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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 July 31, 1999 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 0-20036

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

<TABLE>
<S> <C>

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

</TABLE>

(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 outstanding, par value $.01 per share, outstanding at September 9, 1999 was 40,515,292. In addition, there were 1,329,353 Exchangeable Shares outstanding at September 9, 1999.

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PART I, FINANCIAL INFORMATION
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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 and six months ended August 1, 1998 and July 31, 1999.

The Company combined with Moores Retail Group Inc. ("Moores") on February 10, 1999 and with K&G Men's Center, Inc. ("K&G") on June 1, 1999 in transactions accounted for as a pooling of interests. Both Moores and K&G are hereinafter included in references to the Company. In accordance with the pooling of interest method of accounting permitted by Accounting Principles Board Opinion No. 16 "Business Combinations", all prior period consolidated financial statements presented have been restated to include the accounts of Moores and K&G. In addition, the combined financial results presented include reclassifications to conform the accounting policies of Moores and K&G to those of the Company.

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 January 30, 1999 and the related notes thereto included in the Company's 1998 Annual Report on Form 10-K filed with the SEC.



THE MEN'S WEARHOUSE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands)

<TABLE>
<CAPTION>

| <S> | August 1, 1998 <C> | July 31, 1999 <C> | January 30, 1999 <C> |
|---|---|---|---|
| ASSETS | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | $ 11,102 | $ 5,239 | $ 31,012 |
| Inventories | 308,632 | 338,166 | 302,717 |
| Other current assets | 33,032 | 27,920 | 25,903 |
| Total current assets | 352,766 | 371,325 | 359,632 |
| PROPERTY AND EQUIPMENT, NET | 107,415 | 126,558 | 123,771 |
| OTHER ASSETS | 52,632 | 47,126 | 51,673 |
| Total assets | $ 512,813 | $ 545,009 | $ 535,076 |

| | | | |
|---|---|---|---|
| | ========== | ========== | ========== |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| CURRENT LIABILITIES: | | | |
| Accounts payable | $ 68,984 | $ 73,251 | $ 71,034 |
| Accrued expenses | 31,067 | 34,530 | 37,592 |
| Revolver and current portion of long-term debt | 12,002 | 2,263 | 11,212 |
| Income taxes payable | 3,766 | 2,490 | 9,170 |
| Total current liabilities | 115,819 | 112,534 | 129,008 |
| LONG-TERM DEBT | 104,421 | 58,388 | 44,870 |
| OTHER LIABILITIES | 7,554 | 9,418 | 9,743 |
| COMMITMENTS AND CONTINGENCIES | | | |
| SHAREHOLDERS' EQUITY: | | | |
| Preferred stock | -- | -- | -- |
| Common stock | 266 | 397 | 393 |
| Capital in excess of par | 141,869 | 181,837 | 178,144 |
| Retained earnings | 143,219 | 183,734 | 174,146 |
| Currency translation adjustment | (259) | (193) | (233) |
| | 285,095 | 365,775 | 352,450 |
| Less: | | | |
| Treasury stock, at cost | (76) | (1,106) | (995) |
| Total shareholders' equity | 285,019 | 364,669 | 351,455 |
| Total liabilities and shareholders' equity | $ 512,813 | $ 545,009 | $ 535,076 |
| | ========== | ========== | ========== |

</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 Three Months Ended | | For the Six Months Ended | |
|---|---|---|---|---|
| | August 1, 1998 | July 31, 1999 | August 1, 1998 | July 31, 1999 |
| <S> | <C> | <C> | <C> | <C> |
| Net sales | $ 226,580 | $ 256,567 | $ 456,410 | $ 515,431 |
| Cost of goods sold, including buying and occupancy costs | 143,590 | 163,273 | 292,874 | 330,702 |
| Gross margin | 82,990 | 93,294 | 163,536 | 184,729 |
| Selling, general and administrative expenses | 62,682 | 70,706 | 127,108 | 143,310 |
| Transaction costs | -- | 2,155 | -- | 7,707 |
| Duplicative store closing costs | -- | 3,137 | -- | 6,070 |
| Merger related litigation costs | -- | 930 | -- | 930 |
| Operating income | 20,308 | 16,366 | 36,428 | 26,712 |
| Interest expense, net | 2,084 | 587 | 4,031 | 1,259 |
| Earnings before income taxes | 18,224 | 15,779 | 32,397 | 25,453 |
| Provision for income taxes | 7,835 | 7,029 | 13,882 | 12,953 |
| Earnings before extraordinary item | 10,389 | 8,750 | 18,515 | 12,500 |
| Extraordinary item, net of tax | -- | -- | -- | 2,912 |
| Net earnings | $ 10,389 | $ 8,750 | $ 18,515 | $ 9,588 |
| | ========== | ========== | ========== | ========== |

| | | | | |
|---|---|---|---|---|
| Net earnings per basic share: | | | | |
| Earnings before extraordinary item | $ 0.26 | $ 0.21 | $ 0.46 | $ 0.30 |
| Extraordinary item | -- | -- | -- | (0.07) |
| Net earnings | $ 0.26 | $ 0.21 | $ 0.46 | $ 0.23 |
| Net earnings per diluted share: | | | | |
| Earnings before extraordinary item | $ 0.25 | $ 0.21 | $ 0.45 | $ 0.29 |
| Extraordinary item | -- | -- | -- | (0.07) |
| Net earnings | $ 0.25 | $ 0.21 | $ 0.45 | $ 0.22 |
| Weighted average shares outstanding: | | | | |
| Basic | 40,113 | 41,872 | 40,068 | 41,838 |
| Diluted | 43,504 | 42,507 | 43,363 | 42,523 |

