

RALPH LAUREN CORP
Form 10-K
May 15, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K
(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended March 28, 2015

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

Commission File Number: 001-13057

RALPH LAUREN CORPORATION
(Exact name of registrant as specified in its charter)
Delaware

13-2622036

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

650 Madison Avenue, New York, New York
(Address of principal executive offices)
(212) 318-7000

10022

(Zip Code)

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Class A Common Stock, \$.01 par value

Name of Each Exchange on Which Registered
New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

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

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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

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Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the registrant's voting common stock held by non-affiliates of the registrant was approximately \$10,107,662,712 as of September 26, 2014, the last business day of the registrant's most recently completed second fiscal quarter based on the closing price of the common stock on the New York Stock Exchange.

At May 8, 2015, 60,392,090 shares of the registrant's Class A common stock, \$.01 par value and 25,881,276 shares of the registrant's Class B common stock, \$.01 par value were outstanding.

Part III incorporates information from certain portions of the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission within 120 days after the fiscal year ended March 28, 2015.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Various statements in this Form 10-K or incorporated by reference into this Form 10-K, in future filings by us with the Securities and Exchange Commission (the "SEC"), in our press releases, and in oral statements made from time to time by us or on our behalf constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on current expectations and are indicated by words or phrases such as "anticipate," "estimate," "expect," "project," "we believe," "is or remains optimistic," "currently envisions," and similar words or phrases and involve known and unknown risks, uncertainties, and other factors which may cause actual results, performance, or achievements to be materially different from the future results, performance, or achievements expressed in or implied by such forward-looking statements. These risks, uncertainties, and other factors include, among others:

- the loss of key personnel, including Mr. Ralph Lauren;
- our ability to achieve anticipated operating enhancements and/or cost reductions from our restructuring plans, including our planned transition to a global brand-based operating structure;
- our ability to successfully implement our anticipated growth strategies and to capitalize on our repositioning initiatives in certain regions and merchandise categories;
- our exposure to currency exchange rate fluctuations from both a transactional and translational perspective, and risks associated with increases in the costs of raw materials, transportation, and labor;
- our ability to secure our facilities and systems and those of our third-party service providers from, among other things, cybersecurity breaches, acts of vandalism, computer viruses, or similar Internet or email events;
- our ability to continue to maintain our brand image and reputation and protect our trademarks;
- the impact of global economic conditions on us, our customers, our suppliers, and our vendors and on our ability and their ability to access sources of liquidity;
- the impact of the volatile state of the global economy or consumer preferences on purchases of premium lifestyle products that we offer for sale and our ability to forecast consumer demand, which could result in a build-up of inventory;
- changes in the competitive marketplace, including the introduction of new products or pricing changes by our competitors, and consolidations, liquidations, restructurings, and other ownership changes in the retail industry;
- a variety of legal, regulatory, tax, political, and economic risks, including risks related to the importation and exportation of products, tariffs, and other trade barriers which our international operations are subject to and other risks associated with our international operations, such as compliance with the Foreign Corrupt Practices Act or violations of other anti-bribery and corruption laws prohibiting improper payments, and the burdens of complying with a variety of foreign laws and regulations, including tax laws, trade and labor restrictions, and related laws that may reduce the flexibility of our business;
- the impact to our business of events of unrest and instability that are currently taking place in certain parts of the world, as well as from any terrorist action, retaliation, and the threat of further action or retaliation;
- our ability to continue to expand or grow our business internationally and the impact of related changes in our customer, channel, and geographic sales mix as a result;
- changes to our effective tax rates;
- changes in our relationships with department store customers and licensing partners;
 - our efforts to improve the efficiency of our distribution system and to continue to enhance and upgrade our global information technology systems and our global e-commerce platform;
- our intention to introduce new products or enter into or renew alliances and exclusive relationships;
- our ability to access sources of liquidity to provide for our cash needs, including our debt obligations, payment of dividends, capital expenditures, and potential repurchase of our Class A common stock;

- our ability to open new retail stores, concession shops, and e-commerce sites in an effort to expand our direct-to-consumer presence;
- our ability to make certain strategic acquisitions and successfully integrate the acquired businesses into our existing operations;
- the impact to our business resulting from potential costs and obligations related to the early termination of our long-term, non-cancellable leases;
- the potential impact to the trading prices of our securities if our Class A common stock share repurchase activity and/or cash dividend rate differs from investors' expectations;
- our ability to maintain our credit profile and ratings within the financial community; and
- the potential impact on our operations and on our customers resulting from natural or man-made disasters.

These forward-looking statements are based largely on our expectations and judgments and are subject to a number of risks and uncertainties, many of which are unforeseeable and beyond our control. A detailed discussion of significant risk factors that have the potential to cause our actual results to differ materially from our expectations is described in Part I of this Form 10-K under the heading of "Risk Factors." We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

WEBSITE ACCESS TO COMPANY REPORTS AND OTHER INFORMATION

Our investor website is <http://investor.ralphlauren.com>. We were incorporated in June 1997 under the laws of the State of Delaware. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed with or furnished to the SEC pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 are available at our investor website under the caption "SEC Filings" promptly after we electronically file such materials with or furnish such materials to the SEC. Information relating to corporate governance at Ralph Lauren Corporation, including our Corporate Governance Policies, our Code of Business Conduct and Ethics for all directors, officers, and employees, our Code of Ethics for Principal Executive Officers and Senior Financial Officers, and information concerning our directors, Committees of the Board, including Committee charters, and transactions involving Ralph Lauren Corporation securities by directors and executive officers are available at our website under the captions "Corporate Governance" and "SEC Filings." Paper copies of these filings and corporate governance documents are available to stockholders without charge by written request to Investor Relations, Ralph Lauren Corporation, 625 Madison Avenue, New York, New York 10022.

In this Form 10-K, references to "Ralph Lauren," "ourselves," "we," "our," "us," and the "Company" refer to Ralph Lauren Corporation and its subsidiaries, unless the context indicates otherwise. Due to the collaborative and ongoing nature of our relationships with our licensees, such licensees are sometimes referred to in this Form 10-K as "licensing alliances." Our fiscal year ends on the Saturday closest to March 31. All references to "Fiscal 2016" represent the 53-week fiscal year ending April 2, 2016. All references to "Fiscal 2015" represent the 52-week fiscal year ended March 28, 2015. All references to "Fiscal 2014" represent the 52-week fiscal year ended March 29, 2014. All references to "Fiscal 2013" represent the 52-week fiscal year ended March 30, 2013.

PART I

Item 1. Business.

General

Founded in 1967 by Mr. Ralph Lauren, we are a global leader in the design, marketing, and distribution of premium lifestyle products, including apparel, accessories, home furnishings, and other licensed product categories. Our long-standing reputation and distinctive image have been consistently developed across an expanding number of products, brands, sales channels, and international markets. We believe that our global reach, breadth of product offerings, and multi-channel distribution are unique among luxury and apparel companies.

We operate in three distinct but integrated segments: Wholesale, Retail, and Licensing. Our Wholesale business, representing approximately 46% of our Fiscal 2015 net revenues, consists of sales made principally to major department stores and specialty stores around the world. Our Retail business, representing approximately 52% of our Fiscal 2015 net revenues, consists of sales made directly to consumers through our integrated retail channel, which includes our retail stores, concession-based shop-within-shops, and e-commerce operations around the world. Our Licensing business, representing approximately 2% of our Fiscal 2015 net revenues, consists of royalty-based arrangements under which we license to unrelated third parties for specified periods the right to operate retail stores and/or to use our various trademarks in connection with the manufacture and sale of designated products, such as certain apparel, eyewear, and fragrances. Approximately 37% of our Fiscal 2015 net revenues were earned outside of the U.S. See Note 22 to the accompanying audited consolidated financial statements for a summary of net revenues, operating income, and total assets by reportable segment, as well as net revenues and long-lived assets by geographic location.

Over the past five fiscal years, our sales have grown by approximately 35% to \$7.620 billion in Fiscal 2015 from \$5.660 billion in the fiscal year ended April 2, 2011. This growth has been attributable to both our acquisitions and organic growth. We have diversified our business by channels of distribution, price point, and target consumer, as well as by geography. Our global reach is extensive, with merchandise available through our wholesale distribution channels at approximately 13,000 different retail locations worldwide. We also sell directly to customers throughout the world via our 466 retail stores, our 536 concession-based shop-within-shops, and our 10 e-commerce sites. In addition to our directly-operated stores and shops, our international licensing partners operate 72 Ralph Lauren stores, 23 Ralph Lauren concession shops, and 119 Club Monaco stores and shops.

We continue to invest in our business. Over the past five fiscal years, we have invested approximately \$1.741 billion for acquisitions and capital improvements, primarily funded through strong operating cash flow. We intend to continue to execute our long-term strategy, which includes expanding our presence internationally, extending our direct-to-consumer reach, expanding our accessories and other product and brand offerings, and investing in our operational infrastructure. See "Objectives and Opportunities" for further discussion of our long-term strategy. We also continue to return value to our shareholders through our common stock share repurchases and payment of quarterly cash dividends. Over the past five fiscal years, the cost of shares of Class A common stock repurchased pursuant to our common stock repurchase program was approximately \$2.471 billion and dividends paid amounted to approximately \$548 million.

We have been controlled by the Lauren family since the founding of our Company. As of March 28, 2015, Mr. Ralph Lauren, or entities controlled by the Lauren family, held approximately 81% of the voting power of the Company's outstanding common stock.

Seasonality of Business

Our business is typically affected by seasonal trends, with higher levels of wholesale sales in our second and fourth fiscal quarters and higher retail sales in our second and third fiscal quarters. These trends result primarily from the timing of seasonal wholesale shipments and key vacation travel, back-to-school, and holiday shopping periods impacting our Retail segment. As a result of growth and other changes in our business, along with changes in consumer spending patterns and the macroeconomic environment, historical quarterly operating trends and working capital requirements may not be indicative of our future performance. In addition, fluctuations in sales, operating income, and cash flows in any fiscal quarter may be affected by other events affecting retail sales, such as changes in weather patterns.

Working capital requirements vary throughout the year. Working capital requirements typically increase during the first half of the fiscal year as inventory builds to support peak shipping/selling periods and, accordingly, typically decrease during the second half of the fiscal year as inventory is shipped/sold. Cash provided by operating activities is typically higher in the second half of the fiscal year due to reduced working capital requirements during that period.

Objectives and Opportunities

Our core strengths include a portfolio of global premium lifestyle brands, a proven ability to develop and extend the distribution of our brands through multiple channels in global markets, a disciplined investment philosophy supported by a strong balance sheet, and an experienced management team. Despite the various risks and uncertainties

associated with the current global economic environment, as discussed further in Item 7 – "Management's Discussion and Analysis of Financial Condition and Results of Operations — Current Trends and Outlook," we believe our core strengths will allow us the opportunity to execute our strategy for long-term sustainable growth in revenue, net income, and operating cash flow.

As our business has grown, our portfolio mix and brand control have evolved from primarily that of a mono-brand U.S.-centric menswear wholesaler with a broad array of product and geographic licenses to that of a portfolio of lifestyle brands with a "direct control" model over most of our brands, products, and international territories. We believe that this broader and better-diversified portfolio mix positions us for ongoing growth, allowing us to offer our customers a range of products, price points, and channels of distribution. We operate our retail business using an omni-channel retailing strategy to deliver a seamless and integrated shopping experience to our customers. We believe that our size and the global scope of our operations favorably position us to take advantage of synergies in design, sourcing, and distribution across our different businesses.

While balancing our key long-term strategic objectives with our near-term priorities, we intend to continue to pursue select opportunities for growth during the course of Fiscal 2016 and beyond. These opportunities and continued investment initiatives include:

- International Growth;
- Direct-to-Consumer Growth;
- Product Innovation and Brand Extension Growth;
- Investment in Operational Infrastructure;
- Global Talent Development and Management; and
- Strong Financial Management and Cash Flow Reinvestment.

