V F CORP
Form 10-K
February 26, 2014
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT

PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 28, 2013

Commission file number: 1-5256

V. F. CORPORATION

(Exact name of registrant as specified in its charter)

Pennsylvania	**23-1180120**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. employer identification number)*

105 Corporate Center Boulevard

Greensboro, North Carolina 27408

(Address of principal executive offices)

(336) 424-6000

(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
Common Stock, without par value, stated capital $1 per share	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 x NO ¨

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES ¨ NO x

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

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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES x NO ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K 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. ¨

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. (Check one):

Large accelerated filer x Accelerated filer ¨ Non-accelerated filer ¨ Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities and Exchange Act of 1934). YES ¨ NO x

The aggregate market value of Common Stock held by non-affiliates of V.F. Corporation on June 29, 2013, the last day of the registrant s second fiscal quarter, was approximately $16,901,000,000 based on the closing price of the shares on the New York Stock Exchange.

As of January 25, 2014, there were 440,391,825 shares of Common Stock of the registrant outstanding.

Documents Incorporated By Reference

Portions of the definitive Proxy Statement for the Annual Meeting of Shareholders to be held on April 22, 2014 (Item 1 in Part I and Items 10, 11, 12, 13 and 14 in Part III), which definitive Proxy Statement shall be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

This document (excluding exhibits) contains 108 pages.

The exhibit index begins on page 53.

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PART I

Item 1. *Business.*

V.F. Corporation, organized in 1899, is a worldwide leader in the manufacturing and distribution of branded lifestyle apparel, footwear and related products. Unless the context indicates otherwise, the terms VF, we, us and our used herein refer to V.F. Corporation and its consolidated subsidiaries.

Our vision is to grow by building leading lifestyle brands that excite consumers around the world. Lifestyle brands enable us to forge close connections with consumers through inspirational and performance-based products that enhance their specific activities, areas of interest and ability to express their own individualism. Our largest lifestyle brands are *The North Face*®, *Vans*®, *Timberland*®, *Nautica*®, *Kipling*®, *7 For All Mankind*®, *Napapijri*®, *Reef*®, *Splendid*® and *Ella Moss*®. We continue to invest in all of our businesses through geographic expansion, product innovation, consumer research, marketing and our direct-to-consumer infrastructure, including retail store openings, e-commerce and omni-channel retailing.

VF is highly diversified across brands, product categories, channels of distribution, geographies and consumer demographics. We own a broad portfolio of brands in the outerwear, footwear, jeanswear, backpacks, luggage, sportswear, occupational and performance apparel categories. These products are marketed to consumers shopping in specialty stores, upscale and traditional department stores, national chains, mass merchants and our own direct-to-consumer operations. Revenues from our direct-to-consumer business, which includes VF-operated stores and e-commerce sites, represented 22% of total VF revenues in 2013. VF derived 38% of its 2013 revenues from outside the U.S., primarily in Europe, Asia, Canada, Latin America and Mexico. Many of our brands sell products in countries through licensees, distributors and independently-operated partnership stores. To provide diversified products across multiple channels of distribution in different geographic areas, we balance efficient and flexible owned manufacturing with sourcing of finished goods from independent contractors. We utilize state-of-the-art technologies for inventory replenishment that enable us to effectively and efficiently get the right assortment of products that match consumer demand.

For both management and internal financial reporting purposes, VF is organized by groupings of businesses called coalitions that consist of the following: Outdoor & Action Sports, Jeanswear, Imagewear, Sportswear and Contemporary Brands. These coalitions are our reportable segments for financial reporting purposes. Coalition management has the responsibility to build and operate their brands, with certain financial, administrative and systems support and disciplines provided by central functions within VF.

Our lifestyle business is represented by brands included in the Outdoor & Action Sports, Sportswear and Contemporary Brands Coalitions, which have the greatest potential in our portfolio to achieve higher long-term revenue, profit growth and profit margins compared to our other businesses. VF s Jeanswear and Imagewear Coalitions have demonstrated historically strong levels of profitability and cash flow but lower revenue growth rates.

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The following table summarizes VF s primary owned and licensed brands by coalition:

Coalition	Primary Brands	Primary Products
Outdoor & Action Sports	*The North Face®*	High performance outdoor apparel, footwear and equipment
	Vans®	Action sports-inspired footwear and apparel
	Timberland®	Outdoor adventure-oriented footwear and apparel
	Kipling®	Handbags, luggage, backpacks, accessories (outside North America)
	Napapijri®	Premium outdoor apparel
	Jansport®	Backpacks, luggage, apparel
	Reef®	Surf-inspired footwear, apparel
	Smartwool®	Merino wool socks, apparel and accessories
	Eastpak®	Backpacks, apparel
	lucy®	Women s activewear
	Eagle Creek®	Luggage, packs, travel accessories
Jeanswear	*Wrangler®*	Denim and casual bottoms, tops
	Lee®	Denim and casual bottoms, tops
	Lee Casuals®	Denim and casual bottoms, tops
	Riders®	Denim and casual bottoms, tops
	Rustler®	Denim and casual bottoms, tops
	Timber Creek by Wrangler®	Denim and casual bottoms, tops
	Rock & Republic®	Fashion denim and sportswear
Imagewear	*Red Kap®*	Occupational apparel
	Bulwark®	Protective occupational apparel
	Horace Small®	Occupational apparel
	Majestic®	Athletic apparel
	MLB® (licensed)	Licensed athletic apparel
	NFL® (licensed)	Licensed athletic apparel
	Harley-Davidson® (licensed)	Licensed apparel
Sportswear	*Nautica®*	Fashion sportswear, denim bottoms, sleepwear, accessories, underwear
	Kipling®	Handbags, luggage, backpacks, accessories (within North America)
Contemporary Brands	*7 For All Mankind®*	Premium denim and casual bottoms, sportswear, accessories
	Splendid®	Premium lifestyle apparel
	Ella Moss®	Premium lifestyle apparel

Financial information regarding VF s coalitions is included in Note Q to the Consolidated Financial Statements, which are included at Item 8 of this report.

Outdoor & Action Sports Coalition

Our Outdoor & Action Sports Coalition, VF s largest and fastest growing business, is a group of authentic outdoor and activity-based lifestyle brands. Product offerings include outerwear, performance wear, snow sports gear, sportswear, footwear, equipment, backpacks, luggage and accessories.

The North Face® is the largest brand in our Outdoor & Action Sports Coalition and features performance-based apparel, outerwear, snow sports gear, sportswear and footwear for men, women and children. Its equipment line consists of tents, sleeping bags, backpacks and accessories. Many of *The North Face®* products

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are designed for extreme applications, such as high altitude mountaineering and ice and rock climbing. *The North Face®* products are marketed through specialty outdoor and premium sporting goods stores in the U.S., Canada, Europe and Asia, and select department stores in the U.S. In addition, products are sold through approximately 125 VF-operated stores in the U.S., Europe and Asia and online at www.thenorthface.com. The brand is also sold outside the U.S. through agents, distributors, and more than 365 *The North Face®* brand partnership stores operated by independent third parties.

Vans® brand performance and casual footwear and apparel is designed for skateboard, bicycle motocross (BMX), surfing and snow sports participants and enthusiasts. Products are sold on a wholesale basis through national chain stores, through skate and surf shops, and specialty stores in the U.S. Products are also sold through more than 400 VF-operated *Vans®* brand stores located in North America, Europe and Asia, through over 170 partnership stores operated by independent third parties primarily in Asia and online at www.vans.com. VF has 70% ownership of the *Vans Warped Tour®* a music and youth culture festival that features rock bands touring throughout North America, Europe and Australia.

The *Timberland®* brand offers outdoor, adventure-inspired products that combine performance benefits and versatile styling, including premium quality footwear, apparel and accessories for men, women and children. *Timberland®* brand footwear offerings include boots, hiking boots and shoes, casual shoes, boat shoes, sandals and custom shoes. The *Timberland Boot Company®* is a premium footwear series that pays homage to the turn-of-the century art of shoemaking in New England. The *Timberland PRO®* series is developed to address the distinct footwear needs of skilled tradespeople and working professionals. The *Earthkeepers®* collection utilizes renewable, organic and recycled materials that are designed to reduce environmental impact. We sell *Timberland®* products to retailers on a wholesale basis, as well as through independent distributors and licensees. In addition, we sell these products through over 200 VF-operated stores and over 750 independently-operated partnership stores in the U.S., Europe, Asia and South America. We also sell our products online at www.timberland.com.

Kipling® handbags, luggage, backpacks, totes and accessories are stylish, colorful and fun products that are both practical and durable. Products are sold through specialty and department stores in Europe, Asia and South America, as well as through over 35 VF-operated stores, over 250 independently-operated partnership stores and at www.kipling.com. The *Kipling®* brand in North America is managed as part of the Sportswear Coalition.

Derived from the Finnish word for Arctic Circle, the *Napapijri®* brand offers premium-priced performance skiwear and outdoor-inspired casual outerwear, sportswear and accessories for men, women and children. Products are sold on a wholesale basis primarily to specialty shops in Europe and Asia. Products are also sold in Europe and Asia through over 25 VF-operated and over 140 independently-operated partnership stores, and are available online at www.napapijri.com.

JanSport® backpacks, duffel bags, luggage and accessories are sold through department, office supply and national chain stores, as well as sports specialty stores and college bookstores in the U.S. *JanSport®* products are also sold online at www.jansport.com. *JanSport®* backpacks have a leading market share in the U.S. A technical line of *JanSport®* backpacks is sold through outdoor and sporting goods stores. *JanSport®* fleece and T-shirts imprinted with college logos are sold through college bookstores and sporting goods stores in the U.S.

The *Reef®* brand of surf-inspired products includes sandals, shoes, swimwear, casual apparel and accessories for men, women and children. Products are sold to surf shops, sporting goods and specialty chains, department stores, and distributors in North America, South America, Europe, Asia, the Middle East and Africa. Products are also sold at www.reef.com. The *Reef Redemption®* product series incorporates sustainable, recycled and/or organic materials, wherever reasonably possible, to produce unique *Reef ®* product without sacrificing fit, quality, comfort or style.

The *SmartWool*® brand offers active outdoor consumers a premium, technical layering system of merino wool socks, apparel and accessories that are designed to work together in fit, form and function. *SmartWool*® products are sold through premium outdoor and specialty retailers primarily in the U.S. and Europe, and online at www.smartwool.com.

In Europe, *Eastpak*® backpacks, travel bags, luggage, and a line of *Eastpak*® clothing are sold primarily through department and specialty stores and online at www.eastpak.com. *Eastpak*® is one of the leading backpack brands in Europe. *Eastpak*® products are also marketed throughout Asia by licensees and distributors.

The *lucy*® brand is a women s activewear brand designed for style, performance and fit that can be worn by today s active woman from workout to weekend. *lucy*® apparel is sold in the U.S. through over 60 VF-operated *lucy*® brand stores, on a wholesale basis to U.S. specialty retailers and online at www.lucy.com.

Eagle Creek® adventure travel gear products include luggage, backpacks and accessories sold through specialty luggage, outdoor and department stores primarily in North America and Europe, and online at www.eaglecreek.com.

We expect continued long-term growth in our Outdoor & Action Sports Coalition as we focus on product innovation, extend our brands into new product categories, open additional stores, expand geographically and acquire additional lifestyle brands.

Jeanswear Coalition

Our Jeanswear Coalition markets jeanswear and related casual products in the U.S. and in many international markets. The largest of these brands, the *Lee*® and *Wrangler*® brands, have long-standing traditions as authentic American jeans brands as they were established in 1889 and 1947, respectively, and have strong market positions. *Lee*® and *Wrangler*® products are sold in nearly every developed country through a combination of wholesale accounts, VF-operated stores, independently-operated partnership stores and online through our brands websites. Products also include shorts, casual pants, knit and woven tops and outerwear, which are designed to complement the jeanswear products and extend our brands. We also market jeanswear and related casual products under the *Lee Casuals*® and *Timber Creek by Wrangler*® brands.

In the U.S. market, *Lee*® branded products are sold primarily through mid-tier department stores and specialty stores. *Wrangler*® westernwear is marketed primarily through western specialty stores. The *Wrangler*®, *Rustler*® and *Riders*® *by Lee*® brands are marketed to mass merchant and regional discount stores. Additionally, we own the *Rock & Republic*® brand, and we have an exclusive wholesale distribution and licensing arrangement with Kohl s Corporation that covers all *Rock & Republic*® apparel, accessories, and other merchandise in the U.S.

Our world-class supply chain, including owned manufacturing facilities along with advanced vendor-managed inventory and retail floor space management programs with many of our major retailer customers, gives us a competitive advantage in our jeanswear business. We receive point-of-sale information from these customers on a daily or weekly basis, at an individual store and style-size-color stock keeping unit (SKU) level. We then ship products based on that customer data to ensure their selling floors are appropriately stocked with products that match their shoppers needs. Our system capabilities allow us to analyze our retail customers sales, demographic and geographic data to develop product assortment recommendations that maximize the productivity of their jeanswear selling space and optimize their inventory investment.

Jeanswear in most international markets is more fashion-oriented and has a higher selling price than similar products in the U.S. The international jeans market is also more fragmented than the U.S. market, with competitors ranging from global brands to a number of smaller brands marketed in a specific country or region.

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VF s largest international jeanswear businesses are located in Europe and Asia, where *Lee*® and *Wrangler*® jeanswear products are sold through department stores and specialty stores. We also market *Lee*® and *Wrangler*® products to mass market, department and specialty stores in Canada and Mexico, as well as to department stores and specialty stores in Asia and South America. In key international markets, we are expanding our reach through VF-operated stores, which are an important vehicle for presenting our brands image and marketing message directly to consumers. We currently have more than 65 VF-operated stores primarily located in South America, Europe and Asia and are continuing to expand our jeanswear brands in emerging markets. In foreign markets where VF does not have owned operations, *Lee*® and *Wrangler*® products are marketed through distributors, agents, licensees and over 800 independently operated single brand or multi-brand partnership stores.

In the U.S., we intend to drive growth in the mass market and western specialty businesses through superior consumer insight and marketing strategies and continuous product innovation. Internationally, growth will be driven by expansion of our existing businesses in Asia and key European markets.

Imagewear Coalition

Our Imagewear Coalition consists of the Image business (occupational apparel and uniforms) and Licensed Sports business (owned and licensed athletic apparel). The Image and Licensed Sports businesses represent approximately 55% and 45%, respectively, of total coalition revenues.

The Image business provides uniforms and career occupational apparel for workers in North America and internationally, under the *Red Kap*® brand (a premium workwear brand with 90 years of history), the *Bulwark*® brand (flame resistant and protective apparel primarily for the petrochemical, utility and mining industries) and the *Horace Small*® brand (apparel for law enforcement and public safety personnel with over 60 years of history). Products include a wide range of functionally designed shirts, pants, coveralls and outerwear. Image revenues are significantly correlated with the overall level of manufacturing and oil and gas industry employment in the U.S.

Approximately 70% of Image revenues are from industrial laundries, resellers and distributors that in turn supply customized workwear to employers for production, service and white-collar personnel. Since industrial laundries and distributors maintain minimal inventories of work clothes, VF s ability to offer rapid delivery of products in a broad range of sizes is an important advantage in this market. Our commitment to customer service, supported by an automated central distribution center with several satellite locations, enables customer orders to be filled within 24 hours of receipt and has helped the *Red Kap*® and *Bulwark*® brands obtain a significant share of uniform apparel sold to industrial laundries, resellers and distributors.

The Image business also develops and manages uniform programs through custom-designed websites for major business customers and governmental organizations. These websites provide the employees of our customers with the convenience of shopping for their work and career apparel via the Internet.

In the Licensed Sports business, we design and market sports apparel and fanwear under licenses granted by major U.S.-based sports leagues, individual athletes and related organizations, including Major League Baseball, the National Football League, the MLB Players Association, the National Basketball Association, the National Hockey League and selected major colleges and universities. In addition, the Licensed Sports division is a major supplier of licensed *Harley-Davidson*® apparel to Harley-Davidson dealerships.

Under license from Major League Baseball, the *Majestic*® brand is the official on-field uniform of all 30 major league teams. *Majestic*® brand adult and youth-size authentic, replica jerseys and fanwear are sold through sporting goods and athletic specialty stores, department stores and major league stadiums. Sports apparel and fanwear marketed under other licensed labels are distributed through department, mass market, sporting goods and athletic specialty stores and e-commerce partners. Our quick response capabilities allow us to deliver products to retailers within hours following major sporting events such as the Super Bowl, the World Series and conference or division playoff championships.

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The opportunities to grow Imagewear Coalition revenues include (i) extension of product and service capabilities to new industrial and service apparel distribution channels, markets, and geographies, (ii) expansion of Image s traditional business-to-business workwear brands into consumer channels, (iii) growth of the *Majestic®* brand for Major League Baseball as well as our licensed National Football League business, (iv) market share gains in key licensed categories such as women s sports apparel, (v) expansion of our college and university fanwear program, and (vi) expansion of our on-field licensed model and fanwear expertise to new geographies.

Sportswear Coalition

The Sportswear Coalition consists of the *Nautica®* and *Kipling®* brand businesses in North America (the *Kipling®* brand outside of North America is managed by the Outdoor & Action Sports Coalition).

Nautica® brand men s sportswear is marketed through department stores, specialty stores, VF-operated outlet stores and at www.nautica.com. The *Nautica®* brand is one of the leading men s sportswear collection brands in department stores in the U.S. *Nautica®* women s sportswear is sold in the U.S. in department stores, at most *Nautica®* outlet stores and at www.nautica.com. Other *Nautica®* product lines include men s outerwear, underwear and swimwear and men s and women s sleepwear. We operate over 85 *Nautica®* brand outlet stores in premium and better outlet centers across the U.S.

The *Nautica®* brand is licensed to independent parties in the U.S. for apparel categories not produced by VF (e.g., tailored clothing, dress shirts, neckwear, women s swimwear and outerwear, children s clothing) and for non-apparel categories (e.g., accessories, fragrances, watches, eyewear, footwear, luggage, bed and bath products, furniture). *Nautica®* products are licensed for sale in over 50 countries outside the U.S. In addition, independent licensees operate over 300 *Nautica®* brand stores across the world, most of which are full-price stores in Asia, North and South America and the Middle East.

The Sportswear Coalition also includes the *Kipling®* business in North America whose products include *Kipling®* brand handbags, luggage, backpacks, totes and accessories. *Kipling®* products are sold in the U.S. through department, specialty and luggage stores, at over 25 VF-operated full price and outlet stores and at www.kipling.com, and in Canada through specialty and department stores. In the U.S., the *Kipling®* brand has seen significant growth in 2013, driven by new stores, comparable store growth and increased distribution.

We believe there is the potential to grow *Nautica®* brand revenue and improve profit performance through the growth of core Nautica sportswear products, increased average selling prices, improved product assortments and an enhanced customer experience at *Nautica®* brand outlet stores, growth in the brand s online business and expansion of the licensed business, both domestically and internationally. There is also the potential for expanding the *Kipling®* brand through our handbag and accessories relationship with Macy s, Inc., e-commerce, the travel-related retail distribution channel and additional VF-operated stores.

