

February 6, 2007



VF Announces Record Fourth Quarter and Year and Declares Dividend

- 4Q EPS from continuing operations up 12% to \$1.24, including \$.03 net benefit from unusual items**
- 4Q revenues rise 9%, driven by 32% increase in Outdoor revenues and continued growth in Jeanswear and Sportswear**
- Continues to expect 8% organic revenue growth in 2007 and 10% EPS increase**
- Record 1Q EPS from continuing operations expected, driven by 10% revenue growth**

Information Regarding VF's Fourth Quarter Conference Call Webcast Today at 5 P.M. Can Be Found at the End of This Release

GREENSBORO, N.C.--

VF Corporation (NYSE: VFC), a global leader in branded lifestyle apparel, today announced record results for the fourth quarter and full year 2006. All per share amounts are presented on a diluted basis. On January 23, we announced that we had signed a definitive agreement to sell our global intimate apparel business, which is now accounted for as a discontinued operation. Results for prior periods have been restated to reflect the intended sale, and the amounts expressed herein, unless otherwise noted, reflect continuing operations.

Revenues rose 9% to a record \$1,598.8 million, compared with \$1,462.4 million in the fourth quarter of 2005, driven by higher revenues across our Outdoor, Jeanswear and Sportswear businesses. Income from continuing operations in the current quarter increased 12% to a record \$141.4 million, compared with \$125.7 million in the prior year's quarter. Income in the quarter reflects two unusual items: a \$16.9 million (\$.15 per share) benefit from a favorable tax resolution, substantially offset by \$14.7 million (\$.12 per share) in expenses related to actions to reduce product costs and enhance our product development processes primarily in our international Jeanswear business. Earnings per share from continuing operations also rose 12%, to a record \$1.24 from \$1.11 last year. Earnings per share were approximately \$.03 higher than the guidance we provided on January 23, due to the net benefit of the above unusual items, which, due to their nature, were not included in our prior guidance. Reflecting discontinued operations and the \$36.8 million (\$.32 per share) estimated loss on the sale of the intimates business, net income was \$108.6 million, or \$.95 per share.

For the full year 2006, revenues increased 10% to \$6,215.8 million from \$5,654.2 million in 2005, with strong growth across all our businesses. Income from continuing operations rose 11%, to \$535.1 million from \$482.6 million, while earnings per share from continuing operations increased 12% to \$4.73 from \$4.23. Reflecting the net effect of discontinued operations, net income was \$533.5 million, equal to \$4.72 per share.

"This marks another record year of healthy organic growth across all our businesses," said Mackey J. McDonald, Chairman and Chief Executive Officer. "The investments we've made in our brands and businesses continue to pay off in the form of strong top-line growth, providing us with confidence in our ability to sustain momentum and deliver attractive returns to our shareholders throughout 2007."

Fourth Quarter Business Review

Outdoor

Our Outdoor coalition had another outstanding quarter, with total revenues up 32% to \$453 million and strong gains across nearly every brand. Domestic revenues grew 34% in the quarter while international revenues rose 28%. The North Face(R), Vans(R), Kipling(R) and JanSport(R) brands each posted double-digit revenue gains in the quarter. Recently, we announced the acquisition of the Eagle Creek(R) brand of adventure travel gear, which is expected to add approximately \$30 million to revenues in 2007.

Operating income increased 36% in the quarter, and operating margins rose while we continued investing to support the future growth we expect from our Outdoor brands.

Jeanswear

Our Jeanswear coalition, which includes our Wrangler(R), Lee(R) and Riders(R) brands, posted a 2% gain in revenues during the quarter. International revenues grew 7% in the quarter, with particularly strong growth in our Wrangler(R) brand. Domestic revenues were about flat; however, we were especially pleased with the continued momentum in our domestic Lee(R) brand business, which enjoyed a 16% revenue increase in the quarter.

