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

FORM 10-Q

(Mark one)

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.
For the Quarter Ended OCTOBER 29, 1999

OR

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

For the transition period from ...... to ......

Commission file number 1-9769

LANDS' END, INC.
(Exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation or organization)	36-2512786 (I.R.S. Employer Identification No.)
Lands' End Lane, Dodgeville, WI (Address of principal executive offices)	53595 (Zip code)
Registrant's telephone number, including area code	608-935-9341

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of December 8, 1999:

Common stock, $.01 par value 30,149,020 shares outstanding

LANDS' END, INC. & SUBSIDIARIES
INDEX TO FORM 10-Q

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

LANDS' END, INC. & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Three months ended Oct. 29, 1999 (Unaudited)	Three months ended Oct. 30, 1998 (Unaudited)
Net sales	$325,970	$322,422
Cost of sales	185,157	177,160
Gross profit	140,813	145,262
Selling, general and administrative expenses	127,189	134,516
Non-recurring charge (credit)	(176)	1,500
Income from operations	13,800	9,246
Other income (expense):		
Interest expense	(558)	(3,269)
Interest income	17	7
Other	631	(5,433)
Total other income (expense), net	90	(8,695)

Income before income taxes	13,890	551
Income tax provision	5,139	204
Net income	$ 8,751	$ 347
Basic earnings per share	$ 0.29	$ 0.01
Diluted earnings per share	$ 0.28	$ 0.01
Basic weighted average shares outstanding	30,125	30,239
Diluted weighted average shares outstanding	31,071	30,318

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements.

LANDS' END, INC. & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Nine months ended Oct. 29, 1999 (unaudited)	Nine months ended Oct. 30, 1998 (unaudited)
Net sales	$870,195	$830,203
Cost of sales	485,732	444,723
Gross profit	384,463	385,480
Selling, general and administrative expenses	352,904	365,593
Non-recurring charge (credit)	(1,774)	1,500
Income from operations	33,333	18,387
Other income (expense):		
Interest expense	(1,525)	(6,268)
Interest income	55	8
Other	(573)	(3,407)
Total other expense	(2,043)	(9,667)
Income before income taxes	31,290	8,720
Income tax provision	11,577	3,226
Net income	$ 19,713	$ 5,494
Basic earnings per share	$ 0.66	$ 0.18
Diluted earnings per share	$ 0.64	$ 0.18
Basic weighted average shares outstanding	30,064	30,560
Diluted weighted average shares outstanding	30,831	30,835

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements.

LANDS' END, INC. & SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands)

	Oct. 29, 1999 (unaudited)	Jan. 29, 1999
Assets		
Current assets:		
Cash and cash equivalents	$ 8,089	$ 6,641
Receivables, net	20,737	21,083
Inventory	231,299	219,686
Prepaid advertising	33,104	21,357
Other prepaid expenses	5,924	7,589
Deferred income tax benefit	17,947	17,947
Total current assets	317,100	294,303
Property, plant and equipment, at cost:		
Land and buildings	102,646	102,018
Fixtures and equipment	165,246	154,663
Leasehold improvements	4,555	5,475
Total property, plant and equipment	272,447	262,156
Less-accumulated depreciation and amortization	115,647	101,570
Property, plant and equipment, net	156,800	160,586
Intangibles, net	981	1,030
Total assets	$474,881	$455,919
Liabilities and shareholders' investment		
Current liabilities:		
Lines of credit	$ 41,349	$ 38,942
Accounts payable	100,051	87,922
Reserve for returns	6,845	7,193
Accrued liabilities	47,174	54,392
Accrued profit sharing	1,222	2,256
Income taxes payable	4,234	14,578
Total current liabilities	200,875	205,283
Deferred income taxes	8,133	8,133
Shareholders' investment:		
Common stock, 40,221 shares issued	402	402
Donated capital	8,400	8,400
Additional paid-in capital	29,708	26,994
Deferred compensation	(268)	(394)
Accumulated other comprehensive income	738	2,003
Retained earnings	426,109	406,396
Treasury stock, 10,072 and 9,981 shares at cost, respectively	(199,216)	(201,298)
Total shareholders' investment	265,873	242,503
Total liabilities and shareholders' investment	$474,881	$455,919

The accompanying notes to consolidated financial statements are an integral part of these consolidated balance sheets.

LANDS' END, INC. & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Nine Months Ended Oct. 29, 1999 (unaudited)	Nine Months Ended Oct. 30, 1998 (unaudited)
Cash flows from (used for) operating activities:		
Net income	$ 19,713	$ 5,494
Adjustments to reconcile net income to net cash flows from operating activities-		
Non-recurring charge (credit)	(1,774)	1,500
Depreciation and amortization	15,178	14,661
Deferred compensation expense	126	202
Deferred income taxes	-	1,607
Loss on disposal of fixed assets	540	326
Changes in current assets and liabilities:		
Receivables, net	346	(6,248)
Inventory	(11,613)	(137,657)
Prepaid advertising	(11,747)	(24,605)
Other prepaid expenses	1,665	(1,130)
Accounts payable	12,129	6,320
Reserve for returns	(348)	8
Accrued liabilities	(4,583)	5,609
Accrued profit sharing	(1,034)	(3,939)
Income taxes payable	(10,344)	(21,320)
Other	(1,265)	1,241
Net cash flows from (used for) operating activities	6,989	(157,931)
Cash flows used for investing activities:		
Cash paid for capital additions	(12,745)	(39,491)
Net cash flows used for investing activities	(12,745)	(39,491)
Cash flows from (used for) financing activities:		
Proceeds from short-term debt	2,407	224,191
Exercise of stock options	2,715	219
Purchases of treasury stock	(4,507)	(23,872)
Issuance of treasury stock	6,589	389
Net cash flows from financing activities	7,204	200,927
Net increase in cash and cash equivalents	1,448	3,505
Beginning cash and cash equivalents	6,641	6,338
Ending cash and cash equivalents	$ 8,089	$ 9,843
Supplemental cash flow disclosures:		
Interest paid	$ 1,444	$ 5,478
Income taxes paid	19,288	22,658

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements.

LANDS' END, INC. & SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. Interim financial statements

The condensed consolidated financial statements included herein have been prepared by Lands' End, Inc. (the company), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission, and in the opinion of management contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the financial position. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the company believes that the disclosures are adequate to make the information presented not misleading. The results of operations for the interim periods disclosed within this report are not necessarily indicative of future financial results. These consolidated financial statements are condensed and should be read in conjunction with the financial statements and the notes thereto included in the company's latest Annual Report on Form 10-K, which includes financial statements for the year ended January 29, 1999.

2. Reclassification

Certain financial statement amounts have been reclassified to be consistent with the current presentation.

3. Derivative Instruments and Hedging Activities

The company's sales of merchandise to its subsidiaries in the United Kingdom, Japan, and Germany are denominated in the subsidiary's local currency. Accordingly, the future U.S.-Dollar-equivalent cash flows may vary due to changes in related foreign currency exchange rates. To reduce that risk, the company enters into foreign currency forward contracts and purchases foreign currency put options. The company's sales to its foreign subsidiaries are on credit with settlement within approximately one month. Accordingly, the settlement dates of the forward contracts and put options fall approximately one month after the date of forecasted sales.