</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 Six Months Ended August 1, 1998 <C> | For the Six Months Ended July 31, 1999 <C> |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net earnings | $ 18,515 | $ 9,588 |
| Adjustments to reconcile net earnings to net cash used in operating activities: | | |
| Extraordinary item, net of tax | -- | 2,912 |
| Depreciation and amortization | 12,700 | 14,312 |
| Stock option compensation expense | -- | 889 |
| Loss on disposal of property and equipment | -- | 3,417 |
| Increase in inventories | (52,298) | (35,522) |
| Increase in other assets | (757) | (2,184) |
| (Decrease) increase in accounts payable and accrued expenses | (2,366) | 3,085 |
| Decrease in income taxes payable | (7,404) | (5,408) |
| Increase in other liabilities | 8 | 42 |
| Net cash used in operating activities | (31,602) | (8,869) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Capital expenditures | (25,108) | (19,308) |
| Investment in trademark, tradenames and other intangibles | (6,631) | (238) |
| Sale of marketable securities | 12,679 | 3,680 |
| Purchase of marketable securities | (7,855) | (2,500) |
| Purchase of minority interests | -- | (1,400) |
| Net cash used in investing activities | (26,915) | (19,766) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Bank borrowings | 5,736 | 62,077 |
| Principal payments on bank debt | (1,677) | (58,660) |
| Distribution to minority investors | (176) | -- |
| Payment of deferred loan costs | -- | (623) |
| Proceeds from issuance of common stock | 2,920 | 1,387 |
| Tax payments related to options exercised | (683) | (304) |
| Purchase of treasury stock | -- | (1,032) |
| Net cash provided by financing activities | 6,120 | 2,845 |

| | | |
|---|---|---|
| Effect of exchange rate changes on cash and cash equivalents | (69) | 17 |
| DECREASE IN CASH AND CASH EQUIVALENTS | (52,466) | (25,773) |
| CASH AND CASH EQUIVALENTS, beginning of period | 63,568 | 31,012 |
| CASH AND CASH EQUIVALENTS, end of period | $ 11,102 | $ 5,239 |

</TABLE>

See Notes to Consolidated Financial Statements.



THE MEN'S WEARHOUSE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES--

The Consolidated Financial Statements include the accounts of The Men's Wearhouse, Inc. and its subsidiaries (the "Company"). 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 January 30, 1999.

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 and, in fiscal 1998, conversion of the convertible debt ("Notes"), with fiscal 1998 net earnings adjusted for interest expense associated with the Notes. The following table reconciles the earnings and shares used in the basic and diluted EPS computations (in thousands, except per share amounts):

<TABLE>
<CAPTION>

| | FOR THE THREE MONTHS ENDED | | FOR THE SIX MONTHS ENDED | |
|---|---|---|---|---|
| | AUGUST 1, 1998 | JULY 31, 1999 | AUGUST 1, 1998 | JULY 31, 1999 |
| <S> | <C> | <C> | <C> | <C> |
| Basic EPS | | | | |
| Earnings before extraordinary item | $ 10,389 | $ 8,750 | $ 18,515 | $ 12,500 |
| Extraordinary item, net of tax | -- | -- | -- | 2,912 |
| Net earnings | 10,389 | 8,750 | 18,515 | 9,588 |
| Weighted average number of common shares outstanding | 40,113 | 41,872 | 40,068 | 41,838 |
| Basic EPS: | | | | |
| Earnings before extraordinary item | $ 0.26 | $ 0.21 | $ 0.46 | $ 0.30 |
| Extraordinary item, net of tax | -- | -- | -- | (0.07) |
| Net earnings | $ 0.26 | $ 0.21 | $ 0.46 | $ 0.23 |
| Diluted EPS | | | | |
| Earnings before extraordinary item | $ 10,389 | $ 8,750 | $ 18,515 | $ 12,500 |
| Interest on Notes, net of taxes | 486 | -- | 971 | -- |
| As adjusted net earnings | $ 10,875 | $ 8,750 | $ 19,486 | $ 12,500 |
| Extraordinary item, net of tax | -- | -- | -- | 2,912 |
| As adjusted net earnings | $ 10,875 | $ 8,750 | $ 19,486 | $ 9,588 |
| Weighted average number of common shares outstanding | 40,113 | 41,872 | 40,068 | 41,838 |
| Assumed exercise of stock options | 864 | 635 | 768 | 685 |
| Assumed conversion of Notes | 2,527 | -- | 2,527 | -- |
| As adjusted shares | 43,504 | 42,507 | 43,363 | 42,523 |
| Diluted EPS: | | | | |
| Earnings before extraordinary item | $ 0.25 | $ 0.21 | $ 0.45 | $ 0.29 |
| Extraordinary item, net of tax | -- | -- | -- | (0.07) |

| | | | | |
|---|---|---|---|---|
| Net earnings | $ 0.25 | $ 0.21 | $ 0.45 | $ 0.22 |

</TABLE>



3. COMPREHENSIVE INCOME AND SUPPLEMENTAL CASH FLOWS--

The Company's comprehensive income, which encompasses net income and currency translation adjustments, is as follows (in thousands):

<TABLE>
<CAPTION>

| | FOR THE THREE MONTHS ENDED | | FOR THE SIX MONTHS ENDED | |
|---|---|---|---|---|
| | AUGUST 1, 1998 | JULY 31, 1999 | AUGUST 1, 1998 | JULY 31, 1999 |
| <S> | <C> | <C> | <C> | <C> |
| Net earnings | $ 10,389 | $ 8,750 | $ 18,515 | $ 9,588 |
| Currency translation adjustments, net of tax | (129) | (44) | (71) | 40 |
| Comprehensive income | $ 10,260 | $ 8,706 | $ 18,444 | $ 9,628 |

</TABLE>

The Company paid cash during the first two quarters of 1998 of $4.3 million for interest and $20.9 million for taxes, compared with $2.3 million for interest and $20.1 million for taxes during the first two quarters of 1999.

4. BUSINESS COMBINATIONS --

On February 10, 1999, the Company combined with Moores Retail Group Inc. ("Moores"), a privately owned Canadian corporation, in exchange for securities ("Exchangeable Shares") exchangeable for 2.5 million shares of the Company's common stock. The Exchangeable Shares have substantially identical economic and legal rights as, and will ultimately be exchanged on a one-on-one basis for, shares of the Company's common stock. The Exchangeable Shares were issued to the shareholders and option holders of Moores in exchange for all of the outstanding shares of capital stock and options of Moores because of Canadian tax law considerations. All Exchangeable Shares must be converted into common stock of the Company within five years and are reflected as common stock outstanding for financial reporting purposes by the Company. The combination with Moores has been accounted for as a pooling of interests.

On June 1, 1999, the Company combined with K&G Men's Center, Inc. ("K&G"), a superstore retailer of men's apparel and accessories operating 34 stores in 16 states, with K&G becoming a wholly owned subsidiary of the Company. The Company issued approximately 4.4 million shares of the its common stock to K&G shareholders based on an exchange ratio of 0.43 of a share of the Company's common stock for each share of K&G common stock outstanding. In addition, the Company converted the outstanding options to purchase K&G common stock, whether vested or unvested, into options to purchase 228,000 shares of the Company's common stock based on the exchange ratio of 0.43. The combination has been accounted for as a pooling of interests.