Jeanswear operating income declined in the quarter, reflecting a more difficult mass channel retail environment in North America, as mentioned in our January release. In addition, operating results include the unusual charge related to the aforementioned \$14 million from actions to reduce product costs and enhance our product development processes primarily in our international Jeanswear business.

Sportswear

Total revenues of our Sportswear coalition, which includes our Nautica(R) and John Varvatos(R) brands as well as the Kipling(R) brand in North America, increased 8% in the quarter. Each brand achieved higher revenues in the quarter. Our Nautica(R) branded business enjoyed a revenue gain of 4%. Double-digit revenue gains were achieved in our Kipling(R) and John Varvatos(R) brands, as we continue to expand these businesses in the U.S.

Operating income rose 7% in the quarter, with margins down slightly reflecting ongoing investments to support our new Nautica(R) women's sportswear initiative.

Imagewear

Total revenues of our Imagewear coalition declined 2% in the quarter. Our licensed apparel business grew 11% in the quarter, with this gain offset by our exit of an underperforming line of commodity fleece business in our Image apparel segment and more difficult comparisons in our industrial segment.

Imagewear operating income rose strongly in the quarter, due mostly to a favorable product mix and more tightly controlled inventories, with operating margins reaching 18%.

We opened 24 retail stores in the quarter and a total of 62 stores during the year across a variety of brands including Vans(R), The North Face(R), Kipling(R) and Napapijri (R), bringing our total number of owned retail stores to 538 at year-end. Total retail revenues grew 19% in the quarter and 17% for the year.

Our overall gross margins continue to benefit from the continuing transformation in our business mix and the strong growth in our lifestyle businesses, where gross margins are generally higher. Fourth quarter gross margins rose to 43.2% from 42.4% in the prior year's quarter. Operating margins declined in the period, reflecting the expenses taken to support our Jeanswear business described above.

We ended the year with a very strong balance sheet. Inventories increased at a lower rate than sales, with a 6% increase versus 2005. Debt as a percent of total capital was slightly below 20% at the end of the year, compared with 23% at the end of 2005. Accounts receivable remain above prior year levels, due primarily to strong sales in the quarter in our international businesses, where payment terms are longer than those of our U.S. businesses, as well as the impact of a weaker dollar in translating foreign currencies at the balance sheet date. As a result, cash flow from operations was below prior year levels. As our accounts receivable stabilize during 2007, we expect a very strong year of cash flow from operations of approximately \$625 million.

Outlook

We have built a powerful portfolio of higher margin, higher growth lifestyle brands that provides us with a strong, stable platform for future growth. As previously announced on January 23, we are looking forward to another record year in 2007. Revenues are expected to rise 8%, with healthy organic growth in all our coalitions. Outdoor revenues should increase 15-20%, with mid-single digit revenue growth in Sportswear. The improved growth trend in our Jeanswear business should continue this year, with revenues expected to grow at a slightly higher rate than the 3% achieved in 2006. We also expect another year of growth for our Imagewear business, where we are planning for a low single-digit revenue increase.

Earnings per share from continuing operations should increase 10%, with nearly all the increase driven by top line growth and margin expansion. As previously indicated, we plan to use the \$350 million in proceeds from the sale of our intimate apparel business to repurchase shares during 2007. This investment in our own shares will substantially replace the Intimates' contribution to earnings per share by 2008, when the benefit from the share buyback is fully realized. While the repurchase will provide a significant benefit in 2007, the overall average annual shares in 2007 will remain relatively constant compared with 2006

average shares. This is due to the higher number of shares outstanding at the end of 2006 versus the 2006 average, as well as the impact of ongoing stock option exercises that typically occur throughout the year.

We also are looking forward to record performance in the first quarter. Revenues should be up 10% while earnings per share from continuing operations should increase 4 to 6%, reflecting a slightly higher tax rate and higher average shares outstanding. Earnings growth should accelerate as we progress through the year, with second half results expected to be particularly strong.