Recent Developments

Global Reorganization Plan

On May 12, 2015, our Board of Directors approved a reorganization and restructuring plan comprised of the following major actions: (i) the reorganization of the Company from its current channel and regional structure to an integrated global brand-based operating structure, which will streamline our business processes to better align our cost structure with our long-term growth strategy; (ii) a strategic store and shop-within-shop performance review conducted by region and brand; (iii) a targeted corporate functional area review; and (iv) the consolidation of certain of our luxury lines (collectively, the "Global Reorganization Plan"). The Global Reorganization Plan will result in a reduction in workforce and, once a performance review is complete, the closure of certain stores and shop-within-shops. When substantially implemented by the end of Fiscal 2016, the Global Reorganization Plan is expected to result in improved operational efficiencies by reducing annual operating expenses by approximately \$100 million.

In connection with the Global Reorganization Plan, we expect to incur total estimated charges of \$70 million to \$100 million, comprised of restructuring charges totaling \$55 million to \$80 million, to be settled in cash, and non-cash charges totaling \$15 million to \$20 million. We anticipate that these restructuring and non-cash charges will be incurred over the course of Fiscal 2016, primarily during the first half of the year.

Australia and New Zealand Licensed Operations Acquisition

In July 2013, in connection with the transition of the Ralph Lauren-branded apparel and accessories business in Australia and New Zealand (the "Australia and New Zealand Business") from a licensed to a wholly-owned operation, we acquired certain net assets from Oroton Group/PRL Australia ("Oroton") in exchange for an aggregate payment of approximately \$15 million (the "Australia and New Zealand Licensed Operations Acquisition"). Oroton was our licensee for the Australia and New Zealand Business. The operating results of the Australia and New Zealand Business have been consolidated in our operating results beginning on July 1, 2013.

Chaps Menswear License Acquisition

In April 2013, in connection with the transition of the North American Chaps-branded men's sportswear business (the "Chaps Menswear Business") from a licensed to a wholly-owned operation, we entered into an agreement with The Warnaco Group, Inc. ("Warnaco"), a subsidiary of PVH Corp., to acquire certain net assets in exchange for an aggregate payment of approximately \$18 million (the "Chaps Menswear License Acquisition"). Warnaco was our licensee for the Chaps Menswear Business. The operating results of the Chaps Menswear Business have been consolidated in our operating results beginning on April 10, 2013.

Our Brands and Products

Since 1967, our distinctive brand image has been consistently developed across an expanding number of products, price tiers, and markets. Our products, which include apparel, accessories, and fragrance collections for men and women, as well as childrenswear and home furnishings, comprise one of the world's most widely recognized families of consumer brands. Reflecting a distinctive American perspective, we have been an innovator in aspirational lifestyle branding and believe that, under the direction of internationally renowned designer Mr. Ralph Lauren, we have had a considerable influence on the way people dress and the way that fashion is advertised throughout the world.

We combine consumer insight with our design, marketing, and imaging skills to offer, along with our licensing alliances, broad lifestyle product collections with a unified vision:

Apparel — Products include extensive collections of men's, women's, and children's clothing, which are sold under various brand names, including Ralph Lauren Women's Collection, Purple Label, Black Label, Polo Ralph Lauren, Polo Sport, Double RL, RLX Ralph Lauren, Lauren Ralph Lauren, Ralph by Ralph Lauren, Polo and RLX Golf, Ralph Lauren Childrenswear, Denim & Supply Ralph Lauren, Chaps, Club Monaco, and American Living, among others;

Accessories — Products encompass a broad range for both men and women, including footwear, eyewear, watches, fine jewelry, hats, belts, and leathersgoods, including handbags and luggage, which are sold under various brand names, including Lauren Ralph Lauren, Double RL, and Club Monaco, among others;

Home — Coordinated home products include bedding and bath products, furniture, fabric and wallpaper, lighting, paint, tabletop, and giftware; and

Fragrance — Women's fragrance products are sold under our Safari, Ralph Lauren Blue, Lauren, Romance, Midnight Romance, RALPH collection, and Big Pony collection brands. Men's fragrances include Safari, Polo Sport, Polo Green, Polo Blue, Polo Blue Sport, Purple Label, Polo Black, Double Black, Big Pony collection, Polo Red collection, and Polo Supreme Oud.

Our lifestyle brand image is reinforced by our distribution through our stores and concession-based shop-within-shops, our wholesale channels of distribution, our global e-commerce sites, and our Ralph Lauren restaurants.

Ralph Lauren Women's Collection and Ralph Lauren Purple Label

Each season, the runway sets the stage for the Ralph Lauren Women's Collection designs which includes handmade evening gowns with exquisite detail to refined hand-tailored suitings. For men, Ralph Lauren Purple Label offers refined suitings, custom tailored made-to-measure suits and sophisticated sportswear, as well as benchmarked footwear and made-to-order dress furnishings, accessories, and luggage. Ralph Lauren Women's Collection and Ralph Lauren Purple Label are available in Ralph Lauren stores around the world, an exclusive selection of the finest specialty stores, and online at our Ralph Lauren e-commerce sites, including RalphLauren.com.

Ralph Lauren Watches and Fine Jewelry

In 2008, Ralph Lauren, together with internationally renowned luxury group Compagnie Financière Richemont SA, launched a premier collection of timepieces through the Ralph Lauren Watch & Jewelry Co. The four pillar collections — the iconic Ralph Lauren Stirrup, the refined Ralph Lauren Slim Classique, the Ralph Lauren Sporting, and the 867 Collection — embody Mr. Lauren's passion for impeccable quality and exquisite design. In 2010, the Ralph Lauren Watch & Jewelry Co. also introduced premier collections of fine jewelry, including the Ralph Lauren Diamond Link Collection, the Ralph Lauren Equestrian Collection, and the Ralph Lauren Chunky Chains Collection, all capturing the glamour and craftsmanship of Ralph Lauren's most luxurious designs. Ralph Lauren watches and fine jewelry are available at select Ralph Lauren stores and flagship locations around the world. A selection of watches is also available online at RalphLauren.com and the finest watch retailers.

Ralph Lauren Black Label

Black Label is Ralph Lauren's ultramodern statement of sleek and sophisticated apparel for men and women. Black Label for women and men are offered in select Ralph Lauren stores around the world, designer boutiques, fine specialty stores, better department stores, and online at our Ralph Lauren e-commerce sites, including RalphLauren.com.

Polo Ralph Lauren

Women's Polo is targeted towards the young modern girl and mixes romantic bohemian with cool sportiness. Men's Polo combines Ivy League classics and time-honored English haberdashery with downtown styles and all-American sporting looks in sportswear and tailored clothing. Men's and Women's Polo signature aesthetic includes our renowned polo player logo. Men's and Women's Polo apparel and accessories are available in Polo stores around the world, better department stores, and online at our Ralph Lauren e-commerce sites, including RalphLauren.com. Men's Polo is also available at Ralph Lauren stores around the world and select specialty stores.

Polo Sport

Polo Sport is our next evolution of modern active wear for men, women, and children for today's active lifestyle. In 2014, we debuted the Polo Tech Shirt, which featured groundbreaking smart fabric technology that captures robust biometrics from the wearer. We expect to launch Polo Sport in the Summer of 2015 at select Ralph Lauren stores, better department stores, and online at our e-commerce sites, including RalphLauren.com.

Double RL

Founded in 1993 and named after Ralph Lauren and his wife Ricky's "RRL" ranch in Colorado, Double RL for men and women offers a mix of selvaige denim, vintage apparel, sportswear and accessories, with roots in workwear and military gear. Double RL is available at Double RL stores, at select Ralph Lauren stores, and an exclusive selection of the finest specialty stores around the world, as well as online at our Ralph Lauren e-commerce sites, including RalphLauren.com.

RLX Ralph Lauren

RLX Ralph Lauren for men and women unites high standards of luxury, technology, and style with its offerings of luxe lifestyle athletic apparel. The RLX Ralph Lauren line is available at select Ralph Lauren stores around the world, top specialty and department stores, and online at our Ralph Lauren e-commerce sites, including RalphLauren.com.

Lauren Ralph Lauren

Lauren for women offers sportswear, denim, dresses, Lauren Activewear, and a wide array of accessories and footwear at a more accessible price point. Lauren for women is available in select department stores around the world and online at our Ralph Lauren e-commerce sites, including RalphLauren.com. Lauren for men offers a complete collection of men's tailored clothing, including suits, sport coats, dress shirts, dress pants, tuxedos, topcoats, and ties at a more accessible price point. Lauren for men is available at select department stores in North America and Europe.

Ralph by Ralph Lauren

Ralph by Ralph Lauren offers suit separates, sport coats, vests, and topcoats with refined luxury at an excellent value. Ralph by Ralph Lauren is available exclusively at Dillard's stores and online at Dillards.com.

Polo and RLX Golf

Tested and worn by top-ranked professional golfers, Polo Golf for men and women defines heritage excellence in the world of golf. With a sharpened focus on the needs of the modern player but rooted in the rich design tradition of Ralph Lauren, the Golf collections combine state-of-the-art performance wear with luxurious finishing touches. Over the years, Polo and RLX Golf have been proud to sponsor Tom Watson, Davis Love III, Jonathan Byrd, Justin Thomas, Luke Donald, Matteo Manassero, and Billy Horschel. The Polo and RLX Golf collections are available in select Ralph Lauren stores, exclusive private clubs and resorts, and online at RalphLauren.com.

Pink Pony

Established in 2000, the Pink Pony campaign is our worldwide initiative in the fight against cancer. The Pink Pony Fund of the Polo Ralph Lauren Foundation supports programs for early diagnosis, education, treatment, and research, and is dedicated to bringing patient navigation and quality cancer care to medically underserved communities. A percentage of sales from all Pink Pony products benefits the Pink Pony Fund and other major cancer charities around the world. Pink Pony primarily consists of slim-fitting women's sportswear and accessories crafted in luxurious fabrics. All Pink Pony items feature our iconic pink Polo Player — a symbol of our commitment to the fight against cancer. Pink Pony is available at select Ralph Lauren stores and online

at our Ralph Lauren e-commerce sites, including RalphLauren.com. Pink Pony is also available at select Macy's stores and online at Macys.com.

Ralph Lauren Childrenswear

Ralph Lauren Childrenswear is designed to reflect the timeless heritage and modern spirit of Ralph Lauren's collections for men and women. Signature classics include iconic polo knit shirts and luxurious cashmere cable sweaters. Ralph Lauren Childrenswear is available in a full range of sizes for children, from baby, infant, and toddler to girls size 16 and boys size 20. Ralph Lauren Childrenswear can be found in select Ralph Lauren stores around the world, better department stores, and online at our Ralph Lauren e-commerce sites, including RalphLauren.com.

Denim & Supply Ralph Lauren

Inspired by the warehouse and artist communities of Brooklyn, New York and authentic style found in the music festival scene, Denim & Supply represents a laid-back style of clothes that is urban, rustic and bohemian. Denim & Supply Ralph Lauren is available at our Denim & Supply Stores around the world, at Macy's and Hudson's Bay in North America, select department stores in Europe and Asia, and in specialty stores and concession shops in Asia. In addition, Denim & Supply is available online at our Ralph Lauren e-commerce sites, including RalphLauren.com.

Chaps

Chaps represents a complete lifestyle collection for the entire family and home, with casual sportswear, workday essentials, and fashionable dresses. The Chaps men's, women's, and children's collections are available at select Chaps retail stores and department and specialty stores in the U.S. and Canada, as well as Chaps retail stores and department stores in Mexico. Chaps Home is available exclusively at Kohl's and online at Kohls.com. Additionally, Chaps retail stores and department store distribution will be expanding internationally for all apparel categories starting in Spring 2015.

Club Monaco

Founded in 1985, Club Monaco designs and markets its own clothing and accessories for men and women, offering key fashion pieces with modern, urban sophistication and a selection of updated classics. Club Monaco apparel and accessories are available exclusively at Club Monaco stores around the world, as well as online at our Club Monaco e-commerce sites, ClubMonaco.com and ClubMonaco.ca. Club Monaco is also available in Asia through our licensing arrangements.