In conjunction with the Moores and K&G combinations, the Company recorded transaction costs of $7.7 million, duplicative stores closing costs of $6.1 million and litigation costs of $0.9 million. The transaction costs were composed primarily of investment banking fees, professional fees and contract termination payments, while the duplicative store closing costs consisted primarily of lease termination payments and the write-off of fixed assets associated with the closing of duplicate stores sites in existing markets. The litigation charge resulted from the settlement of a lawsuit filed by a former K&G employee related to his employment relationship with K&G. In addition, the Company recorded an extraordinary charge of $2.9 million, net of a $1.4 million tax benefit, related to the write-off of deferred financing costs and prepayment penalties for the refinancing of approximately US$57 million of Moores' indebtedness.



The following is a reconciliation of the amounts of revenues and net earnings previously reported by the Company to the combined amounts of revenues and earnings after giving effect to the combinations with Moores on February 10, 1999 and K&G on June 1, 1999 (in thousands):

<TABLE>
<CAPTION>

| | THREE MONTHS ENDED | | SIX MONTHS ENDED | THREE MONTHS ENDED |
|---|---|---|---|---|
| | MAY 2, | AUGUST 1, | AUGUST 1, | MAY 1, |

| | 1998 | 1998 | 1998 | 1999 |
|---|---|---|---|---|
| Revenues | | | | |
| <S> | <C> | <C> | <C> | <C> |
| The Men's Wearhouse (as previously reported) | $ 170,850 | $ 162,858 | $ 333,708 | $ 222,183 |
| Moores | 28,671 | 33,452 | 62,123 | -- |
| K&G | 30,309 | 30,270 | 60,579 | 36,669 |
| Combined | $ 229,830 | $ 226,580 | $ 456,410 | $ 258,852 |
| Net earnings (loss) | | | | |
| The Men's Wearhouse (as previously reported) | $ 6,718 | $ 8,014 | $ 14,732 | $ (500) |
| Moores | 86 | 1,074 | 1,160 | -- |
| K&G | 1,322 | 1,301 | 2,623 | 1,340 |
| Combined | $ 8,126 | $ 10,389 | $ 18,515 | $ 840 |

</TABLE>

The separate results of operations for K&G in fiscal 1999 for the period prior to its combination with the Company are reflected in the table above for the three months ended May 1, 1999. The fiscal 1999 extraordinary item of $2,912, net of tax, reported by the Company was not affected by the combination with K&G.



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 January 30, 1999. 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 "1999" mean the fiscal year ending January 29, 2000.

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 | | FOR THE SIX MONTHS ENDED | | YEAR ENDED |
|---|---|---|---|---|---|
| | AUGUST 1, 1998 | JULY 31, 1999 | AUGUST 1, 1998 | JULY 31, 1999 | JANUARY 30, 1999 |
| <S> | <C> | <C> | <C> | <C> | <C> |
| Stores open at beginning of period | 542 | 584 | 526 | 579 | 526 |
| Opened | 14 | 10 | 29 | 23 | 65 |
| Acquired | -- | -- | 4 | -- | 4 |
| Closed | (1) | (5) | (4) | (13) | (16) |
| Stores open at end of period | 555 | 589 | 555 | 589 | 579 |
| Stores open at end of period: | | | | | |
| U.S. -- | | | | | |
| Men's Wearhouse | 386 | 426 | 386 | 426 | 411 |
| K&G/SuitMax/Suit Warehouse | 41 | 52 | 41 | 52 | 49 |
| C&R and Moores | 24 | -- | 24 | -- | 12 |
| | 451 | 478 | 451 | 478 | 472 |
| Canada-- Moores | 104 | 111 | 104 | 111 | 107 |
| | 555 | 589 | 555 | 589 | 579 |

</TABLE>

RESULTS OF OPERATIONS

Three Months Ended August 1, 1998 and July 31, 1999

The Company's net sales increased $30.0 million, or 13.2%, to $256.6 million for the quarter ended July 31, 1999 due primarily to sales resulting from the increased number of stores and increased sales at existing stores. Sales from U.S. stores represented 88.0% of total sales in the second quarter of 1999, compared with 85.7% of total sales in the second quarter of 1998. Comparable store sales (which are calculated 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) increased 7.4% for the U.S. stores from the same prior year

quarter, while comparable store sales for the Canadian stores decreased 3.5% from the same prior year quarter.

Gross margin increased $10.3 million to $93.3 million in the second quarter of 1999 which was a 12.4% increase from the same prior year quarter. As a percentage of sales, gross margin decreased from 36.6% in the second quarter of 1998 to 36.4% in the second quarter of 1999. This decrease in gross margin predominantly resulted from an increase in occupancy and alteration costs as a percentage of sales offset, in part, by decreased product costs as a percentage of sales.

Selling, general and administrative ("SG&A") expenses decreased as a percentage of sales from 27.7% for the quarter ended August 1, 1998 to 27.6% for the quarter ended July 31, 1999, and SG&A expenditures increased by $8.0 million to $70.7 million. On an absolute dollar basis, the principal components of SG&A expenses increased primarily due to the



Company's growth. Advertising expense decreased from 6.1% to 5.3% of net sales; store salaries increased from 10.9% to 11.2% of net sales and other SG&A expenses increased from 10.6% to 11.1% of net sales.

As a result of the June 1, 1999 pooling of interest combination of the Company and K&G Men's Centers, Inc., non-recurring transaction costs of $2.2 million were charged to operations in the second quarter of 1999. These costs consisted primarily of professional fees and contract termination payments. An additional $3.1 million was charged to operations for non-recurring duplicative store closing costs, which consisted primarily of lease termination payments and the write-off of fixed assets associated with the closing of duplicate store sites in existing markets. Non-recurring litigation costs of $0.9 million in connection with the settlement of a lawsuit filed by a former employee of K&G related to his employment relationship with K&G were charged to earnings during the second quarter of 1999.