"Providing above average returns to our shareholders through the efficient use of our strong cash flow continues to be a focal point for VF. The combination of 10% earnings growth and our current dividend yield should generate a very healthy return for our shareholders in 2007," McDonald concluded.

Dividend Declared

The Board of Directors declared a cash dividend of \$.55 per share, payable on March 19, 2007 to shareholders of record as of the close of business on March 9, 2007.

Cautionary Statement on Forward-looking Statements

Certain statements included in this release are "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements are made based on our expectations and beliefs concerning future events impacting VF and therefore involve a number of risks and uncertainties. We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements.

Potential risks and uncertainties that could cause the actual results of operations or financial condition of VF to differ materially from those expressed or implied by forward-looking statements in this release include the successful completion of the sale of the intimate apparel business and use of the proceeds to repurchase shares during 2007; VF's reliance on a small number of large customers; the financial strength of VF's customers; changing fashion trends and consumer demand; increasing pressure on margins; VF's ability to implement its growth strategy; VF's ability to maintain information technology systems; stability of VF's manufacturing facilities and foreign suppliers; continued use by VF's suppliers of ethical business practices; VF's ability to accurately forecast demand for products; continuity of members of VF's management; VF's ability to protect trademarks and other intellectual property rights; maintenance by VF's licensees and distributors of the value of VF's brands; the overall level of consumer spending; general economic conditions and other factors affecting consumer confidence; fluctuations in the price, availability and quality of raw materials; foreign currency fluctuations; and legal, regulatory, political and economic risks in international markets. More information on potential factors that could affect VF's financial results is included from time to time in VF's public reports filed with the Securities and Exchange Commission, including VF's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

About the Company

VF Corporation is a leader in branded lifestyle apparel including jeanswear, outdoor products, image apparel and sportswear. Its principal brands include Wrangler(R), Lee(R), Riders(R), Rustler(R), The North Face(R), Vans(R), Reef(R), Napapijri(R), Kipling(R), Nautica(R), John Varvatos(R), JanSport(R), Eastpak(R), Eagle Creek(R), Lee Sport(R) and Red Kap(R).

VF Corporation's press releases, annual report and other information can be accessed through the Company's home page, www.vfc.com.

Webcast Information

VF will hold its fourth quarter conference call and webcast today at 5:00 p.m. ET. Interested parties should call 1-800-819-9193 domestic, or 1-913-981-4911 international, to access the call. You may also access this call via the Internet at www.vfc.com. A replay will be available through February 20, 2007 and can be accessed by dialing 1-888-203-1112 domestic, and 1-719-457-0820 international. The pass code is 7643188. A replay also can be accessed at the Company's web site at www.vfc.com.

VF CORPORATION
Consolidated Statements of Income
Reclassified to Present Continuing Operations
(In thousands, except per share amounts)

	Three Months Ended December		Year Ended December	
	2006	2005	2006	2005
Net Sales	\$1,576,841	\$1,443,110	\$6,138,087	\$5,582,075
Royalty Income	21,920	19,329	77,707	72,080
Total Revenues	1,598,761	1,462,439	6,215,794	5,654,155
Costs and Operating Expenses				
Cost of goods sold	907,449	841,907	3,515,624	3,209,312
Marketing, administrative and general expenses	486,094	423,303	1,874,026	1,676,892
	1,393,543	1,265,210	5,389,650	4,886,204
Operating Income	205,218	197,229	826,144	767,951
Other Income (Expense)				
Interest income	1,845	1,758	5,994	8,217
Interest expense	(14,889)	(14,108)	(57,259)	(70,596)
Miscellaneous, net	(881)	4,003	2,359	6,121
	(13,925)	(8,347)	(48,906)	(56,258)
Income from Continuing Operations before Income Taxes	191,293	188,882	777,238	711,693