To a lesser extent, the company has export sales to customers in Canada. The company incurs third-party expenses related to the Canadian export business, some of which are denominated in Canadian dollars. Accordingly, the future U.S.-Dollar-equivalent cash flows may vary due to changes in the foreign currency rate. To reduce that risk, the company enters into foreign currency forward contracts. The company's purchases are on credit with settlement within approximately one month. Accordingly, the settlement dates of the forward contracts fall approximately one month after the date of forecasted purchases. The company has no other freestanding or embedded derivative instruments.

As of July 31, 1999, the company adopted the Financial Accounting Standards Board's (FASB's) Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (Statement 133). Statement 133 unifies accounting and financial reporting standards for forward contracts, put options, other derivative instruments and related hedging activities. Statement 133 requires, in part, that the company report all derivative instruments in the statement of financial position as assets or liabilities at their fair value. The treatment of subsequent changes in fair value depends on whether special hedge accounting is available.

Before the effective date of Statement 133, special hedge accounting was not available for the company's forward contracts. Those contracts were reported in the statement of financial position as assets or liabilities at their fair value and changes in fair value were reported currently in earnings. Special hedge accounting for the company's put options involved reporting the put options initially at the amount of the premium paid, with amortization of the premium over the option period. Subsequent gains or losses on the put options through the date of the sale to the foreign subsidiary were deferred until the date the consolidated entity (through the foreign subsidiary) sold the merchandise to a third-party. At the date merchandise is sold to a foreign subsidiary, the hedging relationship is terminated and subsequent gains and losses on the put option (including unamortized premium) were reported currently in earnings.

As part of its adoption of Statement 133 on July 31, 1999, the company designated all of its hedging relationships anew. Both forward contracts and put options can qualify for special cash flow hedge accounting under Statement 133 if applicable hedging criteria are met. Under Statement 133's cash flow hedging model, gains and losses on the derivative instrument that occur through the date the company sells merchandise to a subsidiary or purchases from a foreign third-party are deferred in a component of equity (accumulated other comprehensive income) to the extent the hedging relationship is effective. The maximum hedging period (the period between the company's designation and culmination of a hedging relationship) of the company's cash flow hedges is 24 months.

As required by Statement 133, the company assesses hedge effectiveness at least quarterly. The effectiveness of put options is assessed based on changes in intrinsic value of the options due to changes in spot foreign exchange rates. Because they are excluded from the company's assessment of hedge effectiveness, the company reports currently in earnings changes in the fair value of put options due to changes in time value of the options. For the quarter ended October 29, 1999, a net loss of $0.3 million was recognized in other expense due to hedge ineffectiveness and fair value changes excluded from the company's effectiveness assessments.

To the extent the company must discontinue cash flow hedge accounting because it is probable that original forecasted sales will not occur, Statement 133 requires that the company immediately reclassify the net gain or loss from accumulated other comprehensive income into earnings. During the quarter ended October 29, 1999, net losses of $0.2 million were so reclassified.

At the date merchandise is sold to a foreign subsidiary or purchased from a foreign third-party, the hedging relationship is terminated and subsequent gains and losses on the hedging derivative instrument are reported currently in earnings. At the date of the ultimate sale of the merchandise by the foreign subsidiary to a third-party or purchase from a foreign third party, the gain or loss previously deferred in equity is reclassified into earnings. The company estimates that net hedging losses of $1.6 million will be reclassified from accumulated other comprehensive income into earnings within the 12 months between October 30, 1999 and October 27, 2000.

Upon the company's adoption of Statement 133 on July 31, 1999, the company adjusted the carrying amount of the two put option contracts as assets at their fair value of $34 thousand. Because the put options had previously qualified in a cash flow-type hedging relationship prior to adoption of Statement 133, an immaterial cumulative-effect-type transition adjustment and an immaterial transition adjustment related to the ineffective portion of the put options were reported in accumulated other comprehensive income and other expense, respectively. No transition adjustment was needed for the forward contracts, which were already being reported at their fair value with changes in fair value reported currently in earnings.

4. Earnings per share

The following table discloses the computation of the diluted earnings per share and the basic earnings per share.

	Three months ended		Nine months ended	
(In thousands, except per share data)	Oct. 29, 1999	Oct. 30, 1998	Oct. 29, 1999	Oct. 30, 1998
Net income	$ 8,751	$ 347	$19,713	$ 5,494
Average shares of common stock outstanding	30,125	30,239	30,064	30,560
Incremental shares from assumed exercise of stock options	946	79	767	275
Diluted weighted average shares of common stock outstanding	31,071	30,318	30,831	30,835
Basic earnings per share	$ 0.29	$ 0.01	$ 0.66	$ 0.18

Diluted earnings per share	$ 0.28	$ 0.01	$ 0.64	$ 0.18

5. Comprehensive income

In accordance with Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income", the following table presents the company's comprehensive income (000's):

	Three months ended		Nine months ended	
	Oct. 29, 1999	Oct. 30, 1998	Oct. 29, 1999	Oct. 30, 1998
Net income	$ 8,751	$ 347	$19,713	$ 5,494
Other comprehensive income:				
Foreign currency translation adjustments	992	2,060	790	1,241
Unrealized loss on forward contracts and options	(2,055)	n/a	(2,055)	n/a
Comprehensive income	$ 7,688	$ 2,407	$18,448	$ 6,735

6. Non-recurring charge and related reversal

During fiscal year 1999, in connection with changes in executive management, the company announced a Plan designed to reduce administrative and operational costs stemming from duplicative responsibilities and certain non-profitable operations. This Plan included the reduction of staff positions, the closing of three outlet stores, the liquidation of the Willis & Geiger operations and the termination of a licensing agreement with MontBell Co. Ltd. A non-recurring charge of $12.6 million was recorded in fiscal 1999 related to these matters.

Below is a summary of related costs for the periods ended October 29, 1999.

(In thousands)	Balance 1/29/99	Costs Incurred	Charges Reversed	Balance 10/29/99
Severance costs	$ 6,700	$(4,861)	$ 0	$ 1,839
Asset impairments	3,199	(1,973)	(1,111)	115
Facility exit costs and other	2,590	(1,779)	(663)	148
Total	$12,489	$(8,613)	$(1,774)	$ 2,102

During the nine months ended October 29, 1999, the company executed the Plan and incurred costs totaling $8.6 million. In addition, there was a reversal of $1.8 million of the reserves recorded in fiscal 1999. Those included $0.7 million for better than expected lease termination settlements related to two store closings, and $1.1 million for better than anticipated sell-through of Willis & Geiger inventory liquidations. Based on these two factors, there was an addition to net income of $1.1 million, or $0.04 per share in the first nine months of fiscal 2000. The majority of the balance of $2.1 million, predominantly severance, will be paid in fiscal 2000, with a carryover of a portion to fiscal 2001.

7. Segment disclosure

The company organizes and manages its three business segments (core, specialty and international) based on type of catalog, which focuses on specific customer needs and markets served. Certain catalogs are combined for purposes of assessing financial performance. The company evaluates the performance of its business segments based on operating profit.