American Living

American Living for women offers a world of fashion with everyday essentials, as well as dresses for special occasions at an incredible value. American Living is available at Macy's and Belk stores, and online at Macys.com and Belk.com.

Ralph Lauren Home and Paint

Ralph Lauren Home presents home furnishings and accessories that reflect the style and craftsmanship synonymous with the name Ralph Lauren. Ralph Lauren Home includes furniture, bed and bath linens, china, crystal, silver, decorative accessories and gifts, as well as lighting, fabric, wallcovering, and floorcovering. Ralph Lauren Home offers exclusive luxury goods at select Ralph Lauren stores, home specialty stores, trade showrooms, and online at our Ralph Lauren e-commerce sites, including RalphLauren.com. The complete world of Ralph Lauren Home can be explored online at RalphLaurenHome.com. Ralph Lauren also offers paint in over 400 palettes. Ralph Lauren Paint is offered at select specialty stores in the U.S. and The Home Depot. The complete color palette, paint how-to's, and a guide to professional painters can be explored online at RalphLaurenPaint.com.

Fragrance

In 1978, we launched the initial fragrances of Lauren for women and Polo for men. Since then, Ralph Lauren fragrances have expanded to capture the essence of Ralph Lauren's men's and women's brands with numerous labels, designed to appeal to a variety of audiences. Ralph Lauren fragrances are available in department stores, specialty and duty free stores, perfumeries, select Ralph Lauren and Polo stores around the world, and online at our Ralph Lauren e-commerce sites, including RalphLauren.com.

Ralph Lauren Restaurants

Ralph Lauren's restaurants translate Mr. Ralph Lauren's distinctive vision into places to gather with family and friends to enjoy fine food. In 1999, the first RL restaurant opened, adjacent to the Ralph Lauren Chicago store on Michigan Avenue. This restaurant exemplifies the timeless design sensibility of Ralph Lauren's world and features classic American "city club" cuisine. In 2010, Ralph's was opened in the courtyard and converted stables of our Paris store on the Blvd. Saint Germain. Ralph's presents Mr. Lauren's favorite American classics in an elegant and glamorous French environment. In August 2014, we opened Ralph's Coffee on the second floor of our Polo Flagship store in New York City, featuring private custom coffee roasts, sandwiches, and sweet treats. The Polo Bar, adjacent to our New York City Polo Flagship store, opened in January 2015 with a menu dedicated to serving seasonal American classics in a setting that pays homage to the sophisticated equestrian heritage of the Ralph Lauren world.

Our Wholesale Segment

Our Wholesale segment sells our products globally to leading upscale and certain mid-tier department stores, specialty stores, and golf and pro shops. We have continued to focus on elevating our brand by improving in-store product assortment and presentation, as well as full-price sell-throughs to consumers. As of the end of Fiscal 2015, our wholesale products were sold through approximately 13,000 doors worldwide and we invested \$48 million of capital in related shop-within-shops during Fiscal 2015, primarily in domestic and international department and specialty stores. Our products are also sold through the e-commerce sites of certain of our wholesale customers.

The primary product offerings sold through our wholesale channels of distribution include apparel, accessories, and home furnishings. Our collection brands — Ralph Lauren Women's Collection and Black Label and Men's Purple Label and Black Label — are distributed worldwide through a limited number of premier fashion retailers. Department stores are our major wholesale customers in North America. In Latin America, our wholesale products are sold in department stores and specialty stores. In Europe, our wholesale sales are comprised of a varying mix of sales to both department stores and specialty stores, depending on the country. In Japan, our wholesale products are distributed primarily through shop-within-shops at premier and top-tier department stores. In the Greater China and Southeast Asia region, Australia, and New Zealand, our wholesale products are sold mainly at mid and top-tier department stores. We also distribute our wholesale products to certain licensed stores operated by our partners in Latin America, Asia, Europe, and the Middle East.

We sell the majority of our excess and out-of-season products through secondary distribution channels worldwide, including our retail factory stores.

Worldwide Wholesale Distribution Channels

The following table presents the number of doors by geographic location in which products distributed by our Wholesale segment were sold to consumers in our primary channels of distribution as of March 28, 2015:

Location	Number of Doors
The Americas ^(a)	7,308
Europe ^(b)	5,311
Asia ^(c)	128
Total	12,747

(a) Includes the U.S., Canada, and Latin America.

(b) Includes the Middle East.

(c) Includes Australia and New Zealand.

We have three key wholesale customers that generate significant sales volume. During Fiscal 2015, sales to our largest wholesale customer, Macy's, Inc. ("Macy's"), accounted for approximately 12% and 26% of our total net revenues and total Wholesale net revenues, respectively. Further, during Fiscal 2015, sales to our three largest wholesale customers, including Macy's, accounted for approximately 24% and 52% of our total net revenues and total Wholesale net revenues, respectively.

Our products are sold primarily by our own sales forces. Our Wholesale segment maintains its primary showrooms in New York City. In addition, we maintain regional showrooms in Milan, Paris, London, Munich, Madrid, Stockholm, and Panama.

Shop-within-Shops. As a critical element of our distribution to department stores, we and our licensing partners utilize shop-within-shops to enhance brand recognition, to permit more complete merchandising of our lines by the department stores, and to differentiate the presentation of our products.

As of March 28, 2015, we had approximately 25,000 shop-within-shops in our primary channels of distribution dedicated to our wholesale products worldwide. The size of our shop-within-shops ranges from approximately 100 to 9,200 square feet. Shop-within-shop fixed assets primarily include items such as customized freestanding fixtures, wall cases and components, decorative items, and flooring. We normally share in the cost of building out these shop-within-shops with our wholesale customers.

Basic Stock Replenishment Program. Basic products such as knit shirts, chino pants, oxford cloth shirts, select accessories, and home products can be ordered by our wholesale customers at any time through our basic stock replenishment program. We generally ship these products within two to five days of order receipt.

Our Retail Segment

As of March 28, 2015, our Retail segment consisted of 466 directly-operated freestanding stores worldwide, totaling approximately 3.6 million square feet, 536 concession-based shop-within-shops, and 10 e-commerce sites. The extension of our direct-to-consumer reach is one of our primary long-term strategic goals. We operate our retail business using an omni-channel retailing strategy that delivers a seamless and integrated shopping experience with a consistent message of our brands and products to our customers, regardless of whether they are shopping for our products in one of our physical stores or online.

Ralph Lauren Stores

Our Ralph Lauren stores feature a broad range of apparel, accessories, home, watch and jewelry, and fragrance product assortments in an atmosphere reflecting the distinctive attitude and image of the Ralph Lauren, Polo, Double RL, and Denim & Supply brands, including exclusive merchandise that is not sold in department stores. During Fiscal 2015, we opened 11 new Ralph Lauren stores and closed six stores. Our Ralph Lauren stores are primarily situated in major upscale street locations and upscale regional malls, generally in large urban markets.

We operated the following Ralph Lauren stores as of March 28, 2015:

Location	Ralph Lauren Stores
The Americas ^(a)	58
Europe	27
Asia ^(b)	58
Total	143

^(a) Includes the U.S. and Canada.

^(b) Includes Australia and New Zealand.

Our nine flagship Ralph Lauren store locations showcase our iconic styles and products and demonstrate our most refined merchandising techniques. In addition to generating sales of our products, our worldwide Ralph Lauren stores establish, reinforce, and capitalize on the image of our brands. Our Ralph Lauren stores range in size from approximately 700 to 38,000 square feet.

Club Monaco Stores

Our Club Monaco stores feature fashion apparel and accessories for both men and women with clean and contemporary signature styles. As of March 28, 2015, we operated 64 Club Monaco retail stores in North America and Europe. Our Club Monaco stores range in size from approximately 900 to 17,400 square feet.

Factory Stores

We extend our reach to additional consumer groups through our 259 factory stores worldwide, which are principally located in major outlet centers. During Fiscal 2015, we added 30 new factory stores and closed six factory stores. We operated the following factory stores as of March 28, 2015:

Location	Factory Stores
The Americas ^(a)	165
Europe	54
Asia ^(b)	40
Total	259

^(a) Includes the U.S. and Canada.

^(b) Includes Australia.

Our worldwide factory stores offer selections of our apparel, accessories, and fragrances. In addition to these product offerings, certain of our factory stores in the Americas offer home furnishings. Our factory stores range in size from approximately 800 to 26,700 square feet.

Factory stores obtain products from our suppliers, our product licensing partners, and our other retail stores and e-commerce operations, and also serve as a secondary distribution channel for our excess and out-of-season products.

Concession-based Shop-within-Shops

The terms of trade for shop-within-shops are largely conducted on a concession basis, whereby inventory continues to be owned by us (not the department store) until ultimate sale to the end consumer. The salespeople involved in the sales transactions are generally our employees and not those of the department store.

As of March 28, 2015, we had 536 concession-based shop-within-shops at 236 retail locations dedicated to our products, which were located in Asia, Australia, New Zealand, and Europe. The size of our concession-based shop-within-shops ranges from approximately 200 to 6,000 square feet. We may share in the cost of building out certain of these shop-within-shops with our department store partners.

E-commerce Websites

In addition to our stores, our Retail segment sells products online through our e-commerce channel, which includes: Our North American e-commerce sites located at www.RalphLauren.com and www.ClubMonaco.com, as well as our Club Monaco site in Canada located at www.ClubMonaco.ca;

Our Ralph Lauren e-commerce sites in Europe, including www.RalphLauren.co.uk (servicing the United Kingdom), www.RalphLauren.fr (servicing Belgium, France, Italy, Luxembourg, the Netherlands, Portugal, and Spain), and www.RalphLauren.de (recently expanded to service Denmark, Estonia, Finland, Latvia, Slovakia, and Sweden, in addition to servicing Austria and Germany); and

Our Ralph Lauren e-commerce sites in Asia, including www.RalphLauren.co.jp (servicing Japan), www.RalphLauren.co.kr (servicing South Korea), www.RalphLauren.asia (servicing Hong Kong, Macau, Malaysia, and Singapore), and www.RalphLauren.com.au (servicing Australia and New Zealand).

Our Ralph Lauren e-commerce sites in the U.S., Europe, and Asia offer our customers access to a broad array of Ralph Lauren, Double RL, Polo, and Denim & Supply apparel, accessories, fragrance, and home products, and reinforce the luxury image of our brands. While investing in e-commerce operations remains a primary focus, it is an extension of our investment in the integrated omni-channel strategy used to operate our overall retail business, in which our e-commerce operations are interdependent with our physical stores.

Our Club Monaco e-commerce sites in the U.S. and Canada offer our domestic and Canadian customers access to our global assortment of Club Monaco apparel and accessories product lines, as well as select online exclusives.

Our Licensing Segment

Through licensing alliances, we combine our consumer insight, design, and marketing skills with the specific product or geographic competencies of our licensing partners to create and build new businesses. We generally seek out licensing partners who are leaders in their respective markets, contribute the majority of the product development costs, provide the operational infrastructure required to support the business, and own the inventory.

We grant our product licensees the right to manufacture and sell at wholesale specified categories of products under one or more of our trademarks. We grant our international geographic area licensing partners exclusive rights to distribute certain brands or classes of our products and operate retail stores in specific international territories. These geographic area licensees source products from us, our product licensing partners, and independent sources. Each licensing partner pays us royalties based upon its sales of our products, generally subject to a minimum royalty requirement for the right to use our trademarks and design services. In addition, our licensing partners may be required to allocate a portion of their revenues to advertising our products and sharing in the creative costs associated with these products. Larger allocations are required in connection with launches of new products or in new territories. Our license agreements generally have one to five-year terms and may grant the licensees conditional renewal options. We work closely with all of our licensing partners to ensure that their products are developed, marketed, and distributed to reach the intended consumer and are presented consistently across product categories and international markets to convey the distinctive identity and lifestyle associated with our brands. Virtually all aspects of the design, production quality, packaging, merchandising, distribution, advertising, and promotion of Ralph Lauren products are subject to our prior approval and continuing oversight. We perform a broader range of services for our Ralph Lauren Home licensing partners than we do for our other licensing partners, including design, operating showrooms, marketing, advertising, and, in some cases, sales. In general, our Home licensing partners manufacture and own the inventory, and ship the products.