Contemporary Brands Coalition

Our Contemporary Brands Coalition is focused on premium upscale lifestyle brands, and includes the *7 For All Mankind®*, *Splendid®* and *Ella Moss®* brands.

7 For All Mankind® is a Los Angeles-based brand of premium denim jeans and related products for women and men. While the core business remains focused on denim, the collection also includes sportswear products, such as knit and woven tops, sweaters, jackets and accessories. *7 For All Mankind®* is a leading premium jeans brand in the U.S., where it generates more than 60% of its sales, and is marketed through premium department stores, specialty stores and VF-operated stores. International sales are through department stores, specialty stores, VF-operated stores and over 60 independently-operated partnership stores, the majority of which are in Europe and Asia. The *7 For All Mankind®* brand has approximately 75 VF-operated stores in the U.S., Europe and Canada. Products are also sold online at www.7forallmankind.com.

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The *Splendid®* brand offers premium tops and casual apparel for women, men and children, and the *Ella Moss®* brand offers premium sportswear for women and girls. These brands, noted for their soft wearable fabrics and vibrant colors, are marketed to upscale department and specialty stores primarily in the U.S. They are also sold through approximately 30 VF-operated *Splendid®* brand stores and two *Ella Moss®* brand stores, and at www.splendid.com and www.ellamoss.com.

We believe the *7 For All Mankind®*, *Splendid®* and *Ella Moss®* brands can grow their revenues through new stores, e-commerce, new product offerings, licensing arrangements and in the wholesale channel. We are also focusing on international growth opportunities, primarily through VF-operated and partnership stores in Europe, Asia and South America.

Direct-To-Consumer Operations

Our direct-to-consumer business includes full-price stores, outlet stores and e-commerce. Direct-to-consumer revenues accounted for 22% of VF s consolidated total revenues in 2013, compared with 21% in 2012.

Our full price stores allow us to showcase a brand s full line of products with fixtures and imagery that support the brand s positioning and promise to consumers. These stores provide high visibility for our brands and products and enable us to stay close to the needs and preferences of our consumers. The proper presentation of products in our stores, particularly in our showcase stores, also helps to increase sell-through of VF products at our wholesale customers. VF-operated full price stores generally provide margins and return on investment that are well above VF averages. In addition, VF operates outlet stores in both premium outlet malls and more traditional value-based locations. These outlet stores serve an important role in our overall inventory management and profitability by allowing VF to sell a significant portion of excess, discontinued and out-of-season products at better prices than are otherwise available from outside parties, while maintaining the integrity of our brands.

Our growing global retail operations include 1,246 stores at the end of 2013. Of that total, there are 1,166 single brand stores (i.e., primarily one brand s product offerings in each store) that sell *Vans®*, *Timberland®, The North Face®*, *Nautica®*, *7 For All Mankind®, Lee®*, *Wrangler®, lucy®*, *Kipling®, Splendid®, Napapijri®* and *Ella Moss®* brand products. We also operate 80 *VF Outlet®* stores in the U.S. that sell a broad selection of excess quantities of VF-branded products, as well as women s intimate apparel, children s wear, other apparel and accessories. Approximately 70% of VF-operated stores offer products at full price, and the remainder are outlet locations. Approximately 60% of our stores are located in the U.S. and the remaining 40% are located in Europe, Asia, Latin America, Mexico and Canada.

E-commerce is our fastest growing direct-to-consumer channel and represents approximately 13% of our direct-to-consumer business. We currently market *The North Face®*, *Vans®*, *Timberland®, 7 For All Mankind®, Kipling®*, *SmartWool®, Lee®*, *Wrangler®*, *lucy®*, *Nautica®*, *Splendid®*, *Ella Moss®*, *JanSport®*, *Reef®,* and *Eagle Creek®* products online in the U.S., plus *The North Face®, Vans®, Timberland®, 7 For All Mankind®*, *Kipling®*, *Napapijri®, Eastpak®* and other brands internationally. We are continuing to expand our e-commerce initiatives by rolling out additional brand sites in Europe and Asia, and enhancing each brand s site to deliver a superior consumer experience.

We expect our direct-to-consumer business to continue to grow at a faster pace than VF s overall growth rate as we continue to drive comparable store sales, open new stores and expand our e-commerce presence. We opened 164 stores during 2013 and we are planning to open approximately 150 additional locations in 2014, concentrated in the brands where we see higher retail growth potential *Vans®*, *The North Face®*, *Timberland®* and *Splendid®*.

In addition to our direct-to-consumer operations, our licensees, distributors and other independent parties own and operate over 3,000 partnership stores. These are primarily monobrand stores selling VF-branded

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products, and have the appearance of VF-operated stores. Most of these partnership stores are located in Europe and Asia, and are concentrated in *The North Face*®, *Vans*®, *Timberland*®, *Kipling*®, *Nautica*®, *Napapijri*®, *Lee*® and *Wrangler*® brands.

Licensing Arrangements

As part of our business strategy of expanding market penetration of VF-owned brands, we enter into licensing agreements for specific apparel and complementary product categories when such arrangements with independent parties provide more effective manufacturing, distribution and marketing of such products than could be achieved internally. We provide support to these business partners and ensure the integrity of our brand names by taking an active role in the design, quality control, advertising, marketing and distribution of licensed products.

Licensing arrangements relate to a broad range of VF brands. License agreements are for fixed terms of generally three to five years, with conditional renewal options. Each licensee pays royalties to VF based on its sales of licensed products, with most agreements providing for a minimum royalty requirement. Royalties generally range from 4% to 10% of the licensing partners net licensed products sales. Royalty income was $117.3 million in 2013 (1% of total revenues), primarily from the *Nautica*®, *Vans*®, *Timberland*®, *Lee*®, and *Wrangler*® brands. In addition, licensees of our brands are generally required to spend from 1% to 5% of their net licensed product sales to advertise VF s products. In some cases, these advertising amounts are remitted to VF for advertising on behalf of the licensees.

VF has also entered into license agreements to use trademarks owned by third parties. We market apparel under licenses granted by Major League Baseball, the National Football League, the National Basketball Association, the National Hockey League, Harley-Davidson Motor Company, Inc., major colleges and universities, and individual athletes and related organizations, most of which contain minimum annual royalty and advertising requirements.

Manufacturing, Sourcing and Distribution

Product design and innovation, including fit, fabric, finish and quality, are important elements across all of our businesses. These functions are performed by employees located in our global supply chain organization and our branded business units across the globe.

VF s centralized global supply chain organization is responsible for sourcing and delivering products to our customers. VF is highly skilled in managing the complexities associated with our global supply chain. On an annual basis, VF sources or produces approximately 500 million units spread across 35 brands. VF operates 28 manufacturing facilities and utilizes approximately 1,800 contractor manufacturing facilities in 60 countries. We operate 29 distribution centers and 1,246 retail stores. Managing this complexity is made possible by the use of a network of information systems for product development, forecasting, order management and warehouse management, attached to our core enterprise resource management platforms.

In 2013, 27% of our units were manufactured in VF-operated facilities and 73% were obtained from independent contractors, primarily in Asia. Products manufactured in VF facilities generally have a lower cost and shorter lead times than contracted production. Products obtained from contractors in the Western Hemisphere generally have a higher cost than products obtained from contractors in Asia. However, contracting in the Western Hemisphere gives us greater flexibility, shorter lead times and allows for lower inventory levels. This combination of VF-owned and contracted production, along with different geographic regions and cost structures, provides a well-balanced approach to product sourcing. We will continue to manage our supply chain from a global perspective and adjust as needed to changes in the global production environment.

VF operates manufacturing facilities in the U.S., Mexico, Central and South America, the Caribbean, Europe and the Middle East. A significant percentage of denim bottoms and occupational apparel are manufactured in these plants, as well as a smaller percentage of footwear. For these owned production facilities, we purchase raw materials from numerous domestic and international suppliers to meet our production needs. Raw materials include products made from cotton, leather, rubber, wool, synthetics and blends of cotton and synthetic yarn, as well as thread and trim (product identification, buttons, zippers, snaps, eyelets and laces). In some instances, we contract the sewing of VF-owned raw materials into finished product with independent contractors. Manufacturing in the U.S. includes all Major League Baseball uniforms, along with screen printing and embroidery of jerseys, T-shirts and fleece products. Fixed price commitments for fabric and certain supplies are generally set on a quarterly basis for the next quarter s purchases. No single supplier represents more than 5% of our total cost of sales.

Independent contractors generally own the raw materials and ship finished ready-for-sale products to VF. These contractors are engaged through VF sourcing hubs in Hong Kong (with satellite offices across Asia) and Panama. These hubs are responsible for coordinating the manufacturing and procurement of product, supplier management, product quality assurance, and transportation and shipping functions in the Eastern and Western Hemispheres, respectively. Substantially all products in the Outdoor & Action Sports and Sportswear Coalitions, as well as a portion of products for our Jeanswear and Imagewear Coalitions, are obtained through these sourcing hubs. For most products in our Contemporary Brands Coalition, we contract the sewing and finishing of VF-owned raw materials through a network of independent contractors based in the U.S.

Management continually monitors political risks and developments related to duties, tariffs and quotas. We limit VF s sourcing exposure through, among other measures, (i) diversifying geographies with a mix of VF-operated and contracted production, (ii) shifting of production among countries and contractors, (iii) sourcing production to merchandise categories where product is readily available and (iv) sourcing from countries with tariff preference and free trade agreements. VF does not directly or indirectly source products from suppliers in countries identified by the State Department as state sponsors of terrorism and subject to U.S. economic sanctions and export controls.

All VF-operated production facilities throughout the world, as well as all independent contractor facilities that manufacture VF-branded products, must comply with VF s Global Compliance Principles. These principles, established in 1997 and consistent with international labor standards, are a set of strict standards covering legal and ethical business practices, workers ages, work hours, health and safety conditions, environmental standards and compliance with local laws and regulations. In addition, our owned factories must also undergo certification by the independent, nonprofit organization, Worldwide Responsible Accredited Production (WRAP), which promotes global ethics in manufacturing. VF, through its contractor monitoring program, audits the activities of the independent businesses and contractors that produce VF-branded goods at locations across the globe. Each of the approximately 1,800 independent contractor facilities, including those serving our independent licensees, must be pre-certified before producing any VF products. This precertification includes passing a factory inspection and signing a VF Terms of Engagement agreement. We maintain an ongoing audit program to ensure compliance with these requirements by using dedicated internal staff and externally contracted firms. Additional information about VF s Code of Business Conduct, Global Compliance Principles, Terms of Engagement, Factory Compliance Guidelines, Factory Audit Procedure and Environmental Compliance Guidelines, along with a Global Compliance Report, is available on the VF website at www.vfc.com.

VF did not experience difficulty in filling its raw material and contracting production needs during 2013 and does not anticipate any difficulty in 2014. We believe that we will be able to remain cost competitive in 2014 due to our scale and significance to our suppliers. Absent any material changes, VF believes it would be able to largely offset any increases in product costs through: (i) the continuing shift in the mix of its business to higher margin brands, geographies and channels of distribution; (ii) increases in the prices of its products; and (iii) cost reduction opportunities. The loss of any one supplier or contractor would not have a significant adverse effect on our business.

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Product is shipped from our independent suppliers and VF-operated manufacturing facilities to distribution centers in the U.S. and international locations. In some instances, product is shipped directly to our customers. Most distribution centers are operated by VF, and some support more than one brand. A portion of our distribution needs are met by contract distribution centers.

Seasonality

VF s operating results vary from quarter-to-quarter throughout the year due to the differing sales patterns of our individual businesses. On a quarterly basis, consolidated total revenues for 2013 ranged from a low of 19% of full year revenues in the second quarter to a high of 29% in the third quarter, while consolidated operating income ranged from a low of 12% in the second quarter to a high of 35% in the third quarter. This variation results primarily from the seasonal influences on revenues of our Outdoor & Action Sports Coalition, where 17% of the Coalition s revenues occurred in the second quarter and 31% in the third quarter of 2013. With changes in our mix of business and the growth of our retail operations, historical quarterly revenue and profit trends may not be indicative of future trends. We expect the portion of annual revenues and profits occurring in the second half of the year to continue to increase.

Working capital requirements vary throughout the year. Working capital increases during the first half of the year as inventory builds to support peak shipping periods and then moderates during the second half of the year as those inventories are sold and accounts receivable are collected. Cash provided by operating activities is substantially higher in the second half of the year due to higher net income during that period and reduced working capital requirements, particularly during the fourth quarter.

Advertising, Customer Support and Community Outreach

During 2013, our advertising and promotion expense was $671.3 million, representing 5.9% of net sales. We advertise in consumer and trade publications, on radio and television, and through digital initiatives including social media and mobile platforms on the Internet. We also participate in cooperative advertising on a shared cost basis with major retailers in print media, radio and television. We sponsor sporting, musical and special events, as well as athletes and personalities who promote our products. We employ marketing sciences to optimize the impact of advertising and promotional spending and to identify the types of spending that provide the greatest return on our marketing investments.

We provide advertising support to our wholesale customers in the form of point-of-sale fixtures and signage to enhance the presentation and brand image of our products. We also participate in shop-in-shops and concession arrangements, which are separate sales areas dedicated to a specific VF brand within our customers stores, to help differentiate and enhance the presentation of our products.

We participate in incentive programs with our retailer customers, including customer loyalty, discounts, allowances and cooperative advertising funds. We also offer sales incentive programs directly to consumers in the form of rebate and coupon offers.

In addition to sponsorships and activities that directly benefit our products and brands, VF and its associates actively support our communities and various charities. For example, *The North Face®* brand has committed to programs that encourage and enable outdoor participation, such as the *Planet Explore®* (www.planetexplore.com), the *The North Face Endurance Challenge®* and the *Explore Your Parks™* programs.
The *Timberland®* brand has a heritage of volunteerism, including the *Path of Service* program that offers full-time employees up to 40 hours of paid time off a year to serve their local communities. The *Timberland®* brand also sponsors two annual global service events, Earth Day in the spring and Serv-a-palooza in the fall, when employees provide assistance to local communities through various volunteer efforts.
The *Nautica®* brand supports Oceana, a not-for-profit organization focused on ocean conservatism, and Charity: Water, a not-for-profit organization focused on providing clean, safe water to people in need. In addition, 2013 marked the eighteenth year of support for the *Lee National Denim Day®* event, one of the

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country s largest single-day fundraisers for breast cancer that has raised over $89 million since its inception to fight breast cancer. VF also supports company-wide sustainability efforts, and recognizes the VF 100 to honor the 100 VF associates worldwide having the highest number of volunteer service hours during the year.

Other Matters

Competitive Factors

Our business depends on our ability to stimulate consumer demand for VF s brands and products. VF is well-positioned to compete in the apparel and footwear industries by developing high quality innovative products at competitive prices that meet consumer needs, providing high service levels, ensuring the right products are on the retail sales floor to meet consumer demand, investing significant amounts behind existing brands and continuing to evaluate the potential for acquiring additional brands. We continually strive to improve in each of these areas. Many of VF s brands have long histories and enjoy strong recognition within their respective consumer segments.

Intellectual Property

Trademarks, patents and domain names, as well as related logos, designs and graphics, provide substantial value in the development and marketing of VF s products and are important to our continued success. We have registered this intellectual property in the U.S. and in other countries where our products are manufactured and/or sold. We vigorously monitor and enforce VF s intellectual property against counterfeiting, infringement and violations of other rights where and to the extent legal, feasible and appropriate. In addition, we grant licenses to other parties to manufacture and sell products utilizing our intellectual property in product categories and geographic areas in which VF does not operate.

Customers

VF products are primarily sold on a wholesale basis to specialty stores, department stores, national chains and mass merchants. In addition, we sell products on a direct-to-consumer basis through VF-operated stores and e-commerce sites, which accounted for 22% of our total revenues in 2013. Our sales in international markets are growing and represented 38% of our total revenues in 2013, the majority of which were in Europe.

Sales to VF s ten largest customers, all of which are retailers based in the U.S., amounted to 21% of total revenues in 2013, 21% in 2012 and 23% in 2011. Sales to the five largest customers amounted to approximately 16% of total revenues in 2013, 16% in 2012 and 18% in 2011. Sales to VF s largest customer totaled 8% of total revenues in 2013, 8% in 2012 and 9% in 2011, the majority of which were in the Jeanswear Coalition.

Employees

VF had approximately 59,000 employees at the end of 2013, of which approximately 26,000 were located in the U.S. Approximately 630 employees in the U.S. are covered by collective bargaining agreements. In international markets, a significant percentage of employees are covered by trade-sponsored or governmental bargaining arrangements. Employee relations are considered to be good.

Backlog

The dollar amount of VF s order backlog as of any date is not meaningful, may not be indicative of actual future shipments and, accordingly, is not material for an understanding of the business of VF taken as a whole.

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Executive Officers of VF

The following are the executive officers of VF Corporation as of February 26, 2014. The executive officers are generally elected annually and serve at the pleasure of the Board of Directors. There is no family relationship among any of the VF Corporation executive officers.

Eric C. Wiseman, 58, has been Chairman of the Board, Chief Executive Officer and President of VF since August 2008, January 2008 and March 2006, respectively. He has been a Director of VF since October 2006. He has held a progression of leadership roles within VF since 1995.

Robert K. Shearer, 62, has been Senior Vice President and Chief Financial Officer of VF since 2005. He served as Vice President Finance and Chief Financial Officer from 1998 to 2005, Vice President Controller from 1994 to 1998, Controller from 1989 to 1994, and Assistant Controller from 1986 to 1989.

Scott H. Baxter, 49, has been Vice President and Group President Jeanswear Americas, Imagewear and South America since May 2013. He served as Vice President and Group President Jeanswear Americas and Imagewear from 2011 until May 2013, President of Imagewear, composed of both the Image and Licensed Sports group businesses, from 2008 to 2011, and President of the Licensed Sports Group from 2007 to 2008.

Michael T. Gannaway, 62, has been Vice President VF Direct/Customer Teams since 2008. He served as Vice President Customer Management from 2004 to 2008.

Laura C. Meagher, 53, has been Vice President, General Counsel and Secretary since 2012. She served as Vice President Deputy General Counsel from 2008 to 2012, and Assistant General Counsel from 2004 to 2008.

Steve E. Rendle, 54, has been Vice President and Group President Outdoor & Action Sports Americas since May 2011. He served as President of VF s Outdoor Americas businesses from 2009 to 2011, President of *The North Face*® brand from 2004 to 2009 and Vice President of Sales of *The North Face*® brand from 1999 to 2004.

Scott A. Roe, 49, has been Vice President Controller and Chief Accounting Officer of VF since February 2013. He served as Vice President Finance of VF from 2012 to 2013, as Vice President Chief Financial Officer of VF International from 2006 to 2012, and as Vice President Chief Financial Officer of VF s former intimate apparel business from 2002 to 2006. He joined VF in 1996.