The core segment consists of adult apparel in the regular monthly and prospecting catalogs, Beyond Buttondowns catalog, and First Person Singular catalog. The specialty segment includes Kids, Corporate Sales, and Coming Home catalogs. The international segment is composed of foreign-based operations in Japan, the United Kingdom, and Germany.

Segment sales represent sales to external parties. Sales from the Internet, export sales shipped from the United States, and liquidation sales are included in the respective business segments. Segment operating profit is revenue less direct and allocable operating expenses, which includes interest expense and interest income. Segment identifiable assets are those that are directly used in or identified with segment operations. "Other" includes corporate expenses, intercompany eliminations, and other income and deduction items that are not allocated to segments.

Pertinent financial data by operating segment for the periods ended October 29, 1999, and October 30, 1998 are as follows (in thousands):

Quarter ended October 29, 1999

	Core	Specialty	International	Other	Consolidated
Net sales	$177,471	$116,923	$ 31,576	$ -	$325,970
Operating profit (loss)	(1,674)	14,556	456	552	13,890
Identifiable assets	257,510	140,577	76,794	-	474,881
Depreciation and amortization	2,526	1,757	620	-	4,903
Capital expenditures	4,211	2,498	550	-	7,259
Interest expense	254	164	140	-	558
Interest income	$ 7	$ 4	$ 6	$ -	$ 17

Quarter ended October 30, 1998

	Core	Specialty	International	Other	Consolidated
Net sales	$185,410	$103,341	$ 33,671	$ -	$322,422
Operating profit (loss)	(3,468)	9,018	634	(5,633)	551
Identifiable assets	368,910	168,640	91,313	-	628,863
Depreciation and amortization	2,851	1,661	567	-	5,079
Capital expenditures	6,025	3,562	726	-	10,313
Interest expense	1,924	968	377	-	3,269
Interest income	$ 1	-	6	-	7

Nine months ended October 29, 1999

	Core	Specialty	International	Other	Consolidated
Net sales	$502,695	$274,427	$ 93,073	$ -	$870,195
Operating profit (loss) (1)	5,205	28,423	(1,691)	(647)	31,290
Identifiable assets	257,510	140,577	76,794	-	474,881
Depreciation and amortization	8,662	4,728	1,788	-	15,178
Capital expenditures	7,440	4,062	1,243	-	12,745
Interest expense	673	367	485	-	1,525
Interest income	$ 20	$ 11	$ 24	$ -	$ 55

Nine months ended October 30, 1998

	Core	Specialty	International	Other	Consolidated
Net sales	$507,010	$231,771	$ 91,422	$ -	$830,203
Operating profit (loss) (2)	2,641	12,939	(813)	(6,047)	8,720
Identifiable assets	368,910	168,640	91,313	-	628,863
Depreciation and amortization	9,055	4,139	1,467	-	14,661
Capital expenditures	20,014	9,149	10,328	-	39,491
Interest expense	3,459	1,581	1,228	-	6,268
Interest income	$ 1	$ 1	$ 6	$ -	$ 8

(1) Includes non-recurring credits of $0.5 million and $1.3 million allocated to the core and specialty, respectively.

(2) Includes non-recurring charge of $1.0 million and $0.5 million allocated to the core and specialty segments, respectively.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS

Results of Operations

Three Months Ended October 29, 1999, compared with Three Months Ended October 30, 1998

The company's net sales for the third quarter ended October 29, 1999, totaled $326.0 million, up 1 percent from sales of $322.4 million in the same quarter last year. Sales growth during the quarter just ended came from increased liquidations, from Corporate Sales and from the Kids catalog, partially offset by a 4 percent decline in the core business segment. Sales from the specialty business segment rose about 13 percent, while sales from the international business segment were down about 6 percent from the same period last year. During the third quarter, there was an increase in catalog productivity, or sales per page, due to the planned 20 percent reduction in the number of pages circulated. Third quarter sales on the company's Internet site www.landsend.com were about two and one-half times those in the same quarter last year. In the most recent fiscal year, Internet sales were $61 million, about 4.5 percent of total net sales.

Sales during the first five weeks of the fourth quarter (10/30/99 through 12/3/99) were down about 18 percent from sales in the similar period last year. The company's strategy this year has focused on improving profits, rather than being driven by growth. As part of that strategy, page circulation for the last six months of fiscal 2000 was reduced by about 20 percent. The sales shortfall was greater than anticipated based on the planned circulation reductions, especially toward the end of the five-week period ended December 3, 1999. In addition to decreased page circulation, other factors affecting sales were significantly fewer liquidation and promotional sales in the current year's fourth quarter, overall softness in most cold weather clothing categories and the shifting of a clearance catalog from the fourth quarter last year to the third quarter this year.

Gross profit in the quarter just ended was $140.8 million, or 43.2 percent of net sales, compared with $145.3 million, or 45.1 percent of net sales, in the similar quarter last year. The decrease in gross profit margin was primarily due to a higher level of liquidated merchandise and steeper markdowns, partially offset by lower merchandise costs through improved sourcing. Liquidations of excess inventory were about 16 percent of net sales in the quarter just ended, compared with about 12 percent in the similar period a year ago.

For the third quarter this year, selling, general and administrative expenses decreased 5.4 percent to $127.2 million, compared with $134.5 million for last year's third quarter. As a percentage of net sales, SG&A was 39.0 percent, compared with 41.7 percent in the similar period last year. The decrease in the SG&A ratio was primarily the result of the reduction in the number of pages mailed and greater overall catalog productivity. This was partially offset by increased media advertising and higher bonus and profit sharing expense due to a higher profit level in the quarter just ended.

During the quarter just ended, interest expense was $0.6 million, compared with $3.3 million in the same quarter last year. Lower inventory, coupled with lower capital expenditures and purchases of treasury stock, resulted in a decrease in the company's borrowing on short-term lines of credit, which stood at $41 million as of October 29, 1999, compared with $257 million a year ago.

Third quarter ending inventory was $231 million, down 39 percent from $379 million a year ago. We shipped about 91 percent of items at the time of order placement during the quarter just ended.

Net income for the quarter just ended was $8.8 million, compared with the $0.3 million earned in the same quarter last year. Diluted earnings per share for the quarter just ended were $0.28, compared with $0.01 in the prior year. Net income for the quarter just ended includes a foreign currency exchange after-tax gain of $0.4 million. The prior year's similar quarter included an after-tax loss of $3.4 million, resulting from unrealized losses due to strengthening of the yen against the U.S. dollar. Foreign currency exchange gains or losses will occur in response to currency market movements and the company's hedging strategy.

The company adopted SFAS 133 at the beginning of the third quarter of fiscal 2000. Pursuant to this standard, the ineffective portion of cash flow hedges and the fair value changes excluded from the company's effectiveness assessments are reflected in earnings as the changes occur. These changes resulted in a $0.3 million non-cash charge for the third quarter of fiscal 2000. For the company's cash flow hedges, changes in fair value are recognized in other comprehensive income to the extent determined to be effective until the hedged item is recognized in earnings. For the third quarter of fiscal 2000, $2.1 million of losses were recognized in other comprehensive income. Results of operations will continue to be affected by changes in fair value for these contracts, the amount and timing of which cannot be predicted.

