

September 8, 1995

Securities and Exchange Commission
Washington, D.C. 20549

Gentlemen:

Pursuant to the requirements of the Securities Exchange Act of 1934, we are transmitting herewith the attached Form 10-Q for the quarter ended July 28, 1995

Sincerely,

KATHY GIES
Lands' End, Inc.
One Lands' End Lane
Dodgeville, WI 53595

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark one)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934.
For the Quarter Ended July 28, 1995
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from to

Commission file number 1-9769

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

DELAWARE 36-2512786
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

Lands' End Lane, Dodgeville, WI 53595
(Address of principal executive (Zip code)
offices)

Registrant's telephone number, 608-935-9341
including area code

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

Yes

No

Indicate the number of shares outstanding of each of the issuer's classes

of common stock as of September 8, 1995:

Common stock, \$.01 par value 33,914,616 shares outstanding

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

	Page Number
PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements	
Consolidated Statements of Operations for the Three Months Ended July 28, 1995, and July 29, 1994.....	3
Consolidated Statements of Operations for the Six Months Ended July 28, 1995, and July 29, 1994.....	4
Consolidated Balance Sheets at July 28, 1995, and January 27, 1995.....	5
Consolidated Statements of Cash Flows for the Six Months Ended July 28, 1995, and July 29, 1994.....	6
Notes to Consolidated Financial Statements.....	7-13
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.....	14-16
PART II. OTHER INFORMATION	
Item 1. Legal Proceedings.....	17
Item 4. Submission of Matters to a Vote of Security Holders.....	17
Item 6. Exhibits and Reports on Form 8-K.....	17
Signature.....	18

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	Three months ended	
	July 28, 1995	July 29, 1994
	(unaudited)	
Net sales	\$189,064	\$179,833
Cost of sales	106,341	102,509
Gross profit	82,723	77,324
Selling, general and administrative expenses	80,540	71,607
Income from operations	2,183	5,717
Other income (expense):		
Interest expense, net	(699)	(266)
Other	1,329	200
Total other income (expense), net	630	(66)
Income before income taxes	2,813	5,651
Income tax provision	1,118	2,238
Net income	\$ 1,695	\$ 3,413
Net income per share	\$ 0.05	\$ 0.10

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

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

	Six months ended	
	July 28, 1995	July 29, 1994
	(unaudited)	
Net sales	\$396,186	\$366,844
Cost of sales	222,254	209,803
Gross profit	173,932	157,041
Selling, general and administrative expenses	169,777	143,514
Income from operations	4,155	13,527

Other income (expense):		
Interest expense, net	(1,083)	(247)
Other	1,933	437
Total other income, net	850	190
Income before income taxes	5,005	13,717
Income tax provision	2,003	5,418
Net income	\$ 3,002	\$ 8,299
Net income per share	\$ 0.09	\$ 0.23

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

4

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

	July 28, 1995	January 27, 1995
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,864	\$ 5,426
Receivables	6,062	4,459
Inventory	199,847	168,652
Prepaid expenses	18,442	11,219
Deferred income tax benefit	9,580	8,412
Total current assets	236,795	198,168
Property, plant and equipment, at cost:		
Land and buildings	70,007	69,798
Fixtures and equipment	80,523	74,745
Leasehold improvements	2,077	1,862
Construction in progress	927	-
Total property, plant and equipment	153,534	146,405
Less-accumulated depreciation and amortization	55,505	49,414
Property, plant and equipment, net	98,029	96,991
Intangibles, net	2,393	2,453
Total assets	\$337,217	\$297,612
Liabilities and shareholders' investment		
Current liabilities:		
Lines of credit	\$ 60,699	\$ 7,539
Current maturities of long-term debt	40	40
Accounts payable	63,084	52,762
Reserve for returns	2,504	5,011
Accrued liabilities	19,951	25,952
Accrued profit sharing	95	1,679
Income taxes payable	318	9,727

Total current liabilities	146,691	102,710
Deferred income taxes	5,379	5,379
Long-term liabilities	268	395
Shareholders' investment:		
Common stock, 40,221 shares issued	402	402
Donated capital	8,400	8,400
Paid-in capital	25,830	25,817
Deferred compensation	(1,291)	(1,421)
Currency translation adjustments	473	284
Retained earnings	232,556	229,554
Treasury stock, 5,881 and 5,395 shares at cost, respectively	(81,491)	(73,908)
Total shareholders' investment	184,879	189,128
Total liabilities and shareholders' investment	\$337,217	\$297,612