Karl Heinz Salzburger, 56, has been Vice President of VF and President VF International since 2009. He became President of VF s European, Middle East, Africa and Asian operations in September 2006. He served as President of VF s international outdoor businesses from 2001 to 2006. He joined VF with the acquisition of *The North Face*® brand in 2000.

Additional information is included under the caption Election of Directors in VF s definitive Proxy Statement for the Annual Meeting of Shareholders to be held April 22, 2014 (2014 Proxy Statement) that will be filed with the Securities and Exchange Commission within 120 days after the close of our fiscal year ended December 28, 2013, which information is incorporated herein by reference.

Available Information

All periodic and current reports, registration statements and other filings that VF has filed or furnished to the Securities and Exchange Commission (SEC), including 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 or furnished pursuant to Section 13(a) of the Exchange Act, are available free of charge from the SEC s website (www.sec.gov) and public reference room at 100 F Street, NE, Washington, DC 20549 and on VF s website at www.vfc.com. Such documents are available as soon as reasonably practicable after electronic filing of the material with the SEC. Copies of these reports may also be obtained free of charge upon written request to the Secretary of VF Corporation, P.O. Box 21488, Greensboro, NC 27420. Information on the operation of the public reference room can be obtained by calling the SEC at 1-800-SEC-0330.

The following corporate governance documents can be accessed on VF s website: VF s Corporate Governance Principles, Code of Business Conduct, and the charters of our Audit Committee, Compensation Committee, Finance Committee and Nominating and Governance Committee. Copies of these documents also may be obtained by any shareholder free of charge upon written request to the Secretary of VF Corporation, P.O. Box 21488, Greensboro, NC 27420.

After VF s 2014 Annual Meeting of Shareholders, VF intends to file with the New York Stock Exchange (NYSE) the certification regarding VF s compliance with the NYSE s corporate governance listing standards as required by NYSE Rule 303A.12. Last year, VF filed this certification with the NYSE on May 1, 2013.

Item 1A. ***Risk Factors.***

The following risk factors should be read carefully in connection with evaluating VF s business and the forward-looking statements contained in this Form 10-K. Any of the following risks could materially adversely affect VF s business, its operating results and its financial condition.

VF s revenues and profits depend on the level of consumer spending for apparel, which is sensitive to general economic conditions and other factors. A return to recessionary conditions or a decline in consumer spending could have a material adverse effect on VF.

The apparel industry has historically been subject to cyclical variations and is particularly affected by adverse trends in the general economy. The success of VF s business depends on consumer spending, and there are a number of factors that influence consumer spending, including actual and perceived economic conditions, disposable consumer income, interest rates, consumer credit availability, unemployment, stock market performance, extreme weather conditions, energy prices and tax rates in the international, national, regional and local markets where VF s products are sold. A decline in actual or perceived economic conditions or other factors could negatively impact the level of consumer spending and have a material adverse impact on VF.

Fluctuations in the price, availability and quality of raw materials and finished goods could increase costs.

Fluctuations in the price, availability and quality of fabrics, leather or other raw materials used by VF in its manufactured products, or of purchased finished goods, could have a material adverse effect on VF s cost of sales or its ability to meet its customers demands. The prices we pay depend on demand and market prices for the raw materials used to produce them. The price and availability of such raw materials may fluctuate significantly, depending on many factors, including general economic conditions and demand, crop yields, energy prices, weather patterns and speculation in the commodities markets. Prices of purchased finished products also depend on wage rates in Asia and other geographic areas where our independent contractors are located, as well as freight costs from those regions. In the future, VF may not be able to offset cost increases with other cost reductions or efficiencies or to pass higher costs on to its customers. This could have a material adverse effect on VF s results of operations, liquidity and financial condition.

We may be adversely affected by weather conditions.

Our business is adversely affected by unseasonable weather conditions. A significant portion of the sales of our products is dependent in part on the weather and is likely to decline in years in which weather conditions do not favor the use of these products. Periods of unseasonably warm weather in the fall or winter, may have a material adverse effect on our financial condition, results of operations or cash flows. Inventory accumulation by

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our wholesale customers resulting from unseasonable weather in one season generally negatively affects orders in future seasons, which may have a material adverse effect on our financial condition, results of operations or cash flows. Abnormally harsh or inclement weather can also negatively impact retail traffic and consumer spending.

The apparel and footwear industries are highly competitive, and VF s success depends on its ability to respond to constantly changing markets.

VF competes with numerous apparel and footwear brands and manufacturers. Competition is generally based upon brand name recognition, price, design, product quality, selection, service and purchasing convenience. Some of our competitors are larger and have more resources than VF in some product categories and regions. In addition, VF competes directly with the private label brands of most of its wholesale customers. VF s ability to compete within the apparel and footwear industries depends on our ability to:

- Anticipate and respond to changing consumer trends in a timely manner;
- Develop attractive, innovative and high quality products that meet consumer needs;
- Maintain strong brand recognition;
- Price products appropriately;
- Provide best-in-class marketing support and intelligence;
- Ensure product availability and optimize supply chain efficiencies;
- Obtain sufficient retail store space and effectively present our products at retail; and
- Produce or procure quality products on a consistent basis.

Failure to compete effectively or to keep pace with rapidly changing markets and trends could have a material adverse effect on VF s business, financial condition and results of operations.

VF s results of operations could be materially harmed if we are unable to gauge consumer preferences and product trends and accurately forecast demand for our products.

Our success depends in part on management s ability to effectively anticipate and respond to changing consumer preferences and product trends and to translate trends into marketable product offerings in advance of the actual time of sale to the customer. Even if we are successful in anticipating consumer demands, we must continue to be able to develop and introduce innovative, high-quality products in order to sustain consumer demand.

We often schedule internal production and place orders for products with independent manufacturers before our customers orders are firm. Factors that could affect our ability to accurately forecast demand for our products include:

- Our failure to anticipate changing styles or trends or accurately forecast customer acceptance of new products;

New, well-received product introductions by competitors;

Unanticipated changes in general market conditions or other factors, which result in cancellations of orders or a reduction or increase in the rate of reorders placed by retailers;

Weak economic conditions or consumer confidence, which reduce demand for VF s products; and

Terrorism or acts of war, or the threat thereof, which adversely affect consumer confidence and spending or interrupt production and distribution of products and raw materials.

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There can be no assurance that we will be able to successfully anticipate changing consumer preferences and product trends or economic conditions and, as a result, we may not successfully manage inventory levels to meet our future order requirements. If we fail to accurately forecast consumer demand, we may experience excess inventory levels or a shortage of product required to meet the demand. Inventory levels in excess of consumer demand may result in inventory write-downs and the sale of excess inventory at discounted prices, which could have an adverse effect on the image and reputation of VF s brands and negatively impact profitability. On the other hand, if we underestimate demand for our products, our manufacturing facilities or third party manufacturers may not be able to produce products to meet consumer requirements, and this could result in delays in the shipment of products and lost revenues, as well as damage to VF s reputation and relationships. These risks could have a material adverse effect on our brand image as well as our results of operations and financial condition.

VF s business and the success of its products could be harmed if VF is unable to maintain the images of its brands.

VF s success to date has been due in large part to the growth of its brands images and VF s customers connection to its brands. If we are unable to timely and appropriately respond to changing consumer demand, the names and images of our brands may be impaired. Even if we react appropriately to changes in consumer preferences, consumers may consider our brands images to be outdated or associate our brands with styles that are no longer popular. In addition, brand value is based in part on consumer perceptions on a variety of qualities, including merchandise quality and corporate integrity. Negative claims or publicity regarding VF, its brands or its products, including licensed products, could adversely affect our reputation and sales regardless of whether such claims are accurate. Social media, which accelerates the dissemination of information, can increase the challenges of responding to negative claims. In the past, many apparel companies have experienced periods of rapid growth in sales and earnings followed by periods of declining sales and losses. Our businesses may be similarly affected in the future. In addition, we have sponsorship contracts with a number of athletes and musicians and feature those individuals in our advertising and marketing efforts. Actions taken by those individuals associated with our products could harm their reputations and adversely affect the images of our brands.

VF relies significantly on information technology. Any inadequacy, interruption, integration failure or security failure of this technology could harm VF s ability to effectively operate its business.

Our ability to effectively manage and operate our business depends significantly on information technology systems. The failure of these systems to operate effectively, problems with transitioning to upgraded or replacement systems, difficulty in integrating new systems or systems of acquired businesses, or a breach in security of these systems could adversely impact the operations of VF s business, including corporate email communications, e-commerce operations, retail business credit card transaction authorization and processing, and our interaction with the public on social media.

In the 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 a 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 and VF and its customers could suffer harm if customer information were accessed by third parties due to a security failure in VF s systems. It could require significant expenditures to remediate any such failure, problem or breach and severely damage our reputation and our relationships with customers.

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A substantial portion of VF s revenues and gross profit is derived from a small number of large customers. The loss of any of these customers or the inability of any of these customers to pay VF could substantially reduce VF s revenues and profits.

A few of VF s customers account for a significant portion of revenues. Sales to VF s ten largest customers were 21% of total revenues in fiscal 2013, with our largest customer accounting for 8% of revenues. Sales to our customers are generally on a purchase order basis and not subject to long-term agreements. A decision by any of VF s major customers to significantly decrease the volume of products purchased from VF could substantially reduce revenues and have a material adverse effect on VF s financial condition and results of operations. Moreover, in recent years, the retail industry has experienced consolidation and other ownership changes. In the future, retailers may further consolidate, undergo restructurings or reorganizations, realign their affiliations or reposition their stores target markets. These developments could result in a reduction in the number of stores that carry VF s products, an increase in ownership concentration within the retail industry, an increase in credit exposure to VF or an increase in leverage by VF s customers over their suppliers. These changes could impact VF s opportunities in the market and increase VF s reliance on a smaller number of large customers.

Further, the global economy periodically experiences recessionary conditions with rising unemployment, reduced availability of credit, increased savings rates and declines in real estate and securities values. These recessionary conditions could have a negative impact on retail sales of apparel and other consumer products. The lower sales volumes, along with the possibility of restrictions on access to the credit markets, could result in our customers experiencing financial difficulties including store closures, bankruptcies or liquidations. This could result in higher credit risk to VF relating to receivables from our customers who are experiencing these financial difficulties. If these developments occur, our inability to shift sales to other customers or to collect on VF s trade accounts receivable could have a material adverse effect on VF s financial condition and results of operations.

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

The apparel 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 demand. If these factors cause us to reduce our sales prices to retailers and consumers, and we fail to sufficiently reduce our product costs or operating expenses, VF s profitability will decline. This could have a material adverse effect on VF s results of operations, liquidity and financial condition.

VF may not succeed in its growth strategy.

One of VF s key strategic objectives is growth. We seek to grow organically and through acquisitions. We seek to grow by building new lifestyle brands, expanding our share with winning customers, stretching VF s brands to new regions, managing costs, leveraging our supply chain and information technology capabilities across VF and expanding our direct-to-consumer business, including opening new stores and remodeling and expanding our existing stores. We may not be able to grow our existing businesses. We may have difficulty completing acquisitions, and we may not be able to successfully integrate a newly acquired business or achieve the expected growth, cost savings or synergies from such integration. We may not be able to expand our market share with winning customers, expand our brands geographically or achieve the expected results from our supply chain initiatives. We may have difficulty recruiting, developing or retaining qualified employees. We may not be able to achieve our store expansion goals, manage our growth effectively, successfully integrate the planned new stores into our operations or operate our new, remodeled and expanded stores profitably. Failure to implement our growth strategy may have a material adverse effect on VF s business.

There are risks associated with VF s acquisitions.

Any acquisitions or mergers by VF will be accompanied by the risks commonly encountered in acquisitions of companies. These risks include, among other things, higher than anticipated acquisition costs and expenses,

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the difficulty and expense of integrating the operations, systems and personnel of the companies and the loss of key employees and customers as a result of changes in management. In addition, geographic distances may make integration of acquired businesses more difficult. We may not be successful in overcoming these risks or any other problems encountered in connection with any acquisitions.

Our acquisitions may cause large one-time expenses or create goodwill or other intangible assets that could result in significant impairment charges in the future. We also make certain estimates and assumptions in order to determine purchase price allocation and estimate the fair value of assets acquired and liabilities assumed. If our estimates or assumptions used to value these assets and liabilities are not accurate, we may be exposed to losses that may be material.

VF s operations in international markets, and earnings in those markets, may be affected by legal, regulatory, political and economic risks.

Our ability to maintain the current level of operations in our existing international markets and to capitalize on growth in existing and new international markets is subject to risks associated with international operations. These include the burdens of complying with foreign laws and regulations, unexpected changes in regulatory requirements, tariffs or other barriers in some international markets.

We cannot predict whether quotas, duties, taxes, exchange controls or other restrictions will be imposed by the U.S., the European Union or other countries on the import or export of our products, or what effect any of these actions would have on VF s business, financial condition or results of operations. We cannot predict whether there might be changes in our ability to repatriate earnings or capital from international jurisdictions. Changes in regulatory, geopolitical policies and other factors may adversely affect VF s business or may require us to modify our current business practices.

Approximately 60% of VF s 2013 net income was earned in jurisdictions outside the U.S. VF is exposed to risks of changes in U.S. policy for companies having business operations outside the U.S. There have been a number of proposed changes to U.S. income tax laws, including overall corporate and individual tax reform. Some of these tax law changes and tax reform proposals, among other things, consider accelerating the U.S. taxability of non-U.S. earnings or limiting foreign tax credits. While enactment of any such proposal is not certain, if new legislation were enacted, it is possible our U.S. income tax expense could increase, which would reduce our earnings.

We may have additional tax liabilities.

As a global company, we determine our income tax liability in various tax jurisdictions based on an analysis and interpretation of local tax laws and regulations. This analysis requires a significant amount of judgment and estimation and is often based on various assumptions about the future actions of the local tax authorities. These determinations are the subject of periodic domestic and foreign tax audits. Although we accrue for uncertain tax positions, our accrual may be insufficient to satisfy unfavorable findings. Unfavorable audit findings and tax rulings may result in payment of taxes, fines and penalties for prior periods and higher tax rates in future periods, which may have a material adverse effect on our financial condition, results of operations or cash flows. Further, in an effort to deal with budget deficits, governments around the world are focusing on increasing tax revenues through increased audits and, potentially, increased tax rates for corporations. Changes in tax law or our interpretation of tax laws and the resolution of current and future tax audits could significantly affect the amounts provided for income taxes in our consolidated financial statements.

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VF uses third party suppliers and manufacturing facilities worldwide for a substantial portion of its raw materials and finished products, which poses risks to VF s business operations.

During fiscal 2013, approximately 73% of VF s units were purchased from independent manufacturers primarily located in Asia, with substantially all of the remainder produced by VF-owned and operated manufacturing facilities located in the U.S., Mexico, Central and South America, the Caribbean, Europe and the Middle East. Any of the following could impact our ability to produce or deliver VF products:

- Political or labor instability in countries where VF s facilities, contractors and suppliers are located;
- Political or military conflict could cause a delay in the transportation of raw materials and products to VF and an increase in transportation costs;
- Disruption at ports of entry could cause delays in product availability and increase transportation times and costs;
- Heightened terrorism security concerns could subject imported or exported goods to additional, more frequent or more lengthy inspections, leading to delays in deliveries or impoundment of goods for extended periods;
- Decreased scrutiny by customs officials for counterfeit goods, leading to more counterfeit goods and reduced sales of VF products, increased costs for VF s anticounterfeiting measures and damage to the reputation of its brands;
- Disruptions at manufacturing or distribution facilities caused by natural and man-made disasters;
- Disease epidemics and health-related concerns, such as the H1N1 virus, bird flu, SARS, mad cow and hoof-and-mouth disease outbreaks in recent years, could result in closed factories, reduced workforces, scarcity of raw materials and scrutiny or embargo of VF s goods produced in infected areas;
- Imposition of regulations and quotas relating to imports and our ability to adjust timely to changes in trade regulations could limit our ability to produce products in cost-effective countries that have the labor and expertise needed;
- Imposition of duties, taxes and other charges on imports; and
- Imposition or the repeal of laws that affect intellectual property rights.

Although no single supplier and no one country is critical to VF s production needs, if we were to lose a supplier it could result in interruption of finished goods shipments to VF, cancellation of orders by customers, and termination of relationships. This, along with the damage to our reputation, could have a material adverse effect on VF s revenues and, consequently, our results of operations.

Our business is subject to national, state and local laws and regulations for environmental, employment, safety and other matters. The costs of compliance with, or the violation of, such laws and regulations by VF or by independent suppliers who manufacture products for VF could have an adverse effect on our operations and cash flows, as well as on our reputation.

Our business is subject to comprehensive federal, state and local laws and regulations on a wide range of environmental, employment, safety and other matters. VF could be adversely affected by costs of compliance with or violations of those laws and regulations. In addition, while we do not control their business practices, we require third party suppliers to operate in compliance with applicable laws, rules and regulations regarding working conditions, employment practices and environmental compliance. The costs of products purchased by VF from independent contractors could increase due to the costs of compliance by those contractors.

Failure by VF or its third party suppliers to comply with such laws and regulations, as well as with ethical, social, product, labor and environmental standards, or related political considerations, could result in interruption

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of finished goods shipments to VF, cancellation of orders by customers, and termination of relationships. If one of our independent contractors violates labor or other laws or implements labor or other business practices that are generally regarded as unethical, it could jeopardize our reputation and potentially lead to various adverse consumer actions, including boycotts that may reduce demand for VF s merchandise. Damage to VF s reputation or loss of consumer confidence for any of these or other reasons could have a material adverse effect on VF s results of operations, financial condition and cash flows, as well as require additional resources to rebuild VF s reputation.

VF s business is exposed to the risks of foreign currency exchange rate fluctuations. VF s hedging strategies may not be effective in mitigating those risks.

A growing percentage of VF s total revenues (approximately 38% in 2013) is derived from markets outside the U.S. VF s international businesses operate in functional currencies other than the U.S. dollar. Changes in currency exchange rates may affect the U.S. dollar value of the foreign currency-denominated amounts at which VF s international businesses purchase products, incur costs or sell products. In addition, for VF s U.S.-based businesses, the majority of products are sourced from independent contractors or VF plants located in foreign countries. As a result, the cost of these products may be affected by changes in the value of the relevant currencies. Furthermore, much of VF s licensing revenue is derived from sales in foreign currencies. Changes in foreign currency exchange rates could have an adverse impact on VF s financial condition, results of operations and cash flows.

In accordance with our operating practices, we hedge a significant portion of our foreign currency transaction exposures arising in the ordinary course of business to reduce risks in our cash flows and earnings. Our hedging strategy may not be effective in reducing all risks, and no hedging strategy can completely insulate VF from foreign exchange risk. We do not hedge foreign currency translation rate changes.