Income Taxes	49,900	63,173	242,187	229,064
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Income from Continuing Operations	141,393	125,709	535,051	482,629
Income from Discontinued Operations, Net of Income Tax	4,044	1,761	35,310	35,906
Loss on Disposal of Business, Net of Income Tax Benefit	(36,845)	-	(36,845)	-
Cumulative Effect of a Change in Accounting Policy	-	-	-	(11,833)
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Net Income	\$ 108,592	\$ 127,470	\$ 533,516	\$ 506,702
	=====	=====	=====	=====
Earnings Per Common Share - Basic				
Income from continuing operations	\$ 1.27	\$ 1.14	\$ 4.83	\$ 4.33
Discontinued operations	0.04	0.02	0.32	0.32
Loss on disposal of business	(0.33)	-	(0.33)	-
Cumulative effect of a change in accounting policy	-	-	-	(0.11)
Net income	0.97	1.15	4.82	4.54
Earnings Per Common Share - Diluted				
Income from continuing operations	\$ 1.24	\$ 1.11	\$ 4.73	\$ 4.23
Discontinued operations	0.04	0.02	0.31	0.31
Loss on disposal of business	(0.32)	-	(0.33)	-
Cumulative effect of a change in accounting policy	-	-	-	(0.10)
Net income	0.95	1.13	4.72	4.44
Weighted Average Shares Outstanding				
Basic	111,702	110,407	110,560	111,192
Diluted	114,215	113,122	113,040	114,192
Cash Dividends Per Common Share	\$ 0.55	\$ 0.29	\$ 1.94	\$ 1.10

Basis of presentation: VF operates and reports using a 52/53 week fiscal year ending on the Saturday closest to December 31 of each year. For presentation purposes herein, all references to periods ended December 2006 and December 2005 relate to the fiscal periods ended as of December 30, 2006 and December 31, 2005, respectively.

Change in accounting policy: VF elected to early adopt FASB Statement No. 123 (Revised), Share-Based Payment, effective as of the beginning of 2005 using the modified retrospective method. Under this method of adoption, VF recorded a noncash charge of \$11.8 million (net of income taxes of \$7.9 million) or \$.10 per diluted share as the Cumulative Effect of a Change in Accounting Policy for periods prior to January 2005.

VF CORPORATION
Consolidated Balance Sheets
Reclassified to Present Continuing Operations
(In thousands)

	December	
	2006	2005
ASSETS		
Current Assets		
Cash and equivalents	\$ 343,224	\$ 296,557
Accounts receivable, net	809,594	676,265
Inventories	958,262	900,452
Deferred income taxes	84,519	98,586
Other current assets	120,485	112,912
Current assets of discontinued operations	261,926	280,604
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Total current assets	2,578,010	2,365,376
Property, Plant and Equipment	1,455,154	1,353,862
Less accumulated depreciation	862,096	843,184
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	593,058	510,678
Intangible Assets	755,693	744,313
Goodwill	1,030,925	979,511
Other Assets	348,862	368,760
Noncurrent Assets of Discontinued Operations	159,145	202,433
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	\$5,465,693	\$5,171,071
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LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Short-term borrowings	\$ 88,467	\$ 138,956
Current portion of long-term debt	68,876	33,956
Accounts payable	385,700	392,709
Accrued liabilities	392,815	490,434
Current liabilities of discontinued operations	78,990	96,088
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Total current liabilities	1,014,848	1,152,143
Long-term Debt	635,359	647,728
Other Liabilities	536,728	528,138
Noncurrent Liabilities of Discontinued Operations	13,586	11,523
Commitments and Contingencies		
Redeemable Preferred Stock	-	23,326

Common Stockholders' Equity		
Common Stock	112,185	110,108
Additional paid-in capital	1,469,764	1,277,486
Accumulated other comprehensive income (loss)	(123,652)	(164,802)
Retained earnings	1,806,875	1,585,421
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Total common stockholders' equity	3,265,172	2,808,213
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	\$5,465,693	\$5,171,071
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VF CORPORATION
Consolidated Statements of Cash Flows
Reclassified to Present Continuing Operations
(In thousands)