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

5

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

Six Months Ended
July 28, July 29,
1995 1994
(unaudited)

Cash flows (used for) from operating activities:		
Net income	\$ 3,002	\$ 8,299
Adjustments to reconcile net income to net cash flows from operating activities-		
Depreciation and amortization	6,437	5,007
Deferred compensation expense	130	174
Deferred income taxes	(1,168)	-
Changes in current assets and liabilities excluding the effects of acquisitions:		
Receivables	(1,603)	2,474
Inventory	(31,195)	(42,608)
Prepaid expenses	(7,223)	(224)
Income taxes receivable	-	(530)
Accounts payable	10,322	(2,790)
Reserve for returns	(2,507)	(1,457)
Accrued liabilities	(6,001)	497
Accrued profit sharing	(1,584)	(2,098)
Income taxes payable	(9,409)	(12,528)
Other	62	152
Net cash flows used for operating activities	(40,737)	(45,632)
Cash flows (used for) from investing activities:		
Cash paid for capital additions and businesses acquired	(7,415)	(15,192)
Net cash flows used for investing activities	(7,415)	(15,192)
Cash flows (used for) from financing activities:		
Proceeds from short-term debt	53,160	64,125
Tax effect of exercise of stock options	13	24
Purchases of treasury stock	(7,583)	(23,104)
Net cash flows from financing activities	45,590	41,045
Net increase (decrease) in cash and cash equivalents	(2,562)	(19,779)
Beginning cash and cash equivalents	5,426	21,569
Ending cash and cash equivalents	\$ 2,864	\$ 1,790
Supplemental cash flow disclosures:		
Interest paid	\$ 882	\$ 193
Income taxes paid	14,030	18,035

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

6

LANDS' END, INC. & SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Information pertaining to July 28, 1995, and the three months
ended July 28, 1995, and July 29, 1994, is unaudited)

The condensed consolidated financial statements included herein have been prepared by Lands' End, Inc. (the company), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission, and in the opinion of management contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the financial position. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the company believes that the disclosures are adequate to make the information presented not misleading. The results of operations for the interim periods disclosed within this report are not necessarily indicative of future financial results. These consolidated financial statements are condensed and should be read in conjunction with the financial statements and the notes thereto included in the company's latest Annual Report on Form 10-K, which includes financial statements for the year ended January 27, 1995.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of business

Lands' End, Inc., (the company) is a direct marketer of traditionally styled apparel, domestics (primarily bedding and bath items), soft luggage, and other products.

Principles of consolidation

The consolidated financial statements include the accounts of the company and its subsidiaries after elimination of intercompany accounts and transactions.

Fiscal year

The company utilizes a 52-53 week fiscal year ending on the Friday nearest January 31. Fiscal 1996 will be a 53-week year ending on February 2, 1996. The additional week will be added in the fourth quarter of fiscal 1996.

Fair values of financial instruments

The fair value of financial instruments does not materially differ from their carrying values.

Inventory

Inventory, primarily merchandise held for sale, is stated at last-in, first-out (LIFO) cost, which is lower than market. If the first-in, first-out (FIFO) method of accounting for inventory had been used, inventory would have been approximately \$19.7 million and \$18.9 million higher than reported at July 28, and January 27, 1995, respectively.

Catalog costs

Prepaid expenses primarily consist of catalog production and mailing costs that have not yet been fully amortized over the expected revenue stream, which is within six months from the date catalogs are mailed. The company's reporting of such advertising costs is in conformance with the provisions of the AICPA Statement of Position No. 93-7, "Reporting on Advertising Costs," which became effective for the company in the first quarter of fiscal 1996.

7

LANDS' END, INC. & SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Information pertaining to July 28, 1995, and the three months
ended July 28, 1995, and July 29, 1994, is unaudited)

Depreciation

Depreciation expense is calculated using the straight-line method over the estimated useful lives of the assets, which are 20 to 30 years for buildings and land improvements and 5 to 10 years for leasehold improvements and furniture, fixtures, equipment, and software. The company provides one-half year of depreciation in the year of addition and retirement.

Intangibles

Intangible assets consist of goodwill in excess of the fair market value of net assets of businesses purchased. Goodwill is being amortized over 40 years on a straight-line basis. Other intangibles are amortized over a shorter life. Total accumulated amortization of these intangibles was \$0.4 million and \$0.3 million as of July 28, and January 27, 1995, respectively.