Further, our use of derivative financial instruments may expose VF to counterparty risks. Although VF only enters into hedging contracts with counterparties having investment grade credit ratings, it is possible that the credit quality of a counterparty could be downgraded or a counterparty could default on its obligations, which could have a material adverse impact on VF s financial condition, results of operations and cash flows.

VF borrows funds on a short-term basis, primarily to support seasonal working capital requirements. Long-term debt is part of VF s total capital structure. Because of conditions in global credit markets, VF may have difficulty accessing capital markets for short or long-term financing.

Particularly in 2008 and continuing to a lesser extent during the last five years, global capital and credit markets have experienced extreme volatility and disruption, with government intervention, mergers or bankruptcies of several major financial institutions, and a general decline in global liquidity. Many corporate issuers have been unable to access credit markets.

We typically use short-term commercial paper borrowings to support seasonal working capital requirements, with amounts generally repaid by the end of each year from strong cash flows from operations. VF has been able to borrow in the commercial paper markets in recent years. In the future, VF may seek to access the long-term capital markets to replace maturing debt obligations or to fund acquisitions or other growth opportunities. There is no assurance that the commercial paper markets or the long-term capital markets will continue to be reliable sources of financing for VF. If VF does not have access to financing, it could have a material adverse impact on VF s financial condition, results of operations and cash flows.

VF has a global revolving credit facility. One or more of the participating banks may not be able to honor their commitments, which could have an adverse effect on VF s business.

VF has a $1.25 billion global revolving credit facility that expires in December 2016. If the financial

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markets return to recessionary conditions, this could impair the ability of one or more of the banks participating in our credit agreements from honoring their commitments. This could have an adverse effect on our business if we were not able to replace those commitments or to locate other sources of liquidity on acceptable terms.

The loss of members of VF s executive management and other key employees could have a material adverse effect on its business.

VF depends on the services and management experience of its executive officers and business leaders who have substantial experience and expertise in VF s business. VF also depends on other key employees involved in the operation of its business. Competition for experienced and well-qualified personnel is intense. The unexpected loss of services of one or more of these individuals could have a material adverse effect on VF.

VF s direct-to-consumer business includes risks that could have an adverse effect on its results.

VF sells merchandise direct-to-consumer through VF-operated stores and over the Internet through its websites. Its direct-to-consumer business is subject to numerous risks that could have a material adverse effect on its results. Risks include, but are not limited to, (a) domestic or international resellers purchasing merchandise and reselling it overseas outside VF s control, (b) failure of the systems that operate the stores and websites, and their related support systems, including computer viruses, theft of customer information, privacy concerns, telecommunication failures and electronic break-ins and similar disruptions, (c) credit card fraud and (d) risks related to VF s direct-to-consumer distribution centers. Risks specific to VF s e-commerce business also include (a) diversion of sales from VF stores or wholesale customers, (b) difficulty in recreating the in-store experience through direct channels and (c) liability for online content. VF s failure to successfully respond to these risks might adversely affect sales in its Internet business, as well as damage its reputation and brands.

Our VF-operated stores and e-commerce business requires substantial fixed investment in equipment and leasehold improvements, information systems, inventory and personnel. We have entered into substantial operating lease commitments for retail space. Due to the high fixed-cost structure associated with our direct-to-consumer operations, a decline in sales or the closure of or poor performance of individual or multiple stores could result in significant lease termination costs, write-offs of equipment and leasehold improvements, and employee-related costs.

VF s net sales depend on a volume of traffic to its stores and the availability of suitable lease space.

A growing portion of our revenues are direct-to-consumer sales through VF-operated stores. In order to generate customer traffic, we locate many of our stores in prominent locations within successful retail shopping centers or in fashionable shopping districts. Our stores benefit from the ability of the retail center and other attractions in an area to generate consumer traffic in the vicinity of our stores. Part of our future growth is significantly dependent on our ability to operate stores in desirable locations with capital investment and lease costs providing the opportunity to earn a reasonable return. We cannot control the development of new shopping centers or districts; the availability or cost of appropriate locations within existing or new shopping centers or districts; competition with other retailers for prominent locations; or the success of individual shopping centers or districts. Further, if we are unable to renew or replace our existing store leases or enter into leases for new stores on favorable terms, or if we violate the terms of our current leases, our growth and profitability could be harmed. All of these factors may impact our ability to meet our growth targets and could have a material adverse effect on our financial condition or results of operations.

VF may be unable to protect its trademarks and other intellectual property rights.

VF s trademarks and other intellectual property rights are important to its success and its competitive position. VF is susceptible to others copying its products and infringing its intellectual property rights especially with the shift in product mix to higher priced brands and innovative new products in recent years. Some of VF s

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brands, such as *The North Face*®, *Timberland*®, *Vans*®, *JanSport*®, *Nautica*®, *Wrangler*® and *Lee*®, enjoy significant worldwide consumer recognition, and the higher pricing of those products creates additional risk of counterfeiting and infringement.

VF s trademarks, trade names, patents, trade secrets and other intellectual property are important to VF s success. Counterfeiting of VF s products or infringement on its intellectual property rights could diminish the value of our brands and adversely affect VF s revenues. Actions we have taken to establish and protect VF s intellectual property rights may not be adequate to prevent copying of its products by others or to prevent others from seeking to invalidate its trademarks or block sales of VF s products as a violation of the trademarks and intellectual property rights of others. In addition, unilateral actions in the U.S. or other countries, including changes to or the repeal of laws recognizing trademark or other intellectual property rights, could have an impact on VF s ability to enforce those rights.

The value of VF s intellectual property could diminish if others assert rights in or ownership of trademarks and other intellectual property rights of VF, or trademarks that are similar to VF s trademarks, or trademarks that VF licenses from others. We may be unable to successfully resolve these types of conflicts to our satisfaction. In some cases, there may be trademark owners who have prior rights to VF s trademarks because the laws of certain foreign countries may not protect intellectual property rights to the same extent as do the laws of the U.S. In other cases, there may be holders who have prior rights to similar trademarks. VF is from time to time involved in opposition and cancellation proceedings with respect to some of its intellectual property rights.

We may be subject to liability if third parties successfully claim that we infringe on their trademarks, copyrights, patents or other intellectual property rights. Defending infringement claims could be expensive and time-consuming and might result in our entering into costly license agreements.

VF is subject to the risk that its licensees may not generate expected sales or maintain the value of VF s brands.

During 2013, $117.3 million of VF s revenues were derived from licensing royalties. Although VF generally has significant control over its licensees products and advertising, we rely on our licensees for, among other things, operational and financial controls over their businesses. Failure of our licensees to successfully market licensed products or our inability to replace existing licensees, if necessary, could adversely affect VF s revenues, both directly from reduced royalties received and indirectly from reduced sales of our other products. Risks are also associated with a licensee s ability to:

- Obtain capital;
- Manage its labor relations;
- Maintain relationships with its suppliers;
- Manage its credit risk effectively;
- Maintain relationships with its customers; and
- Adhere to VF s Global Compliance Principles.

In addition, VF relies on its licensees to help preserve the value of its brands. Although we attempt to protect VF s brands through approval rights over design, production processes, quality, packaging, merchandising, distribution, advertising and promotion of our licensed products, we cannot completely control the use of licensed VF brands by our licensees. The misuse of a brand by a licensee could have a material adverse effect on that brand and on VF.

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VF has entered into license agreements to use the trademarks of others. Loss of a license could have an adverse effect on VF s operating results.

VF has entered into agreements to market products under licenses granted by third parties, including Major League Baseball, the National Football League and Harley-Davidson Motor Company, Inc. Some of these licenses are for a short term and do not contain renewal options. Loss of a license, which in certain cases could result in an impairment charge for related operating and intangible assets, could have an adverse effect on VF s operating results.

If VF encounters problems with its distribution system, VF s ability to deliver its products to the market could be adversely affected.

VF relies on owned or independently-operated distribution facilities to warehouse and ship product to its customers. VF s distribution system includes computer-controlled and automated equipment, which may be subject to a number of risks related to security or computer viruses, the proper operation of software and hardware, power interruptions or other system failures. Because substantially all of VF s products are distributed from a relatively small number of locations, VF s operations could also be interrupted by earthquakes, floods, fires or other natural disasters affecting its distribution centers. We maintain business interruption insurance, but it may not adequately protect VF from the adverse effects that could be caused by significant disruptions in VF s distribution facilities, such as the long-term loss of customers or an erosion of brand image. In addition, VF s distribution capacity is dependent on the timely performance of services by third parties, including the transportation of product to and from its distribution facilities. If we encounter problems with our distribution system, our ability to meet customer expectations, manage inventory, complete sales and achieve operating efficiencies could be materially adversely affected.

VF s balance sheet includes a significant amount of intangible assets and goodwill. A decline in the fair value of an intangible asset or of a business unit could result in an asset impairment charge, which would be recorded as an operating expense in VF s Consolidated Statement of Income and could be material.

We evaluate goodwill and nonamortizing trademark and trade name intangible assets for possible impairment at least annually. In addition, intangible assets that are being amortized are tested for impairment whenever events or circumstances indicate that their carrying value might not be recoverable. For these impairment tests, we use various valuation methods to estimate the fair value of our business units and intangible assets. If the fair value of an asset is less than its carrying value, we would recognize an impairment charge for the difference.

It is possible that we could have an impairment charge for goodwill or trademark and trade name intangible assets in future periods if (i) overall economic conditions in 2014 or future years vary from our current assumptions, (ii) business conditions or our strategies for a specific business unit change from our current assumptions, (iii) investors require higher rates of return on equity investments in the marketplace or (iv) enterprise values of comparable publicly traded companies, or of actual sales transactions of comparable companies, were to decline, resulting in lower comparable multiples of revenues and EBITDA and, accordingly, lower implied values of goodwill and intangible assets. A future impairment charge for goodwill or intangible assets could have a material effect on our consolidated financial position or results of operations.

Volatility in securities markets, interest rates and other economic factors could substantially increase VF s defined benefit pension costs.

VF currently has unfunded obligations under its defined benefit pension plans. The funded status of the pension plans is dependent on many factors, including returns on investment assets and the discount rate used to determine pension obligations. Unfavorable returns on plan assets, a lower discount rate or unfavorable changes in the applicable laws or regulations could materially change the timing and amount of pension funding requirements, which could reduce cash available for VF s business.

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VF s operating performance also may be negatively impacted by the amount of expense recorded for its pension plans. Pension expense is calculated using actuarial valuations that incorporate assumptions and estimates about financial market, economic and demographic conditions. Differences between estimated and actual results give rise to gains and losses that are deferred and amortized as part of future pension expense, which can create volatility that adversely impacts VF s future operating results.

Item 1B. ***Unresolved Staff Comments.***

None

Item 2. ***Properties.***

VF owns certain facilities used in manufacturing, distribution and administrative activities and leases a distribution center under a capital lease. Other facilities are leased under operating leases that generally contain renewal options. We believe all facilities and machinery and equipment are in good condition and are suitable for VF s needs. Manufacturing, distribution and administrative facilities being utilized at the end of 2013 are summarized below by reportable segment:

	Square Footage	
	Owned	**Leased**
Outdoor & Action Sports	1,780,000[a]	5,997,000
Jeanswear	5,470,000	1,808,000
Imagewear	786,000	1,296,000
Sportswear	500,000	207,000
Contemporary Brands	221,000	289,000
Corporate and shared services	180,000	93,000
	8,937,000	9,690,000

[a] Includes assets under capital lease.

In addition to the above, VF owns or leases retail locations totaling approximately 6,500,000 square feet. VF also leases 500,000 square feet of space that was formerly used in its operations but is now subleased to a third party through the end of the lease term.

Item 3. ***Legal Proceedings.***

There are no pending material legal proceedings, other than ordinary, routine litigation incidental to the business, to which VF or any of its subsidiaries is a party or to which any of their property is the subject.

Item 4. ***Mine Safety Disclosures.***

Not applicable.

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PART II

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

VF s Common Stock is listed on the New York Stock Exchange under the symbol VFC . The following table sets forth the high and low sale prices of VF Common Stock, as reported on the NYSE Composite Tape in each fiscal quarter of 2013 and 2012, along with dividends declared. All share and per share amounts presented herein are reflective of the four-for-one stock split in December 2013.

	High	Low	Dividends Declared
2013			
Fourth quarter	$ 62.48	$ 47.33	$ 0.2625
Third quarter	51.24	46.41	0.2175
Second quarter	48.77	41.13	0.2175
First quarter	42.21	35.70	0.2175
			$ 0.9150
2012			
Fourth quarter	$ 42.46	$ 36.53	$ 0.2175
Third quarter	41.09	32.38	0.1800
Second quarter	39.04	33.11	0.1800
First quarter	38.13	32.23	0.1800
			$ 0.7575

As of January 24, 2014, there were 3,742 shareholders of record. Quarterly dividends on VF Common Stock, when declared, are paid on or about the 20th day of March, June, September and December.

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Performance graph:

The following graph compares the cumulative total shareholder return on VF Common Stock with that of the Standard & Poor s (S&P) 500 Index and the S&P 1500 Apparel, Accessories & Luxury Goods Subindustry Index (S&P 1500 Apparel Index) for the five fiscal years ended December 28, 2013. The S&P 1500 Apparel Index at the end of 2013 consisted of Carter s, Inc., Coach, Inc., Perry Ellis International, Inc., Fifth & Pacific Companies, Inc., Fossil, Inc., Hanesbrands Inc., Iconix Brand Group, Inc., Michael Kors Holdings Ltd., Movado Group, Inc., Oxford Industries, Inc., PVH Corp., Quiksilver, Inc., Ralph Lauren Corporation, Under Armour, Inc. and V.F. Corporation. The graph assumes that $100 was invested on January 2, 2009, in each of VF Common Stock, the S&P 500 Index and the S&P 1500 Apparel Index, and that all dividends were reinvested. The graph plots the respective values on the last trading day of fiscal years 2008 through 2013. Past performance is not necessarily indicative of future performance.

Comparison of Five Year Total Return of

VF Common Stock, S&P 500 Index and S&P 1500 Apparel Index

VF Common Stock closing price on December 28, 2013 was $61.58

TOTAL SHAREHOLDER RETURNS

Company / Index	2008 Base	2009	2010	2011	2012	2013
VF CORPORATION	**$ 100**	$ 133.92	$ 162.52	$ 245.28	$ 292.34	$ 494.93
S&P 500 INDEX	**100**	122.57	141.03	144.01	164.27	220.30
S&P 1500 APPAREL INDEX	**100**	158.69	225.60	266.93	306.37	429.00

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Issuer Purchases of Equity Securities:

The following table sets forth VF s repurchases of our Common Stock during the fiscal quarter ended December 28, 2013 under the share repurchase program authorized by VF s Board of Directors in 2010. The share repurchase activity was prior to the December 2013 stock split, and the share repurchase program that was authorized by the Board of Directors prior to the stock split was not affected by the stock split. Accordingly, the table below is presented on a pre-split basis. All share repurchases relate to shares acquired in connection with VF s deferred compensation plans.

Fiscal Period	Total Number of Shares Purchased[(a)]	Weighted Average Price Paid per Share[(a)]	Total Number of Shares Purchased as Part of Publicly Announced Programs[(a)]	Maximum Number of Shares that May Yet be Purchased Under the Program
September 29 October 26, 2013		$		2,764,956
October 27 November 23, 2013	1,580	219.57	1,580	2,763,376
November 24 December 28, 2013	1,300	234.56	1,300	2,762,076
Total	2,880		2,880	

(a) The Total Number of Shares Purchased as Part of Publicly Announced Programs during the fiscal quarter ended December 28, 2013, restated for the impact of the stock split, was 11,520.

In addition to the remaining share authorization above, VF s Board of Directors authorized the repurchase of an additional 50.0 million shares (on a post-split basis) in December 2013, bringing the total shares authorized for repurchase to 52,762,076 at December 28, 2013.

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Item 6. ***Selected Financial Data.***

The following table sets forth selected consolidated financial data for the five years ended December 28, 2013. 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 report. All share and per share amounts presented herein are reflective of the four-for-one stock split in December 2013. Historical results presented herein may not be indicative of future results.

	2013[8]	2012[8]	2011[8]	2010	2009
	Dollars and shares in thousands, except per share amounts				
Summary of Operations [1]					
Total revenues	$ 11,419,648	$ 10,879,855	$ 9,459,232	$ 7,702,589	$ 7,220,286
Operating income	1,647,147	1,465,267	1,244,791	820,860	736,817
Net income attributable to VF Corporation	1,210,119	1,085,999	888,089	571,362	461,271
Earnings (loss) per common share attributable to VF Corporation common stockholders basic	$ 2.76	$ 2.47	$ 2.03	$ 1.31	$ 1.04
Earnings (loss) per common share attributable to VF Corporation common stockholders diluted	2.71	2.43	2.00	1.29	1.03
Dividends per share	0.9150	0.7575	0.6525	0.6075	0.5925
Dividend payout ratio [2] [7]	33.8%	31.2%	32.7%	37.6%	46.0%
Financial Position					
Working capital	$ 2,314,981	$ 1,717,371	$ 1,521,912	$ 1,716,585	$ 1,536,773
Current ratio	2.5	2.0	1.9	2.5	2.4
Total assets	$ 10,315,443	$ 9,633,021	$ 9,313,126	$ 6,457,556	$ 6,473,863
Long-term debt, less current maturities	1,426,829	1,429,166	1,831,781	935,882	938,494
Stockholders equity	6,077,038	5,125,625	4,525,175	3,861,319	3,813,285
Debt to total capital ratio [3]	19.3%	26.5%	31.9%	20.2%	23.7%
Weighted average Common Shares outstanding	438,657	439,292	437,148	435,056	441,556
Book value per common share	$ 13.80	$ 11.63	$ 10.23	$ 8.94	$ 8.64
Other Statistics [4]					
Operating margin [7]	14.4%	13.5%	13.2%	13.3%	11.9%
Return on invested capital [5] [6] [7]	17.6%	16.2%	15.8%	15.6%	12.6%
Return on average stockholders equity [6] [7]	23.7%	24.7%	22.0%	20.1%	17.2%
Return on average total assets [6] [7]	12.8%	11.9%	11.9%	11.8%	9.6%
Cash provided by operations	$ 1,506,041	$ 1,275,000	$ 1,081,371	$ 1,001,282	$ 973,485
Cash dividends paid	402,136	333,229	285,722	264,281	261,682

(1) Operating results for 2010 include a noncash charge for impairment of goodwill and intangible assets $201.7 million (pretax) in operating income and $141.8 million (after tax) in net income attributable to VF Corporation, $0.33 basic earnings per share and $0.32 diluted earnings per share. Operating results for 2009 include a noncash charge for impairment of goodwill and intangible assets $122.0 million (pretax) in operating income and $114.4 million (after tax) in net income attributable to VF Corporation, $0.26 basic and diluted earnings per share.

(2) Dividends per share divided by earnings per diluted share (excluding the charges for impairment of goodwill and intangible assets in 2010 and 2009).

(3) Total capital is defined as stockholders equity plus short-term and long-term debt.