Approximately 44% of our licensing revenue for Fiscal 2015 was earned from our four largest licensing partners: Luxottica Group, S.p.A., L'Oreal S.A., Peerless, Inc., and Hanesbrands, Inc. The following table lists our largest licensing agreements as of March 28, 2015. Except as noted in the table, these product licenses cover North America only.

Category	Licensed Products	Licensing Partners
Men's Apparel	Underwear and Sleepwear	Hanesbrands, Inc.
	Chaps, Lauren, and Ralph Tailored Clothing	Peerless, Inc.
Beauty Products	Fragrances, Cosmetics, Color, and Skin Care	L'Oreal S.A. (global)
Accessories	Eyewear	Luxottica Group, S.p.A. (global)
Home ^(a)	Bedding and Bath	Ichida (Japan) and Kohl's Department Stores, Inc.
	Utility and Blankets	Hollander Sleep Products LLC and Kohl's Department Stores, Inc.
	Fabric and Wallpaper	Designers Guild Ltd. and P. Kaufmann, Inc.
	Furniture	EJ Victor, Inc.

(a) Our Home products are sold under our Ralph Lauren Home, Lauren by Ralph Lauren, and Chaps brands. As of March 28, 2015, we had agreements with eight domestic and three international Home product licensing partners.

International Licensing

We believe that international markets offer additional opportunities for our iconic designs and lifestyle image. Our international licensing partners acquire the right to sell, promote, market, and/or distribute various categories of our products in a given geographic area. These rights may include the right to own and operate retail stores. As of March 28, 2015, our international licensing partners operated 72 Ralph Lauren stores, 23 Ralph Lauren concession

shops, and 119 Club Monaco stores and shops.

Product Design

Our products reflect a timeless and innovative interpretation of American style with a strong international appeal. Our consistent emphasis on new and distinctive design has been an important contributor to the prominence, strength, and reputation of the Ralph Lauren brands.

Our Ralph Lauren products are designed by, and under the direction of, Mr. Ralph Lauren and our design staff. We form design teams around our brands and product categories to develop concepts, themes, and products for each brand and category. Through close collaboration with merchandising, sales, and production staff, these teams support all three segments of our business — Wholesale, Retail, and Licensing — in order to gain market information and other valuable input.

Marketing and Advertising

Our marketing and advertising programs communicate the themes and images of our brands and are integral to our product offerings. The majority of our advertising program is created and executed on a centralized basis through our in-house creative and advertising organization to ensure consistency of presentation, which is complemented by our marketing experts in each region who help to execute our international strategies.

We create distinctive image advertising for our brands, conveying the particular message of each one within the context of the overall Ralph Lauren aesthetic. Advertisements generally portray a lifestyle rather than a specific item and include a variety of products offered by ourselves and, in some cases, our licensing partners. Our primary advertising medium is print, with multiple page advertisements appearing regularly in a range of fashion, lifestyle, and general interest magazines. Major print advertising campaigns are conducted during the fall and spring retail seasons, with additions throughout the year to coincide with product deliveries. In addition to print, we utilize television and outdoor media in certain of our marketing programs. We also market our brand through direct-to-consumer marketing, special events, and interactive digital activities. We use our consumer database and consumer knowledge to guide these activities.

Our digital advertising programs focus on high impact and innovative digital media outlets, which allow us to convey our key brand messages and lifestyle positioning. We also develop digital editorial initiatives that allow for deeper education and engagement around the Ralph Lauren lifestyle, including the Ralph Lauren magazine, style guides, and videos. We deploy these marketing and advertising initiatives through online, mobile, email, and social media. Our e-commerce sites present the Ralph Lauren lifestyle online, while offering a broad array of our apparel, accessories, and home product lines.

We advertise in consumer and trade print and digital media, and participate in cooperative advertising on a shared cost basis with some of our retail and licensing partners. We also provide point-of-sale fixtures and signage to our wholesale customers to enhance the presentation of our products at their retail locations. In addition, when our licensing partners are required to spend an amount equal to a percentage of their licensed product sales on advertising, we coordinate the advertising placement on their behalf. We believe our investments in shop-within-shop environments and retail stores, including our global flagship locations, contribute to and enhance the themes of our brands to consumers. We expensed approximately \$275 million related to the advertising and marketing of our products in Fiscal 2015.

We also conduct a variety of public relations activities. Each spring and fall, our Ralph Lauren Women's Collection is presented during New York Fashion Week. In Fiscal 2015, we hosted a unique New York Fashion Week experience in Central Park to debut our Polo for Women Spring 2015 collection using groundbreaking projection technology. Towering above Manhattan, the water-screen runway projection was captured by hundreds of spectators and shared internationally via news outlets and social media, resulting in over two billion global media impressions. To debut our Polo for Women Fall 2015 collection, we hosted an exclusive presentation that was attended by top tier press, celebrities, high-profile models, and digital influencers. During Fiscal 2015, we also presented our Fall 2015 Collection at our breathtaking Palazzo in Milan during Milan Fashion Week. These fashion events, in addition to celebrity red carpet dressing moments, model appearances, as well as events hosted in-store and in our newly opened restaurant in New York, The Polo Bar, generate extensive domestic and international media and social coverage. We continue to be the official outfitter for all on-court officials at both the Wimbledon and the U.S. Open tennis tournaments. Both tournaments provide worldwide exposure for our brand in a relevant lifestyle environment. We also

continue to be the exclusive Official Parade Outfitter for the U.S. Olympic and Paralympic Teams, with the right to manufacture, distribute, advertise, promote, and sell products in the U.S. which replicate the Parade Outfits and associated leisure wear. Most recently, we dressed Team U.S.A. for the 2014 Winter Olympic Games in Sochi and activities have already started to dress the team for the 2016 Summer Olympic Games to be held in Rio. As part of our involvement with Team U.S.A., we have established a partnership with athletes serving as brand ambassadors and as the faces of our advertising, marketing, and public relations campaigns.

Under our agreement with the United States Golf Association ("USGA"), we continue to be the official apparel outfitter for the USGA and the U.S. Open Championships and serve as the championship's largest on-site apparel supplier. Additionally, under our agreement with The Royal & Ancient, we are an Official Patron of The Open Championship that is played annually on British links golf courses. As part of this agreement, we are outfitting all officials and staff members at The Open Championship and are serving as the championship's largest on-site apparel retailer. We believe our partnerships with such prestigious global golf tournaments reinforce our brand's sporting heritage in a truly authentic way and serve to connect our Company and brands to our consumers through their individual areas of passion.

Sourcing, Production and Quality

We contract for the manufacture of our products and do not own or operate any production facilities. Over 700 different manufacturers worldwide produce our apparel, accessories, and home products, with no one manufacturer providing more than approximately 4% of our total production during Fiscal 2015. We source both finished products and raw materials. Raw materials include fabric, buttons, and other trim. Finished products consist of manufactured and fully assembled products ready for shipment to our customers. In Fiscal 2015, less than 3% of our products (by dollar value) were produced in the U.S., and over 97% of our products (by dollar value) were produced outside the U.S., primarily in Asia, Europe, and Latin America. See "Import Restrictions and Other Government Regulations" and Item 1A — "Risk Factors — Risks Related to Our Business — Our business is subject to risks associated with importing products and could suffer as a result of increases in the price of raw materials, freight, or labor; or a manufacturer's inability to produce our goods on time and to our specifications."

Most of our businesses must commit to the manufacturing of our garments before we sell finished goods, whether to wholly-owned retail stores or to wholesale customers. We also must commit to the purchase of fabric from mills well in advance of our sales. If we overestimate our primary customers' demand for a particular product or the need for a particular fabric or yarn, we may sell the excess products or garments made from such fabric or yarn in our factory stores or through other secondary distribution channels.

Suppliers operate under the close supervision of our global manufacturing division and buying agents headquartered in Asia, the Americas, the Middle East, and Europe. All products are produced according to our specifications.

Production and quality control staff in Asia, the Americas, the Middle East, and Europe monitor manufacturing at supplier facilities in order to correct problems prior to shipment of the final product. Procedures have been implemented under our vendor certification and compliance programs so that quality assurance is reviewed early in the production process, allowing merchandise to be received at the distribution facilities and shipped to customers with minimal interruption.

Competition

Competition is very strong in the segments of the fashion and consumer product industries in which we operate. We compete with numerous designers and manufacturers of apparel and accessories, fragrances, and home furnishing products, both domestic and international. Some of our competitors may be significantly larger and have substantially greater resources than us. We compete primarily on the basis of fashion, quality, value, and service, which depend on our ability to:

- anticipate and respond to changing consumer demands in a timely manner;
- maintain favorable brand recognition, loyalty, and reputation for quality;
- develop and produce high quality products that appeal to consumers;
- appropriately source raw materials at cost-effective prices;
- appropriately price our products;
- provide strong and effective marketing support;
- ensure product availability; and
- obtain additional points of distribution and sufficient retail floor space, and effectively present our products to consumers.

See Item 1A — "Risk Factors — Risks Relating to the Industry in Which We Compete — We face intense competition worldwide in the markets in which we operate."

Distribution

To facilitate global distribution, our products are shipped from manufacturers to a network of distribution centers around the world for inspection, sorting, packing, and delivery to our retail locations and wholesale customers. This network includes the following primary distribution facilities:

Geographic Region	Facility Type	Facility Location	Facility Ownership
U.S.	Wholesale and Retail distribution center	Greensboro, North Carolina	Owned
	Wholesale distribution center	High Point, North Carolina	Leased
	E-commerce distribution center	High Point, North Carolina ^(a)	Owned
	Distribution center	Chino Hills, California	Third-party
	Distribution center	Miami, Florida	Third-party
Canada	Distribution center	Toronto, Ontario ^(b)	Third-party
Europe	Distribution center	Parma, Italy ^(c)	Third-party
Japan	Distribution center	Yokohama, Japan ^(d)	Third-party
South Korea	Distribution center	Bugok, South Korea ^(e)	Leased
Greater China and Southeast Asia ^(f)	Distribution center	Tuen Mun, Hong Kong ^(g)	Third-party
Latin America	Distribution center	Colón, Panama	Third-party

^(a) This distribution center performs customer order fulfillment for RalphLauren.com and ClubMonaco.com.

^(b) This distribution center performs customer order fulfillment for our businesses in Canada, including our e-commerce operations.

^(c) This distribution center performs customer order fulfillment for our European businesses, including our e-commerce operations.

^(d) This distribution center performs customer order fulfillment for our businesses in Japan, including our e-commerce operations.

^(e) This distribution center performs customer order fulfillment for our businesses in South Korea, including our e-commerce operations.

^(f) Includes China, Hong Kong, Macau, Malaysia, the Philippines, Singapore, Taiwan, Thailand, and Vietnam.

^(g) This distribution center performs customer order fulfillment for our businesses in Greater China and Southeast Asia, Australia, and New Zealand, including our e-commerce operations.

In addition to the above distribution centers, during the first quarter of Fiscal 2015, we entered into a lease for a new domestic distribution facility in North Carolina to support future business growth. We expect to take possession of this property during the second quarter of Fiscal 2016.

All facilities are designed to allow for high-density cube storage and value-added services, and utilize unit and carton tracking technology to facilitate process control and inventory management. The distribution network is managed through globally integrated information technology systems.

Management Information Systems

Our management information systems make the design, marketing, manufacturing, importing, and distribution of our products more efficient by providing, among other things:

• comprehensive order processing;

• production and design information;

• accounting information; and

• an enterprise view of information for our design, marketing, manufacturing, importing, and distribution functions.

The point-of-sale registers, in conjunction with other systems in our stores, enable us to track inventory from store receipt to final sale on a real-time basis. We believe our merchandising and financial systems, coupled with our point-of-sale registers and software programs, allow for efficient stock replenishment, effective merchandise planning, and real-time inventory and sales accounting.