Net income per share

Net income per share is computed by dividing net income by the weighted average number of common shares outstanding during each period. The weighted average common shares outstanding were 34.6 million and 35.0 million for the three-month periods ended July 28, 1995, and July 29, 1994, respectively; and 34.7 million and 35.4 million for the six-month periods ended July 28, 1995, and July 29, 1994, respectively. Common stock equivalents includes awards, grants and stock options which have been issued by the company. The common stock equivalents do not significantly dilute basic earnings per share.

Reserve for losses on customer returns

At the time of sale, the company provides a reserve equal to the gross profit on projected merchandise returns, based on its prior returns experience.

Financial instruments with off-balance-sheet risk

The company is party to financial instruments with off-balance-sheet risk in the normal course of business to reduce its exposure to fluctuations in foreign currency exchange rates and to meet financing needs.

The company enters into forward exchange contracts to hedge anticipated foreign currency transactions during the upcoming seasons. The purpose of the company's foreign currency hedging activities is to protect the company from the risk that the eventual dollar cash flows resulting from these transactions will be adversely affected by changes in exchange rates. At July 28, 1995, the company had forward exchange contracts, maturing through August 1996, to sell approximately 1.2 billion yen and to purchase approximately 3.2 million Canadian dollars. There were no material deferred gains or losses related to the outstanding forward exchange contracts as of July 28, 1995.

The company also uses import letters of credit to purchase foreign-sourced merchandise. The letters of credit are primarily U.S. dollar-denominated and are issued through third-party financial institutions to guarantee payment for such merchandise within agreed upon time periods. At July 28, 1995, the company had outstanding letters of credit of approximately \$24.6 million, all of which had expiration dates of less than 1 year.

The counterparty to the financial instruments discussed above is primarily two large financial institutions; management believes the risk of counterparty nonperformance on these financial instruments is not significant.

8

LANDS' END, INC. & SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Information pertaining to July 28, 1995, and the three months
ended July 28, 1995, and July 29, 1994, is unaudited)

Foreign currency translation

Financial statements of the foreign subsidiaries are translated into U.S. dollars in accordance with the provisions of SFAS 52. Translation adjustments are accumulated in a separate component of stockholder's equity. Foreign currency translation gains were \$0.5 million and \$0.2 million for the six-month periods ended July 28, 1995 and July 29, 1994, respectively.

Postretirement benefits

The company does not currently provide any postretirement benefits for employees other than profit sharing.

Reclassification

Certain financial statement amounts have been reclassified to be consistent

with the fiscal 1996 presentation.

NOTE 2. ACCOUNTING CHANGES

The Financial Accounting Standards Board has issued Statement Nos. 112 and 115, "Employer's Accounting for Post-employment Benefits" and "Accounting for Certain Investments in Debt and Equity Securities," respectively. The company adopted these standards in fiscal 1995, and there is no material impact on its financial statements.

NOTE 3. SHAREHOLDERS' INVESTMENT

Capital stock

The company currently has 160 million shares of \$0.01 par value common stock. The company has authorized 5 million shares of preferred stock, \$0.01 par value. The company's board of directors has the authority to issue shares and to fix dividends, voting and conversion rights, redemption provisions, liquidation preferences, and other rights and restrictions of the preferred stock.

Treasury stock

The company's board of directors has authorized the purchase of a total of 8.2 million shares of the company's common stock. A total of 6.7 million and 6.2 million shares had been purchased as of July 28, and January 27, 1995, respectively.

Stock awards and grants

The company has a restricted stock award plan. Under the provisions of the plan, a committee of the company's board of directors may award shares of the company's common stock to its officers and key employees. Such shares vest over a ten-year period on a straight-line basis from the date of the award.

In addition, the company granted shares of its common stock to individuals as an inducement to enter the employ of the company.

LANDS' END, INC. & SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Information pertaining to July 28, 1995, and the three months ended July 28, 1995, and July 29, 1994, is unaudited)

The following table reflects the activity under the stock award and stock grant plans:

	Awards	Grants
Balance at January 29, 1993	141,320	12,000
Granted	27,200	-
Forfeited	(3,600)	-
Vested	(15,760)	(2,000)
Balance at January 28, 1994	149,160	10,000
Granted	-	-
Forfeited	(15,940)	(10,000)
Vested	(17,860)	-
Balance at January 27, 1995	115,360	0
Granted	-	-
Forfeited	(2,700)	-
Vested	(2,240)	-
Balance at July 28, 1995	110,420	0

The granting of these awards and grants has been recorded as deferred compensation based on the fair market value of the shares at the date of grant. Compensation expense under these plans is recorded as shares vest.