Nine Months Ended October 29, 1999, compared with
Nine Months Ended October 30, 1998

The company's net sales in the first nine months of fiscal 2000 increased 4.8 percent to $870.2 million from $830.2 million in the same period last year. The increase in net sales was due primarily to increased liquidations, the company's specialty business segment consisting of Corporate Sales, Kids and Coming Home, and the international business segment. Sales from the core segment were down. In particular, sales from the core monthly catalogs were lower, due to a reduction in the number of pages circulated, but productivity, or sales per page, increased.

Gross profit of $384.5 million for the first nine months of fiscal 2000 decreased 0.3 percent from $385.5 million in the same nine-month period last year. As a percentage of net sales, gross profit decreased from 46.4 percent in fiscal 1999 to 44.2 percent in fiscal 2000. The decrease in gross profit was due to higher sales of liquidated merchandise, at steeper markdowns and lower initial markups. Year-to-date liquidation sales were about 14 percent, compared with 10 percent during the same period last year.

Selling, general and administrative expenses decreased 3.5 percent to $352.9 million in the first nine months of fiscal 2000 from $365.6 million in the same period last year. As a percentage of net sales, selling, general and administrative expenses decreased to 40.6 percent in fiscal 2000 from 44.0 percent in fiscal 1999. The decrease in the SG&A ratio in the first nine months of fiscal 2000 was primarily the result of greater catalog productivity, or sales per page, lower paper prices, and lower salaries and benefit costs. These were partially offset by increased bonus and profit sharing expense related to the higher profitability level.

Net income in the first nine months of fiscal 2000 was up 259 percent to $19.7 million, or $0.64 per share, compared with $5.5 million, or $0.18 per share in the first nine months of the prior year. This year's first nine months included an addition to net income (after-tax) of $1.1 million, or $0.04 per share, from the reversal of a portion of the non-recurring charge taken last year. This was due to better-than-anticipated sell-through of Willis & Geiger liquidations and favorable lease terminations related to two store closing. Last year's nine months-to-date period included an after-tax non-recurring charge of $0.9 million, or $0.03 per share.

Seasonality of business

The company's business is highly seasonal. Historically, a disproportionate amount of the company's net sales and a majority of its profits have been realized during the fourth quarter. If the company's sales were materially different from seasonal norms during the fourth quarter, the company's annual operating results could be materially affected. In addition, as the company continues to refine its marketing efforts by experimenting with the timing of its catalog mailings, quarterly results may fluctuate. Accordingly, results for the individual quarters are not necessarily indicative of the results to be expected for the entire year.

Liquidity and capital resources

To date, the bulk of the company's working capital needs have been met through funds generated from operations and from short-term bank loans. The company's principal need for working capital has been to meet peak inventory requirements associated with its seasonal sales pattern. In addition, the company's resources have been used to make asset additions and to purchase treasury stock.

At October 29, 1999, the company had unsecured domestic credit facilities totaling $145 million, of which about $25 million had been used. On November 17, 1999, the company entered into a new domestic credit facility with unsecured credit totaling $200 million. The company also maintains foreign credit lines for use in foreign operations totaling the equivalent of approximately $55 million as of October 29, 1999, of which $16 million was used.

Since fiscal 1990, the company's board of directors has authorized the company from time to time to purchase a total of 12.7 million shares of treasury stock. As of December 8, 1999, 11.6 million shares have been purchased, and there is a balance of 1.1 million shares available to the company. The company purchased 0.1 million shares of treasury stock during the nine months ended October 29, 1999.

Capital expenditures for fiscal 2000 are currently planned to be about $24 million, of which about $12.7 million had been expended through October 29, 1999. Major projects to date as of October 29, 1999, pertained mainly to new computer hardware and software and distribution center equipment. The company believes that its cash flow from operations and borrowings under its current credit facilities will provide adequate resources to meet its capital requirements, treasury stock purchases and operational needs for the foreseeable future.

Other matters

Year 2000

The "Year 2000" issue refers to the possibility that some date-sensitive computer software will not correctly interpret "00" references, possibly resulting in processing errors or system failures. We do not manufacture or sell any products that could encounter Year 2000 problems. However, the Year 2000 issue could affect computers that we use for entering orders from customers, for monitoring business information such as customer lists and inventory positions, and for other business processes, as well as microprocessors embedded in equipment used in our warehouses and other facilities. In addition, the Year 2000 issue could affect third parties on which we depend, such as our product vendors and suppliers of telephone communications, credit card processing, Internet support, product shipment, package delivery, catalog production and distribution, and other important services. Our facilities also depend on basic infrastructure items such as electricity and water utilities. Computer errors or failures in any of these areas have the potential to disrupt our business operations.

We began to address the Year 2000 issue in 1996 and established a Year 2000 project office in 1997. The project office works with our information systems department and outside consultants to identify and assess the Year 2000 readiness of our internal computer systems and microprocessors and, where appropriate, to remediate and test them. The project office is also involved with assessing the readiness of our suppliers to deal with the Year 2000 issue. The principal activities of our Year 2000 project office are as follows:

Internal Systems: Most of the software that is critical to our business runs on mainframe computers in a MVS operating environment, as well as on a few mid-range computers. Certain less important functions are performed on a mainframe computer in a VM operating environment. We have completed substantially all of the identification, assessment, remediation and unit testing efforts.

A substantial amount of the mainframe remediation and unit testing work has been performed by a consulting firm. Another firm was used to help configure and perform integration testing. End-to-end system integration testing of key applications was completed in the third quarter of 1999. However, due to the less critical nature of certain operations performed in the VM environment, further remediation in that area, as well as related unit and integration testing, is expected to continue throughout 1999 on a selectively prioritized basis, and some of these functions may not be remediated.

We completed the inventory and assessment of hardware and software associated with personal computers in 1998. We have also completed the remediation of substantially all PC components.

We have identified and assessed the microprocessors used in our warehouses and other facilities in the United States, Japan and the United Kingdom. We have not identified significant problems in this area and have substantially completed all remediation in this area.

Suppliers: Our Year 2000 project office is working closely with other departments, including merchandising, inventory and quality assurance, to track the Year 2000 readiness of our principal product vendors through written questionnaires, telephone calls and on-site visits. Among other things, we are evaluating the readiness of vendors' manufacturing processes and business operations and their ability to perform electronic data interchange with us. In addition, we are evaluating the vulnerability of vendors to possible interruption of the supply of key components of their products, such as fabric, buttons and zippers.

Our evaluation of product vendors is focused on 44 suppliers that collectively account for more than 85 percent of our unit volume of product purchases. Out of that group, we currently believe that approximately 98 percent are either Year 2000-ready or making substantial progress and should continue to be monitored, while approximately 2 percent may experience problems that will need to be addressed further in contingency planning. In addition, we have successfully verified and tested electronic data interchange with all product vendors.

We have identified 112 suppliers of services and infrastructure items that are most important to our business operations. Each of these service providers has been assigned a business leader who is responsible for ensuring the Year 2000 assessment information is current as well as establishing contingency plans as needed. We currently believe that approximately 91 percent are either compliant or making substantial progress, while 9 percent may experience Year 2000-related problems and merit increased monitoring and contingency planning. With respect to our most critical telecommunications, catalog production and delivery providers, we have had extensive contacts with them and received substantial information concerning their Year 2000 readiness, and have identified no significant problems that are likely to be encountered.