In the U.S. and Europe, we utilize an automated replenishment system to facilitate the processing of basic stock replenishment orders from our Retail segment and wholesale customers, the movement of goods through distribution channels, and the collection of information for planning and forecasting purposes. In the U.S. and Europe, we also utilize an automated allocation system to facilitate the flow of inventory for our Retail segment.

We are in the process of implementing a global operating and financial reporting information technology system, SAP, as part of a multi-year plan to integrate and upgrade our systems and processes. The implementation of this global system is scheduled to occur in phases over the next several years. During Fiscal 2015, we continued to migrate certain areas of our business to SAP, including global merchandise procurement and customer order management and record-to-report for our North American wholesale operations. We are also in the process of executing the migration of our European operations to SAP, which will be completed in stages over the next several years.

See Item 1A — "Risk Factors — Risks Related to Our Business — Implementation of management information systems may negatively impact our business" and "Risk Factors — Risks Related to Our Business — Our business could suffer if our computer systems and websites are disrupted or cease to operate effectively."

Wholesale Credit Control

We manage our own credit function. We sell our merchandise principally to major department stores and extend credit based on an evaluation of the wholesale customer's financial capacity and condition, usually without requiring collateral. We monitor credit levels and the financial condition of our wholesale customers on a continuing basis to minimize credit risk. We do not factor or underwrite our accounts receivables, or maintain credit insurance to manage the risk of bad debts. In North America, collection and deduction transactional activities are provided through a third-party service provider. See Item 1A — "Risk Factors — Risks Related to Our Business — Our business could be negatively impacted by any financial instability of our customers."

Wholesale Backlog

We generally receive wholesale orders approximately three to five months prior to the time the products are delivered to customers, with the exception of orders received through our basic stock replenishment program, which ship within two to five days of order receipt. Our wholesale orders are generally subject to broad cancellation rights. Our total backlog was approximately \$1.6 billion and \$1.5 billion as of March 28, 2015 and March 29, 2014, respectively. We expect that substantially all of our backlog orders as of March 28, 2015 will be filled within the next fiscal year.

The size of our order backlog depends upon a number of factors, including the timing of the market weeks for our particular lines during which a significant percentage of our orders are received and the timing of shipments, which varies from year-to-year with consideration for holidays, consumer trends, concept plans, and the basic stock replenishment programs usage. As a consequence, a comparison of the size of our order backlog from period to period may not be meaningful, nor may it be indicative of eventual shipments.

Trademarks

We own the RALPH LAUREN, POLO, POLO BY RALPH LAUREN DESIGN, and the famous polo player astride a horse trademarks in the U.S. and approximately 120 countries worldwide. Other trademarks that we own include:

• PURPLE LABEL;

• BLACK LABEL;

• BLUE LABEL;

DOUBLE RL;
RRL;
RLX;
LAUREN RALPH LAUREN;
DENIM & SUPPLY RALPH LAUREN;
PINK PONY;
LAUREN;
RALPH;
CHAPS;
CLUB MONACO;
RUGBY;
AMERICAN LIVING; and
Various trademarks pertaining to fragrances and cosmetics.

Mr. Ralph Lauren has the royalty-free right to use as trademarks RALPH LAUREN, DOUBLE RL, and RRL in perpetuity in connection with, among other things, beef and living animals. The trademarks DOUBLE RL and RRL are currently used by the Double RL Company, an entity wholly-owned by Mr. Lauren. In addition, Mr. Lauren has the right to engage in personal projects involving film or theatrical productions (not including or relating to our business) through RRL Productions, Inc., a company wholly-owned by Mr. Lauren. Any activity by these companies has no impact on us.

Our trademarks are the subject of registrations and pending applications throughout the world for use on a variety of items of apparel, apparel-related products, home furnishings, restaurant and café services, online services and online publications, and beauty products, as well as in connection with retail services, and we continue to expand our worldwide usage and registration of related trademarks. In general, trademarks remain valid and enforceable as long as the marks are used in connection with the related products and services and the required registration renewals are filed. We regard the license to use the trademarks and our other proprietary rights in and to the trademarks as extremely valuable assets in marketing our products and, on a worldwide basis, vigorously seek to protect them against infringement. As a result of the appeal of our trademarks, our products have been the object of counterfeiting. While we have a broad enforcement program which has been generally effective in protecting our intellectual property rights and limiting the sale of counterfeit products in the U.S. and in most major markets abroad, we face greater challenges with respect to enforcing our rights against trademark infringement in certain parts of Asia.

In markets outside of the U.S., our rights to some or all of our trademarks may not be clearly established. In the course of our international expansion, we have experienced conflicts with various third parties who have acquired ownership rights in certain trademarks, including POLO and/or a representation of a Polo Player Design, which impede our use and registration of our principal trademarks. While such conflicts are common and may arise again from time to time as we continue our international expansion, we have, in general, successfully resolved such conflicts in the past through both legal action and negotiated settlements with third-party owners of the conflicting marks (see Item 1A — "Risk Factors — Risks Related to Our Business — Our trademarks and other intellectual property rights may not be adequately protected outside the U.S." and Item 3 — "Legal Proceedings" for further discussion). Although we have not suffered any material restraints or restrictions on doing business in desirable markets in the past, we cannot assure that significant impediments will not arise in the future as we expand product offerings and introduce trademarks to new markets.

Import Restrictions and Other Government Regulations

Virtually all of our merchandise imported into the Americas, Europe, Asia, Australia, and New Zealand is subject to duties. In addition, most of the countries to which we ship could impose safeguard quotas and duties to protect their local industries from import surges that threaten to create market disruption. The U.S. and other countries may also unilaterally impose additional duties in response to a particular product being imported (from China or other countries) at unfairly traded prices in such increased quantities that would cause (or threaten) injury to the relevant domestic industry (generally known as "anti-dumping" actions). If dumping is suspected in the U.S., the U.S. government may self-initiate a dumping case on behalf of the U.S. textile industry which could significantly affect our costs. Furthermore, additional duties, generally known as countervailing duties, can also be imposed by the U.S. government to offset subsidies provided by a foreign government to foreign manufacturers if the importation of such subsidized merchandise injures or threatens to injure a U.S. industry. Legislative proposals have been introduced which, if adopted, would treat a manipulation by China of the value of its currency as actionable under the anti-dumping or countervailing duty laws.

We are also subject to other international trade agreements and regulations, such as the North American Free Trade Agreement, the Central American Free Trade Agreement, the Caribbean Basin Initiative, and other special trade programs. A portion of our imported products are eligible for certain of these duty-advantaged programs. In addition, each of the countries in which our products are sold have laws and regulations covering imports. Because the U.S. and the other countries in which our products are manufactured and sold may, from time to time, impose new duties, tariffs, surcharges, or other import controls or restrictions, including the imposition of a "safeguard quota," or adjust presently prevailing duty or tariff rates or levels, we maintain a program of intensive monitoring of import restrictions and opportunities. We seek to minimize our potential exposure to import related risks through, among other measures, adjustments in product design and fabrication, shifts of production among countries and manufacturers, and through geographical diversification of our sources of supply.

As almost all of our products are manufactured by foreign suppliers, the enactment of new legislation or the administration of current international trade regulations or executive action affecting textile agreements, or changes in sourcing patterns resulting from the elimination of quotas, could adversely affect our operations. See Item 1A — "Risk Factors — Risks Related to Our Business — Our ability to conduct business in international markets may be affected by legal, regulatory, political, and economic risks" and "Risk Factors — Risks Related to Our Business — Our business is subject to risks associated with importing products and could suffer as a result of increases in the price of raw materials, freight, or labor; or a manufacturer's inability to produce our goods on time and to our specifications." Apparel and other products sold by us are also subject to regulation in the U.S. and other countries by other governmental agencies, including, in the U.S., the Federal Trade Commission, the U.S. Fish and Wildlife Service, and the Consumer Products Safety Commission, including the Consumer Product Safety Improvement Act, which imposes limitations on the permissible amounts of lead and phthalates allowed in children's products. These regulations relate principally to product labeling, licensing requirements, and consumer product safety requirements and regulatory testing, particularly with respect to products used by children. Any failure to comply with such requirements could result in significant penalties and require us to recall products, which could have a material adverse effect on our business or operating results. We believe that we are in substantial compliance with these regulations, as well as applicable federal, state, local, and foreign rules and regulations governing the discharge of materials hazardous to the environment. We do not estimate any significant capital expenditures for environmental control matters either in the next fiscal year or in the near future. Our licensed products, licensing partners, buying/sourcing agents, and the vendors and factories with which we contract for the manufacture and distribution of our products are also subject to regulation. Our agreements require our licensing partners, buying/sourcing agents, vendors, and factories to operate in compliance with all applicable laws and regulations, and we are not aware of any violations which could reasonably be expected to have a material adverse effect on our business or operating results.

We are also subject to disclosure and reporting requirements, established under existing or new federal or state laws, such as the requirements to identify the origin and existence of certain "conflict minerals" under the Dodd-Frank Wall Street Reform and Consumer Protection Act, and disclosures of abusive labor practices in portions of our supply chain under the California Transparency in Supply Chains Act. While we require our suppliers to operate in compliance

with all applicable laws and our operating guidelines which promote ethical and socially responsible business practices, any violation of labor, environmental, health, and safety or other laws, or any divergence by an independent supplier's labor practices from generally accepted industry standards, could damage our reputation, disrupt our sourcing capabilities, and increase the cost of doing business, adversely affecting our results of operations. Although we have not suffered any material restriction from doing business in desirable markets in the past, we cannot assure that significant impediments will not arise in the future as we expand product offerings and introduce additional trademarks to new markets.

Employees

As of March 28, 2015, we had approximately 25,000 employees, comprised of approximately 15,000 full-time and approximately 10,000 part-time employees. Approximately 15,000 of our employees are located in the U.S. and approximately 10,000 are located in foreign countries. Approximately 30 of our U.S. production and distribution employees in the womenswear business are members of Workers United (which was previously known as UNITE HERE) under an industry association collective bargaining agreement, which our womenswear subsidiary has adopted. We consider our relations with both our union and non-union employees to be good.

Executive Officers

The following are our current executive officers and their principal recent business experience:

Ralph Lauren	Age 75	Mr. Lauren has been our Chairman of the Board of Directors and Chief Executive Officer since prior to our initial public offering in 1997, and was a member of the Advisory Board of the Board of Directors of our predecessors since their organization. He founded our business in 1967. For over four decades, Mr. Lauren has cultivated the iconography of America into a global lifestyle brand.
Jackwyn L. Nemerov	Age 63	Ms. Nemerov has been our President and Chief Operating Officer since November 2013 and a director of the Company since February 2007. She served as Executive Vice President of the Company from September 2004 through October 2013. Ms. Nemerov was President & Chief Operating Officer of Jones Apparel Group, Inc. from January 1998 until March 2002. Prior to that, Ms. Nemerov was affiliated with Allied Stores, Bernard Chaus, and Gloria Vanderbilt for Murjani. Ms. Nemerov currently serves as a member of the board of governors of The New School University's Parsons School of Design.
Christopher H. Peterson	Age 48	Mr. Peterson has been our President of Global Brands since April 2015. He served as our Executive Vice President, Chief Administrative Officer and Chief Financial Officer from November 2013 through March 2015, and was Senior Vice President and Chief Financial Officer of the Company from September 2012 through October 2013. From 1992 to 2012, Mr. Peterson held various positions with The Procter & Gamble Company, most recently serving as Vice President and Chief Financial Officer of its Global Household Care division.
Valérie Hermann	Age 52	Ms. Hermann has been our President of Luxury Collections since April 2014. She was President and Chief Executive Officer of Reed Krakoff Co. from April 2011 through March 2014. From 2005 to 2011, Ms. Hermann served as Chief Executive Officer of Saint Laurent Paris. Prior to that, she held various positions at LVMH Moët Hennessy Louis Vuitton, including Director of Women's Ready to Wear at Dior.
Mitchell A. Kosh	Age 65	Mr. Kosh has been our Executive Vice President and Chief Administrative Officer since April 2015. He served as our Executive Vice President of Human Resources from March 2014 through March 2015, and was Senior Vice President of Human Resources of the Company from July 2000 through February 2014. Mr. Kosh was Senior Vice

President of Human Resources of Conseco, Inc. from February 2000 to July 2000. Prior to that time, Mr. Kosh held executive human resource positions with the Venator Group, Inc. starting in 1996.