Stock options

The company has 2.5 million shares of common stock, either authorized and unissued shares or treasury shares, that may be issued pursuant to the exercise of options granted under the company's stock option plan. Options

are granted at the discretion of a committee of the company's board of directors to officers and key employees of the company. No option may have an exercise price less than the fair market value per share of the common stock at the date of grant.

Activity under the stock option plan is as follows:

	Options	Average Exercise Price	Vested Options
Balance at January 29, 1993	1,060,000	\$ 9.81	216,000
Granted	637,200	\$19.12	
Exercised	(8,000)	\$12.69	
Balance at January 28, 1994	1,689,200	\$13.31	340,000
Granted	-	-	
Exercised	(294,000)	\$ 6.72	
Forfeited	(928,800)	\$15.27	
Balance at January 27, 1995	466,400	\$13.56	195,480
Granted	342,100	\$16.50	
Exercised	(16,000)	\$13.78	
Forfeited	(50,800)	\$16.29	
Balance at July 28, 1995	741,700	\$14.72	219,120

10

LANDS' END, INC. & SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Information pertaining to July 28, 1995, and the three months
ended July 28, 1995, and July 29, 1994, is unaudited)

The above options currently outstanding vest over a 5 year period from the date of grant. The outstanding options expire as follows:

1995	-	100,000
2001	-	72,000
2002	-	40,000
2003	-	201,600
2005	-	328,100
		741,700

NOTE 4. INCOME TAXES

Under the liability method prescribed by the Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes," deferred taxes are provided based upon enacted tax laws and rates applicable to the periods in which taxes become payable.

Temporary differences that give rise to deferred tax assets and liabilities as of July 28, and January 27, 1995, are as follows (in thousands):

	Current Deferred Tax Benefit		Long-term Deferred Tax Liabilities	
	July 28, 1995	Jan. 27, 1995	July 28, 1995	Jan. 27, 1995
Catalog advertising	\$(1,539)	\$(1,539)	\$ -	\$ -
Inventory	6,792	7,052	-	-
Employee benefits	1,243	1,243	-	-
Reserve for returns	1,406	1,406	-	-
Depreciation	-	-	5,379	5,379
Foreign operating loss carryforwards	-	-	(807)	(807)
Valuation allowance	-	-	807	807
Other	1,678	250	-	-
Total	\$ 9,580	\$ 8,412	\$ 5,379	\$ 5,379

The valuation allowance required under SFAS No. 109 has been established for the deferred income tax benefits related to certain subsidiary loss carryforwards, which may not be realized.

In the periods presented, the differences between income taxes at the statutory federal income tax rate of 35 percent, and income taxes reported in

the consolidated statements of operations are due primarily to the effect of state income taxes.

NOTE 5. LINES OF CREDIT

During the second quarter of fiscal 1996, the company increased its unsecured lines of credit on an incremental basis, from a total of \$110 million to a total of \$160 million. There was \$49.7 million outstanding at July 28, at interest rates averaging 6.4%, compared to no outstanding amount on January 27, 1995.

11
LANDS' END, INC. & SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Information pertaining to July 28, 1995, and the three months
ended July 28, 1995, and July 29, 1994, is unaudited)

In addition, the company has unsecured lines of credit with foreign banks totaling the equivalent of \$23 million for a wholly owned foreign subsidiary. There was \$11.0 million outstanding at July 28, compared to \$7.5 as of January 27, 1995, at interest rates averaging 2.3%.

NOTE 6. LONG-TERM DEBT

There was no long-term debt as of July 28, and January 27, 1995.

The company has an agreement that expires December 31, 1995, with a bank for a \$20 million credit facility available to fund treasury stock purchases and capital expenditures. During the second quarter of fiscal 1996, this facility has been temporarily converted to an unsecured line of credit (see note 5 above).

NOTE 7. LEASES

The company leases store and office space and equipment under various leasing arrangements. The leases are accounted for as operating leases. Total rental expense under these leases was \$2.7 million and \$2.0 million for the three-month periods ended July 28, 1995, and July 29, 1994, respectively. Rental expense for the six-month periods ended July 28, 1995, and July 29, 1994, was \$5.7 million and \$4.1 million, respectively.