We currently have less comfort regarding foreign suppliers and infrastructure issues, especially in Asia, than we do in the domestic environment. Foreign service suppliers are very important to our business because approximately 55 percent of our products are manufactured abroad. In many cases we are currently unable to assess the extent of Year 2000 problems that may be encountered. We continue to monitor these suppliers based on our business exposure in each country.

Contingency Planning: Initial contingency plans were completed in March 1999. These plans address business critical processes and functions and third-party issues that may place our operations at risk. We expect to review and modify these contingency plans throughout 1999.

Based on the activities of our Year 2000 project office, we currently expect that our most important computer systems will be able to function adequately into the next century. While some disruptions are likely to occur with internal systems and at least a few product vendors, we believe the most probable scenario is that there will not be a systemic failure of important services or infrastructure that will materially disrupt our operations as a whole. Moreover, in view of the strong seasonality of our business, any disruptions that do occur are likely to take place in the off-peak selling period following the 1999 holiday season. However, our expectations in this regard are forward-looking in nature and are necessarily subject to the many uncertainties that relate to the Year 2000 issue, especially as it affects our suppliers and other third parties over whom we have little or no control.

If our remediation, supplier evaluation and contingency planning efforts are not successful, there could be a material adverse effect on our business, results of operations or financial condition. We currently believe that the greatest area of risk in this regard relates to foreign supply and infrastructure issues such as the ability to ship products produced in other countries. In addition, our sales volume could be adversely affected if widespread Year 2000 problems in our domestic or foreign markets were to result in a general slowdown of economic activity and consumer demand.

Cost: The total cost of our Year 2000 efforts is expected to be about $21-22 million, which is being expensed as incurred except for about $1 million of hardware replacement costs that have been or will be capitalized. About $3.4 million of the total amount was incurred through the end of fiscal 1998 and approximately an additional $8.9 million in fiscal 1999. The costs incurred during the first three quarters of fiscal year 2000 amounted to roughly $7.3 million. We currently expect a total amount of about $8.5 million of expenditures will be incurred in fiscal 2000, and about $1 million in fiscal 2001. The timing and amount of these future expenditures are forward-looking and subject to uncertainties relating to our ongoing assessment of the Year 2000 issue and appropriate remediation efforts, contingency plans and responses to any problems that may arise. Our Year 2000 expenses have been paid out of our annual budgets for information services. Accordingly, other technology development projects have been delayed to the extent that resources have been devoted to the Year 2000 project.

Outlook

As previously announced, the company indicated that page circulation is being reduced by about 20 percent in the last half of fiscal 2000 to eliminate unprofitable mailings and in part to manage the transition from print to e-commerce. In the first half of next year, we plan to continue this strategy and expect it will have a similar but smaller impact on sales. We plan to reduce page circulation in the primary monthly catalogs by 5 to 10 percent through the first half of next year. In fiscal 2001, we plan to increase capital spending to the $40-$50 million range, primarily investing in our information technology infrastructure.

Statement regarding forward-looking information

Statements in this release that are not historical are forward looking, including, without limitation, statements about goals for Internet sales, anticipated cost savings, and possible circulation reductions and their anticipated effects on sales or profits. As such, these statements are inherently subject to a number of risks and uncertainties. Future results may be materially different from those expressed or implied by these statements due to a number of factors. Currently, the company believes that the principal factors that create uncertainty about its future results are the following: general economic or business conditions, both domestic and foreign; continued growth rates for e-commerce shopping; the company's ability to attract customers to the Internet; technology developments and their availability and cost; customer response to product offerings and initiatives; cost associated with printing and mailing catalogs; dependence on consumer seasonal buying patterns; and fluctuations in foreign currency exchange rates. The company's future results could, of course, be affected by other factors as well.

Item 3: Quantitative and Qualitative Disclosure About Market Risk

The company uses derivative instruments to hedge, and therefore attempts to reduce its exposure to the effects of currency fluctuations on cash flows. The company is subject to foreign currency risk related to its transactions with operations in the United Kingdom, Japan, Germany and with foreign third party vendors. The company's risk management policy is to hedge the majority of merchandise purchases by foreign operations and from foreign third party vendors, which includes forecasted transactions, through the use of foreign exchange forward contracts and options to minimize this risk. The company's policy is not to speculate in derivative instruments for profit on the exchange rate price fluctuation, trade in currencies for which there are no underlying exposures, or enter into trades for any currency to intentionally increase the underlying exposure. Derivative instruments used as hedges must be effective at reducing the risk associated with the exposure being hedged and must be designated as a hedge at the inception of the contract. As of October 29, 1999 the company had net outstanding foreign currency forward contracts totaling about $48 million, and options totaling $6 million.

The company is subject to the risk of fluctuating interest rates in the normal course of business, primarily as a result of its short-term borrowing and investment activities at variable interest rates. As of October 29, 1999 the company had no outstanding derivative instruments related to its debt or investments.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings
There are no material legal proceedings presently pending, except for routine litigation incidental to the business, to which Lands' End, Inc., is a party or of which any of its property is the subject.

Items 2 and 3 are not applicable and have been omitted.

Item 4. Submission of Matters to a Vote of Security Holders
There were no matters submitted to a vote of security holders for the quarter ended October 29, 1999.

Item 5. is not applicable and has been omitted

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Table Number	Description	Exhibit Number
10	Statement of Corporate Policy Regarding Transactions in Securities	1
10	Amended and Restated Non-employee	

Director Stock Option Plan 2

(b) There were no reports filed on Form 8-K during the three-month period ended October 29, 1999.

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, its duly authorized officer and chief financial officer.

LANDS' END, INC.

Date: December 8, 1999

By /s/ STEPHEN A. ORUM
Stephen A. Orum
Executive Vice President,
and Chief Financial Officer

EXHIBIT 10.1
As Amended 12/03/99

LANDS' END, INC.
STATEMENT OF CORPORATE POLICY
REGARDING TRANSACTIONS
IN SECURITIES

This Statement of Corporate Policy applies to all officers, directors, employees and agents of Lands' End, Inc. (the "Company") and to the immediate Family Members (as defined below) of the officers and directors of the Company.

1. It is the policy of the Company that it and its officers, directors, employees and agents comply with all applicable provisions of federal and state securities laws and regulations.

2. No person covered by this Policy Statement shall purchase or sell any security issued by the Company (a "Company security") while such person is in possession of material information about the Company that has not been disclosed to the public, except for (a) the exercise of any stock option previously granted to such person by the Company (but not the sale of the underlying common stock) or any other transaction with the Company that either would not constitute a purchase or sale under Section 16 of the Securities Exchange Act of 1934 ("Section 16") or would constitute an exempt transaction under Section 16 and (b) any transaction with the Company that has been approved by the Board of Directors.

3. No person covered by this Policy Statement may use any material information relating to the Company (or relating to any other company if such information has been obtained in the course of such person's employment by the Company) that has not been disclosed to the public as the basis for purchasing or selling any security issued by any other entity.