	Year Ended December	
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	2006	2005
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Operating Activities		
Net income	\$ 533,516	\$ 506,702
Adjustments to reconcile net income to cash provided by operating activities of continuing operations:		
(Income) loss from discontinued operations	1,535	(35,906)
Cumulative effect of a change in accounting policy	-	11,833
Depreciation	90,374	88,047
Amortization of intangible assets	18,003	16,684
Other amortization	18,128	16,703
Stock-based compensation	46,024	40,021
Provision for doubtful accounts	6,693	7,831
Pension funding in excess of expense	(31,277)	(14,857)
Deferred income taxes	(24,463)	(12,133)
Other, net	4,749	3,327
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(113,363)	(11,106)
Inventories	(33,193)	(80,428)
Other current assets	6,322	(44,608)
Accounts payable	(19,043)	80,166
Accrued compensation	(23,592)	(7,168)
Other accrued liabilities	(17,445)	(31,454)
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Cash provided by operating activities of continuing operations	462,968	533,654
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Income (loss) from discontinued operations	(1,535)	35,906
Adjustments to reconcile income (loss) from discontinued operations to cash provided by discontinued operations:		
Loss on disposal of discontinued operations	36,845	-
Other, net	(7,525)	(8,214)
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Cash provided by operating activities of discontinued operations	27,785	27,692

Cash provided by operating activities	490,753	561,346
Investing Activities		
Capital expenditures	(127,195)	(102,976)
Business acquisitions, net of cash acquired	(69,759)	(211,838)
Software purchases	(8,939)	(17,494)
Sale of property, plant and equipment	3,327	11,974
Sale of VF Playwear business	4,667	6,667
Other, net	(323)	798
Cash used by investing activities of continuing operations	(198,222)	(312,869)
Discontinued operations, net	1,017	(1,674)
Cash used by investing activities	(197,205)	(314,543)
Financing Activities		
Increase (decrease) in short-term borrowings	(60,533)	95,673
Proceeds from long-term debt	-	117,792
Payments on long-term debt	(3,062)	(401,253)
Purchase of Common Stock	(118,582)	(229,003)
Cash dividends paid	(216,529)	(124,116)
Proceeds from issuance of Common Stock	119,675	99,974
Tax benefits of stock option exercises	24,064	17,741
Other, net	-	(301)
Cash used by financing activities	(254,967)	(423,493)
Effect of Foreign Currency Rate Changes on Cash	8,086	(12,260)
Net Change in Cash and Equivalents	46,667	(188,950)
Cash and Equivalents - Beginning of Year	296,557	485,507
Cash and Equivalents - End of Year	\$ 343,224	\$ 296,557

VF CORPORATION
Supplemental Financial Information
Business Segment Information
Reclassified to Present Continuing Operations
(In thousands)

	Three Months Ended December		Year Ended December	
	2006	2005	2006	2005
Coalition revenues				
Jeanswear	\$ 700,036	\$ 686,844	\$2,780,197	\$2,697,066
Outdoor	452,577	343,886	1,868,256	1,454,872
Imagewear	229,961	234,617	828,165	805,775

Sportswear	197,226	182,911	685,452	650,813
Other	18,961	14,181	53,724	45,629
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Total coalition revenues	\$1,598,761	\$1,462,439	\$6,215,794	\$5,654,155
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Coalition profit				
Jeanswear	\$ 100,103	\$ 122,062	\$ 429,742	\$ 452,461
Outdoor	66,381	48,753	298,934	233,433
Imagewear	41,382	35,752	134,274	126,287
Sportswear	28,083	26,360	91,340	100,139
Other	2,503	1,383	1,981	(1,063)
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Total coalition profit	238,452	234,310	956,271	911,257
Corporate and Other Expenses	(34,115)	(33,078)	(127,768)	(137,185)
Interest, net	(13,044)	(12,350)	(51,265)	(62,379)
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Income from Continuing Operations Before Income Taxes	\$ 191,293	\$ 188,882	\$ 777,238	\$ 711,693
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Source: VF Corporation