Total future fiscal year commitments under these leases as of July 28, 1995, are as follows (in thousands):

1996 (six months)	\$ 4,392
1997	8,832
1998	6,179
1999	3,864
2000	2,682
After 2000	3,936
	\$ 29,885

NOTE 8. RETIREMENT PLAN

The company has a retirement plan which covers most regular employees and provides for annual contributions at the discretion of the board of directors. Also included in the plan is a 401(k) feature which allows employees to make contributions and the company matches a portion of those contributions. Total expense provided under this plan was \$0.4 million for the three-month periods ended July 28, 1995, and July 29, 1994. Total expenses were \$0.9 million and \$1.1 million for the six-month periods ended July 28, 1995, and July 29, 1994, respectively.

NOTE 9. ACQUISITION AND ANTICIPATED DISPOSITION

In July 1994, the company formed a wholly-owned subsidiary that acquired the marketing rights and assets of MontBell America, Inc., which designs, develops and distributes premier technical outdoor clothing and equipment through the wholesale channel to outdoor specialty stores, primarily in the United States. Then in February 1995, the company announced its intention to sell its wholly-owned subsidiary MontBell America, Inc.

LANDS' END, INC. & SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Information pertaining to July 28, 1995, and the three months
ended July 28, 1995, and July 29, 1994, is unaudited)

In March 1993, the company purchased a majority interest in a catalog company, The Territory Ahead. Merchandise offered in the catalog consists of private label sportswear, accessories and luggage. Beginning in 2003, the minority shareholders have the option to require the company to purchase their shares, and the company will have the option to require the minority shareholders to sell their shares in The Territory Ahead. The price per share would be based on the fair market value of The Territory Ahead.

Results of operations of MontBell America, Inc., and The Territory Ahead were not material to the company, and as a result, no pro forma data is presented. The transactions were accounted for using the purchase method. The excess of the purchase price over the fair value of net assets was recorded as goodwill. The operating results of MontBell America, Inc., and The Territory Ahead are included in the consolidated financial statements of the company from their respective dates of acquisition.

Results of Operations

Three Months Ended July 28, 1995, compared with
Three Months Ended July 29, 1994

The company's net sales in the second quarter of fiscal 1996 increased 5.1 percent to \$189.1 million from \$179.8 million in the second quarter of fiscal 1995. The company's international businesses, as well as its new and specialty businesses, accounted for the sales increase in the second quarter, as it had in the preceding quarter. Sales from the company's core business, represented by the monthly and prospecting catalogs, were flat compared with

last year, despite an increase in the number of catalogs mailed. Customer sales per catalog mailed in the U.S. continue to be lower into the third quarter.

The second quarter ending inventory was about \$200 million, compared with about \$195 million a year ago.

Gross profit in the quarter just ended was \$82.7 million, or 43.8 percent of net sales, compared with \$77.3 million, or 43.0 percent of net sales, in the second quarter of the prior year. The increase in gross profit margin was due to stronger growth in higher margin businesses and lower merchandise costs, primarily the result of improvements in domestic and off-shore sourcing. Liquidations of excess inventory were about 9 percent of net sales in the quarter just ended, compared with about 10 percent in the prior year.

For the second quarter this year, selling, general and administrative expenses increased 12.5 percent to \$80.5 million, compared with \$71.6 million for the similar quarter last year. As a percentage of net sales, SG&A was 42.6 percent, compared with 39.8 percent in the same period last year. The increase in the SG&A ratio was primarily the result of higher paper prices and postal rates, as well as lower sales per catalog mailed in the U.S. International and new businesses, which have higher operating costs, experienced stronger growth rates during the quarter compared with the company's core and specialty businesses. This also had a negative impact on the SG&A ratio.

Net income for the quarter just ended was \$1.7 million, or 5 cents per share, down 50 percent from the \$3.4 million, or 10 cents per share, earned in the prior year. In the current year's second quarter, net income benefitted from \$0.7 million in foreign currency gains, recorded as other income.

Six Months Ended July 28, 1995, compared with
Six Months Ended July 29, 1994

The company's net sales in the first six months of fiscal 1996 increased 8 percent to \$396.2 million from \$366.8 million in the same period last year. The increase in net sales was due primarily to the same factors disclosed above for the three months ended July 28, 1995.

14

Gross profit of \$173.9 million for the first six months of fiscal 1996 increased 10.8 percent from \$157.0 million in the same six-month period last year. As a percentage of net sales, gross profit increased from 42.8 percent in fiscal 1995 to 43.9 percent in fiscal 1996. The increase in gross profit was due principally to the same factors disclosed above for the second quarter ended July 28, 1995. Year-to-date liquidation sales were about 10 percent, compared with 9 percent during the same period last year.