Robert L. Madore

Age 50

Mr. Madore has been our Senior Vice President and Chief Financial Officer since April 2015. He served as Senior Vice President of Finance of the Company from December 2010 through March 2015, and was Senior Vice President of Operations and Chief Financial Officer of the Company's retail division from 2004 to December 2010. From 2001 to 2003, Mr. Madore was Chief Operating Officer and Chief Financial Officer of Futurebrand, a division of Mccann Ericsson Worldwide. Prior to that, he held various executive management positions at Nine West Group, Inc. starting in 1995.

Item 1A. Risk Factors

There are risks associated with an investment in our securities. The following risk factors should be read carefully in connection with evaluating our business and the forward-looking statements contained in this Annual Report on Form 10-K. Any of the following risk factors could materially adversely affect our business, our prospects, our results of operations, our financial condition, our liquidity, the trading price of our securities, and/or the actual outcome of matters as to which forward-looking statements are made in this report. Additional risks and uncertainties not currently known to us or that we currently view as immaterial may also materially adversely affect our business, results of operations, and financial condition in future periods or if circumstances change.

Risks Related to Our Business

The loss of the services of Mr. Ralph Lauren, members of our executive management team, or other key personnel could have a material adverse effect on our business.

Mr. Ralph Lauren's leadership in the design, marketing, and operational areas of our business has been a critical element of our success since the inception of our Company. Mr. Lauren is instrumental to, and closely identified with, our brand that bears his name. Our ability to maintain our brand image and leverage the goodwill associated with Mr. Lauren's name may be damaged if we were to lose his services. We depend on the service and management experience of Mr. Lauren and other key executive officers, who have substantial experience and expertise in our industry and our business. The death or disability of Mr. Lauren or other extended or permanent loss of his services, or any negative market or industry perception with respect to him or arising from his loss, could have a material adverse effect on our business, results of operations, and financial condition. Our other executive officers and other members of senior management have substantial experience and expertise in our business and have made significant contributions to our growth and success. The loss of the services of any of the key members of senior management, including members of the Office of the Chairman, or one or more of our other key personnel, or the concurrent loss of several of these individuals or any negative public perception with respect to these individuals, could also have a material adverse effect on our business, results of operations, and financial condition. We are not protected by a material amount of key-man or similar life insurance covering Mr. Lauren, our other executive officers, or other members of senior management. We have entered into employment agreements with Mr. Lauren and certain other executive officers, but competition for experienced executives in our industry is intense and the non-compete period with respect to Mr. Lauren and certain other executive officers could, in some circumstances in the event of their termination of employment with our Company, end prior to the employment term set forth in their employment agreements.

We may not fully realize the expected cost savings and/or operating efficiencies from our restructuring plans.

We plan to continue to implement restructuring plans to support key strategic initiatives, such as our recently announced planned transition to a global brand-based operating structure, as discussed in Item 1 — "Business — Recent Developments." These restructuring plans are designed to maintain long-term sustainable growth by enhancing our operating effectiveness and efficiency and reducing our operating costs. Restructuring plans present significant potential risks that may impair our ability to achieve anticipated operating enhancements and/or cost reductions, or otherwise harm our business, including:

- higher than anticipated costs in implementing planned workforce reductions, particularly in highly regulated locations outside the U.S.;

- higher than anticipated lease termination and store closure costs (see "Our business is subject to risks associated with leasing real estate and other assets under long-term, non-cancellable leases");

- failure to meet operational targets or customer requirements due to the loss of employees or inadequate transfer of knowledge;

- failure to maintain adequate controls and procedures while executing our restructuring plans;

- diversion of management attention from ongoing business activities and/or a decrease in employee morale; and

- attrition beyond any planned reduction in workforce.

If we are not successful in implementing and managing our restructuring plans, we may not be able to achieve targeted operating enhancements and/or cost reductions, which could adversely impact our business, results of operations, and financial condition.

We cannot assure the successful implementation of our growth strategy.

As part of our growth strategy, we seek to extend our brands and merchandise categories, expand our geographic coverage, and increase direct management of our brands by opening more of our own stores, strategically acquiring or integrating into our existing operations select businesses previously held by our licensees, and enhancing our operations. Implementation of our strategy involves the continued expansion of our business in North America, Asia, Europe, Latin America, and other international areas. For example, as discussed in Item 1 — "Business — Recent Developments," we completed the Chaps Menswear License Acquisition in April 2013 and the Australia and New Zealand Licensed Operations Acquisition in July 2013.

We may have difficulty integrating acquired businesses into our operations, hiring and retaining qualified key employees, or otherwise successfully managing such expansion. Furthermore, we may not be able to successfully integrate the business of any licensee that we acquire into our own business, we may incur additional costs, and we may fail to achieve any expected cost savings or synergies from such integration.

Implementation of our growth strategy involves the continuation and expansion of our retail distribution network on a global basis, including our e-commerce operations, which is subject to many factors beyond our control. We may not be able to procure, purchase, or lease desirable freestanding or department store locations, renew and maintain existing freestanding store leases and department store locations on acceptable terms, or secure suitable replacement locations. The lease negotiation, as well as the number and timing of new stores and shop-within-shop locations actually opened during any given period and their associated contribution to net income for the period, depends on a number of factors including, but not limited to: (i) the availability of suitable financing to us and our landlords; (ii) the timing of the delivery of the leased premises to us from our landlords in order to commence build-out construction activities; (iii) our ability and our landlords' ability to obtain all necessary governmental licenses and permits to construct and operate our stores on a timely basis; (iv) our ability to manage the construction and development costs of new stores; (v) the rectification of any unforeseen engineering or environmental problems with the leased premises; (vi) adverse weather conditions during the construction period; and (vii) the hiring and training of qualified operating personnel in the local market. In addition, the success of our e-commerce operations depends on our ability to maintain and upgrade our e-commerce platform to provide our customers with a seamless shopping experience. While we continue to explore new markets and are always evaluating new potential locations, any of the above factors could have an adverse impact on our business, results of operations, and financial condition. Further, as we continue to expand and increase the global presence of our e-commerce business, sales from our brick and mortar stores and wholesale channels of distribution in areas where e-commerce sites are introduced may decline due to changes in consumer shopping habits and cannibalization.

In Europe, we lack the large wholesale distribution channels we have in the U.S., and we may have difficulty developing and maintaining successful distribution strategies and alliances in certain major European countries. In Asia, our primary mode of distribution is via a network of shops located within leading department stores. As we operate a direct-to-consumer business in this region and face established competitors, who in some cases maintain licensing relationships with such department stores, we may have difficulty in successfully retaining this network and expanding into alternate distribution channels. In addition, certain of the international countries in which we operate, particularly in Asia, have unique operational characteristics that vary from the U.S., including but not limited to employment and labor, transportation, logistics, acquiring store locations, and legal requirements, which may pose challenges to the execution and success of our related growth strategies. Further, macroeconomic trends may not be favorable and could limit our ability to implement our growth strategies in select geographies where we have foreign operations, such as Europe, Asia, Australia, New Zealand, Canada, and Latin America.

Achievement of our growth strategy requires investment in new capabilities, distribution channels, and technologies worldwide. These investments may result in short-term costs without accompanying current revenues and, therefore, may be dilutive to our earnings in the short term. In addition, we may continue to incur costs in connection with repositioning our business in certain geographic areas, including in Asia. Although we believe that our strategy will lead to long-term growth in revenue and profitability, the anticipated benefits may not be fully realized.

Our ability to conduct business in international markets may be affected by legal, regulatory, political, and economic risks.

Our ability to capitalize on growth in new international markets and to maintain our current level of operations in our existing international markets is subject to certain risks associated with operating in various international locations.

These include, but are not limited to:

- the burdens of complying with a variety of foreign laws and regulations, including trade, labor, and product safety trading restrictions;

compliance with U.S. and other country laws relating to foreign operations, including, but not limited to, the Foreign Corrupt Practices Act, which prohibits U.S. companies from making improper payments to foreign officials for the purpose of obtaining or retaining business, and the U.K. Bribery Act, which prohibits U.K. and related companies from any form of bribery;

• unexpected changes in laws, judicial processes, or regulatory requirements;

• adapting to local customs and culture; and

• new tariffs or other barriers in certain international markets.

We are also subject to general political and economic risks in connection with our international operations, including:

• political instability and terrorist attacks;

• changes in diplomatic and trade relationships, including sanctions resulting from the current political situation in Russia and Ukraine; and

• general economic fluctuations in specific countries or markets.

We cannot predict whether quotas, duties, taxes, or other similar restrictions will be imposed by the U.S., the European Union, Asia, or other countries upon the import or export of our products in the future, or what effect any of these actions would have, if any, on our business, results of operations, and financial condition. Changes in regulatory, geopolitical, social, or economic policies and other factors may have a material adverse effect on our business in the future, or may require us to exit a particular market or significantly modify our current business practices.

Our business is exposed to domestic and foreign currency fluctuations.

We generally purchase our products in U.S. Dollars. However, we source most of our products overseas. As a result, the cost of these products may be affected by changes in the value of the relevant currencies. Changes in currency exchange rates may also impact consumers' willingness or ability to travel abroad and/or purchase our products while traveling, as well as affect the U.S. Dollar value of the foreign currency denominated prices at which our international businesses sell products. In addition, the operating results of our international subsidiaries are exposed to foreign exchange rate fluctuations as their financial results are translated from the respective local currency into U.S. Dollars during the financial statement consolidation process. Foreign currencies that we are exposed to from a transactional and translational perspective primarily include the Euro, the Japanese Yen, the South Korean Won, the Australian Dollar, the Canadian Dollar, the Swiss Franc, the British Pound Sterling, the Chinese Renminbi, and the Hong Kong Dollar. Our international expansion will increase our exposure to foreign currency fluctuations. Although we hedge certain exposures to changes in foreign currency exchange rates arising in the ordinary course of business, we cannot fully anticipate all of our currency exposures and therefore foreign currency fluctuations may have a material adverse impact on our business, results of operations, and financial condition. In addition, factors that could impact the effectiveness of our hedging activities include the volatility of currency markets, the accuracy of forecasted transactions, and the availability of hedging instruments. As such, our hedging activities may not completely mitigate the impact of foreign currency fluctuations on our results of operations. See Item 7 — "Management's Discussion and Analysis of Financial Condition and Results of Operations — Market Risk Management."

A data security or privacy breach could damage our reputation and our relationships with our customers, expose us to litigation risk, and adversely affect our business.

We are dependent on information technology systems and networks, including the Internet, for a significant portion of our direct-to-consumer sales, including our e-commerce operations and retail business credit card transaction authorization and processing. We are also responsible for storing data relating to our customers and employees and rely on third parties for the operation of our e-commerce websites and for the various social media tools and websites we use as part of our marketing strategy. In our normal course of business, we often collect, retain, and transmit certain sensitive and confidential customer information, including credit card information, over public networks.