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(4) Operating statistics exclude the charges for impairment of goodwill and intangible assets in 2010 and 2009.
(5) Invested capital is defined as average stockholders equity plus average short-term and long-term debt.
(6) Return is defined as net income attributable to VF Corporation plus total interest income/expense, net of taxes.
(7) Information presented for 2010 and 2009 excludes the impairment charges for goodwill and intangible assets as described in (1) above.
(8) The Timberland Company was purchased on September 13, 2011 and its results have been included since the date of acquisition.

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

Overview

VF Corporation (VF) is a worldwide leader in the manufacturing and distribution of branded lifestyle apparel, footwear and related products. Our vision is to grow by building leading lifestyle brands that excite consumers around the world. We continue to invest in all of our businesses through geographic expansion, product innovation, consumer research, marketing and our direct-to-consumer infrastructure, including retail store openings, e-commerce and omni-channel retailing.

VF is highly diversified across brands, product categories, channels of distribution, geographies and consumer demographics. We own a broad portfolio of brands in the outerwear, footwear, jeanswear, backpacks, luggage, sportswear, occupational and performance apparel categories. These products are marketed to consumers shopping in specialty stores, upscale and traditional department stores, national chains, mass merchants and our own direct-to-consumer operations.

VF is organized by groupings of businesses called coalitions . The five coalitions are Outdoor & Action Sports, Jeanswear, Imagewear, Sportswear and Contemporary Brands. These coalitions are our segments for financial reporting purposes.

Highlights of 2013

All per share amounts are presented on a diluted basis and reflect the four-for-one stock split in December 2013:

- Revenues grew to a record $11.4 billion, a 5% increase over 2012.
- International revenues rose 8% and accounted for 38% of VF s total revenues in 2013.
- Direct-to-consumer revenues increased 13% over 2012 and accounted for 22% of VF s total revenues in 2013. VF opened 164 retail stores in 2013.
- Gross margin increased 160 basis points to 48.1% in 2013.
- Cash flow from operations exceeded $1.5 billion in 2013.
- Earnings per share increased 12% to $2.71 in 2013 from $2.43 in 2012.

In addition, VF made a discretionary contribution of $100.0 million to its U.S. qualified defined benefit pension plan, repaid $400.0 million of floating rate debt and increased the quarterly dividend rate by 21%, marking the 41st consecutive year of increase in the rate of dividends paid per share.

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Analysis of Results of Operations

Consolidated Statements of Income

The following table presents a summary of the changes in total revenues during the last two years:

In millions	2013 Compared with 2012	2012 Compared with 2011
Total revenues prior year	$ 10,879.9	$ 9,459.2
Operations	517.6	667.6
Acquisition in prior year (to anniversary date)		981.0
Disposition in prior year	(23.7)	(58.1)
Impact of foreign currency translation	45.8	(169.8)
Total revenues current year	$ 11,419.6	$ 10,879.9

VF reported revenue growth of 5% in 2013 driven by an increase in unit volume, with particular strength in the Outdoor & Action Sports and Sportswear Coalitions. Our international and direct-to-consumer businesses continued to expand, growing revenues by 8% and 13%, respectively. The increase in 2012 revenues compared with 2011 is primarily due to the Outdoor & Action Sports Coalition, driven by the acquisition of The Timberland Company (Timberland) and organic growth. Additional details on revenues are provided in the section titled Information by Business Segment .

VF s foreign currency exposure primarily relates to businesses conducted in euro-based countries. The weighted average translation rates for the euro were $1.33, $1.28 and $1.39 per euro for 2013, 2012 and 2011, respectively. In addition, VF has foreign currency exposure related to businesses in developed and emerging markets around the world. Changes in foreign currency translation rates for all currencies positively impacted revenue comparisons by $45.8 million in 2013 and negatively impacted revenue comparisons by $169.8 million in 2012.

The following table presents the percentage relationship to total revenues for components of the Consolidated Statements of Income:

	2013	2012	2011
Gross margin (total revenues less cost of goods sold)	48.1%	46.5%	45.8%
Selling, general and administrative expenses	33.6	33.1	32.6
Operating income	14.4%	13.5%	13.2%

Gross margin increased 160 basis points to 48.1% in 2013 compared with 46.5% in 2012, with improvements in nearly every coalition. The increase in gross margin reflects lower product costs and the continued shift in the revenue mix towards higher margin businesses, including Outdoor & Action Sports, international and direct-to-consumer.

Gross margin increased 70 basis points to 46.5% in 2012 compared with 45.8% in 2011. This increase in gross margin was driven by the continued shift in the revenue mix towards higher margin businesses, partially offset by benefits in 2011 that did not recur in 2012 related to a gain on a facility closure and change in inventory accounting policy.

Selling, general and administrative expenses as a percentage of total revenues were 50 basis points higher in 2013 compared with 2012 due to additional marketing and direct-to-consumer investments to support future growth for our largest and fastest growing businesses, partially offset by the leverage of operating expenses on higher revenues and lower acquisition-related expenses for Timberland.

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Selling, general and administrative expenses as a percentage of total revenues were higher in 2012 compared with 2011 due to the inclusion of a full year of Timberland, which has higher expense ratios than other VF businesses, as well as increases in pension and marketing expenses. These increases were partially offset by lower Timberland acquisition-related expenses in 2012 and the leverage of operating expenses on higher total revenues.

Operating margin increased 90 basis points, to 14.4% in 2013 from 13.5% in 2012. The increase in operating margin for 2013 was due to improved gross margin and the leverage of operating expenses on higher revenues, partially offset by increased marketing and direct-to-consumer investments in 2013.

Operating margin increased 30 basis points, to 13.5% in 2012 from 13.2% in 2011. Timberland negatively impacted 2012 operating margin by 90 basis points, including 30 basis points from the impact of acquisition-related expenses. Timberland negatively impacted 2011 operating margin by 40 basis points, including 30 basis points from the impact of acquisition-related expenses.

Net interest expense decreased $9.6 million to $80.6 million in 2013, due to (i) lower average levels of short-term borrowings, (ii) the repayment of $400.0 million of floating rate notes during the third quarter of 2013 and (iii) increased amounts of interest capitalized for significant projects. Net interest expense increased $17.5 million to $90.3 million in 2012 primarily due to (i) the issuance of $900.0 million of term debt in 2011 to fund the Timberland acquisition and (ii) higher average levels of short-term borrowings throughout 2012.

Outstanding interest-bearing debt averaged $1.9 billion for 2013, $2.5 billion for 2012 and $1.7 billion for 2011, with short-term borrowings representing 10%, 25% and 24% of average debt outstanding for the respective years. The weighted average interest rate on outstanding debt was 4.5% for 2013, 3.7% for 2012 and 4.5% for 2011. The weighted average interest rate increased in 2013 primarily due to (i) lower average levels of short-term borrowings, which have lower interest rates than the average of all outstanding debt and (ii) fewer months outstanding of the $400.0 million floating rate debt, which had a lower interest rate than the average of all outstanding debt, and was repaid during the year. The decrease in the weighted average interest rate in 2012 from 2011 resulted from the full year inclusion of the lower average interest rates on the $900.0 million term debt noted above.

Other income (expense) netted to expense of $4.0 million in 2013 compared with income of $46.9 million in 2012. The expense in 2013 was primarily due to foreign currency exchange losses. The income in 2012 was primarily due to the $42.0 million gain on the sale of VF s 80% ownership in John Varvatos Enterprises, Inc. (John Varvatos).

Other income (expense) netted to income of $46.9 million in 2012 compared with expense of $7.2 million in 2011. The income in 2012 was primarily due to the $42.0 million gain on the sale of John Varvatos and foreign currency exchange gains. The expense in 2011 was primarily due to foreign currency exchange losses.

The effective income tax rate for 2013 was 22.6%, which is 1.0% lower than the effective rate in 2012. The 2013 tax rate included a net $26.0 million in discrete tax benefits, primarily related to the retroactive impact of the American Tax Relief Act of 2012 discussed below ($8.7 million tax benefit), prior year refund claims and tax credits ($7.0 million tax benefit), unrecognized tax benefits and interest (net $5.9 million tax benefit) and changes in valuation allowances for capital and operating loss carryforwards (net $3.4 million tax benefit). These discrete items collectively lowered the 2013 annual tax rate by 1.7%, compared with 2.2% in 2012. Without discrete items, the effective tax rate during 2013 decreased by approximately 1.5% primarily due to the 2013 impact of tax law changes in the U.S. (related to the American Tax Relief Act of 2012) and a higher percentage of income in lower tax rate jurisdictions compared with 2012. The international effective tax rate was 12.1% and 13.6% for 2013 and 2012, respectively.

The effective income tax rate was 23.6% for both 2012 and 2011. The 2012 effective income tax rate included a net $31.0 million in discrete tax benefits primarily related to changes in valuation allowances for capital and operating loss carryforwards (net $33.0 million tax benefit) and unrecognized tax benefits and interest (net $2.0 million tax expense). These discrete items collectively lowered the 2012 annual tax rate by 2.2%, compared with 1.4% in 2011. Without discrete items, the effective tax rate during 2012 increased by approximately 0.8% primarily due to tax law changes in the U.S., partially offset by a higher percentage of income in lower tax rate jurisdictions compared with 2011. The 2011 income tax rate included a net $16.3 in discrete tax benefits primarily related to changes in valuation allowances for operating loss carryforwards (net $12.1 million benefit) and unrecognized tax benefits and interest (net $4.2 million benefit), which together lowered the 2011 annual tax rate by 1.4%.

The American Tax Relief Act of 2012, signed into law in January 2013, retroactively extended certain tax credits and incentives through tax year 2013. The impact of this tax law change to the 2012 tax year was considered a discrete tax benefit when recorded in the first quarter of 2013. The change in tax law also provided tax credits and incentives applicable to the 2013 tax year which were not considered discrete items. These tax incentives do not extend beyond 2013 and therefore have been excluded from future tax rates. VF expects the 2014 annual tax rate to approximate 23.5% to 24%.

Net income attributable to VF Corporation in 2013 increased to $1.2 billion ($2.71 per share), compared with $1.1 billion ($2.43 per share) in 2012. The increase in earnings per share in 2013 resulted primarily from improved operating performance, as discussed in the Information by Business Segment section below as well as the other factors described above. In addition, earnings per share in 2013 compared with 2012 benefited by $0.04 per share due to lower Timberland acquisition-related expenses.

Net income attributable to VF Corporation in 2012 increased to $1.1 billion ($2.43 per share), compared with $888.1 million ($2.00 per share) in 2011. The increase in earnings per share in 2012 resulted primarily from improved operating performance, as discussed in the Information by Business Segment section below as well as the other factors described above. In addition, earnings per share in 2012 compared with 2011 benefited by a $0.12 per share incremental contribution from Timberland (net of acquisition-related expenses) and an $0.08 per share gain on the sale of John Varvatos.

Information by Business Segment

Management at each of the coalitions has direct control over and responsibility for its revenues and operating income, hereinafter termed coalition revenues and coalition profit , respectively. VF management evaluates operating performance and makes investment and other decisions based on available opportunities and analysis of coalition revenues and coalition profit. Common costs such as information systems processing, retirement benefits and insurance are allocated to the coalitions based on appropriate metrics such as sales, usage or number of employees.

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The following tables present a summary of the changes in coalition revenues and coalition profit during the last two years:

In millions	Outdoor & Action Sports	Jeanswear	Imagewear	Sportswear	Contemporary Brands	Other	Total
Coalition revenues 2011	$ 4,562.0	$ 2,731.8	$ 1,025.2	$ 543.5	$ 485.1	$ 111.6	$ 9,459.2
Operations	441.0	101.1	51.7	33.8	26.1	13.9	667.6
Acquisition in prior year (to anniversary date)	981.0						981.0
Disposition in current year					(58.1)		(58.1)
Impact of foreign currency translation	(117.9)	(43.6)	(1.2)		(7.1)		(169.8)
Coalition revenues 2012	$ 5,866.1	$ 2,789.3	$ 1,075.7	$ 577.3	$ 446.0	$ 125.5	$ 10,879.9
Operations	459.7	30.0	(7.3)	47.4	(10.3)	(1.9)	517.6
Disposition in prior year					(23.7)		(23.7)
Impact of foreign currency translation	53.4	(8.3)	(2.4)		3.1		45.8
Coalition revenues 2013	$ 6,379.2	$ 2,811.0	$ 1,066.0	$ 624.7	$ 415.1	$ 123.6	$ 11,419.6

In millions	Outdoor & Action Sports	Jeanswear	Imagewear	Sportswear	Contemporary Brands	Other	Total
Coalition profit 2011	$ 828.2	$ 413.2	$ 145.7	$ 56.3	$ 35.9	$ (1.1)	$ 1,478.2
Operations	177.6	57.9	(0.2)	16.7	18.7	0.8	271.5
Acquisition in prior year (to anniversary date)	46.9						46.9
Disposition in current year					(4.3)		(4.3)
Impact of foreign currency translation	(33.3)	(4.1)	(0.4)		(1.1)		(38.9)
Coalition profit 2012	$ 1,019.4	$ 467.0	$ 145.1	$ 73.0	$ 49.2	$ (0.3)	$ 1,753.4
Operations	70.9	75.7	7.1	15.2	(11.4)	(0.3)	157.2
Disposition in prior year					0.5		0.5
Impact of foreign currency translation	16.1	2.2			0.5		18.8
Coalition profit 2013	$ 1,106.4	$ 544.9	$ 152.2	$ 88.2	$ 38.8	$ (0.6)	$ 1,929.9

The following section discusses changes in revenues and profitability by coalition:

Outdoor & Action Sports:

Dollars in millions	2013	2012	2011	Percent Change 2013	Percent Change 2012
Coalition revenues	$ 6,379.2	$ 5,866.1	$ 4,562.0	8.7%	28.6%
Coalition profit	1,106.4	1,019.4	828.2	8.5%	23.1%
Operating margin	17.3%	17.4%	18.2%		

The Outdoor & Action Sports Coalition includes the following brands: *The North Face*®, *Vans*®, *Timberland*®, *Kipling*® (outside of North America), *Napapijri*®, *Reef*®, *Eastpak*®, *JanSport*®, *SmartWool*®, *lucy*® and *Eagle Creek*®.

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The Outdoor & Action Sports Coalition revenues increased 9% in 2013 over 2012 primarily due to an increase in unit volume. *The North Face®*, *Vans®*, and *Timberland®* brands achieved global revenue growth of 7%, 17% and 5%, respectively. U.S. revenues increased 7% in 2013 and international revenues increased 10% with balanced growth in Europe and Asia Pacific. Direct-to-consumer revenues rose 15% in 2013 driven by increases of 28% and 15% for *The North Face®* and *Vans®* brands, respectively. New store openings, comp store growth and an expanding e-commerce business all contributed to the direct-to-consumer revenue growth. Foreign currency translation positively impacted revenues by $53.4 million in 2013.

Coalition revenues increased 29% in 2012 over 2011. Of this increase, 10% related to organic growth (which is net of a 3% negative impact from foreign currency translation) and 19% related to the inclusion of Timberland. In particular, *The North Face®* and *Vans®* brands achieved global revenue growth of 9% and 23%, respectively. Foreign currency translation negatively impacted revenues by $117.9 million in 2012.

U.S. revenues increased 21% in 2012, with 12 percentage points of the increase coming from the Timberland acquisition. International revenues rose 37% in 2012, reflecting 11% organic growth (net of a 6% negative impact from foreign currency translation) and 26% growth due to the inclusion of Timberland. Direct-to-consumer revenues rose 37% in 2012 with 23 percentage points of the growth from the Timberland acquisition. The direct-to-consumer businesses of *The North Face®* and *Vans®* brands increased 13% and 18%, respectively, in 2012. New store openings, comp store growth and an expanding e-commerce business all contributed to the direct-to-consumer revenue growth.

Operating margin decreased 10 basis points in 2013 due to additional marketing and direct-to-consumer investments for the coalition s three largest brands, *The North Face®*, *Vans®* and *Timberland®*, partially offset by increased leverage of operating expenses on higher revenues.

The decrease in operating margin for 2012 compared with 2011 was primarily due to the inclusion for the full year of Timberland, which has a lower operating margin than the overall coalition average.

Jeanswear:

Dollars in millions	2013	2012	2011	Percent Change 2013	Percent Change 2012
Coalition revenues	$ 2,811.0	$ 2,789.3	$ 2,731.8	0.8%	2.1%
Coalition profit	544.9	467.0	413.2	16.7%	13.0%
Operating margin	19.4%	16.7%	15.1%		

The Jeanswear Coalition consists of the global jeanswear businesses, led by the *Wrangler®* and *Lee®* brands.

Global Jeanswear revenues increased 1% in 2013 over 2012, driven by 2% growth in the U.S. within the combined Mass, Western Specialty and *Lee®* brand businesses, despite continued weakness in the mid-tier channel and a slowdown in the Mass business. International Jeanswear revenues decreased 1% in 2013 driven by an 8% decrease in Asia Pacific, where the *Wrangler®* brand in China converted from direct wholesale to a licensing model, and the *Lee®* brand in China was impacted by an industry-wide inventory build-up that began during the latter part of 2012. Partially offsetting the decrease in Asia Pacific revenues was a 2% increase in Jeanswear Europe primarily resulting from the benefit of foreign currency translation gains. Revenues in the Americas (non-U.S.) region were about flat in 2013 compared with 2012.

Global Jeanswear revenues increased 2% in 2012 over 2011, led by 5% revenue growth in the U.S. business. The increase in U.S. revenues was primarily due to growth in the Mass and Western Specialty businesses as well as in our newest brand, *Rock & Republic®*, offsetting a decline in the *Lee®* brand revenues due to continued softness in the mid-tier channel in the U.S. International jeanswear revenues decreased by 4% in 2012 due to weak economic conditions in Europe and a 2% ($43.6 million) negative impact from foreign currency translation. This decrease was partially offset by revenue increases in Asia, reflecting strong wholesale growth.

Operating margin improved 270 basis points in 2013 over 2012, primarily driven by lower product costs and improvement in international performance.

Operating margin improved 160 basis points in 2012 over 2011, primarily driven by lower product costs. Operating margin in 2011 included a 40 basis point gain on a facility closure.

Imagewear:

				Percent Change	
Dollars in millions	**2013**	**2012**	**2011**	**2013**	**2012**
Coalition revenues	$ 1,066.0	$ 1,075.7	$ 1,025.2	(0.9)%	4.9%
Coalition profit	152.2	145.1	145.7	4.9%	(0.4)%
Operating margin	14.3%	13.5%	14.2%		

The Imagewear Coalition consists of VF s Image business (occupational apparel and uniforms, including the *Red Kap*® and *Bulwark*® brand businesses) and Licensed Sports business (athletic apparel and fanwear, which includes the *Majestic*® brand business).