Selling, general and administrative expenses increased 18.3 percent to \$169.8 million in the first six months of fiscal 1996 from \$143.5 million in the same period last year. As a percentage of net sales, selling, general and administrative expenses increased to 42.9 percent in fiscal 1996 from 39.1 percent in fiscal 1995. The increase in selling, general and administrative expenses was the result of the same factors mentioned above for the second quarter ended July 28, 1995.

Net income in the first half of fiscal 1996 was \$3.0 million, or 9 cents per share, compared with \$8.3 million, or 23 cents per share in the prior year.

Seasonality of Business

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

Liquidity and capital resources

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

During fiscal 1995, the board of directors evaluated its dividend practice whereby it had paid annual dividends. Given the company's intent to buy back additional shares, the board determined that the current practice was no longer desirable and payment of a cash dividend is not planned for the foreseeable future.

The company continues to explore investment opportunities arising from the expansion of its international businesses, the development of new businesses and the acquisition of existing businesses. While this investment spending has had a negative impact on earnings, it is not expected to have a material effect on liquidity.

During the second quarter of fiscal 1996, the company increased its unsecured bank credit lines on an incremental basis from a total of \$110 million to a total of \$160 million, which is the amount available as of the date of filing.

15

At July 28, 1995, the company had used \$49.7 million primarily to fund inventory purchases. The company also maintains foreign credit lines for use in foreign operations totaling the equivalent of approximately \$23 million, of which \$11.0 million was used at July 28, 1995. The company has a separate \$20 million bank facility available to fund treasury stock purchases and capital expenditures. This agreement has been temporarily converted to an unsecured line of credit and is included in the \$160 million above. This facility runs through December 31, 1995.

Since June 1989, the company's board of directors has authorized the company from time to time to purchase a total of 8.2 million shares of treasury stock, of which 7.1 million shares have been purchased as of September 8, 1995. For further information, see note 3 to the consolidated financial statements.

Capital expenditures for fiscal 1996 are currently planned to be about \$20 million, of which about \$7 million had been expended through July 28, 1995. Major projects include new computer hardware and software and material handling equipment.

Possible future changes

Congress has from time to time considered proposals that would require mail order companies to collect and remit sales and use tax in states where the company does not have a physical presence. As it is anticipated that the change, if adopted, will be applied prospectively, the company believes there would be no material impact on financial results.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

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

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

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders for the quarter ended July 28, 1995, other than those disclosed in the Form 10-Q dated April 28, 1995, reporting the results of the company's annual meeting.

Item 5 is not applicable and has been omitted.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

The following exhibit is filed as part of this report:

Table Number	Description	Exhibit Number
(10)	Form of Director Deferred Compensation Agreement	1
(11)	Statement of recomputation of earnings per share	2

(b) Reports on Form 8-K

A report on Form 8-K was filed July 5, 1995, reporting a meeting with members of the financial community in New York, New York, on Thursday, May 18, 1995.

SIGNATURE

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

LANDS' END, INC.

Date: September 8, 1995

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

LIST OF DOCUMENTS INCORPORATED BY REFERENCE

In addition to the exhibits filed with this report, the exhibits listed below have been heretofore filed with the Securities and Exchange Commission as exhibits to the company's registration statement on Form S-8 (File No. 33-46133) and on Form S-1 (File No. 33-08217) or to other filings with the Commission and are incorporated herein as exhibits by reference, pursuant to Rule 24 of the SEC Rules of Practice. The exhibit number of each document so filed is stated next to the description of such exhibit. The file number for all other documents is 1-9769.

Table Number	Description of Item	Exhibit Number	Document Description
(3)	Articles of Incorporation and By-Laws:		
	Certificate of Incorporation of the company, as amended through October 3, 1986.	1	S-1
	Amendment to Certificate of Incorporation of the company, dated August 10, 1987.	3	10-Q October 1987
	Amendment to Certification of Incorporation of the company, dated May 20, 1994	4	10-Q July 1994
	Amended and Restated by-Laws of the company.	2	10-K 1993
(4)	Equity Instrument and Agreements relating to Debt Obligations:		
	Form of Certificate to evidence the Common stock.	1	10-Q August 1990
(10)	Material Contracts:		
	Form of letter from bank approving the company's unsecured line of credit and corresponding note.	7	10-K 1992
	Term Loan Note and Loan Agreement between the company and the American National Bank and Trust Company of Chicago.	11	10-Q August 1990
	First Amendment to Loan Agreement between the company and the American National Bank and Trust Company of Chicago, dated June 1, 1991.	13	10-Q August 1991