There is significant concern by consumers, employees, and lawmakers alike over the security of personal information transmitted over the Internet, consumer identity theft, and user privacy. Despite the security measures we currently have in place, our facilities and systems and those of our third-party service providers may be vulnerable to security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming and/or human errors, or other Internet or email events. Any perceived or actual electronic or physical security breach involving the misappropriation, loss, or other unauthorized disclosure of confidential or personally identifiable information,

including penetration of our network security, whether by us or by a third party, could disrupt our business, severely damage our reputation and our relationships with

our customers, expose us to risks of litigation, fines and penalties, and liability, and result in deterioration in our employees' and customers' confidence in us, and adversely affect our business, results of operations, and financial condition. Since we do not control third-party service providers and cannot guarantee that no electronic or physical computer break-ins and security breaches will occur in the future, any perceived or actual unauthorized disclosure of personally identifiable information regarding our customers or website visitors could harm our reputation and credibility, reduce our e-commerce net sales, impair our ability to attract website visitors, and reduce our ability to attract and retain customers. As these threats develop and grow, we may find it necessary to make significant further investments to protect data and infrastructure. In addition, as the regulatory environment relating to information security and privacy is becoming increasingly demanding, we may also incur significant costs in complying with the various applicable state, federal, and foreign laws regarding protection of, and unauthorized disclosure of, personal information.

Risks and uncertainties associated with the implementation of information systems may negatively impact our business.

We are continually improving and upgrading our computer systems and software. For example, we are in the process of implementing a global operating and financial reporting information technology system, SAP, as part of a multi-year plan to integrate and upgrade our operational and financial systems and processes, which began during our fiscal year ended April 2, 2011. During Fiscal 2015, we continued to migrate certain areas of our business to SAP, including global merchandise procurement, customer order management, and record-to-report for our North American wholesale operations. We are also in the process of executing the migration of our European operations to SAP, which will be completed in stages over the next several years. In addition to implementing SAP, we are also in the process of building an in-house global e-commerce platform as part of our plan to further enhance our omni-channel capabilities. Rollout of the new global e-commerce platform is expected to be completed by early 2018.

Implementation of new information systems, such as the global e-commerce platform and global operating and financial reporting system currently being implemented, involves risks and uncertainties. Any disruptions, delays, or deficiencies in the design or implementation of such systems could result in increased costs, disruptions in the sourcing, sale, and shipment of our product, delays in the collection of cash from our customers, and/or adversely effect on our ability to timely report our financial results, all of which could materially adversely affect our business, results of operations, and financial condition.

Our business could suffer if our computer systems and websites are disrupted or cease to operate effectively.

We are dependent on our computer systems to record and process transactions and manage and operate our business, including in designing, marketing, manufacturing, importing, tracking, and distributing our products, processing payments, and accounting for and reporting results. We also utilize an automated replenishment system to facilitate the processing of basic replenishment orders from our Retail segment and our wholesale customers, the movement of goods through distribution channels, and the collection of information for planning and forecasting. In addition, we have e-commerce and other Internet websites in North America, Europe, and Asia, including Australia and New Zealand, and have plans for additional e-commerce sites in Asia and other parts of the world. Given the complexity of our business and the significant number of transactions that we engage in on a daily basis, it is imperative that we maintain uninterrupted operation of our computer hardware and software systems. Despite our preventative efforts, our systems are vulnerable to damage or interruption from, among other things, security breaches, computer viruses, malfunctions, or power outages. Any material disruptions in our information technology systems could have a material adverse effect on our business, results of operations, and financial condition.

The success of our business depends on our ability to retain the value of our brands, to continue to develop products that resonate with our existing customers and attract new customers, and to provide a seamless shopping experience to our customers.

Our success depends on the value of our brands and our ability to consistently anticipate and respond to customers' demands, preferences, and fashion trends in the design, pricing, and production of our products, including the preference for certain products to be manufactured in the U.S. Any failure on our part to anticipate, identify, and respond effectively to these consumer demands, preferences, and trends could adversely affect acceptance of our products. The Ralph Lauren name is integral to our business and our business could be adversely affected if Mr.

Lauren's public image or reputation were to be tarnished. Merchandise missteps or unfavorable publicity, especially through social media which accelerates and increases the potential scope of negative publicity, could negatively impact the image of our brands with our customers and could result in diminished loyalty to our brands, which could adversely impact our business, results of operations, and financial condition.

The success of our business also depends on our ability to continue to develop and maintain a reliable omni-channel experience for our customers. Our business has evolved from an in-store experience to a shopping experience through multiple technologies, including computers, mobile phones, tablets, and other devices, as our customers have become increasingly

technologically savvy. We strive to offer an omni-channel shopping experience to our customers and use social media to interact with our customers and enhance their shopping experience. If we are unable to develop and continuously improve our customer-facing technologies, we may not be able to provide a convenient and consistent experience to our customers regardless of the sales channel. This could negatively affect our ability to compete with other retailers and result in diminished loyalty to our brands, which could adversely impact our business, results of operations, and financial condition.

Our business is subject to risks associated with importing products and could suffer as a result of increases in the price of raw materials, freight, or labor; or a manufacturer's inability to produce our goods on time and to our specifications. We do not own or operate any manufacturing facilities and depend exclusively on independent third parties for the manufacture of our products. Our products are manufactured to our specifications through arrangements with over 700 foreign manufacturers in various countries. In Fiscal 2015, over 97% of our products (by dollar value) were produced outside the U.S., primarily in Asia, Europe, and Latin America. Risks inherent in importing our products include:

- changes in social, political, and economic conditions or terrorist acts that could result in the disruption of trade from the countries in which our manufacturers or suppliers are located;
- the imposition of additional regulations relating to imports or exports, and costs of complying with laws relating to the identification and reporting of the sources of minerals used in our products;
- the imposition of additional duties, taxes, and other charges on imports or exports;
- significant fluctuations in the cost of raw materials;
- increases in the cost of labor, fuel, travel, and transportation;
- disruptions of shipping and international trade caused by natural and man-made disasters;
- significant delays in the delivery of cargo due to security considerations;
- pandemic and epidemic diseases, which could result in closed factories, reduced workforces, scarcity of raw materials, and scrutiny or embargoing of goods produced in infected areas;
- the imposition of anti-dumping or countervailing duty proceedings resulting in the potential assessment of special anti-dumping or countervailing duties; and
- the imposition of sanctions in the form of additional duties either by the U.S. or its trading partners to remedy perceived illegal actions by national governments.

Any one of these factors could have a material adverse effect on our business, results of operations, and financial condition.

In addition, the inability of a manufacturer to ship orders of our products in a timely manner or to meet our strict quality standards could cause us to miss the delivery date requirements of our customers for those items, which could result in cancellation of orders, refusal to accept deliveries, or a substantial reduction in purchase prices, any of which could have a material adverse effect on our business, results of operations, and financial condition. Prices of raw materials used to manufacture our products may also fluctuate, and increases in prices of such raw materials could have a material adverse effect on our cost of sales. Furthermore, the cost of labor at many of our third-party manufacturers has been increasing significantly and, as the middle class in developing countries such as China continues to grow, it is unlikely that such cost pressure will abate. The cost of transportation remains high as well, and it is likely that such cost will fluctuate significantly if oil prices remain volatile. We may not be able to offset such increases in raw materials, freight, or labor costs through pricing actions or other means.

Our business could suffer if we fail to comply with labor laws or if one of our manufacturers fails to use acceptable labor or environmental practices.

We are subject to labor laws governing relationships with employees, including minimum wage requirements, overtime, working conditions, and citizenship requirements. Compliance with these laws may lead to increased costs and operational complexity and may increase our exposure to governmental investigations or litigation.

In addition, we require our licensing partners and independent manufacturers to operate in compliance with applicable laws and regulations. While our internal and vendor operating guidelines promote ethical business practices and our employees periodically visit and monitor the operations of our independent manufacturers, we do not control these manufacturers or their labor practices. The violation of labor, environmental, or other laws by an independent manufacturer used by us or one of our licensing partners, or the divergence of an independent manufacturer's or licensing partner's labor or environmental practices from those generally accepted as ethical or appropriate in the U.S., could interrupt or otherwise disrupt the shipment of finished products to us or damage our reputation. Any of these events, in turn, could have a material adverse effect on our business, results of operations, and financial condition. Our business could be negatively impacted by any financial instability of our customers.

We sell our wholesale merchandise primarily to major department stores across North America, Europe, Asia, Australia, and Latin America and extend credit based on an evaluation of each wholesale customer's financial condition, usually without requiring collateral. However, the financial difficulties of a wholesale customer could cause us to limit or eliminate our business with that customer. We may also assume more credit risk relating to that customer's receivables. During Fiscal 2015, sales to our largest wholesale customer, Macy's, accounted for approximately 12% of total net revenues. Further, sales to our three largest wholesale customers, including Macy's, accounted for approximately 24% of total net revenues for Fiscal 2015, and constituted approximately 37% of our total gross trade accounts receivable outstanding as of March 28, 2015. Our inability to collect on our trade accounts receivable from any one of these customers could have a material adverse effect on our business, results of operations, and financial condition. See Item 1 — "Business — Wholesale Credit Control."

Uncertain economic conditions could have a negative impact on our major customers, suppliers, and lenders, which in turn could materially adversely affect our business, results of operations, and financial condition.

The uncertain state of the global economy continues to impact businesses around the world. The current global political and economic environments have resulted in continued economic unpredictability in the U.S., Europe, and Asia. Although we believe that our cash provided by operations and available borrowing capacity under our credit facilities and commercial paper borrowing program will provide us with sufficient liquidity through the current global economic uncertainty, the impact of economic conditions on our major customers, suppliers, and lenders and their ability to access global capital markets cannot be predicted. The inability of major manufacturers to ship our products could impair our ability to meet the delivery date requirements of our customers. Deterioration in global financial markets could affect our ability to access sources of liquidity to provide for our future cash needs, increase the cost of any future financing, or cause our lenders to be unable to meet their funding commitments under our credit facilities. A disruption in the ability of our significant customers to access liquidity could cause serious disruptions or an overall deterioration of their businesses which could lead to a significant reduction in their future orders of our products and the inability or failure on their part to meet their payment obligations to us, any of which could have a material adverse effect on our business, results of operations, and financial condition.

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

Our industry is subject to significant pricing pressure caused by many factors, including intense competition and a highly promotional environment, consolidation in the retail industry, pressure from retailers to reduce the costs of products, and changes in consumer spending patterns. These factors may cause us to reduce our sales prices to retailers and consumers, which could cause our gross margin to decline if we are unable to appropriately manage inventory levels and/or otherwise offset price reductions with comparable reductions in our costs. If our sales prices decline and we fail to sufficiently reduce our product costs or operating expenses, our profitability will decline. This could have a material adverse effect on our business, results of operations, and financial condition. In addition, changes in our customer, channel, and geographic sales mix could have a negative impact on our profitability.

Our trademarks and other intellectual property rights may not be adequately protected outside the U.S.

We believe that our trademarks, intellectual property, and other proprietary rights are extremely important to our success and our competitive position. We devote substantial resources to the establishment and protection of our trademarks and anti-counterfeiting activities worldwide. However, significant counterfeiting of our products continues, and in the course of our international expansion we have experienced conflicts with various third parties that have acquired or claimed ownership rights to some trademarks that include Polo and/or a representation of a polo

player astride a horse, or otherwise have contested our rights to our trademarks. We have in the past resolved certain of these conflicts through both legal action and negotiated settlements, none of which, we believe, has had a material impact on our results of operations or financial condition. We cannot guarantee that the actions we have taken to establish and protect our trademarks and other proprietary rights will be adequate to prevent counterfeiting or a material adverse effect on our business or brands arising from imitation of our products by others or to prevent others from seeking to block sales of our products as a violation of the trademarks and proprietary rights of others. Also, there can

be no assurance that others will not assert rights in, or ownership of, trademarks and other proprietary rights of ours or that we will be able to successfully resolve these types of conflicts to our satisfaction or at all. In addition, the laws of certain foreign countries do not protect trademarks or other proprietary rights to the same extent as do the laws of the U.S. and, as a result, our intellectual property may be more vulnerable and difficult to protect in such countries. See Item 1 — "Business — Trademarks," and Item 3 — "Legal Proceedings."

Fluctuations in our tax obligations and effective tax rate may result in volatility of our operating results.

