstanding under the term credit agreement and no indebtedness outstanding under the revolving credit agreement.

The Credit Agreement contains certain restrictive and financial covenants, including the requirement to maintain a minimum level of net worth and certain financial ratios. The Credit Agreement also prohibits payment of cash dividends on the common stock of the Company. The Company is in compliance with the covenants in the Credit Agreement.

Net cash provided by financing activities was $2.1 million for the first quarter of 2000, due mainly to borrowings on the revolving credit agreement, offset by purchases of treasury stock. Net cash used in financing activities was $30.3 million for the first quarter of 2001, due mainly to purchases of treasury stock. In January 2000, the Board of Directors authorized a stock repurchase program for up to 1,000,000 shares of the Company's common stock. Under this authorization, the Company may purchase shares from time to time in the open market or in private transactions, depending on market price and other considerations. On January 31, 2001, the Board of Directors authorized an expansion of the stock repurchase program for up to an additional 2,000,000 shares of the Company's common stock. During the first quarter of 2000 and 2001, the Company repurchased 210,000 and 1,185,000 shares of its common stock under this program at a cost of $5.3 million and $30.4 million, respectively.

In December 2000, the Company issued two option contracts under which the contract counterparties had the option to require the Company to purchase an agreed-upon number of shares of its common stock at a specific strike price per share on March 15, 2001 and on June 12, 2001. The Company received premiums, in aggregate, of $0.5 million for issuing these contracts. Both option contracts expired unexercised.

The Company anticipates that its existing cash and cash flow from operations, supplemented by borrowings under the Credit Agreement, will be sufficient to fund its planned store openings, other capital expenditures and operating cash requirements for at least the next 12 months.

In connection with the Company's direct sourcing program, the Company may enter into purchase commitments that are denominated in a foreign currency (primarily the Euro). The Company generally enters into forward exchange contracts to reduce the risk of currency fluctuations related to such commitments. The majority of the forward exchange contracts are with seven financial institutions. Therefore, the Company is exposed to credit risk in the event of nonperformance by these parties. However, due to the creditworthiness of these major financial institutions, full performance is anticipated. The Company may also be exposed to market risk as a result of changes in foreign exchange rates. This market risk should be substantially offset by changes in the valuation of the underlying transactions.

ITEM 3 - QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is subject to exposure from fluctuations in U.S. dollar/Euro exchange rates and the Canadian dollar/Euro exchange rates. The Company utilizes foreign currency forward exchange contracts to limit exposure to changes in currency exchange rates (see Note 3 to the Company's Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Information and Results of Operations - Liquidity and Capital Resources").

Moores conducts its business in Canadian dollars. The exchange rate between Canadian dollars and U.S. dollars has fluctuated over the last ten years. If the value of the Canadian dollar against the U.S. dollar weakens, then the revenues and earnings of the Company's Canadian operations will be reduced when they are translated to U.S. dollars and the value of the Company's Canadian net assets in U.S. dollars may decline.

FORWARD-LOOKING STATEMENTS

Certain statements made herein and in other public filings and releases by the Company contain "forward-looking" information (as defined in the Private Securities Litigation Reform Act of 1995) that involve risk and uncertainty. These forward-looking statements may include, but are not limited to, future capital expenditures, acquisitions (including the amount and nature thereof), future sales, earnings, margins, costs, number and costs of store openings, demand for clothing, market trends in the retail clothing business, currency fluctuations, inflation and various economic and business trends. Forward-looking statements may be made by management orally or in writing, including but not limited to, this Management's Discussion and Analysis of Financial Condition and Results of Operations section and other sections of the Company's filings with the Securities and Exchange Commission under the Securities Exchange Act of 1934 and the Securities Act of 1933.

Actual results and trends in the future may differ materially depending on a variety of factors including, but not limited to, domestic and international economic activity and inflation, the Company's successful execution of internal operating plans and new store and new market expansion plans, performance issues with key suppliers, severe weather, foreign currency fluctuations, government export and import policies and legal proceedings. Future results will also be dependent upon the ability of the Company to continue to identify and complete successful expansions and penetrations into existing and new markets and its ability to integrate such expansions with the Company's existing operations.

PART II. OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

On May 11, 2001, a lawsuit was filed against the Company in the Superior Court of California for the County of San Diego, Cause No. GIC 767223 (the "Suit"). The Suit, which was brought as a purported class action, alleges several causes of action, each based on the factual allegation that the Company advertised and sold men's slacks at a marked price that was exclusive of a hemming fee for the pants. The Suit seeks: (i) permanent and preliminary injunctions against advertising slacks at prices which do not include hemming; (ii) restitution of all funds allegedly acquired by means of any act or practice declared by the Court to be unlawful or fraudulent or to constitute unfair competition under certain California statutes, (iii) prejudgment interest; (iv) compensatory and punitive damages; (v) attorney's fees; and (vi) costs of suit. The Company believes that the Suit is without merit and the allegations are contrary to customary and well recognized and accepted practices in the sale of men's tailored clothing. The Company intends to vigorously defend the Suit.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

(a) EXHIBITS.