Coalition revenues decreased 1% in 2013 compared with 2012, primarily due to a long-standing Image business customer that shipped throughout 2012, but did not have significant shipments in 2013 until late in the third quarter. Revenues from the Licensed Sports business were slightly down in 2013 compared with 2012, as declines in the Major League Baseball and Harley Davidson businesses were partially offset by increases in the National Football League, Collegiate and National Hockey League businesses.

The increase in coalition revenues for 2012 was primarily attributable to a 6% increase in the Image business, due to growth in the government and public safety and industrial uniform businesses. Revenues in the Licensed Sports business increased 3% in 2012 due to expansion in the Harley Davidson, Collegiate and National Basketball Association businesses.

The 80 basis point improvement in operating margin in 2013 compared with 2012 was driven by improved gross margin due to lower product costs.

The decline in operating margin in 2012 compared with 2011 was primarily due to higher product costs that negatively impacted the business during the first three quarters of 2012.

Sportswear:

				Percent Change	
Dollars in millions	**2013**	**2012**	**2011**	**2013**	**2012**
Coalition revenues	$ 624.7	$ 577.3	$ 543.5	8.2%	6.2%
Coalition profit	88.2	73.0	56.3	20.8%	29.7%
Operating margin	14.1%	12.6%	10.4%		

The Sportswear Coalition consists of the *Nautica*® and *Kipling*® brand businesses in North America (the *Kipling*® brand outside of North America is managed by the Outdoor & Action Sports Coalition).

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Coalition revenues increased 8% in 2013 over 2012 primarily due to an increase in unit volume. Revenues increased in the *Nautica*® and *Kipling*® brands by 5% and 29%, respectively, driven primarily by the direct-to-consumer businesses. New store openings, comp store growth and higher e-commerce revenues contributed to a 19% increase in the coalition s direct-to consumer business.

Coalition revenues rose 6% in 2012 compared with 2011, reflecting 5% and 17% growth in the *Nautica*® and *Kipling*® brands, respectively. These revenue increases are primarily attributable to double-digit growth in the direct-to-consumer businesses of both brands.

Operating margin improved 150 basis points in 2013 over 2012 due to a continuing shift in the business mix toward higher margin direct-to-consumer businesses, improvements in the profitability of the wholesale and direct-to-consumer businesses, as well as the leverage of operating expenses on higher revenues.

Operating margin increased in 2012 compared with 2011 due to improved performance in both the wholesale and direct-to-consumer businesses.

Contemporary Brands:

				Percent Change	
Dollars in millions	**2013**	**2012**	**2011**	**2013**	**2012**
Coalition revenues	$ 415.1	$ 446.0	$ 485.1	(6.9)%	(8.1)%
Coalition profit	38.8	49.2	35.9	(21.1)%	37.0%
Operating margin	9.3%	11.0%	7.4%		

The Contemporary Brands Coalition consists of the *7 For All Mankind*® brand of premium denim jeanswear and related apparel and the *Splendid*® and *Ella Moss*® apparel brands. The *John Varvatos*® luxury apparel collection for men was in this coalition until it was sold on April 30, 2012.

Excluding the impact of the sale of the John Varvatos brand in 2012, coalition revenues decreased 2% in 2013 compared with 2012 due to unit volume decreases in the wholesale business, partially offset by higher direct-to-consumer revenues from new stores and e-commerce. Revenues for the *7 For All Mankind*® brand in the U.S. decreased 6% due to contraction in demand for premium denim in the wholesale business, partially offset by higher direct-to-consumer revenues. Revenues for the *7 For All Mankind*® brand in Europe increased 10%, with balanced growth in the wholesale and direct-to-consumer businesses. *Splendid*® and *Ella Moss*® brand revenues in the U.S., on a combined basis, declined 1% in 2013 compared with 2012, as declines in wholesale were partially offset by an increase in the direct-to-consumer business.

Adjusting for the sale of John Varvatos, coalition revenues increased 5% in 2012 compared with 2011. The revenue increase was driven by growth in the *Splendid*® and *Ella Moss*® brands, on a combined basis, of 18%. U.S. revenues for the *7 For All Mankind*® brand increased 4% in 2012. Revenues for the *7 For All Mankind*® brand in Europe decreased 6% (net of an 8% negative impact from foreign currency translation). This 2% net increase is due to growth in the direct-to-consumer businesses. Revenues from the direct-to-consumer businesses in this coalition, adjusted for the sale of John Varvatos, expanded by 15% in 2012 due to new stores, comp store revenue growth and higher e-commerce revenues.

Operating margin decreased in 2013 compared with 2012, primarily due to lower cost absorption resulting from a decline in sales volume, as well as increased investments in marketing and the direct-to-consumer businesses.

Operating margin increased in 2012 compared with 2011, primarily due to a reduction in the sales of excess inventories, which are lower in profitability, for the *7 For All Mankind*® brand and a greater percentage of revenues from the higher margin direct-to-consumer businesses.

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Other:

Dollars in millions	2013	2012	2011	Percent Change 2013	Percent Change 2012
Revenues	$ 123.6	$ 125.5	$ 111.6	(1.5)%	12.5%
Operating profit (loss)	(0.6)	(0.2)	(1.1)		
Operating margin	(0.5)%	(0.2)%	(1.0)%		

VF Outlet® stores in the U.S. sell VF, as well as other branded products, at prices that are generally higher than what could be realized through external wholesale channels. Revenues and profits of VF products sold in these stores are reported as part of the operating results of the applicable coalition, while revenues and profits of non-VF products are reported in the other category.

Reconciliation of Coalition Profit to Consolidated Income Before Income Taxes:

There are two types of costs necessary to reconcile total coalition profit to consolidated income before income taxes. These costs are (i) interest expense, net, which is excluded from coalition profit because substantially all financing costs are managed at the corporate office and are not under the control of coalition management and (ii) corporate and other expenses which are excluded from coalition profit to the extent they are not allocated to the operating coalitions. These expenses are summarized as follows:

In millions	2013	2012	2011
Information systems and shared services	$ 256.9	$ 247.8	$ 200.9
Less costs allocated to coalitions	(199.9)	(180.1)	(151.2)
	57.0	67.7	49.7
Corporate headquarters costs	133.6	127.8	124.5
Other	96.2	45.7	66.5
Corporate and other expenses	$ 286.8	$ 241.2	$ 240.7

Information Systems and Shared Services

These costs include management information systems and the centralized finance, supply chain, human resources, direct-to-consumer and customer management functions that support worldwide operations. Operating costs of information systems and shared services are charged to the coalitions based on utilization of those services. Costs to develop new computer applications are generally not allocated to the coalitions. The increase in information systems and shared services costs in 2013 and 2012 resulted from the overall growth of the businesses and costs associated with expanded software implementations and upgrades. Information systems and shared services costs in 2012 also included increased information systems spending related to the integration of Timberland.

Corporate Headquarters Costs

Headquarters costs include compensation and benefits of corporate management and staff, legal and professional fees and general and administrative expenses that have not been allocated to the coalitions. The increase in corporate headquarters costs in 2013 over 2012 was primarily due to an increase in charitable contributions. The increase in corporate headquarters costs in 2012 over 2011 was driven by increases in compensation, incremental costs related to the integration of Timberland and investments in strategy and innovation.

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Other

This category includes (i) costs of corporate programs or corporate-managed decisions that are not allocated to the coalitions, (ii) costs of registering, maintaining and enforcing certain of VF s trademarks and (iii) miscellaneous consolidated costs, the most significant of which is related to the expense of VF s centrally-managed U.S. defined benefit pension plans. The current year service cost component of pension expense is allocated to the coalitions, while the remaining cost components totaling $60.9 million for 2013, $67.2 million for 2012 and $33.8 million for 2011, are reported in corporate and other expenses. The increase in other expenses in 2013 compared with 2012 was driven by the $42.0 million gain on the sale of John Varvatos, which was recorded as an offset to other expenses in 2012. In addition, an increase in deferred compensation expense in 2013 was partially offset by lower pension expense.

The decrease in other expenses in 2012 compared with 2011 is due to the $42.0 million gain on the sale of John Varvatos, and a decrease in deferred compensation expense, partially offset by higher pension expense. Other expenses in 2011 were reduced by $8.0 million from an inventory accounting change from LIFO to FIFO.

Analysis of Financial Condition

Balance Sheets

The following discussion refers to significant changes in balances at December 2013 compared with December 2012:

Increase in accounts receivable resulting from an increase in revenues in the fourth quarter of 2013.

Increase in property, plant and equipment related to capital projects that support VF s continued experience and expectations for revenue growth, including a European headquarters, additional distribution facilities, new retail stores and technology upgrades.

Increase in other assets driven by an increase in assets held for deferred compensation plans and deferred software costs related to system implementations.

Decrease in current portion of long-term debt due to the repayment of the $400.0 million two-year notes issued to finance the acquisition of Timberland.

Increase in accounts payable driven by the timing and level of inventory purchases and payments to vendors.

Increase in accrued liabilities primarily due to an increase in accrued income taxes, unrealized hedging losses related to derivative financial instruments and marketing accruals.

Decrease in other liabilities due to a decrease in the underfunded status of the defined benefit pension plans at the end of 2013, as discussed below, partially offset by higher deferred income taxes and liabilities related to deferred compensation plans.

The funded status of the defined benefit pension plans is reflected in the balance sheet as the excess (or deficiency) of pension plan assets compared with projected benefit obligations payable to plan participants. The underfunded status of the defined benefit pension plans was $221.2 million at the end of 2013, compared with $482.9 million at the end of 2012. The improvement in the funded status as of December 2013 was due to an increase in the discount rates used to value the projected benefit obligations and a $100.0 million discretionary contribution. See the Critical Accounting Policies and Estimates section below and Note M to the Consolidated Financial Statements for additional discussion of the defined benefit pension plans.

Liquidity and Cash Flows

The financial condition of VF is reflected in the following:

Dollars in millions	**2013**	**2012**
Working capital	$ 2,315.0	$ 1,717.4
Current ratio	2.5 to 1	2.0 to 1
Debt to total capital	19.3%	26.5%

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For the ratio of debt to total capital, debt is defined as short-term and long-term debt, and total capital is defined as debt plus stockholders equity. The ratio of net debt to total net capital (with net debt defined as debt less cash and equivalents and total net capital defined as total capital less cash and equivalents) was 10.0% at December 2013 and 19.6% at December 2012.

In summary, our cash flows were as follows (in millions):

	2013	2012	2011
Cash provided by operating activities	$ 1,506.0	$ 1,275.0	$ 1,081.4
Cash used by investing activities	(350.3)	(220.3)	(2,460.0)
Cash provided (used) by financing activities	(983.8)	(802.5)	912.2

Cash Provided by Operating Activities

VF s primary source of liquidity is the strong cash flow provided by operating activities, which is dependent on the level of net income and changes in working capital. Cash provided by operating activities was $1.5 billion in 2013, $1.3 billion in 2012 and $1.1 billion in 2011. The improvement in 2013 is due to increased net income and higher levels of non-cash adjustments related to (i) pension and deferred compensation obligations, (ii) depreciation and amortization, reflecting the elevated levels of capital expenditures in recent years and (iii) the 2012 gain on the sale of John Varatos. The net change in operating assets and liabilities was essentially the same in 2013 and 2012, reflecting a slightly improved use of working capital considering the growth in the business.

The improvement in cash provided by operations in 2012 is due to the increase in net income, and changes in operating assets and liabilities which resulted in $34.8 million of net cash used in 2012 compared with $165.1 million of net cash used in 2011. The net cash used in 2012 was primarily driven by the decreases in accounts payable and accrued liabilities at December 2012, related to the timing of inventory and income tax payments, and the payment of a $100.0 million discretionary pension plan contribution in December 2012.

Cash Used by Investing Activities

Cash used by investing activities was $350.3 million in 2013, $220.3 million in 2012 and $2,460.0 in 2011. VF s investing activities related primarily to capital expenditures of $271.2 million and software purchases of $54.0 million, which increased a combined $42.3 million in 2013 compared with 2012. The higher levels of spending were related to a number of infrastructure projects that support VF s continued experience and expectations for revenue growth including (i) a European headquarters, (ii) additional distribution facilities, (iii) new retail stores and (iv) system implementations. VF expects capital spending to approximate $270.0 million in 2014 to support continued growth. This spending is expected to be funded by cash flow from operations.

Capital expenditures were $251.9 million in 2012 and included (i) a European headquarters, (ii) a U.S. headquarters for the Outdoor & Action Sports businesses, (iii) additional distribution facilities and (iv) new retail stores. In addition, cash used by investing activities in 2012 was reduced by $68.5 million in proceeds from the sale of John Varatos. Capital expenditures were $170.9 in 2011, primarily relating to new retail stores, distribution network and information systems costs.

Cash used by investing activities in 2011 included $2.2 billion of cash paid related to the Timberland acquisition.

Cash Provided (Used) by Financing Activities

Cash used by financing activities was $983.8 million and $802.5 million in 2013 and 2012, respectively, and cash provided by financing activities was $912.2 million in 2011. The increase in cash used by financing

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activities in 2013 was primarily due to the repayment of $400.0 million of debt and a $68.9 million increase in cash dividends paid. The change from cash used by financing activities in 2012 as compared with cash provided by financing activities in 2011 was primarily due to $900.0 million in proceeds from long-term debt in order to finance the Timberland acquisition in 2011 as well as $300.0 million in open market purchases of Common Stock in 2012. In addition, short-term borrowings used to fund the Timberland acquisition in 2011 were repaid in 2012.

During 2013, 2012 and 2011, VF purchased 6.8 million, 8.0 million and 0.3 million shares, respectively, of its Common Stock in open market transactions. The respective cost was $282.1 million, $299.7 million and $7.4 million with an average price of $41.19 in 2013, $37.13 in 2012 and $24.95 in 2011. Fewer shares were repurchased in 2011 due to the funding of the Timberland acquisition.

In December 2013, VF s Board of Directors authorized an additional 50.0 million shares of Common Stock for its stock repurchase program, which, when combined with remaining shares from a prior authorization, brought the total authorization to 52.8 million shares. VF will continue to evaluate future share repurchases considering funding required for business acquisitions, VF s Common Stock price and levels of stock option exercises.

VF relies on continued strong cash generation to finance its ongoing operations. In addition, VF has significant liquidity from its available cash balances and credit facilities. VF maintains a $1.25 billion senior unsecured revolving line of credit (the Global Credit Facility), which supports its $1.25 billion U.S. commercial paper program for short-term seasonal working capital requirements. The Global Credit Facility expires in December 2016. As of December 2013, there were no commercial paper borrowings outstanding and the entire amount of the Global Credit Facility was available for borrowing, except for $17.4 million of standby letters of credit issued on behalf of VF.

VF s favorable credit agency ratings allow for access to additional capital at competitive rates. At the end of 2013, VF s long-term debt ratings were A minus by Standard & Poor s Ratings Services and A3 by Moody s Investors Service, and commercial paper ratings were A-2 and Prime respectively. None of VF s long-term debt agreements contain acceleration of maturity clauses based solely on changes in credit ratings. However, if there were a change in control of VF and, as a result of the change in control, the 2017, 2021 and 2037 notes were rated below investment grade by recognized rating agencies, VF would be obligated to repurchase the notes at 101% of the aggregate principal amount of notes repurchased, plus any accrued and unpaid interest.

Cash dividends totaled $0.9150 per common share in 2013, compared with $0.7575 in 2012 and $0.6525 in 2011. The dividend payout rate was 33.8% of diluted earnings per share in 2013, 31.2% in 2012 and 32.7% in 2011. The current indicated annual dividend rate for 2014 is $1.05 per share.

As of December 2013, approximately $275.7 million of cash and short-term investments was held by international subsidiaries whose undistributed earnings are considered permanently reinvested. VF s intent is to reinvest these funds in international operations. If management decides at a later date to repatriate these funds to the U.S., VF would be required to provide taxes on these amounts based on applicable U.S. tax rates, net of foreign taxes already paid.

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Following is a summary of VF s contractual obligations and commercial commitments at the end of 2013 that will require the use of funds:

			Payment Due or Forecasted by Period				
In millions	**Total**	**2014**	**2015**	**2016**	**2017**	**2018**	**Thereafter**
Recorded liabilities:							
Long-term debt[1]	$ 1,446	$ 6	$ 5	$ 4	$ 255	$ 5	$ 1,171
Other[2]	555	106	64	59	65	56	205
Unrecorded commitments:							
Interest payment obligations[3]	1,135	75	75	75	72	59	779
Operating leases[4]	1,370	314	259	211	164	123	299
Minimum royalty payments[5]	169	65	35	34	33	2	
Inventory obligations[6]	1,335	1,319	16				
Other obligations[7]	164	66	56	28	13		1
Total	$ 6,174	$ 1,951	$ 510	$ 411	$ 602	$ 245	$ 2,455

(1) Long-term debt consists of required principal payments on long-term debt and capital lease obligations.

(2) Other recorded liabilities represent payments due for long-term liabilities in VF s Consolidated Balance Sheet related to deferred compensation and other employee-related benefits, product warranty claims and other liabilities. These amounts are based on historical and forecasted cash outflows. Amounts exclude liabilities for unrecognized income tax benefits and deferred income taxes.

(3) Interest payment obligations represent required interest payments on long-term debt and the interest portion of payments on capital leases. Amounts exclude amortization of debt discounts and acquisition costs that would be included in interest expense in the consolidated financial statements.

(4) Operating leases represent required minimum lease payments. Most real estate leases also require payment of related operating expenses such as taxes, insurance, utilities and maintenance. These costs are not included above and were approximately 22% of rent expense in 2013. Total lease commitments exclude $4.3 million of payments to be received under noncancelable subleases.

(5) Minimum royalty payments represent obligations under license agreements to use trademarks owned by third parties and include required minimum advertising commitments.

(6) Inventory obligations represent binding commitments to purchase finished goods, raw materials and sewing labor that are payable upon delivery of the inventory to VF. This obligation excludes the amount included in accounts payable at December 2013 related to inventory purchases.

(7) Other obligations represent other binding commitments for the expenditure of funds, including (i) amounts related to contracts not involving the purchase of inventories, such as the noncancelable portion of service or maintenance agreements for management information systems, and (ii) capital expenditures for approved projects.

VF had other financial commitments at the end of 2013 that are not included in the above table but may require the use of funds under certain circumstances:

Funding contributions to the U.S. qualified defined benefit pension plan are not included in the table because it is uncertain whether or when further contributions will be required.

$88.5 million of surety bonds, standby letters of credit and international bank guarantees are not included in the above table because they represent contingent guarantees of performance under self-insurance and other programs and would only be drawn upon if VF were to fail to meet its other obligations.

Purchase orders for goods or services in the ordinary course of business are not included in the above table because they represent authorizations to purchase rather than binding commitments.

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Management believes that VF s cash balances and funds provided by operating activities, as well as unused bank credit lines, additional borrowing capacity and access to capital markets, taken as a whole, provide (i) adequate liquidity to meet all of its current and long-term obligations when due, (ii) adequate liquidity to fund capital expenditures and to maintain the dividend payout policy and (iii) flexibility to meet investment opportunities that may arise.