4. No officer or director of the Company may purchase or sell any security issued by the Company except (a) during a Window Period (as defined below) or (b) with the prior approval of at least one of the Chairman, any Vice-Chairman or the President (as provided below), (c) pursuant to any transaction permitted by the exceptions to paragraph 2 above, or (d) pursuant to a public securities offering that has been registered by the Company under the Securities Act of 1933.

   (i) Unless otherwise determined in a specific instance by the Board of Directors, the term "Window Period" shall mean the period of thirty (30) business days which commences on (and includes) the third (3d) business day after and ends on (and includes) the thirty-second (32d) business day after any of the following dates: (A) the date of release for publication of the Company's summary statements of sales and earnings for each fiscal year, and for each of the first and second fiscal quarters, and (B) the date of release of the Company's summary sales and earnings for the first 47 weeks of its fiscal year (or comparable eleven-month period).

(ii) The Chairman, any Vice-Chairman or the President shall not approve any purchase or sale pursuant to paragraph 4(b) unless (A) failure to approve the transaction would impose a material hardship on the officer or director proposing the transaction and (B) the transaction has been reviewed without objection by the General Counsel or (if the office of General Counsel is vacant, such other counsel for the company as may be designated by any of the foregoing officers). For purposes of this policy, a material hardship may include, without limitation, (A) needs arising primarily from personal financial planning considerations of the officer or director or (B) the practical inability of the officer or director to purchase or sell the desired amount of a security during a Window Period because of the amount involved. The Chairman, any Vice-Chairman or President may also consider the intended timing and duration of any proposed transaction or series of transactions and its temporal proximity to a Window Period.

5. No officer or director of the Company (whether or not such person is subject to Section 16) shall purchase and sell, or sell and purchase (in each case, within the meaning of Section 16), any equity security of the Company within any period of less than six months, except for transactions that are exempt under Section 16.

6. No officer or director of the Company (whether or not such person is subject to Section 16) shall sell any equity security of the Company if such person either (a) does not own the security sold or (b) does not deliver the security against such sale within twenty days thereafter or does not within five days after such sale deposit the security in the mails or other usual channels of transportation.

7. No officer or director of the Company shall make any gift of a security issued by the Company, other than to an Immediate Family Member of such officer or director, while such officer or director is in possession of material information about the Company that has not been disclosed to the public. Subject to the foregoing sentence, gifts of Company securities may be made at any time and without further restriction to any charitable organization if such gift would give rise to a charitable deduction under the federal income tax code. No officer or director of the Company shall make any gift of Company securities to any person who is neither (a) an Immediate Family Member of such officer or director nor (b) a charitable organization described in the preceding sentence, unless the recipient of such gift has executed and delivered to the General Counsel an agreement in writing not to sell or otherwise dispose of such Company securities (or the common stock underlying any transferred option) for a period of at least six months after the gift is made. Notwithstanding the foregoing, no gift of an employee or director stock option granted by the Company be made except as permitted by the terms of such option, including the terms of the stock option plan of the Company pursuant to which it was granted, as in effect from time to time.

8. Each officer and director of the Company shall comply with all applicable filing requirements of paragraph (a) of

Section 16 and of Rule 144 promulgated under the Securities Act of 1933. The Director of Investor Relations (or such other officer or employee who may be designated by the Chairman, any Vice-Chairman or President from time to time) shall implement a system to assist officers and directors in the timely filing of all required reports under the foregoing provisions.

9. This policy shall apply to purchases, sales and gifts of Company securities by or for the account of an Immediate Family Member of an officer or director of the Company to the same extent as to such transactions by or for the account of such officer or director. As used in this policy, "Immediate Family Member" means (a) any member of the immediate family of an officer or director of the Company, other than adult family members who do not live with or depend financially on such officer or director and who exercise independent control over their personal investment decisions, (b) any trust or similar arrangement for the benefit of an officer or director or a person who is otherwise an Immediate Family Member, (c) any personal charitable foundation or similar arrangement established by an officer or director or a person who is otherwise an Immediate Family Member, and (d) with respect to any employee or director stock option granted by the Company, any other person to whom a gift of such option may be made pursuant to the terms of such option, including the terms of the stock option plan of the Company pursuant to which it was granted, as in effect from time to time.

10. Each officer and director of the Company shall, and any other person covered by this Policy Statement may be required to, execute and deliver an annual statement to the Director of Investor Relations (or other officer or employee described above) certifying that such person has complied with this Policy Statement at all times after the date hereof (or such lesser time as such person has been covered hereby).

11. The Director of Investor Relations (or other officer or employee described above) may adopt such reasonable procedures as he or she shall deem necessary or desirable in order to implement this Policy Statement.

EXHIBIT 10.2
As Amended 12/03/99

LANDS' END, INC.
NON-EMPLOYEE DIRECTOR STOCK OPTION PLAN

I. Identification of the Plan

1.1 Title. The Plan described herein shall be known as the "Non-Employee Director Stock Option Plan" of Lands' End, Inc. (the "Company") and is referred to herein as the "Plan." The Plan is hereby established as of the date of the annual meeting of the Company's stockholders ("Annual Meeting") held on May 14, 1997 (the "Effective Date").

1.2 Purpose. The Board of Directors of the Company believes it is in the best interest of the Company to encourage stock ownership by members of the Board of Directors of the Company who are not also employed by the Company ("Non-Employee Directors") in order to further align the interests of the Non-Employee Directors with those of the shareholders. The Plan will provide additional means for the Company to attract and retain qualified individuals as members of the Board of Directors of the Company and to promote such alignment of interests by granting Non-Employee Directors from time to time nonqualified stock options ("Options") to purchase shares of common stock of the Company ("Company Shares"). By virtue of the benefits available under the Plan, Non-Employee Directors will have an opportunity to participate in any future appreciation in the value of Company Shares, which will furnish such Non-Employee Directors with an additional incentive to work for and contribute to the growth and success of the Company.

1.3 Adoption and Restatement of the Plan. The Lands' End, Inc. Non-Employee Director Stock Option Plan was adopted by the Company's Board of Directors on February 18, 1997 and approved by the Company's shareholders on May 14, 1997. The Lands' End, Inc. Non-Employee Director Stock Option Plan was amended and restated by the Company's Board of Directors on August 24, 1999 and December 3, 1999.

1.4 Company Shares Reserved for the Plan. There is reserved for issuance upon the exercise of Options to be granted under the Plan an aggregate of 400,000 Company Shares, which may be authorized and unissued shares or treasury shares and which number is subject to adjustment for events occurring after the Effective Date as provided in Section 5.4.

II Administration of the Plan.

2.1 Committee's Membership and Powers. The Plan will be administered by a committee of the Board of Directors of the Company (the "Committee") consisting of two or more members of the Board of Directors of the Company ("Directors") as the Board of Directors of the Company (the "Board") may designate from time to time. All questions of interpretation of the Plan or of any Option shall be determined by the Committee, and such determination shall be final and binding upon all persons having an interest in the Plan or such Option. Notwithstanding any other provision herein to the contrary, the Committee shall have no authority, discretion, or power to select the Non-Employee Directors who will receive Options, to set the exercise price of the Options, to determine the number of Company Shares to be subject to an Option or the time at which an Option shall be granted, to establish the duration of an Option, or to alter any other terms or conditions specified in the Plan, except in the sense of administering the Plan subject to the provisions of the Plan.