Table Number	Description of Item	Exhibit Number	Document Description
(10)	Second Amendment to Loan Agreement between the company and the American National Bank and Trust Company of Chicago, dated January 27, 1992.	15	10-K 1992
	Third Amendment to Loan Agreement between the company and the American National Bank and Trust Company of Chicago, dated December 11, 1992.	16	10-K 1993
	Fourth Amendment to Loan Agreement between the company and the American National Bank and Trust Company of Chicago, dated December 1, 1993.	1	10-K 1994
	Fifth Amendment to Loan Agreement between the company and the		

American National Bank and Trust Company of Chicago, dated November 22, 1994.	2	10-Q October 1994
Buying Agreement between the company and European Buying Agency, Ltd.	7	10-Q November 1990
Salaried Incentive Bonus Plan	9	S-1
Second Amended and Restated 1989 Restricted Stock Plan of the company.	12	10-Q November 1991
Stock Option Plan of the company	1	10-K 1995
Amended and Restated Retirement Plan, dated February 1, 1992.	3	10-K 1994
(13) Annual Report to Shareholders for the fiscal year ended January 27, 1995		10-K 1995

LANDS' END, INC.

DEFERRED COMPENSATION AGREEMENT

THIS AGREEMENT is entered into on ____, ____, ____ by and between Lands' End, Inc., a Delaware corporation (the "Company"), and _____ ("Director").

Director is a non-employee member of the Board of Directors of the Company. The Company and Director mutually desire to enter into a compensation agreement whereby Director will irrevocably elect to defer receipt of payment for his services as a member of the Board and whereby the payments so deferred will be adjusted to reflect the performance of the Company's common stock during the deferral period.

In consideration of the foregoing, the parties agree as follows:

1. The Company shall pay and Director shall receive compensation for any and all services rendered by him as a director of the Company from and after the date hereof to the extent, at the time, and in the manner hereinafter provided.

2. The Company shall establish and maintain two bookkeeping accounts, the first to be known as Director's Deferred Compensation Cash Account (hereinafter referred to as the "Cash Account"), and the second to be known as Director's Deferred Compensation Stock Account (hereinafter referred to as the "Stock Account").

(a) Cash Account

The Company shall regularly credit to the Cash Account (i) the dollar amount that Director would otherwise (but for this Agreement) have been entitled to receive for his services as a director of the Board in accordance with the terms and provisions of any plan, policy, agreement or resolution duly adopted by the Board from time

to time, (ii) the dollar amount of dividends that would have been payable, as of the record date applicable to any cash dividend on the Company's common stock (the "Common Stock"), with respect to a number of shares of Common Stock equal to the number of notional shares credited to the Stock Account as of such record date and (iii) the amount of cash or other property that would have been payable as a result of any stock dividend or split, recapitalization, merger, consolidation or similar change or distribution, with respect to a number of shares of Common Stock equal to the number of notional shares then credited to the Stock Account. Such credits shall continue for so long as there shall be notional shares of Common Stock credited to the Stock Account.

-1-

(b) Stock Account

On the tenth day (or, if such day is not a business day, the next business day thereafter) of February, May, August and November of each year, the Company shall determine the number of whole shares of Common Stock that could have been purchased on such date with the amounts then in the Cash Account, based upon the closing price of such shares as reported for such date in The Wall Street Journal. A number of notional shares corresponding to such share amount shall then be credited to the Stock Account and the amount in the Cash Account shall be reduced accordingly. In addition, the Stock Account shall be credited with notional securities equal to the amount of securities that would have been payable, as a result of any stock dividend or split, recapitalization, merger, consolidation or similar change or distribution, with respect to a number of shares of Common Stock equal to the number of notional shares then credited to such Account.

The foregoing accounts shall be established for bookkeeping purposes only, shall not represent either a cash deposit or actual shares, shall not give Director any special right in cash or shares held or owned by the Company, shall be unfunded and unsecured, and shall not give rise to any cause of action by Director against the Company, except at such time as Director shall become entitled to receive payment of compensation in accordance with the terms of this Agreement. Amounts payable under the terms of this Agreement shall be paid from the general assets of the Company. The Company shall furnish Director quarterly statements showing the current balances in each of the foregoing accounts.