Interest expense, net of interest income, decreased from $2.1 million in the second quarter of 1998 to $0.6 million in the second quarter of 1999. Weighted average borrowings outstanding decreased $52.3 million from the prior year to $63.2 million in the second quarter of 1999, and the weighted average interest rate on outstanding indebtedness decreased from 9.0% to 6.6%. The weighted average borrowings outstanding decreased primarily as a result of the redemption of the 5 1/4% Convertible Subordinated Notes in the third quarter of 1998. The decrease in the weighted average interest rate was due primarily to the refinancing of debt concurrent with the Moores combination.

The Company's effective income tax rate decreased from 43.0% for the quarter ended August 1, 1998 to 40.9% (before the effect of transaction costs which are mostly not deductible for income tax purposes) for the quarter ended July 31, 1999. The effective tax rate for the second quarter of 1999 was higher than the statutory U.S. federal rate of 35% primarily due to the effect of state income taxes, Canadian earnings which are taxed at a higher statutory rate and the nondeductibility of a portion of meal and entertainment expenses.

The Company's earnings before extraordinary item, as reported and after the effect of non-recurring charges, were as follows (in thousands, except per share amounts):

<TABLE>
<CAPTION>

| | FOR THE THREE MONTHS ENDED | |
|---|---|---|
| | AUGUST 1, 1998 | JULY 31, 1999 |
| <S> | <C> | <C> |
| Earnings before extraordinary item, as reported | $ 10,389 | $ 8,750 |
| Transaction costs, net of tax benefit of $299 | -- | 1,856 |
| Duplicative store closing costs, net of tax benefit of $1,276 | -- | 1,861 |
| Litigation costs, net of tax benefit of $372 | -- | 558 |
| Earnings before extraordinary item and non-recurring charges | $ 10,389 | $ 13,025 |
| Diluted earnings per share before extraordinary item, as reported | $ 0.25 | $ 0.21 |
| Diluted earnings per share before extraordinary item and non-recurring charges | $ 0.25 | $ 0.31 |

</TABLE>

Six Months Ended August 1, 1998 and July 31, 1999

The Company's net sales were $515.4 million for the six months ended July 31, 1999, a $59.0 million, or 12.9%, increase from the six months ended August 31, 1998. This increase was due primarily to sales resulting from the increased

number of stores and increased sales at existing stores. Sales from U.S. stores represented 88.8% of total sales in the first two quarters of 1999, compared with 86.9% of total sales in the same period of 1998. Comparable store sales increased 6.5% for the U.S. stores from the same prior year period, while comparable store sales for the Canadian stores decreased 4.9% from the same prior year period.



Gross margin increased to $184.7 million for the first six months of 1999 which was a 13.0% increase from the same prior year period. As a percentage of sales, gross margin remained constant at 35.8% for the first two quarters of 1998 and 1999. A decrease in product costs as a percentage of sales was offset by higher occupancy and alteration costs.

Selling, general and administrative expenses as a percentage of sales remained constant at 27.8% for the first six months of 1998 and 1999, and SG&A expenditures increased by $16.2 million to $143.3 million. On an absolute dollar basis, the principal components of SG&A expenses increased primarily due to the Company's growth. Advertising expense decreased from 6.3% to 5.8% of net sales, store salaries increased from 10.7% to 10.9% of net sales and other SG&A expenses increased from 10.9% to 11.1% of net sales.

As a result of the Moores and K&G combinations, the Company recorded transaction costs of $7.7 million, duplicative stores closing costs of $6.1 million and litigation costs of $0.9 million. The transaction costs were composed primarily of investment banking fees, professional fees and contract termination payments, while the duplicative store closing costs consisted primarily of lease termination payments and the write-off of fixed assets associated with the closing of duplicate stores sites in existing markets. The litigation charge resulted from the settlement of a lawsuit filed by a former K&G employee related to his employment relationship with K&G. In addition, the Company recorded an extraordinary charge of $2.9 million, net of a $1.4 million tax benefit, related to the write-off of deferred financing costs and prepayment penalties for the refinancing of approximately US$57 million of Moores' indebtedness.

Interest expense, net of interest income, decreased from $4.0 million for the first six months of 1998 to $1.3 million for the first six months of 1999. Weighted average borrowings outstanding decreased $53.9 million from the prior year to $63.4 million in the first two quarters of 1999, and the weighted average interest rate on outstanding indebtedness decreased from 9.2% to 6.8%. The weighted average borrowings outstanding decreased primarily as a result of the redemption of the 5 1/4% Convertible Subordinated Notes in the third quarter of 1998. The decrease in the weighted average interest rate was due primarily to the refinancing of debt concurrent with the Moores combination.

The Company's effective income tax rate decreased from 42.9% for the six months ended August 1, 1998 to 41.0% (before the effect of transaction costs which are mostly not deductible for income tax purposes) for the six months ended July 31, 1999. The effective tax rate for the first two quarters of 1999 was higher than the statutory U.S. federal rate of 35% primarily due to the effect of state income taxes, Canadian earnings which are taxed at a higher statutory rate and the nondeductibility of a portion of meal and entertainment expenses.

The Company's earnings before extraordinary item, as reported and after the effect of non-recurring charges, were as follows (in thousands, except per share amounts):

<TABLE>
<CAPTION>

| | FOR THE SIX MONTHS ENDED | |
|---|---|---|
| | AUGUST 1, 1998 | JULY 31, 1999 |
| <S> | <C> | <C> |
| Earnings before extraordinary item, as reported | $ 18,515 | $ 12,500 |
| Transaction costs, net of tax benefit of $633 | -- | 7,074 |
| Duplicative store closing costs, net of tax benefit of $2,471 | -- | 3,599 |
| Litigation costs, net of tax benefit of $372 | -- | 558 |
| Earnings before extraordinary item and non-recurring charges | $ 18,515 | $ 23,731 |
| Diluted earnings per share before extraordinary item, as reported | $ 0.45 | $ 0.29 |
| Diluted earnings per share before extraordinary item and non-recurring charges | $ 0.45 | $ 0.56 |

</TABLE>

LIQUIDITY AND CAPITAL RESOURCES

Net cash used in operating activities was $8.9 million in the first six months of 1999 compared with $31.6 million in the first six months of 1998. These amounts primarily represent net earnings before extraordinary item plus depreciation, amortization and other non-cash charges, offset by increases in inventories and decreases in income taxes payable and other assets. Inventories increased $35.5 million and $52.3 million for the two quarters ended July 31, 1999 and August 1, 1998, respectively. The increase for the first six months of 1999 and 1998 primarily related to seasonal inventory buildup and the addition of inventory for new and/or acquired stores and stores expected to be opened in the following quarter.