2.2 Indemnification. Service on the Committee shall constitute service as a Director so that members of the Committee shall be entitled to indemnification and reimbursement as Directors to the full extent provided for at any time by law, the Company's Certificate of Incorporation, the Company's By-Laws and in any insurance policy or other agreement intended for the benefit of the Directors.

III. Plan Participants. An Option shall be granted only to a person who, at the time of the grant, is a Non-Employee Director. A Non-Employee Director who receives a grant of an Option is referred to herein as a "participant."

IV. Terms and Conditions of Options. Options shall be nonstatutory stock options; that is, options which are not treated as incentive stock options within the meaning of Section 422(b) of the Internal Revenue Code of 1986, as amended (the "Code"). Options shall be evidence by option agreements specifying the number of Company Shares covered thereby, in such form as the Board shall from time to time establish (the "Option Agreements"). Option Agreements may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions.

4.1 Automatic Grant of Options. Subject to execution by a Non-Employee Director of the appropriate Option Agreement, Options shall be granted automatically and without further action of the Board, as follows:

(a) Initial Option. Each person who is a Non-Employee Director immediately after the Annual Meeting on the Effective Date shall be granted, on the Effective Date, an Option to purchase twenty thousand (20,000) Company Shares (an "Initial Option"). Any Non-Employee Director who receives the Initial Option will be eligible to receive the Annual Option commencing with the Annual Meeting in 2000. The Initial Option shall vest and become exercisable as follows:

(i) Time Vesting. Subject to the terms and conditions of the Initial Option and subject to Section 4.1(a)(ii) below, the Initial Option shall vest and become exercisable as to (A) 50% of the Company Shares covered thereby on the Effective Date; (B) another 25% of the Company Shares covered thereby immediately after the Annual Meeting in 1998, provided that such person is a Director on such date; and (C) another 25% of the Company Shares covered thereby immediately after the Annual Meeting in 1999, provided that such person is a Director on such date.

(ii) Acceleration for Death or Disability. If the participant ceases to be a Non-Employee Director as a result of his or her death or "disability", the Initial Option shall immediately vest and become exercisable as to all of the Company Shares covered thereby as of the date of such termination. For this purpose a participant shall be considered "disabled" if the Committee determines in good faith that he or she is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for continuous period of not less than 12 months.

(b) Annual Option. Commencing immediately after the Annual Meeting in 1998, each Non-Employee Director shall be granted, immediately after such Annual Meeting and each Annual Meeting thereafter where such person remains a Non-Employee Director, an Option to purchase five thousand (5,000) Company Shares (an "Annual Option"); provided, however, that any Non-Employee Director who receives the Initial Option will be eligible to receive the Annual Option commencing with the Annual Meeting in 2000. Each Annual Option shall vest and become exercisable immediately upon the grant of such Annual Option.

(c) New Directors.

(i) Any person who became a Non-Employee Director for the first time after the Effective Date but before December 3, 1999 (whether to fill a vacancy or a newly-created director position) shall be granted, effective on December 3, 1999, an Option to purchase five thousand (5,000) Company Shares, which Option shall vest and become exercisable immediately upon the grant of such Interim Option.

(ii) Any person who shall become a Non-Employee Director for the first time after December 3, 1999 (whether to fill a vacancy or a newly-created director position) shall be granted, on the date he or she first becomes a Non-Employee Director, an Option to purchase ten thousand (10,000) Company Shares, which Option shall vest and become exercisable immediately upon the grant of such Interim Option.

(iii) Any person who shall become a Non-Employee Director for the first time after the Effective Date and not on the date of an Annual Meeting (whether to fill a vacancy or a newly-created director position and whether before or after December 3, 1999) shall be granted, on the date

he or she first becomes a Non-Employee Director, an Option (an "Interim Option") to purchase a number of Company Shares equal to five thousand (5,000) times a fraction, the numerator of which is the number of complete months from the date the Non-Employee Director is elected until the then anticipated date of the next Annual Meeting and the denominator of which is twelve (12). Each Interim Option shall vest and become exercisable immediately upon the grant of such Interim Option.

(d) Right to Decline Option. Notwithstanding the foregoing, any person may elect not to receive an Option by so notifying the Company, orally or in writing, no later than the day prior to the date such Option would otherwise be granted. A person so declining an Option shall receive no payment or other consideration in lieu of such declined Option. A person who has declined an Option may revoke such election by delivering written notice of such revocation to the Board no later than the day prior to the date such Option would be granted.

4.2 Terms of Options. Each Option shall expire and not be exercisable after the first to occur of (i) December 31 of the year in which the tenth anniversary of the Grant Date of such Option occurs and (ii) three years after the Non-Employee Director ceases to be a Director of the Company for any reason.

4.3 Option Price. The Option price per Company Share shall be 100 percent of the fair market value of a Company Share on the date the Option is granted (the "Grant Date"). For this purpose "fair market value" of a Company Share as of any date shall be equal to the last per share sales price reported for a Company Share for such date in The Wall Street Journal or, if no sales of Company Shares are reported for such date in The Wall Street Journal, for the next succeeding date for which sales of Company Shares are so reported in The Wall Street Journal. If sales of Company Shares are not reported for any date in The Wall Street Journal, then the "fair market value" of a Company Share as of any date shall be determined in such manner as shall be prescribed in good faith by the Committee.

4.4 Method of Exercising Options. An Option may be exercised only by a written notice to the Company accompanied by payment of the full Option price which may be made in any one or any combination of the following: cash, certified or official bank check, or delivery of Company Share certificates endorsed in blank or accompanied by executed stock powers evidencing Company Shares whose value shall be deemed to be the "fair market value" (as determined in accordance with Section 4.3 hereof) on the date of exercise of such Company Shares.

V. General Provisions

5.1 Option Agreement. No person shall have any rights under any Option granted under this Plan unless and until the Company and the person to whom such Options shall have been granted shall have executed and delivered an agreement expressly conferring the grant of the Option to such person and containing provisions setting forth the terms of the Option.

5.2 Shareholder Rights. A participant shall not have any dividend, voting or other shareholder rights by reason of a grant of an Option prior to the issuance of any Company Shares pursuant to the proper exercise of all or any portion of such Option.

5.3 Transferability of Options.

(a) Permitted Transfers. Other than by will or the laws of descent and distribution, each Option granted under this Plan shall be transferable only to a member of a participant's Family Group (the "Permitted Transferees") and only if not transferred for value. A Permitted Transferee may make subsequent transfers to any person who would also be a Permitted Transferee of the participant. If a participant or Permitted Transferee transfers an Option pursuant to this Section 5.3, he or she must give the Company prompt written notice of such transfer and the transfer shall only be effective upon the Company's receipt of such notice. An Option shall be exercisable during the participant's lifetime only by such participant, his or her guardian in the event of disability or, upon transfer, the Permitted Transferee. "Family Group" means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the participant's household (other than a tenant or employee), a trust in which these persons have more than fifty percent of the beneficial interest, a foundation in which these persons (or the participant) control the management of the assets and any other entity in which these persons (or the participant) own more than fifty percent of the voting interests. The following transactions are not prohibited transfers for value: (i) a transfer under a domestic relations order in settlement of marital property rights; and (ii) a transfer to an entity in which more than fifty percent of the voting interests are owned by family members (or the participant) in exchange for an interest in that entity.