Exhibit Number		Exhibit Index
10.1	--	Fourth Amendment to 1992 Non-Employee Director Stock Option Plan (filed herewith).

(B) REPORTS ON FORM 8-K.

On February 22, 2001, the Company filed a current report on Form 8-K related to the approval by the Company's Board of Directors of an amendment and restatement of the Company's 401(k) Savings Plan and 401(k) Savings Plan Trust.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant, The Men's Wearhouse, Inc., has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: June 19, 2001 THE MEN'S WEARHOUSE, INC.

By /s/ NEILL P. DAVIS

Neill P. Davis
Senior Vice President, Chief Financial Officer and
Treasurer (Principal Financial Officer)

EXHIBIT INDEX

Exhibit Number		Exhibit Index
10.1	--	Fourth Amendment to 1992 Non-Employee Director Stock Option Plan (filed herewith).

EXHIBIT 10.1

FOURTH AMENDMENT
TO THE MEN'S WEARHOUSE, INC.
1992 NON-EMPLOYEE DIRECTOR STOCK OPTION PLAN

THIS AGREEMENT by The Men's Wearhouse, Inc. (the "Sponsor"),

WITNESSETH:

WHEREAS, the Sponsor maintains the Plan known as "The Men's Wearhouse, Inc. 1992 Non-Employee Director Stock Option Plan" (the "Plan"); and

WHEREAS, the Sponsor retained the right in Paragraph 13 of the Plan to amend the Plan from time to time; and

WHEREAS, the Board of Directors of the Sponsor approved resolutions on the 23rd day of March, 2001, to amend the Plan;

NOW, THEREFORE, the Sponsor agrees that, effective March 23, 2001, but subject to the condition subsequent of approval of the holders of at least a majority of the outstanding shares of common stock, $.01 par value, of the Sponsor,

(i) Paragraph 3 of the Plan is hereby amended in its entirety to read as follows:

"3. Option Shares. The stock subject to the Options and other provisions of the Plan shall be shares of the Company's Common Stock, $.01 par value (or such other par value as may be designated by act of the Company's stockholders) (the "Common Stock"). The total amount of the Common Stock with respect to which Options may be granted shall not exceed in the aggregate 167,500 shares; provided, that the class and aggregate number of shares which may be subject to the Options granted hereunder shall be subject to adjustment in accordance with the provisions of Paragraph 12 hereof. Such shares may be treasury shares or authorized but unissued shares.

In the event that any outstanding Option for any reason shall expire or terminate by reason of the death of the optionee or the fact that the optionee ceases to be a director, the surrender of any such Option, or any other cause, the shares of Common Stock allocable to the unexercised portion of such Option may again be subject to an Option under the Plan."

(ii) Paragraph 4 of the Plan is hereby amended in its entirety to read as follows:

"4. Grant of Options. Subject to the provisions of Paragraph 16 and the availability under the Plan of a sufficient number of shares of Common Stock that may be issuable upon the exercise of outstanding Options, each person who becomes a Non-Employee Director shall be granted, on the date he or she becomes a director of the Company, an Option under the Plan to purchase 3,000 shares of Common Stock at a price per share (the "Option Price") equal to the fair market value of the Common Stock on such date. In addition, for so long as this Plan is in effect and shares are available for the grant of Options hereunder, each Non-Employee Director who is a director of the Company on the last Friday of any fiscal year of the Company (the "Final Friday") shall be granted an Option to purchase 3,000 shares of the Common Stock at an Option Price equal to the fair market value of the Common Stock as of such Final Friday.

For purposes of this Paragraph 4 and Paragraph 7 below, the "fair market value" of a share of Common Stock as of any particular date shall mean the closing price of a share of Common Stock on that date as reported on the New York Stock Exchange, provided that if no closing price for the Common Stock was so reported on that date, then the Option Price shall be the fair market value as of the first preceding date for which such prices are reported."

(iii) Paragraph 16 of the Plan is hereby amended in its entirety to read as follows:

"16. Effective Date of Plan. The Plan shall become effective and shall be deemed to have been adopted on February 24, 1992, if within one year of that date either (i) it shall have been approved by the holders of at least a majority of the outstanding shares of voting stock of the Company or if the provisions of the corporate charter, by-laws or applicable state law prescribes a greater degree of stockholder approval for this action, the approval by the holders of that percentage, at a meeting of stockholders or (ii) the Committee shall have received an opinion of legal counsel to the effect that such approval is not required (a) by law, or (b) in order to make available to the optionee with respect to the Option the benefits of Rule 16b-3 of the Rules and Regulations under the 1934 Act. No Option shall be granted pursuant to the Plan after February 23, 2012."