Working capital was $258.8 million at July 31, 1999, which is up from $230.6 million at January 30, 1999 and $236.9 million at August 1, 1998. 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 both short-term and long-term borrowings in preparation for the fourth quarter selling season.

Cash used in investing activities was $19.8 million and $26.9 million for the first two quarters of 1999 and 1998, respectively. For the six months ended July 31, 1999, cash used in investing activities was primarily comprised of capital expenditures of $19.3 million relating primarily to stores opened, remodeled or relocated during the quarter or under construction at the end of the quarter and infrastructure technology investments.

In February 1999, the Company amended and restated its revolving credit agreement with a group of banks (the "Credit Agreement"). This agreement 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 an interest rate margin varying between .75% to 1.25%. The Credit Agreement provides for fees applicable to unused commitments of .125% to .225%. As of July 31, 1999, there was $1.0 million outstanding under the Credit Agreement.

The Credit Agreement contains certain restrictive and financial covenants, including the requirement to maintain a minimum amount of Consolidated Net Worth (as defined). The Company is also required to maintain certain debt to cash flow, fixed charge and current ratios. In addition, the Credit Agreement limits additional indebtedness, creation of liens, Restrictive Payments (as defined) and Investments (as defined). The Credit Agreement also prohibits payment of cash dividends on the common stock of the Company. The Credit Agreement permits, with certain limitations, the Company to merge or consolidate with another company, sell or dispose of its property, make acquisitions, issue options or enter into transactions with affiliates. The Company is in compliance with the covenants in the Credit Agreement.

In February 1999, the Company also entered into two new Canadian credit facilities in conjunction with the combination with Moores. These facilities 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 which provides for borrowings of Can$75 million (US$50 million) to be repaid in quarterly installments of Can$0.9 million (US$0.6 million) beginning in May 1999; remaining unpaid principal is payable on February 5, 2004. Covenants and interest rates are substantially similar to those contained in the Company's Credit Agreement. Borrowings outstanding under these agreements of US$59.8 million at July 31, 1999 were used to repay approximately US$57 million in outstanding indebtedness of Moores and to fund operating and other requirements of Moores.

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 Italian lira). 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 one financial institution. Therefore, the Company is exposed to credit risk in the event of nonperformance by this party. However, due to the creditworthiness of this major financial institution, 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 net assets.

YEAR 2000

The statements included in this section are intended to be and are designated "Year 2000 Readiness Disclosure" statements within the meaning of the Year 2000 Information and Readiness Disclosure Act.

Due to the dramatic changes in the state of the art of information technology, both in general and with regard to the retail industry, in mid-1997

the Company commenced an enterprise-wide project to upgrade its U.S. information technology by acquiring products that are generally available and field tested and are designed to increase the efficiency and the future productivity of its operations. The Company has benefited significantly from investments in technology in the past, and it is anticipated that these modifications will further increase the benefit that it derives from technology, both in the near term and in the future. In completing these modifications, the Company expects to achieve Year 2000 date conversion compliance. Capital expenditures related to the project are anticipated to be between $20.0 million and $25.0 million including past and future expenditures. The amounts of expenditures related specifically to Year 2000 date conversion compliance are not separable from this amount. The Company believes that substantially all of its business systems are now Year 2000 compliant. However, no assurances can be given that the Company will be able to completely identify or address all Year 2000 compliance issues, or that third parties with whom it does business will not experience system failures as a result of the Year 2000 issue, nor can the Company fully predict the consequences of noncompliance.

As part of its assessment of the Year 2000 issue, the Company has completed an inventory of its hardware and software systems, including the embedded systems in its buildings, property and equipment. The Company has completed substantially all of the process of implementing converted and replacement systems for all of its non-compliant hardware and software systems to ensure that the operations of such systems will not be materially adversely affected by the Year 2000 date change. The Company estimates that its efforts to make all internal systems Year 2000 compliant are approximately 95% complete.

To date, the Company has made expenditures of approximately $500,000 related to its telephone and security systems specifically to address the Year 2000 issue. The Company does not anticipate that it will incur significant additional expenditures to address the Year 2000 issue beyond those associated with the updating and upgrading of the information systems discussed above.

The Company has requested and has received written responses from all of its significant U.S. vendors and suppliers confirming that they will be Year 2000 compliant. Of the 50 current vendors and suppliers with whom the Company exchanges information by some form of electronic transfer, 45 have indicated that they have tested their systems and found them to be Year 2000 compliant and 5 have indicated that they are in the process of completing their conversion and/or testing. The Company will continue to monitor these vendors and suppliers, as well as any new vendors or suppliers.

The Company, through Moores, has also been in the process of updating and upgrading its Canadian information systems to be Year 2000 compliant. Moores has converted or reprogrammed its payroll, accounting and merchandising systems to ensure that the operation of such systems will not be materially adversely affected by the Year 2000 date change. With respect to its point of sale system, Moores has completed the installation in its stores of new equipment and software that is Year 2000 compliant. Moores has also completed the process of evaluating the machinery and embedded technology involved in its manufacturing operations and has determined that the manufacturing technology is Year 2000 compliant. Moores total costs related to Year 2000 compliance approximated Can$500,000.

Moores has requested and is in the process of receiving written responses from its vendors and suppliers confirming that the vendor or supplier is Year 2000 compliant. Moores will continue to monitor these vendors and suppliers, as well as those that have not provided written assurance. Moores expects to use alternate sources to replace those vendors and suppliers who do not provide written assurance of their Year 2000 readiness.



K&G has completed an evaluation of its management information systems to determine their readiness in terms of Year 2000 issues, and determined that its point-of-sale cash register systems are the only major application that required significant modification in order to be Year 2000 ready. K&G has replaced its current registers with a new computer-based register system. The costs to purchase and implement these register systems totaled approximately $1.5 million. K&G has developed a plan to determine the Year 2000 readiness of its suppliers or other third parties with which K&G conducts business. Additionally, K&G has developed a contingency plan to address the possibility of failure of any of its significant suppliers to reach Year 2000 readiness.