3. Director shall be entitled to receive, in cash, all amounts payable hereunder in ___ annual installments, commencing on __, __, ____, except in the event of Director's death, disability or termination of service as a director of the Board prior to such date, in which case Director (or his beneficiary designated in accordance with paragraph 4 below) shall be entitled to receive such payments commencing on the first business day of April in the calendar year following such death, disability or termination of service. The amount of each such payment shall be determined by dividing (a) the sum of (i) the amount then credited to the Cash Account and (ii) the fair market value of a number of shares of Common Stock equal to the number of notional shares then credited to the Stock Account (as determined by multiplying such number by the closing price of the Common Stock as reported for the last business day preceding the date of such payment in The Wall Street Journal), by (b) the number of payments then remaining due hereunder.

4. Any payments due hereunder that have not been paid to Director during his lifetime shall be paid to his surviving spouse or to any other person he may have designated in a writing filed with the Company for such purpose. The Company may rely upon the last of any such written designations in its possession in making any such payments, which shall be made at the same time(s) and in the same amount(s) as would have been made to Director had he survived. Any payments due hereunder that have not been paid to the Director's surviving spouse (or other beneficiary designated in accordance with this paragraph) during the lifetime of such person may be paid to the executor or administrator of the estate of such person; such payments shall be

made at the same time(s) and in the same amount(s) as would have been made to Director had he survived.

-2-

5. The rights of Director (or his surviving spouse or other designated beneficiary) to receive payments hereunder are personal and are not subject to acceleration or assignment, and the Company shall have no liability for payments hereunder to any person at any time or in any manner other than as herein provided. Notwithstanding the foregoing, the Company shall have the right, upon resolution duly adopted by its Board of Directors (without giving effect to any vote by Director), to pay in cash, in advance of any scheduled date or dates provided for herein, all or any part of the aggregate amount of payments that would otherwise be due hereunder.

6. This agreement may be amended only in writing with the consent of Director and the Company, provided that no such amendment shall have retroactive effect or modify the cash nature of the amounts payable to Director hereunder, and provided further, that any such amendment shall become effective only as to the next succeeding calendar quarter following the date of such amendment and thereafter.

7. This Agreement shall be binding upon, and shall inure to the benefit of, the successors and assigns of the Company.

8. If any provision of this Agreement shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining provisions hereof, and this Agreement shall be construed and enforced as if the invalid provisions had never been set forth herein. As used herein, the masculine includes the feminine, the singular includes the plural and the plural includes the singular.

9. This Agreement shall be considered a contract under, and shall for all purposes be construed in accordance with and governed by the laws of, the State of Wisconsin.

* * * *

-3-

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed in its name and on its behalf pursuant to the authorization of its Board of Directors, and Director has hereunto set his hand, all on the date first above written.

LANDS' END, INC.

By: _____

Its: _____

-4-

Exhibit 11.2

COMPUTATION OF EARNINGS PER SHARE

LANDS' END, INC. & SUBSIDIARIES
COMPUTATION OF EARNINGS PER SHARE
(In thousands, except per share amounts)

	Three months ended		Six Months Ended	
	07/28/95	07/29/94	07/28/95	07/29/94
Net income.....	\$ 1,695	\$ 3,413	\$ 3,002	\$ 8,299
Average shares of common stock outstanding during the period.....	34,625	35,046	34,671	35,446
Incremental shares from assumed				

exercise of stock options (primary)....	82	605	93	690
	34,707	35,651	34,764	36,136
Primary earnings per share.....	\$ 0.05	\$ 0.10	\$ 0.09	\$ 0.23
Average shares of common stock outstanding during the period.....	34,625	35,046	34,671	35,446
Incremental shares from assumed exercise of stock options (fully diluted).....	82	605	93	690
	34,707	35,651	34,764	36,136
Fully diluted earnings per share.....	\$ 0.05	\$ 0.10	\$ 0.09	\$ 0.23
Average shares of common stock outstanding during the period.....	34,625	35,046	34,671	35,446
Basic earnings per share.....	\$ 0.05	\$ 0.10	\$ 0.09	\$ 0.23

<ARTICLE> 5

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM CONSOLIDATED BALANCE SHEETS, CONSOLIDATED STATEMENTS OF OPERATIONS, AND COMPUTATION OF EARNINGS PER SHARE AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS AND EXHIBIT.

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