(b) Death. In the event of the death of a participant, exercise of any Option that has not been previously transferred shall be made only by the executor or administrator of the estate of the deceased participant or the person or persons to whom the deceased participant's rights under the benefit shall pass by will or the laws of descent and distribution and only to the extent that the deceased participant was entitled thereto at the date of his or her death.

5.4 Adjustments. In the event that the Committee shall determine that any dividend or other distribution (whether in the form of cash, Company Shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, combination, split-up, spin-off, repurchase or exchange of Company Shares or other securities of the Company, issuance of warrants or other rights to purchase Company Shares or other securities of the Company, or other similar corporate transaction or event affects the Company Shares such that an adjustment is determined by the Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of (a) the number and type of Company Shares (or other securities or property) which thereafter may be made the subject of Options, (b) the number and type of Company Shares (or other securities or property) subject to outstanding Options, and (c) the grant, purchase, or exercise price with respect to any Options, or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Option.

5.5 Withholding of Taxes. The Company shall be entitled, if the Committee (or any financial officer designated by it) considers it necessary or desirable, to withhold (or secure payment from the participant in lieu of withholding) the amount of any withholding or other payment required of the Company under the tax withholding provisions of the Code, any state's income tax act or any other applicable law with respect to any Company Shares issuable under such participant's exercised Options, and the Company may defer issuance unless indemnified to its satisfaction with respect to payment of such withholding or other tax. Subject to such rules as the Committee may adopt, participants may satisfy this obligation, in whole or in part, by an election to have the number of Company Shares received upon exercise of any Option reduced by a number of Company Shares having a "fair market value" (as determined in accordance with Section 4.3 hereof) equal to the amount of the required withholding to be so satisfied or to surrender to the Company previously held Company Shares having an equivalent fair market value.

5.6 No Directorship Rights Conferred. Nothing in the Plan or in any Option granted under the Plan shall confer any right on a Non-Employee Director to continue as a Director or shall interfere in any way with any right or power to remove him or her from the Board in accordance with applicable law and the Company's Articles of Incorporation and Bylaws.

5.7 Disposition of Company Shares. Unless otherwise specifically authorized by the Committee, participants may not dispose of, sell or otherwise transfer any Company Shares acquired upon exercise of Options granted under the Plan for a period of six months following the Grant Date.

5.8 Continued Availability of Company Shares Under Unexercised Options. If an Option granted under the Plan terminates or expires without being wholly exercised or if Company Shares as to which an Option has been exercised shall for any reason not be issued, a new Option may be granted under the Plan covering the number of Company Shares to which such termination, expiration, failure to issue or reacquisition related.

5.9 Intent to Comply with Rule 16b-3. It is the intent of the Company that the Plan comply in all respects with Rule 16b-3 under the Securities Exchange Act of 1934, as amended, that any ambiguities or inconsistencies in construction of the Plan be interpreted to give effect to such intention and that if any provision of the Plan is found not to be in compliance with Rule 16b-3, such provision shall be deemed null and void to the extent required to permit the Plan to comply with Rule 16b-3.

5.10 No Strict Construction. No rule of strict construction shall be applied against the Company, the Committee or any other person in the interpretation of any of the terms of the Plan, any Option agreement or any Option granted under the Plan or any rule or procedure established by the Committee.

5.11 Choice of Law. Each Option granted under the Plan shall be considered to be a contract under the laws of the State of Delaware and, for all purposes, the Plan and each Option granted under the Plan shall be construed in accordance with and governed by the laws of the State of Delaware.

5.12 Successors. This Plan is binding on and will inure to the benefit of any successor to the Company, whether by way of merger, consolidation, purchase or otherwise.

5.13 Severability. If any provision of the Plan or an Option Agreement shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining provisions of the Plan or such agreement, and the Plan and such agreement shall each be construed and enforced as if the invalid provisions had never been set forth therein.

VI. Amendment and Termination.

6.1 Amendment. The Board of Directors may amend the Plan from time to time, in its sole discretion, but no amendment shall:

(a) without a participant's consent impair his or her rights to any Option theretofore granted; or

(b) without the authorization and approval of the Company's shareholders (i) increase the maximum number of Company Shares which may be issued in the aggregate under the Plan, except as provided in Section 5.4 (ii) extend the termination date of the Plan or of any Option granted under the Plan or (iii) enlarge the class of persons eligible to receive Options under the Plan.

6.2 Termination. The Board of Directors may terminate the Plan at any time with respect to Company Shares for which Options have not theretofore been granted. Unless earlier terminated, the Plan will terminate at the close of business on the day following the Annual Meeting in 2006. Following the termination of the Plan, no further Options may be granted under the Plan; however, all Options which prior to the Plan termination have not expired, terminated or been exercised or surrendered may be exercised thereafter in accordance with their terms and the terms hereof, and the Committee shall continue to have its full powers under the Plan.

<ARTICLE> 5
<LEGEND>
This schedule contains summary financial information extracted from the Consolidated Statements of Operations and the Consolidated Balance Sheets and is qualified in its entirety by reference to such financial statements.
</LEGEND>
<MULTIPLIER> 1,000

<PERIOD-TYPE>	9-MOS	9-MOS
<FISCAL-YEAR-END>	JAN-28-2000	JAN-29-1999
<PERIOD-END>	OCT-29-1999	OCT-30-1998
<CASH>	8,089	6,641
<SECURITIES>	0	0
<RECEIVABLES>	20,737	21,083
<ALLOWANCES>	0	0
<INVENTORY>	231,299	219,686
<CURRENT-ASSETS>	317,100	294,303
<PP&E>	272,447	262,156
<DEPRECIATION>	115,647	101,570
<TOTAL-ASSETS>	474,881	455,919
<CURRENT-LIABILITIES>	200,875	205,283
<BONDS>	0	0
<PREFERRED-MANDATORY>	0	0
<PREFERRED>	0	0
<COMMON>	402	402
<OTHER-SE>	265,471	242,101
<TOTAL-LIABILITY-AND-EQUITY>	474,881	455,919
<SALES>	870,195	830,203
<TOTAL-REVENUES>	870,195	830,203
<CGS>	485,732	444,723
<TOTAL-COSTS>	485,732	444,723
<OTHER-EXPENSES>	834	3,818
<LOSS-PROVISION>	0	0
<INTEREST-EXPENSE>	1,525	6,268
<INCOME-PRETAX>	31,290	8,720
<INCOME-TAX>	11,577	3,226
<INCOME-CONTINUING>	19,713	5,494
<DISCONTINUED>	0	0
<EXTRAORDINARY>	0	0
<CHANGES>	0	0
<NET-INCOME>	19,713	5,494
<EPS-BASIC>	$0.66	$0.18
<EPS-DILUTED>	$0.64	$0.18