VF does not participate in transactions with unconsolidated entities or financial partnerships established to facilitate off-balance sheet arrangements or other limited purposes.

Risk Management

VF is exposed to risks in the ordinary course of business. Management regularly assesses and manages exposures to these risks through operating and financing activities and, when appropriate, by (i) taking advantage of natural hedges within VF, (ii) purchasing insurance from commercial carriers or (iii) using derivative financial instruments. Some potential risks are discussed below:

Insured risks

VF self-insures a substantial portion of employee group medical, worker s compensation, vehicle, property, director and officer, and general liability exposures and purchases insurance from highly-rated commercial carriers for losses in excess of retained exposures.

Cash and equivalents risks

VF had $776.4 million of cash and equivalents at the end of 2013, which includes demand deposits, money market funds and short-term time deposits. Management continually monitors the credit ratings of the financial institutions with whom VF conducts business. Similarly, management monitors the credit quality of cash equivalents.

Defined benefit pension plan risks

VF has defined benefit pension plans that have risk associated with their investment portfolios. At the end of 2013, VF s pension plans were underfunded by $221.2 million, which is recorded as a liability on the Consolidated Balance Sheet. VF has made significant cash contributions in recent years to improve the funded status of the plans, including discretionary contributions of $100.0 million in both 2012 and 2013. VF will continue to evaluate the funded status and future funding requirements of these plans, which depends in part on the future performance of the plans investment portfolios. Management believes that VF has sufficient liquidity to make any required contributions to the pension plans in future years.

VF s reported earnings are subject to risks due to the volatility of its pension expense. Pension expense has ranged from $56.6 million to $92.7 million over the last three years, with the fluctuations primarily due to varying amounts of actuarial gains and losses that are deferred and amortized to future years expense. The assumptions that impact actuarial gains and losses include the rate of return on investments held by the pension plans, the discount rate used to value participant liabilities and demographic characteristics of the participants.

VF has taken several steps to reduce the risk and volatility in the pension plans and their impact on the financial statements. Beginning in 2005, VF s U.S. defined benefit plans were closed to new entrants, which did not affect the benefits of existing plan participants at that date or their accrual of future benefits. In March 2012, the investment strategy of the U.S. defined benefit plan was modified to more closely align characteristics of the plan s assets relative to plan liabilities, and to implement dynamic asset allocation targets dependent upon changes in the plan s funded ratio, capital market expectations, and risk tolerance. Management will continue to evaluate actions that may help to reduce VF s risks related to its defined benefit plans.

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Interest rate risks

VF limits the risk of interest rate fluctuations by managing the mix of fixed and variable interest rate debt. In addition, VF may use derivative financial instruments to manage risk. Since a significant portion of VF s long-term debt has fixed interest rates, the exposure primarily relates to changes in interest rates on variable rate short-term borrowings (which averaged $184.0 million during 2013) and the $400.0 million of floating rate notes repaid during 2013, which together averaged $446.0 million outstanding during 2013. However, any change in interest rates would also affect interest income earned on VF s cash equivalents. Based on the average amount of variable rate borrowings and cash equivalents during 2013, the effect on reported net income of a hypothetical 1.0% change in interest rates is approximately $2.7 million.

Foreign currency exchange rate risks

VF is a global enterprise subject to the risk of foreign currency fluctuations. Approximately 38% of VF s revenues in 2013 were generated in international markets. Most of VF s foreign businesses operate in functional currencies other than the U.S. dollar. If the U.S. dollar strengthened relative to the euro or other foreign currencies where VF has operations, there would be a negative impact on VF s operating results upon translation of those foreign operating results into the U.S. dollar. VF does not hedge the translation of foreign currency operating results into the U.S. dollar; however, management does hedge foreign currency transactions as discussed later in this section.

The reported values of assets and liabilities in these foreign businesses are subject to fluctuations in foreign currency exchange rates. For net advances to and investments in VF s foreign businesses that are considered to be long-term, the impact of changes in foreign currency exchange rates on those long-term advances are deferred as a component of accumulated other comprehensive income (loss) in stockholders equity. The U.S. dollar value of net investments in foreign subsidiaries fluctuates with changes in the underlying functional currencies. VF generally does not hedge this balance sheet translation exposure.

VF monitors net foreign currency market exposures and enters into derivative foreign currency contracts to hedge the effects of exchange rate fluctuations for a significant portion of forecasted foreign currency cash flows or specific foreign currency transactions (relating to cross-border inventory purchases, production costs, product sales and intercompany royalty payments). VF s practice is to buy or sell primarily U.S. dollar contracts up to 80% of foreign currency exposures for periods of up to 24 months. Currently, VF uses only forward exchange contracts but may use options or collars in the future. This use of financial instruments allows management to reduce the overall exposure to risks from exchange rate fluctuations on VF s cash flows and earnings, since gains and losses on these contracts will offset losses and gains on the cash flows or transactions being hedged.

For cash flow hedging contracts outstanding at the end of 2013, if there were a hypothetical change in foreign currency exchange rates of 10% compared with rates at the end of 2013, it would result in a change in fair value of those contracts of approximately $156.4 million. However, any change in the fair value of the hedging contracts would be offset by a change in the fair value of the underlying hedged exposure impacted by the currency rate changes.

Counterparty risks

VF is exposed to credit-related losses in the event of nonperformance by counterparties to derivative hedging instruments. To manage this risk, we have established counterparty credit guidelines and only enter into derivative transactions with financial institutions with A minus/A3 investment grade credit ratings or better. VF continually monitors the credit rating of, and limits the amount hedged with, each counterparty. Additionally, management utilizes a portfolio of financial institutions to minimize exposure to potential counterparty defaults and will adjust positions if necessary. VF also monitors counterparty risk for derivative contracts within the defined benefit pension plans.

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Commodity price risks

VF is exposed to market risks for the pricing of cotton, leather, rubber, wool and other materials, which we either purchase directly or in a converted form such as fabric or shoe soles. To manage risks of commodity price changes, management negotiates prices in advance when possible. VF has not historically managed commodity price exposures by using derivative instruments.

Deferred compensation and related investment security risks

VF has nonqualified deferred compensation plans in which liabilities to the plans participants are based on the market values of hypothetical portfolios of investment funds, including VF Common Stock, selected by the participants. VF invests in a portfolio of securities that substantially mirrors the participants investment selections. Except for investments in VF Common Stock, the increases and decreases in deferred compensation liabilities are substantially offset by corresponding increases and decreases in the market value of VF s investments, resulting in an insignificant net exposure to operating results and financial position. The VF Common Stock is treated as treasury shares for financial reporting purposes, so any gains or losses on shares held by the plans result in exposure to operating results and financial position as a result of the change in participant liabilities.

Critical Accounting Policies and Estimates

VF has chosen accounting policies that management believes are appropriate to accurately and fairly report VF s operating results and financial position in conformity with accounting principles generally accepted in the U.S. VF applies these accounting policies in a consistent manner. Significant accounting policies are summarized in Note A to the consolidated financial statements.

The application of these accounting policies requires that VF make estimates and assumptions about future events and apply judgments that affect the reported amounts of assets, liabilities, revenues, expenses, contingent assets and liabilities, and related disclosures. These estimates, assumptions and judgments are based on historical experience, current trends and other factors believed to be reasonable under the circumstances. Management evaluates these estimates and assumptions on an ongoing basis. Because VF s business cycle is relatively short (i.e., from the date that an order is placed to manufacture or purchase inventory until that inventory is sold and the trade receivable is collected), actual results related to most estimates are known within a few months after any balance sheet date. In addition, VF may retain outside specialists to assist in valuations of business acquisitions, impairment testing of goodwill and intangible assets, equity compensation, pension benefits and self-insured liabilities. If actual results ultimately differ from previous estimates, the revisions are included in results of operations in the period in which the actual amounts become known.

VF believes the following accounting policies involve the most significant management estimates, assumptions and judgments used in preparation of the consolidated financial statements or are the most sensitive to change from outside factors. The application of these critical accounting policies and estimates is discussed with the Audit Committee of the Board of Directors.

Inventories

VF s inventories are stated at the lower of cost or market value. Cost includes all material, labor and overhead costs incurred to manufacture or purchase the finished goods. Overhead allocated to manufactured product is based on the normal capacity of plants and does not include amounts related to idle capacity or abnormal production inefficiencies. Market value is based on a detailed review at each business unit, at least quarterly, of all inventories on the basis of individual styles or individual style-size-color stock-keeping units (SKUs) to identify slow moving or excess products, discontinued and to-be-discontinued products, and off-quality merchandise. This review matches inventory on hand, plus current production and purchase commitments, with current and expected future sales orders. For those units in inventory that are identified as slow-moving, excess or off-quality, VF estimates their market value based on historical experience and current realization trends. This evaluation, performed using a systematic and consistent methodology, requires forecasts of future demand, market conditions and selling prices. If the forecasted market value, on an individual style or SKU basis, is less than cost, VF provides an allowance to reflect the lower value of that inventory. This methodology recognizes inventory exposures, on an individual style or SKU basis, at the time such losses are evident rather than at the time goods are actually sold. Historically, these estimates of future demand and selling prices have not varied significantly from actual results due to VF s timely identification and rapid disposal of these reduced value inventories.

Physical inventory counts are taken on a regular basis. VF provides for estimated inventory losses that have likely occurred since the last physical inventory date. Historically, physical inventory shrinkage has not been significant. VF also conducts cycle counts at many locations throughout the year.

Long-lived Assets

VF allocates the purchase price of an acquired business to the fair values of the tangible and intangible assets acquired and liabilities assumed, with any excess purchase price recorded as goodwill. VF evaluates fair value using three valuation techniques the replacement cost, market and income methods and weights the valuation methods based on what is most appropriate in the circumstances. The process of assigning fair values, particularly to acquired intangible assets, is highly subjective.

VF s depreciation policies for property, plant and equipment reflect judgments on their estimated economic lives and residual value, if any. VF s amortization policies for intangible assets reflect judgments on the estimated amounts and duration of future cash flows expected to be generated by those assets. In evaluating expected benefits to be received for customer-related intangible assets, management considers historical attrition patterns for various groups of customers. For license-related intangible assets, management considers historical trends and anticipated license renewal periods based on experience in renewing or extending similar arrangements, regardless of whether there are explicit renewal provisions.

VF s policy is to review property, plant and equipment and intangible assets with identified useful lives for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. VF tests for possible impairment at the asset or asset group level, which is the lowest level for which there are identifiable cash flows that are largely independent. VF measures recoverability of the carrying value of an asset or asset group by comparison with estimated undiscounted cash flows expected to be generated by the asset. If forecasted undiscounted cash flows to be generated by the asset are not expected to be adequate to recover the asset s carrying value, an impairment charge is recorded for the excess of the asset s carrying value over its estimated fair value.

VF s policy is to evaluate indefinite-lived intangible assets and goodwill for possible impairment at the beginning of the fourth quarter of each year, or whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. VF first assesses qualitative factors as a basis for determining whether it is necessary to perform quantitative impairment testing. If VF determines that it is not more likely than not that the fair value of an asset or reporting unit is less than its carrying value, then no further testing is required. Otherwise, the assets must be quantitatively tested for impairment.

An indefinite-lived intangible asset is quantitatively tested for possible impairment by comparing the estimated fair value of the asset with its carrying value. Fair value of an indefinite-lived trademark or trade name intangible asset is based on an income approach using the relief-from-royalty method. Under this method, forecasted global revenues for products sold with the trademark or trade name are assigned a royalty rate that would be charged to license the trademark or trade name (in lieu of ownership) from an independent party, and fair value is the present value of those forecasted royalties avoided by owning the trademark or trade name. If the estimated fair value of the trademark or trade name intangible asset exceeds its carrying value, there is no impairment charge. If the estimated fair value of the trademark or trade name is less than its carrying value, an impairment charge would be recognized for the difference.

Goodwill is quantitatively evaluated for possible impairment by comparing the estimated fair value of a business unit with its carrying value. Reporting units are either coalitions or business units, if discrete financial information is available and reviewed by coalition management. Two or more reporting units may be aggregated for impairment testing if they have similar economic characteristics. In the first step of the quantitative goodwill impairment test, VF compares the carrying value of a reporting unit, including its recorded goodwill, to the estimated fair value of the reporting unit. VF estimates the fair value of a reporting unit using both income-based and market-based valuation methods. The principal method used is an income-based method in which the reporting unit s forecasted future cash flows are discounted to their present value. In the market-based valuation method, the estimated fair value of a reporting unit is estimated using multiples of revenues and of earnings before interest, taxes, depreciation and amortization (EBITDA) for (i) a group of comparable public companies and (ii) recent transactions, if any, involving comparable companies. Based on the range of estimated fair values developed from the income and market-based methods, VF determines the estimated fair value for the reporting unit. If the estimated fair value of the reporting unit exceeds its carrying value, the goodwill is not impaired and no further review is required. However, if the estimated fair value of the reporting unit is less than its carrying value, VF performs the second step of the goodwill impairment test to determine the impairment charge, if any. The second step involves a hypothetical allocation of the estimated fair value of the reporting unit to its net tangible and intangible assets (excluding goodwill) as if the reporting unit were newly acquired, which results in an implied fair value of the goodwill. The amount of the impairment charge is the excess of the recorded goodwill over the implied fair value of the goodwill.

The income-based fair value methodology requires management s assumptions and judgments regarding economic conditions in the markets in which VF operates and conditions in the capital markets, many of which are outside of management s control. At the reporting unit level, fair value estimation requires management s assumptions and judgments regarding the effects of overall economic conditions on the specific reporting unit, along with assessment of the reporting unit s strategies and forecasts of future cash flows. Forecasts of individual reporting unit cash flows involve management s estimates and assumptions regarding:

- Annual cash flows arising from future revenues and profitability, changes in working capital, capital spending and income taxes for at least a 10-year forecast period. The forecast assumes that the business has matured and long-term growth levels have been reached by the end of this period.

- A terminal growth rate for years beyond the initial forecast period. The terminal growth rate is generally comparable to historical growth rates for overall consumer spending and, more specifically, for apparel spending.

- A discount rate that reflects the risks inherent in realizing the forecasted cash flows. A discount rate considers the risk-free rate of return on long-term Treasury securities, the risk premium associated with investing in equity securities of comparably-sized companies, the beta obtained from comparable companies and the cost of debt for investment grade issuers. In addition, the discount rate considers any company specific risk in achieving the prospective financial information.

Under the market-based fair value methodology, judgment is required in evaluating market multiples and recent transactions. Management believes that the assumptions used for its impairment tests are representative of those that would be used by market participants performing similar valuations of VF s reporting units.

In its fourth quarter 2013 intangible asset impairment testing, VF elected to perform a qualitative assessment for goodwill at all reporting units except for the *Splendid*® and *Ella Moss*® reporting unit and for trademark intangible assets at all reporting units except for the *Splendid*® and *Ella Moss*® and *7 For All Mankind*® reporting units. Management did not elect to perform a qualitative analysis for the *Splendid*® and *Ella Moss*® and *7 For All Mankind*® reporting units based on the results of previous impairment testing.

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VF management performed a quantitative impairment analysis of the goodwill and trademark intangible asset for the *Splendid*® and *Ella Moss*® reporting unit and concluded that the goodwill and trademark intangible assets for the *Splendid*® and *Ella Moss*® reporting unit are not impaired. For goodwill, the estimated fair value exceeded the reporting unit s carrying value by approximately 50% in 2013 and 2012. The estimated fair value of the trademark intangible asset exceeded its carrying value by a significant amount in 2013 and 2012.

Additionally, VF performed a fair value assessment of the trademark intangible asset at the *7 For All Mankind*® reporting unit, and determined that the estimated fair value exceeded the carrying value by approximately 20% or more in 2013 and 2012. The financial results for this business have reflected softness in the premium denim market in recent years, which has been considered in our forecast. A portion of the original value of this intangible asset was impaired as part of the 2010 impairment analysis, and was written down from a carrying value of $311.8 million to an estimated fair value of $305.2 million at that time. All goodwill related to the *7 For All Mankind*® reporting unit was written off as part of the 2010 impairment analysis.

Key assumptions developed by VF management and used in our quantitative analysis of the *Splendid*® and *Ella Moss*® and *7 For All Mankind*® reporting units include:

- Projected revenue in excess of 2013 growth rates in all channels and geographies, particularly the direct-to-consumer businesses in the U.S.
- Additional retail store openings in the U.S. based on updated market strategies
- Market-based discount rates
- Gross margin expansion (*Splendid*® and *Ella Moss*® reporting unit only)
- Increased leverage of selling, general and administrative expenses on higher revenues (*Splendid*® and *Ella Moss*® reporting unit only)
- Royalty rates based on license agreements currently in place

Actual results for the *Splendid*® and *Ella Moss*® and *7 For All Mankind*® reporting units may vary. Accordingly, management performed sensitivity analysis on the impairment models and concluded that the reporting units and intangible assets were not impaired, even with changes made to key assumptions. For example, a 50% decrease in the forecasted cumulative average revenue growth rate used in the intangible asset impairment models for the *7 For All Mankind*® and *Splendid*® and *Ella Moss*® reporting units did not result in an impairment. Similarly for goodwill, a 50% decrease in forecasted segment profit did not impair the *Splendid*® and *Ella Moss*® reporting unit. Separately, a 100 basis point increase in the discount rate did not indicate impairment in the *Splendid*® and *Ella Moss*® reporting unit, or the *7 For All Mankind*® intangible asset.

For all other reporting units, VF elected to perform a qualitative assessment to determine whether it is more likely than not that the goodwill and trademark intangible assets in those reporting units were impaired. In this qualitative assessment, VF considered relevant events and circumstances for each reporting unit, including: (i) overall financial performance including management s five year forecast, current and prior year balance sheets and actual to budgeted performance, (ii) industry and market conditions in which the reporting unit operates, (iii) macroeconomic conditions, including any deterioration of general conditions and (iv) changes in products or services offered by the reporting unit. We also compared the carrying values of these assets against the fair value results from the most recent testing, noting that the fair value significantly exceeded carrying value in each case. Based on the results of the qualitative assessment, VF concluded that it was not more likely than not that the carrying values of the goodwill and trademark intangible assets were greater than the fair values, and that further quantitative testing was not necessary.

It is possible that VF s conclusions regarding impairment or recoverability of goodwill or intangible assets in any reporting unit could change in future periods. There can be no assurance that the estimates and assumptions used in our goodwill and intangible asset impairment testing performed as of the fourth quarter of

2013 will prove to be accurate predictions of the future, if, for example, (i) the businesses do not perform as projected, (ii) overall economic conditions in 2014 or future years vary from current assumptions (including changes in discount rates), (iii) business conditions or strategies for a specific reporting unit change from current assumptions, (iv) investors require higher rates of return on equity investments in the marketplace or (v) enterprise values of comparable publicly traded companies, or actual sales transactions of comparable companies, were to decline, resulting in lower multiples of revenues and EBITDA.

A future impairment charge for goodwill or intangible assets could have a material effect on VF s consolidated financial position and results of operations.