We are subject to income taxes in many U.S. and certain foreign jurisdictions. We record tax expense based on our estimates of future payments, which include reserves for uncertain tax positions in multiple tax jurisdictions. At any one time, multiple tax years are subject to audit by various taxing authorities. The results of these audits and negotiations with taxing authorities may affect the ultimate settlement of these issues. In addition, the tax laws and regulations in the countries where we operate may change or there may be changes in interpretation and enforcement of existing tax laws, which could materially affect our income tax expense in our consolidated financial statements. As a result, we expect that throughout the year there could be ongoing variability in our quarterly tax rates as events occur and exposures are evaluated. In addition, our effective tax rate in a given financial statement period may be materially impacted by changes in the mix and level of earnings by jurisdiction or by changes to existing accounting rules or regulations.

We have significant undistributed earnings held by our subsidiaries outside the U.S. As of March 28, 2015, we had \$1.144 billion in cash, cash equivalents, and short-term investments, of which \$1.109 billion were held by our subsidiaries domiciled outside the U.S. We currently intend to reinvest these funds in order to fund strategic initiatives, working capital requirements, and debt repayments (both third-party and intercompany) of such foreign subsidiaries. However, if our plans change and we choose to repatriate any funds to the U.S. in the future, we would be subject to applicable U.S. and foreign taxes.

Our Company has an exclusive relationship with certain customers for some of our products. The loss or significant decline in business of these customers could negatively impact our business.

We have exclusive relationships with certain customers for the distribution of some of our products. Our arrangement with these companies makes us dependent on those companies' financial and operational health for the sale of such products. The loss of these relationships could have an adverse effect on our business.

Our business could suffer as a result of consolidations, liquidations, restructurings, and other ownership changes in the retail industry.

Several of our department store customers, including some under common ownership, account for a significant portion of our wholesale net sales. A substantial portion of sales of our licensed products by our domestic licensing partners are also made to our largest department store customers. During Fiscal 2015, sales to our largest wholesale customer, Macy's, accounted for approximately 12% of total net revenues. Further, sales to our three largest wholesale customers, including Macy's, accounted for approximately 24% of total net revenues for Fiscal 2015, and constituted approximately 37% of our gross trade accounts receivable outstanding as of March 28, 2015. There can be no assurance that consolidations, restructurings, reorganizations, or other ownership changes in the department store sector will not have a material adverse effect on our wholesale business.

We typically do not enter into long-term agreements with our customers. Instead, we enter into a number of purchase order commitments with our customers for each of our product lines every season. A decision by the controlling owner of a group of stores or any other significant customer, whether motivated by competitive conditions, financial difficulties, or otherwise, to decrease or eliminate the amount of merchandise purchased from us or our licensing partners or to change their manner of doing business with us or our licensing partners or their new strategic and operational initiatives, including their continued focus on further development of their "private label" initiatives, could have a material adverse effect on our business, results of operations, and financial condition.

Certain legal proceedings, regulatory matters, and accounting changes could adversely impact our results of operations.

We are involved in certain legal proceedings and regulatory matters and are subject from time to time to various claims involving alleged breach of contract claims, intellectual property and other related claims, escheatment and unclaimed property, credit card fraud, security breaches in certain of our retail store information systems, employment

issues, consumer matters, and other litigation. Certain of these lawsuits and claims, if decided adversely to us or settled by us, could result in material liability to our Company or have a negative impact on our reputation or relations with our employees, customers, licensees, or other third parties. In addition, regardless of the outcome of any litigation or regulatory proceedings, such proceedings could result in substantial costs and may require our Company to devote substantial time and resources to defend itself. Further, changes in governmental

regulations both in the U.S. and in other countries where we conduct business operations could have an adverse impact on our business, results of operations, and financial condition. See Item 3 — "Legal Proceedings" for further discussion of our Company's legal matters.

In addition, we are subject to changes in accounting rules and interpretations. The Financial Accounting Standards Board is currently in the process of amending a number of existing accounting standards governing a variety of areas. Certain of these proposed standards, particularly the proposed standard governing accounting for leases, if and when effective, would likely have a material impact on our consolidated financial statements. See Note 4 to the accompanying audited consolidated financial statements for further discussion of proposed amendments to current accounting standards.

Our results of operations could be affected by natural events in the locations in which we or our customers or suppliers operate.

We have operations, including retail, distribution, and warehousing operations, in locations subject to natural disasters, such as severe weather, geological events, and pandemic and epidemic diseases, that could disrupt our operations. In addition, our suppliers and customers also have operations in these locations and could experience similar disruptions. The occurrence of natural events may result in sudden disruptions in the business operations of the local economies affected, as well as of the regional and global economies. In addition, our business is affected by unseasonable weather conditions, such as extended periods of unseasonably warm temperatures in the winter or unseasonably cold temperatures in the summer. Such natural events, including unseasonable weather conditions, could result in decreased demand for our products and disruptions in our sales channels and manufacturing and distribution networks, which could have a material adverse effect on our business, results of operations, and financial condition. Our business could suffer if we need to replace manufacturers or distribution centers.

We compete with other companies for the production capacity of our manufacturers. Some of these competitors have greater financial and other resources than we have, and thus may have an advantage in securing production capacity. If we experience a significant increase in demand, or if an existing manufacturer of ours must be replaced, we may have to expand our third-party manufacturing capacity. We cannot guarantee that this additional capacity will be available when required on terms that are acceptable to us. See Item 1 — "Business — Sourcing, Production and Quality." We enter into a number of purchase order commitments each season specifying a time for delivery, method of payment, design and quality specifications, and other standard industry provisions, but do not have long-term contracts with any manufacturer. None of the manufacturers we use produce our products exclusively.

In addition, we rely on a number of owned and independently-operated distribution facilities around the world to warehouse and ship products to our customers and perform other related logistic services. As such, our ability to meet the needs of our customers depends on the proper operation of these distribution centers. If any of our distribution centers were closed or were to become inoperable for any reason, we could experience a substantial loss of inventory, disruption of deliveries to our customers and our retail stores, increased costs, and longer lead times associated with the distribution of products during the period that would be required to reopen or replace the facility. These disruptions could have a material adverse effect on our business, results of operations, and financial condition.

Our business is subject to risks associated with leasing real estate and other assets under long-term, non-cancellable leases.

We generally operate most of our retail stores under long-term, non-cancellable leasing arrangements. Our leases typically require us to make minimum rental payments, and often contingent rental payments based upon sales. In addition, our leases generally require us to pay our proportionate share of the cost of insurance, taxes, maintenance, and utilities. We generally cannot cancel our leases at our option. If an existing store is not profitable, and we decide to close it, we may be required to record an impairment charge and/or exit costs associated with the disposal of the store. In addition, we may remain obligated under the applicable lease for, among other things, payment of the base rent for the remaining lease term. Such costs and obligations related to the early termination of our leases could have a material adverse effect on our business, results of operations, and financial condition.

The voting shares of our Company's stock are concentrated in one majority stockholder.

As of March 28, 2015, Mr. Ralph Lauren, or entities controlled by the Lauren family, held approximately 81% of the voting power of the outstanding common stock of our Company. Mr. Ralph Lauren also serves as our Chairman of the Board and Chief Executive Officer, Mr. Ralph Lauren's son, David Lauren, is a director on our Board, and we employ other members of the Lauren family. From time to time, we may have other business dealings with Mr. Ralph Lauren, members of the Lauren family, or entities affiliated with Mr. Ralph Lauren or the Lauren family. As a result of his stock ownership and position in our Company, Mr. Ralph Lauren has the ability to exercise significant control over our business, including, without limitation, (i) the election of our Class B common stock directors, voting separately as a class and (ii) any action requiring the approval of our stockholders, including the adoption of amendments to our certificate of incorporation and the approval of mergers or sales of all or substantially all of our assets.

The trading prices of our securities periodically may rise or fall based on the accuracy of predictions of our earnings or other financial performance, including our ability to return value to shareholders.

Our business planning process is designed to maximize our long-term strength, growth, and profitability, and not to achieve an earnings target in any particular fiscal quarter. We believe that this longer-term focus is in the best interests of our Company and our stockholders. At the same time, however, we recognize that, from time to time, it may be helpful to provide investors with guidance as to our quarterly and annual forecast of net sales and earnings. While we generally expect to provide updates to our guidance when we report our results each fiscal quarter, we do not have any responsibility to update any of our forward-looking statements at such times or otherwise. If, or when, we announce actual results that differ from those that have been predicted by us, outside analysts, or others, the market price of our securities could be adversely affected. Investors who rely on these predictions when making investment decisions with respect to our securities do so at their own risk. We take no responsibility for any losses suffered as a result of such changes in the prices of our securities.

We periodically return value to shareholders through our common stock share repurchases and payment of quarterly cash dividends. Investors may have an expectation that we will repurchase all shares available under our Class A common stock repurchase program and/or that we will further increase our quarterly cash dividend. The market price of our securities could be adversely affected if our Class A common stock share repurchase activity and/or cash dividend rate differs from investors' expectations.

We rely on our licensing partners to preserve the value of our licenses.

The risks associated with our own products also apply to our licensed products in addition to any number of possible risks specific to a licensing partner's business, including risks associated with a particular licensing partner's ability to:

- obtain capital;
- manage its labor relations;
- maintain relationships with its suppliers;
- manage its credit and bankruptcy risks effectively; and
- maintain relationships with its customers.

Although a number of our license agreements prohibit our licensing partners from entering into licensing arrangements with our competitors, our licensing partners generally are not precluded from offering, under other non-competitor brands, the types of products covered by their license agreements with us. A substantial portion of sales of our products by our domestic licensing partners are also made to our largest customers. While we have significant control over our licensing partners' products and advertising, we rely on our licensing partners for, among other things, operational and financial control over their businesses. Changes in management, reduced sales of licensed products, poor execution, or financial difficulties with respect to any of our licensing partners could adversely affect our revenues, both directly from reduced licensing revenue received and indirectly from reduced sales of our other products. See Item 1 — "Business — Our Licensing Segment."

Failure to maintain licensing partners could harm our business.

Although we believe that we could replace our existing licensing partners in most circumstances, if necessary, our inability to do so for any period of time could adversely affect our revenues, both directly from reduced licensing revenue received and indirectly from reduced sales of our other products. See Item 1 — "Business — Our Licensing Segment."

Risks Relating to the Industry in Which We Compete

The downturn in the global economy may continue to affect consumer purchases of discretionary items and luxury retail products, which could adversely affect our business, results of operations, and financial condition.

The industries in which we operate are cyclical. Many economic factors outside of our control affect the level of consumer spending in the apparel, cosmetic, fragrance, accessory, jewelry, watch, and home product industries, including, among others:

- general business conditions;
- economic downturns;
- employment levels;
- downturns in the stock market;
- interest rates;
- foreign currency exchange rates;
- the housing market;
- consumer debt levels;
- the availability of consumer credit;
- increases in fuel prices;
- taxation; and
- consumer confidence in future economic conditions.

Consumer purchases of discretionary items and luxury retail products, including our products, tend to decline during recessionary periods and at other times when disposable income is lower. Unfavorable economic conditions may also reduce consumers' willingness and ability to travel to major cities and vacation destinations in which our stores are located. A downturn or an uncertain outlook in the economies in which we, or our licensing partners, sell our products may materially adversely affect our business, results of operations, and financial condition. See

Item 7 — "Management's Discussion and Analysis of Financial Condition and Results of Operations — Global Economic Developments" for further discussion.

The domestic and international political situation also affects consumer confidence. The threat, outbreak, or escalation of terrorism, military conflicts, or other hostilities could lead to a decrease in consumer spending and may materially adversely affect our business, results of operations, and financial condition.

We face intense competition worldwide in the markets in which we operate.

We face intense competition from other domestic and foreign fashion-oriented apparel, footwear, accessory, and casual apparel producers, some of which may be significantly larger and more diversified and may have greater financial and marketing resources than us. We compete with these companies primarily on the basis of:

- anticipating and responding to changing consumer demands in a timely manner;
- creating and maintaining favorable brand recognition, loyalty, and a reputation for quality;
- developing and maintaining innovative, high-quality products in sizes, colors, and styles that appeal to consumers;
- appropriately sourcing raw materials at cost-effective