Assuming no general failure of utilities to provide basic services over large geographic areas or of the banking systems generally to conduct business substantially as usual, or of the credit card systems to confirm credit generally, the Company believes that, at the store level, the worst case scenario would require the processing of credit approvals by telephone and the ordering and allocation of inventory by telephone. While each of these scenarios would increase the cost of doing business and may result in the loss of some sales, the Company does not believe that either of these situations would have a material adverse effect on its results of operations.

If the Company is unable to purchase or receive inventory, or is unable to arrange for the manufacture of acquired piece goods into tailored clothing, such failure, depending on how extensive, could have a material adverse effect on its operations. However, no vendor or supplier accounts for more than 10% of the inventory the Company purchases and in most cases alternative suppliers are available.

The Company anticipates that it will increase inventory for approximately one month prior to the Year 2000 to insure that it has adequate inventory to cover possible disruptions associated with the Year 2000 date change.

At the manufacturing level, if all suppliers were unable to supply the fabric needs of the manufacturing operations, then, given this worst case scenario, one to two months of production could be lost. However, no one supplier accounts for more than 14% of the fabric used and this supplier has provided a written response that it is Year 2000 compliant. Moores anticipates that if any one supplier is unable to provide fabric, an alternate source could be found to meet production needs. If there is a significant disruption in the supply chain due to the Year 2000 issue and the amount of fabric available from suppliers is limited, it may be difficult to obtain the fabric necessary to meet the demands of the manufacturing operations and available fabric may experience a significant increase in cost.

The Company has not developed any contingency plans except as discussed above. However, if any new issues or risks become apparent as the Company completes its Year 2000 readiness, it will adopt additional contingency plans as necessary.

## ITEM 3 - QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no significant quantitative or qualitative changes in the Company's market risk sensitive instruments during the second quarter of 1999.

## 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, borrowings, acquisitions (including the amount and nature thereof), future sales, earnings, margins, costs, number and costs of store openings, demand for men's clothing, market trends in the retail men's 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, 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

## ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On July 1, 1999, the Company held its annual meeting of stockholders. At the meeting, the stockholders voted on the following matters:

1. To elect ten directors of the Company to hold office until the next Annual Meeting of Shareholders or until their respective successors are duly elected and qualified.

2. To amend the Company's Restated Articles of Incorporation to increase the number of authorized shares of the Company's common stock from 50,000,000 shares to 100,000,000 shares.

3. To ratify the appointment by the Board of Directors of the firm Deloitte & Touche LLP as independent auditors for the Company for 1999.

All proposals received the affirmative vote required for approval. The number of votes cast for, against and withheld, as well as the number of abstentions, as to each matter were as follows:



Proposal

<TABLE>
<CAPTION>

| | Votes For | Votes Withheld |
|---|---|---|
| <S> | <C> | <C> |

| | | |
|---|---|---|
| 1. Election of Directors | | |
| George Zimmer | 31,880,074 | 611,773 |
| Robert E. Zimmer | 31,883,779 | 608,068 |
| James E. Zimmer | 31,883,779 | 608,068 |
| Richard E. Goldman | 31,883,810 | 608,037 |
| David H. Edwab | 31,882,618 | 609,229 |
| Harry M. Levy | 31,883,810 | 608,037 |
| Rinaldo Brutoco | 31,880,909 | 610,938 |
| Michael L. Ray | 28,057,451 | 4,434,396 |
| Sheldon I. Stein | 31,883,810 | 608,037 |
| Stephen H Greenspan | 31,879,409 | 612,438 |

</TABLE>

<TABLE>
<CAPTION>

| <S> | Affirmative Votes <C> | Negative Votes <C> | Abstentions <C> |
|---|---|---|---|
| 2. Amendment of Restated Articles of Incorporation | 31,540,450 | 927,661 | 23,735 |
| 3. Ratification of Auditors | 32,455,374 | 15,673 | 20,799 |

</TABLE>



ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) EXHIBITS.

<TABLE>
<CAPTION>

| EXHIBIT NUMBER <S> | EXHIBIT INDEX <C> |
|---|---|
| 3.1 | -- Articles of Amendment to the Restated Articles of Incorporation (filed herewith). |
| 10.1 | -- Amended and Restated Employment Agreement dated as of June 1, 1999, by and between K&G Men's Center, Inc. and Stephen H. Greenspan (incorporated by reference from Exhibit 10.1 of the Company's Current Report on Form 8-K dated June 11, 1999). |
| 27.1 | -- Financial Data Schedule. (filed herewith). |
| 27.2 | -- Restated Financial Data Schedule for the first, second and third quarters in fiscal years 1997 and for fiscal years 1996 and 1997. (filed herewith). |
| 27.3 | -- Restated Financial Data Schedule for the first, second and third quarters in fiscal years 1998, for the first quarter in fiscal year 1999 and for fiscal year 1998. (filed herewith). |

</TABLE>



(b) Reports on Form 8-K.

On June 11, 1999, the Company filed a report on Form 8-K related to the June 1, 1999 closing of the K&G merger. K&G consolidated financial statements, including a consolidated balance sheet as of February 1, 1998 and January 31, 1999, a consolidated statement of operations, a consolidated statement of stockholders' equity and a consolidated statement of cash flows, each for the year ended February 2, 1997, February 1, 1998 and January 31, 1999, as well as pro forma financial statements including a combined balance sheet as of January 30, 1999 and combined statements of earnings for the years ended February 1, 1997, January 31, 1998 and January 30, 1999, were included in this current report on Form 8-K.



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: September 14, 1999

THE MEN'S WEARHOUSE, INC.

By /s/ DAVID H. EDWAB

David H. Edwab
President

By /s/ GARY G. CKODRE

Gary G. Ckodre
Vice President - Finance and Principal Financial and Accounting Officer



EXHIBIT INDEX

| EXHIBIT NUMBER | DESCRIPTION |
|---|---|
| 3.1 | -- Articles of Amendment to the Restated Articles of Incorporation (filed herewith). |
| 10.1 | -- Amended and Restated Employment Agreement dated as of June 1, 1999, by and between K&G Men's Center, Inc. and Stephen H. Greenspan (incorporated by reference from Exhibit 10.1 of the Company's Current Report on Form 8-K dated June 11, 1999). |
| 27.1 | -- Financial Data Schedule. (filed herewith). |
| 27.2 | -- Restated Financial Data Schedule for the first, second and third quarters in fiscal years 1997 and for fiscal years 1996 and 1997. (filed herewith). |
| 27.3 | -- Restated Financial Data Schedule for the first, second and third quarters in fiscal years 1998, for the first quarter in fiscal year 1999 and for fiscal year 1998. (filed herewith). |

EXHIBIT 3.1

# ARTICLES OF AMENDMENT
# TO THE
# RESTATED ARTICLES OF INCORPORATION
# OF
# THE MEN'S WEARHOUSE, INC.

Pursuant to the provisions of Article 4.04 of the Texas Business Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its Restated Articles of Incorporation:

## ARTICLE ONE

The name of the corporation is The Men's Wearhouse, Inc.