Stock Options

VF uses a lattice option-pricing model to estimate the fair value of stock options granted to employees and nonemployee members of the Board of Directors. VF believes that a lattice model provides a refined estimate of the fair value of options because it can incorporate (i) historical option exercise patterns and multiple assumptions about future option exercise patterns for each of several groups of option holders and (ii) inputs that vary over time, such as assumptions for interest rates and volatility. Management performs an annual review of all assumptions employed in the valuation of option grants and believes they are reflective of the outstanding options and underlying Common Stock and of groups of option participants. The lattice valuation is based on the assumptions listed in Note O to the consolidated financial statements.

One of the critical assumptions in the valuation process is estimating the expected average life of the options before they are exercised. For each option grant, VF estimated the expected average life based on evaluations of the historical and expected option exercise patterns for each of the groups of option holders that have historically exhibited different option exercise patterns. These evaluations included (i) voluntary stock option exercise patterns based on a combination of changes in the price of VF Common Stock and periods of time that options are outstanding before exercise and (ii) involuntary exercise patterns resulting from turnover, retirement and mortality.

Volatility is another critical assumption requiring judgment. Management based its estimates of future volatility on a combination of implied and historical volatility. Implied volatility was based on short-term (6 to 9 months) publicly traded near-the-money options on VF Common Stock. VF measures historical volatility over a ten year period, corresponding to the contractual term of the options, using daily stock prices. Management s assumption for valuation purposes was that expected volatility starts at a level equal to the implied volatility and then transitions to the historical volatility over the remainder of the ten year option term.

Pension Obligations

VF sponsors a qualified defined benefit pension plan covering most full-time U.S. employees hired before 2005 and an unfunded supplemental defined benefit plan that provides benefits in excess of the limitations imposed by income tax regulations. VF also sponsors defined benefit plans covering selected international employees. The selection of actuarial assumptions for determining the projected pension benefit liabilities and annual pension expense is significant due to amounts involved and the long time period over which benefits are accrued and paid.

Management reviews annually the principal economic actuarial assumptions, summarized in Note M to the consolidated financial statements, and modifies them based on current rates and trends. VF also periodically reviews and modifies, as necessary, other plan assumptions such as rates of compensation increases, retirement, termination, disability and mortality. VF believes the assumptions appropriately reflect the participants demographics and projected benefit obligations of the plans and result in the best estimate of the plans future experience. Actual results may vary from the actuarial assumptions used.

One of the critical assumptions used in the actuarial model is the discount rate. (This discussion of discount rate, and the discussion of return on assets in the next paragraph, relate specifically to the U.S. pension plans, which comprise approximately 92% of plan assets and projected benefit obligations of the combined U.S. and international plans.) The discount rate is used to estimate the present value of future cash outflows necessary to meet projected benefit obligations for the specific plan. It is the estimated interest rate that VF could use to settle its projected benefit obligations at the valuation date. The discount rate assumption is based on current market interest rates. VF selects a discount rate by matching high quality corporate bond yields to the timing of projected benefit payments to participants in the specific U.S. pension plans. VF uses the population of U.S. corporate bonds rated Aa by Moody s Investors Service or, if a Moody s rating is not available, bonds rated Aa by two other recognized rating services. From this population of approximately 500 such bonds having at least $50.0 million outstanding that are noncallable/nonputable unless with make-whole provisions, VF excluded the highest and lowest yielding bonds. Each plan s projected benefit payments are matched to current market interest rates over the expected payment period, and a present value is developed that produces a single discount rate that recognizes each plan s distinct liability characteristics. VF believes that those Aa rated issues meet the high quality intent of the applicable accounting standards and that the 2013 discount rate of 5.00% for the U.S. qualified defined benefit pension plan and 4.90% for the unfunded supplemental defined benefit plan appropriately reflects current market conditions and the long-term nature of projected benefit payments to participants in the aggregated U.S. pension plans. This higher discount rate, compared with the rate of 4.05% at the end of 2012, reflects the general increase in yields of U.S. government obligations and high quality corporate bonds during 2013. The discount rate for the plans may differ from the rates used by other companies because of longer expected duration of benefit payments reflecting (i) the higher percentage of female participants who generally have a longer life expectancy than males and (ii) the higher percentage of inactive participants who will not begin receiving vested benefits for many years.

Another critical assumption of the actuarial model is the expected long-term rate of return on investments. VF s investment objective is to invest in a diversified portfolio of assets with an acceptable level of risk to maximize the long-term return while minimizing volatility of the value of plan assets relative to value of plan liabilities. These risks include market, interest rate, credit, liquidity and foreign securities risks. Investment assets consist of domestic and international equity, corporate and governmental fixed income and alternative assets. VF develops a projected rate of return for each of the investment asset classes based on many factors, including recent and historical returns, the estimated inflation rate, the premium to be earned in excess of a risk-free return, the premium for equity risk and the premium for longer duration fixed income securities. The weighted average projected long-term rates of return of the various assets held by the qualified plan provide the basis for the expected long-term rate of return actuarial assumption. VF s rate of return assumption was 7.00% in 2013, 7.50% in 2012 and 7.75% in 2011. In recent years, VF has altered the investment mix to improve investment performance by (i) increasing the allocation to fixed income investments and reducing the allocation to equity investments, (ii) increasing the allocation in equities to more international investments and (iii) adding alternative assets as an asset class. The changes in asset allocation are anticipated, over time, to reduce the year-to-year variability of the domestic plan s funded status and resulting pension expense. Based on an evaluation of market conditions and projected market returns, VF will be using a rate of return assumption of 6.50% for the U.S. plan for 2014. Management monitors the plan s asset allocation to balance anticipated investment returns with risk.

Differences between actual results and the respective actuarially determined assumed results (e.g., investment performance, discount rates and other assumptions) in a given year do not affect that year s pension expense but instead are deferred as unrecognized actuarial gains or losses in accumulated other comprehensive income in the Consolidated Balance Sheet. At the end of 2013, there were $422.9 million of accumulated pretax deferred actuarial losses, plus $27.6 million of deferred prior service costs, resulting in an after tax amount of $277.5 million in accumulated other comprehensive income (loss) in the 2013 Consolidated Balance Sheet. These deferred losses will be amortized as a component of future years pension expense.

Pension expense recognized in the financial statements was $89.5 million in 2013, $92.7 million in 2012 and $56.6 million in 2011. This compares with the cost of pension benefits actually earned by covered active employees (commonly called service cost) of $25.4 million in 2013, $23.2 million in 2012 and $20.9 million in 2011. Pension expense for the last three years was significantly higher than the annual service cost because those years included the cost of amortizing prior years unrecognized actuarial losses (as discussed in the preceding paragraph). Looking forward, VF expects 2014 pension expense to decrease to approximately $58.0 million primarily due to discretionary funding in 2013 and a decrease in amortization of unrecognized actuarial losses due primarily to an increase in the discount rate.

The sensitivity of changes in actuarial assumptions on 2013 pension expense and on projected benefit obligations related to the U.S. defined benefit pension plan at the end of 2013, all other factors being equal, is illustrated by the following:

	Increase (Decrease) in	
Dollars in millions	**Pension Expense**	**Projected Benefit Obligations**
0.50% decrease in discount rate	$ 17	$ 97
0.50% increase in discount rate	(17)	(87)
0.50% decrease in expected investment return	7	
0.50% increase in expected investment return	(7)	
0.50% decrease in rate of compensation change	(1)	(4)
0.50% increase in rate of compensation change	1	4

As discussed in the Risk Management section above, VF has taken several steps to reduce volatility in the pension plans and their impact on the financial statements. On a longer-term basis, VF believes the year-to-year variability of the retirement benefit expense should decrease.

Income Taxes

As a global company, VF is subject to income taxes and files income tax returns in over 100 domestic and foreign jurisdictions each year. Almost every jurisdiction in which VF operates has a lower effective income tax rate than the U.S. As discussed in Note P, VF has been granted a lower effective income tax rate on taxable earnings in certain foreign jurisdictions. We do not currently believe there is substantial risk to our ability to maintain a low foreign effective tax rate based on the economic conditions of the jurisdictions in which we operate. However, VF makes an ongoing assessment to identify any significant exposure related to increases in tax rates in these foreign jurisdictions, and will supplement future disclosures as applicable.

The calculation of income tax liabilities involves uncertainties in the application of complex tax laws and regulations, which are subject to legal interpretation and significant management judgment. VF s income tax returns are regularly examined by federal, state and foreign tax authorities, and those audits may result in proposed adjustments. VF has reviewed all issues raised upon examination, as well as any exposure for issues that may be raised in future examinations. VF has evaluated these potential issues under the more-likely-than-not standard of the accounting literature. A tax position is recognized if it meets this standard and is measured at the largest amount of benefit that has a greater than 50% likelihood of being realized. Such judgments and estimates may change based on audit settlements, court cases and interpretation of tax laws and regulations. Income tax expense could be materially affected to the extent VF prevails in a tax position or when the statute of limitations expires for a tax position for which a liability for unrecognized tax benefits or valuation allowances has been established, or to the extent VF is required to pay amounts greater than the established liability for unrecognized tax benefits. VF does not currently anticipate any material impact on earnings from the ultimate resolution of income tax uncertainties. There are no accruals for general or unknown tax expenses.

VF has $123.7 million of gross deferred income tax assets related to operating loss and capital loss carryforwards, and $101.9 million of valuation allowances against those assets. Realization of deferred tax assets related to operating loss and capital loss carryforwards is dependent on future taxable income in specific jurisdictions, the amount and timing of which are uncertain, and on possible changes in tax laws. If management believes that VF will not be able to generate sufficient taxable income or capital gains to offset losses during the

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carryforward periods, VF records valuation allowances to reduce those deferred tax assets to amounts expected to be ultimately realized. In addition, VF has $5.6 million of valuation allowances against deferred income tax assets unrelated to operating loss and capital loss carryforwards. If in a future period management determines that the amount of deferred tax assets to be realized differs from the net recorded amount, VF would record an adjustment to income tax expense in that future period.

VF has not provided U.S. income taxes on a portion of the foreign subsidiaries undistributed earnings because these earnings are permanently reinvested in the respective foreign jurisdictions. VF has not determined the deferred tax liabilities associated with these undistributed earnings, as such determination is not practicable. If VF decided to remit those earnings to the U.S. in a future period, the provision for income taxes could increase in that period.

Cautionary Statement on Forward-Looking Statements

From time to time, VF may make oral or written statements, including statements in this Annual Report that constitute forward-looking statements within the meaning of the federal securities laws. These include statements concerning plans, objectives, projections and expectations relating to VF s operations or economic performance, and assumptions related thereto.

Forward-looking statements are made based on VF s expectations and beliefs concerning future events impacting VF and therefore involve a number of risks and uncertainties. VF cautions that forward-looking statements are not guarantees and actual results could differ materially from those expressed or implied in the forward-looking statements.

Known or unknown risks, uncertainties and other factors that could cause the actual results of operations or financial condition of VF to differ materially from those expressed or implied by such forward-looking statements are summarized in Item 1A. of this Annual Report.

Item 7A. *Quantitative and Qualitative Disclosures about Market Risk*.

A discussion of VF s market risks is incorporated by reference to Risk Management in Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations in this Annual Report.

Item 8. *Financial Statements and Supplementary Data*.

See Index to Consolidated Financial Statements and Financial Statement Schedule at the end of this Annual Report on page F-1 for information required by this Item 8.

Item 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*.

Not applicable.

Item 9A. *Controls and Procedures*.

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision of the Chief Executive Officer and the Chief Financial Officer, VF conducted an evaluation of the effectiveness of the design and operation of VF s disclosure controls and procedures as defined in Rules 13a-15(e) or 15d-15(e) of the Securities and Exchange Act of 1934 (the Exchange Act) as of December 28, 2013. These require that VF ensure that information required to be disclosed by VF in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission s rules and forms and that information required to be disclosed in the reports filed or submitted under the Exchange Act is accumulated and communicated to VF s management, including the principal executive officer and principal financial officer, to allow timely decisions regarding required disclosures. Based on VF s evaluation, the principal executive officer and the principal financial officer concluded that VF s disclosure controls and procedures are effective.

Management s Report on Internal Control Over Financial Reporting

VF s management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f). VF s management conducted an assessment of VF s internal control over financial reporting based on the framework described in *Internal Control Integrated Framework (1992),* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, VF s management has determined that VF s internal control over financial reporting was effective as of December 28, 2013. The effectiveness of VF s internal control over financial reporting as of December 28, 2013 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

See Index to Consolidated Financial Statements and Financial Statement Schedule at the end of this Annual Report on page F-1 for Management s Report on Internal Control Over Financial Reporting.

Changes in Internal Control Over Financial Reporting

There were no changes in VF s internal control over financial reporting that occurred during its last fiscal quarter that have materially affected, or are reasonably likely to materially affect, VF s internal control over financial reporting.

Item 9B. *Other Information*.

Not applicable.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance*.

Information regarding VF s Executive Officers required by Item 10 of this Part III is set forth in Item 1 of Part I under the caption Executive Officers of VF. Information required by Item 10 of Part III regarding VF s Directors is included under the caption Election of Directors in VF s 2014 Proxy Statement that will be filed with the Securities and Exchange Commission within 120 days after the close of our fiscal year ended December 28, 2013, which information is incorporated herein by reference.

Information regarding compliance with Section 16(a) of the Exchange Act of 1934 is included under the caption Section 16(a) Beneficial Ownership Reporting Compliance in VF s 2014 Proxy Statement that will be filed with the Securities and Exchange Commission within 120 days after the close of our fiscal year ended December 28, 2013, which information is incorporated herein by reference.

Information regarding the Audit Committee is included under the caption Corporate Governance at VF Board Committees and Their Responsibilities Audit Committee in VF s 2014 Proxy Statement that will be filed with the Securities and Exchange Commission within 120 days after the close of our fiscal year ended December 28, 2013, which information is incorporated herein by reference.

VF has adopted a written code of ethics, VF Corporation Code of Business Conduct, that is applicable to all VF directors, officers and employees, including VF s chief executive officer, chief financial officer, chief

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accounting officer and other executive officers identified pursuant to this Item 10 (collectively, the Selected Officers). In accordance with the Securities and Exchange Commission s rules and regulations, a copy of the code has been filed and is incorporated by reference as Exhibit 14 to this report. The code is also posted on VF s website, www.vfc.com. VF will disclose any changes in or waivers from its code of ethics applicable to any Selected Officer or director on its website at www.vfc.com.

The Board of Directors Corporate Governance Principles, the Audit Committee, Nominating and Governance Committee, Compensation Committee and Finance Committee charters and other corporate governance information, including the method for interested parties to communicate directly with nonmanagement members of the Board of Directors, are available on VF s website. These documents, as well as the VF Corporation Code of Business Conduct, will be provided free of charge to any shareholder upon request directed to the Secretary of VF Corporation at P.O. Box 21488, Greensboro, NC 27420.

Item 11. ***Executive Compensation*.**

Information required by Item 11 of this Part III is included under the captions Corporate Governance at VF Directors Compensation and Executive Compensation in VF s 2014 Proxy Statement that will be filed with the Securities and Exchange Commission within 120 days after the close of our fiscal year ended December 28, 2013, which information is incorporated herein by reference.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*.**

Information required by Item 12 of this Part III is included under the caption Security Ownership of Certain Beneficial Owners and Management in VF s 2014 Proxy Statement that will be filed with the Securities and Exchange Commission within 120 days after the close of our fiscal year ended December 28, 2013, which information is incorporated herein by reference.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence*.**

Information required by Item 13 of this Part III is included under the caption Election of Directors in VF s 2014 Proxy Statement that will be filed with the Securities and Exchange Commission within 120 days after the close of our fiscal year ended December 28, 2013, which information is incorporated herein by reference.

Item 14. ***Principal Accounting Fees and Services*.**

Information required by Item 14 of this Part III is included under the caption Professional Fees of PricewaterhouseCoopers LLP in VF s 2014 Proxy Statement that will be filed with the Securities and Exchange Commission within 120 days after the close of our fiscal year ended December 28, 2013, which information is incorporated herein by reference.

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PART IV

Item 15. ***Exhibits and Financial Statement Schedules*.**

(a) The following documents are filed as a part of this 2013 report:

1. *Financial statements*

2. *Financial statement schedules*

All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

3. *Exhibits*

Number		Description
2.		Agreement and Plan of Merger dated as of June 12, 2011 among V.F. Corporation, VF Enterprises, Inc. and The Timberland Company (Incorporated by reference to Exhibit 2.1 to Form 8-K filed on June 13, 2011)
3.		Articles of incorporation and bylaws:
	(A)	Articles of Incorporation, restated as of October 21, 2013 (Incorporated by reference to Exhibit 3(1) to Form 8-K dated October 21, 2013)
	(B)	Amended and Restated By-Laws (Incorporated by reference to Exhibit 3(B) to Form 10-K for the year ended December 29, 2012)
4.		Instruments defining the rights of security holders, including indentures:
	(A)	A specimen of VF s Common Stock certificate (Incorporated by reference to Exhibit 3(C) to Form 10-K for the year ended January 3, 1998)
	(B)	Indenture between VF and United States Trust Company of New York, as Trustee, dated September 29, 2000 (Incorporated by reference to Exhibit 4.1 to Form 10-Q for the quarter ended September 30, 2000)
	(C)	Form of 6.00% Note due October 15, 2033 for $297,500,000 (Incorporated by reference to Exhibit 4.2 to Form S-4 Registration Statement No. 110458 filed November 13, 2003)
	(D)	

Form of 6.00% Note due October 15, 2033 for $2,500,000 (Incorporated by reference to Exhibit 4.2 to Form S-4 Registration Statement No. 110458 filed November 13, 2003)

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Number		Description
	(E)	Indenture between VF and The Bank of New York Trust Company, N.A., as Trustee, dated October 10, 2007 (Incorporated by reference to Exhibit 4.1 to Form S-3ASR Registration Statement No. 333-146594 filed October 10, 2007)
	(F)	First Supplemental Indenture between VF and The Bank of New York Trust Company, N.A., as Trustee, dated October 15, 2007 (Incorporated by reference to Exhibit 4.2 to Form 8-K filed October 25, 2007)
	(G)	Form of 5.95% Note due 2017 for $250,000,000 (Incorporated by reference to Exhibit 4.3 to Form 8-K filed on October 25, 2007)
	(H)	Form of 6.45% Note due 2037 for $350,000,000 (Incorporated by reference to Exhibit 4.4 to Form 8-K filed on October 25, 2007)
	(I)	Second Supplemental Indenture between VF and The Bank of New York Mellon Trust Company, N.A. dated as of August 24, 2011 (Incorporated by reference to Exhibit 4.2 to Form 8-K dated August 24, 2011)
	(J)	Form of Fixed Rate Notes due 2021 (Incorporated by reference to Exhibit 4.4 to Form 8-K dated August 24, 2011)
10.	Material contracts:	
	*(A)	