## ARTICLE TWO

The first paragraph of ARTICLE FOUR of the Restated Articles of Incorporation is hereby amended in its entirety to read as follows:

> "The total number of shares of all classes of stock that the corporation shall be authorized to issue is 102,000,000, comprising 2,000,000 shares of preferred stock, of the par value of $.01 per share (hereinafter call "Preferred Stock"), and 100,000,000 shares of common stock, of the par value of $.01 per share (hereinafter called "Common Stock")."

## ARTICLE THREE

The amendment made by these Articles of Amendment to the Restated Articles of Incorporation has been effected in conformity with the provisions of the Texas Business Corporation Act, and was duly adopted by the shareholders of the corporation on the 1st day of July, 1999.

## ARTICLE FOUR

The number of shares of the Common Stock of the corporation outstanding at the time of such adoption was 35,084,158; and the number of shares of Common Stock of the corporation entitled to vote thereon was 35,084,158. The number of shares of Series A Special Voting Preferred Stock of the corporation outstanding at the time of such adoption was one; and the number of votes such one share of Series A Special Voting Preferred Stock was entitled to vote thereon was 2,375,579. Accordingly, the Common Stock and the Series A Special Voting Preferred Stock constitute one class with 37,459,737 votes (the "Aggregate Vote").

## ARTICLE FIVE

The number of votes of the Aggregate Vote voted for such amendment was 31,540,450; and the number of votes of the Aggregate Vote voted against such amendment was 927,661.

Dated: July 13, 1999.

THE MEN'S WEARHOUSE, INC.

By: /s/ GARY G. CKODRE
------------------------------------
Name: Gary G. Ckodre
Title: Vice President - Finance

<TABLE> <S> <C>

<ARTICLE> 5
<MULTIPLIER> 1,000

| <S> | <C> |
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| <PERIOD-TYPE> | 6-MOS |
| <FISCAL-YEAR-END> | JAN-29-2000 |
| <PERIOD-START> | JAN-31-1999 |
| <PERIOD-END> | JUL-31-1999 |
| <CASH> | 5,239 |
| <SECURITIES> | 4,845 |
| <RECEIVABLES> | 0 |
| <ALLOWANCES> | 0 |
| <INVENTORY> | 338,166 |
| <CURRENT-ASSETS> | 371,325 |
| <PP&E> | 223,713 |
| <DEPRECIATION> | 97,155 |
| <TOTAL-ASSETS> | 545,009 |
| <CURRENT-LIABILITIES> | 112,534 |
| <BONDS> | 58,388 |
| <PREFERRED-MANDATORY> | 0 |
| <PREFERRED> | 0 |
| <COMMON> | 397 |
| <OTHER-SE> | 364,272 |
| <TOTAL-LIABILITY-AND-EQUITY> | 545,009 |
| <SALES> | 515,431 |
| <TOTAL-REVENUES> | 515,431 |
| <CGS> | 330,702 |
| <TOTAL-COSTS> | 330,702 |
| <OTHER-EXPENSES> | 158,017 |
| <LOSS-PROVISION> | 0 |
| <INTEREST-EXPENSE> | 1,259 |
| <INCOME-PRETAX> | 25,453 |
| <INCOME-TAX> | 12,953 |
| <INCOME-CONTINUING> | 12,500 |
| <DISCONTINUED> | 0 |
| <EXTRAORDINARY> | 2,912 |
| <CHANGES> | 0 |
| <NET-INCOME> | 9,588 |
| <EPS-BASIC> | 0.23 |
| <EPS-DILUTED> | 0.22 |

</TABLE>

<TABLE> <S> <C>

<ARTICLE> 5
<LEGEND>
THE HISTORICAL RESULTS OF MOORES FOR FISCAL 1996 HAVE NOT BEEN COMBINED WITH THE COMPANY'S FISCAL 1996 HISTORICAL RESULTS AS MOORES COMMENCED OPERATIONS ON DECEMBER 23, 1996 AND ITS REPORTED NET LOSS OF $0.1 MILLION FOR THE 40 DAY PERIOD FROM DECEMBER 23, 1996 TO JANUARY 31, 1997 IS NOT SIGNIFICANT.
</LEGEND>
<RESTATED>
<MULTIPLIER> 1,000

| <S> | <C> | <C> | <C> | <C> | <C> |
|---|---|---|---|---|---|
| <PERIOD-TYPE> | 12-MOS | 12-MOS | 3-MOS | 6-MOS | 9-MOS |
| <FISCAL-YEAR-END> | FEB-01-1997 | JAN-31-1998 | JAN-31-1998 | JAN-31-1998 | JAN-31-1998 |
| <PERIOD-START> | FEB-04-1996 | FEB-02-1997 | FEB-02-1997 | FEB-02-1997 | FEB-02-1997 |
| <PERIOD-END> | FEB-01-1997 | JAN-31-1998 | MAY-03-1997 | AUG-02-1997 | NOV-01-1997 |
| <CASH> | 42,099 | 63,568 | 31,486 | 33,292 | 31,908 |
| <SECURITIES> | 15,794 | 17,678 | 15,606 | 13,402 | 10,435 |
| <RECEIVABLES> | 0 | 0 | 0 | 0 | 0 |
| <ALLOWANCES> | 0 | 0 | 0 | 0 | 0 |
| <INVENTORY> | 211,629 | 257,522 | 237,238 | 260,551 | 296,050 |
| <CURRENT-ASSETS> | 283,817 | 358,079 | 301,528 | 323,394 | 355,107 |
| <PP&E> | 123,268 | 161,369 | 142,607 | 148,584 | 157,311 |
| <DEPRECIATION> | 41,316 | 68,143 | 57,842 | 62,156 | 66,447 |
| <TOTAL-ASSETS> | 414,979 | 500,371 | 435,192 | 460,815 | 495,028 |
| <CURRENT-LIABILITIES> | 102,684 | 123,703 | 119,106 | 104,712 | 132,842 |
| <BONDS> | 112,250 | 107,800 | 110,214 | 111,940 | 110,113 |
| <PREFERRED-MANDATORY> | 0 | 0 | 0 | 0 | 0 |
| <PREFERRED> | 0 | 0 | 0 | 0 | 0 |
| <COMMON> | 253 | 264 | 253 | 263 | 264 |
| <OTHER-SE> | 191,792 | 261,093 | 197,820 | 236,144 | 243,949 |
| <TOTAL-LIABILITY-AND-EQUITY> | 414,979 | 500,371 | 435,192 | 460,815 | 495,028 |
| <SALES> | 571,651 | 875,319 | 178,491 | 370,731 | 576,534 |
| <TOTAL-REVENUES> | 571,651 | 875,319 | 178,491 | 370,731 | 576,534 |
| <CGS> | 364,442 | 560,150 | 117,144 | 240,344 | 372,566 |
| <TOTAL-COSTS> | 364,442 | 560,150 | 117,144 | 240,344 | 372,566 |
| <OTHER-EXPENSES> | 162,067 | 240,836 | 50,896 | 103,795 | 161,783 |
| <LOSS-PROVISION> | 0 | 0 | 0 | 0 | 0 |
| <INTEREST-EXPENSE> | 1,454 | 8,464 | 2,020 | 4,239 | 6,488 |
| <INCOME-PRETAX> | 43,563 | 65,869 | 8,431 | 22,353 | 35,697 |
| <INCOME-TAX> | 17,836 | 28,535 | 3,527 | 9,440 | 15,296 |
| <INCOME-CONTINUING> | 25,727 | 37,334 | 4,904 | 12,913 | 20,401 |
| <DISCONTINUED> | 0 | 0 | 0 | 0 | 0 |
| <EXTRAORDINARY> | 0 | 0 | 0 | 0 | 0 |
| <CHANGES> | 0 | 0 | 0 | 0 | 0 |
| <NET-INCOME> | 25,727 | 37,334 | 4,904 | 12,913 | 20,401 |
| <EPS-BASIC> | 0.68 | 0.95 | 0.13 | 0.34 | 0.52 |
| <EPS-DILUTED> | 0.63 | 0.93 | 0.13 | 0.33 | 0.52 |

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<ARTICLE> 5
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| <S> | <C> | <C> | <C> | <C> | <C> |
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| <PERIOD-TYPE> | 12-MOS | 3-MOS | 6-MOS | 9-MOS | 3-MOS |
| <FISCAL-YEAR-END> | JAN-30-1999 | JAN-30-1999 | JAN-30-1999 | JAN-30-1999 | JAN-29-2000 |
| <PERIOD-START> | FEB-01-1998 | FEB-01-1998 | FEB-01-1998 | FEB-01-1998 | JAN-31-1999 |
| <PERIOD-END> | JAN-30-1999 | MAY-02-1998 | AUG-01-1998 | OCT-31-1998 | MAY-01-1999 |
| <CASH> | 31,012 | 39,235 | 11,102 | 13,795 | 39,297 |
| <SECURITIES> | 6,025 | 13,233 | 12,854 | 10,190 | 4,845 |
| <RECEIVABLES> | 0 | 0 | 0 | 0 | 0 |
| <ALLOWANCES> | 0 | 0 | 0 | 0 | 0 |
| <INVENTORY> | 302,717 | 299,812 | 308,632 | 348,408 | 335,090 |
| <CURRENT-ASSETS> | 359,632 | 371,511 | 352,766 | 392,365 | 401,358 |
| <PP&E> | 212,070 | 175,929 | 184,483 | 194,271 | 221,796 |
| <DEPRECIATION> | 88,299 | 73,813 | 77,068 | 82,200 | 94,895 |
| <TOTAL-ASSETS> | 535,076 | 528,854 | 512,813 | 554,672 | 574,237 |
| <CURRENT-LIABILITIES> | 129,008 | 140,872 | 115,819 | 141,033 | 144,981 |
| <BONDS> | 44,870 | 108,070 | 104,421 | 77,627 | 64,650 |
| <PREFERRED-MANDATORY> | 0 | 0 | 0 | 0 | 0 |
| <PREFERRED> | 0 | 0 | 0 | 0 | 0 |
| <COMMON> | 392 | 265 | 266 | 392 | 419 |
| <OTHER-SE> | 351,063 | 272,091 | 284,753 | 327,952 | 354,676 |
| <TOTAL-LIABILITY-AND-EQUITY> | 535,076 | 528,854 | 512,813 | 554,672 | 574,237 |
| <SALES> | 1,037,831 | 229,830 | 456,410 | 690,683 | 258,852 |
| <TOTAL-REVENUES> | 1,037,831 | 229,830 | 456,410 | 690,683 | 258,852 |
| <CGS> | 659,997 | 149,284 | 292,874 | 443,496 | 167,236 |
| <TOTAL-COSTS> | 659,997 | 149,284 | 292,874 | 443,496 | 167,236 |
| <OTHER-EXPENSES> | 282,789 | 64,427 | 127,109 | 193,156 | 81,268 |
| <LOSS-PROVISION> | 0 | 0 | 0 | 0 | 0 |
| <INTEREST-EXPENSE> | 7,993 | 1,946 | 4,030 | 6,196 | 672 |
| <INCOME-PRETAX> | 87,052 | 14,173 | 32,397 | 47,835 | 9,676 |
| <INCOME-TAX> | 36,910 | 6,047 | 13,882 | 20,492 | 5,924 |
| <INCOME-CONTINUING> | 50,142 | 8,126 | 18,515 | 27,343 | 3,752 |
| <DISCONTINUED> | 0 | 0 | 0 | 0 | 0 |
| <EXTRAORDINARY> | 701 | 0 | 0 | 701 | 2,912 |
| <CHANGES> | 0 | 0 | 0 | 0 | 0 |
| <NET-INCOME> | 49,441 | 8,126 | 18,515 | 26,642 | 840 |
| <EPS-BASIC> | 1.21 | 0.20 | 0.46 | 0.66 | 0.02 |
| <EPS-DILUTED> | 1.17 | 0.20 | 0.45 | 0.64 | 0.02 |

</TABLE>