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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark one)

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.
For the Quarter Ended May 1, 1998

OR

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

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

Commission file number 1-9769

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

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

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

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of June 12, 1998:

Common stock, $.01 par value 30,347,550 shares outstanding

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

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	Three months ended May 1, 1998	May 2, 1997
	(Unaudited)	
Net sales	$268,587	$244,720
Cost of sales	143,847	131,988
Gross profit	124,740	112,732
Selling, general and administrative expenses	116,283	102,165
Income from operations	8,457	10,567
Other income (expense):		
Interest expense	(1,006)	(142)
Interest income	1	956
Gain on sale of subsidiary	-	7,805
Other	814	(342)
Total other income (expense), net	(191)	8,277
Income before income taxes	8,266	18,844

Income tax provision	3,058	7,538
Net income	$ 5,208	$ 11,306
Basic earnings per share	$ 0.17	$ 0.35
Diluted earnings per share	$ 0.17	$ 0.35
Basic weighted average shares outstanding	30,950	32,391
Diluted weighted average shares outstanding	31,346	32,617

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

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

	May 1, 1998 (unaudited)	Jan. 30, 1998 (audited)	May 2, 1997 (unaudited)
Assets			
Current assets:			
Cash and cash equivalents	$ 5,485	$ 6,338	$ 56,906
Receivables	18,583	15,443	12,536
Inventory	265,958	241,154	157,970
Prepaid advertising	21,599	18,513	13,276
Other prepaid expenses	5,349	5,085	5,016
Deferred income tax benefits	12,613	12,613	11,522
Total current assets	329,587	299,146	257,226
Property, plant and equipment, at cost:			
Land and buildings	81,590	81,781	71,726
Fixtures and equipment	121,243	118,190	100,376
Leasehold improvements	5,541	5,443	5,068
Construction in progress	20,099	12,222	4,717
Total property, plant and equipment	228,473	217,636	181,887
Less-accumulated depreciation and amortization	88,639	84,227	75,915
Property, plant and equipment, net	139,834	133,409	105,972
Intangibles, net	938	917	930
Total assets	$470,359	$433,472	$364,128
Liabilities and shareholders' investment			
Current liabilities:			
Lines of credit	$110,229	$ 32,437	$ 18,715
Accounts payable	66,890	83,743	68,364
Reserve for returns	4,872	6,128	4,332
Accrued liabilities	26,152	34,942	23,384
Accrued profit sharing	263	4,286	507
Income taxes payable	4,794	20,477	10,012
Total current liabilities	213,200	182,013	125,314
Deferred income taxes	8,747	8,747	8,814
Shareholders' investment:			
Common stock, 40,221 shares issued	402	402	402
Donated capital	8,400	8,400	8,400
Additional paid-in capital	26,661	26,457	26,274
Deferred compensation	(979)	(1,047)	(1,300)
Currency translation adjustments	747	875	709
Retained earnings	380,419	375,211	322,367
Treasury stock, 9,259, 9,281 and 7,948 shares at cost, respectively	(167,238)	(167,586)	(126,852)
Total shareholders' investment	248,412	242,712	230,000

Total liabilities and shareholders' investment	$470,359	$433,472	$364,128

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

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

	Three Months Ended May 1, 1998 (unaudited)	Three Months Ended May 2, 1997 (unaudited)
Cash flows from (used for) operating activities:		
Net income	$ 5,208	$ 11,306
Adjustments to reconcile net income to net cash flows from operating activities-		
Depreciation and amortization	4,457	4,048
Deferred compensation expense	68	70
Pre-tax gain on sale of subsidiary	-	(7,805)
Loss on disposal of fixed assets	-	558
Changes in current assets and liabilities excluding the effects of acquisitions and divestitures:		
Receivables	(3,140)	(4,112)
Inventory	(24,804)	(21,361)
Prepaid advertising	(3,086)	(2,210)
Other prepaid expenses	(264)	(1,297)
Accounts payable	(16,853)	(3,763)
Reserve for returns	(1,256)	(852)
Accrued liabilities	(8,965)	(3,485)
Accrued profit sharing	(4,023)	(2,430)
Income taxes payable	(15,683)	(11,512)
Other	76	(285)
Net cash flows used for operating activities	(68,265)	(43,130)
Cash flows from (used for) investing activities:		
Cash paid for capital additions	(10,728)	(7,905)
Proceeds from sale of subsidiary	-	12,350
Net cash flows from (used for) investing activities	(10,728)	4,445
Cash flows from (used for) financing activities:		
Proceeds from short-term debt	77,792	7,520
Exercise of stock options	348	102
Purchases of treasury stock	-	(4,858)
Net cash flows from financing activities	78,140	2,764
Net decrease in cash and cash equivalents	(853)	(35,921)
Beginning cash and cash equivalents	6,338	92,827
Ending cash and cash equivalents	$ 5,485	$ 56,906
Supplemental cash flow disclosures:		
Interest paid	$ 1,006	$ 142
Income taxes paid	18,135	19,572

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

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

1. Interim financial statements

The condensed consolidated financial statements included herein have been prepared by Lands' End, Inc. (the company), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission, and in the opinion of management contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the financial position. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the company believes that the disclosures are adequate to make the information presented not misleading. The results of operations for the interim periods disclosed within this report are not necessarily indicative of future financial results. These consolidated financial statements are condensed and should be read in conjunction with the financial statements and the notes thereto included in the company's latest Annual Report on Form 10-K, which includes financial statements for the year ended January 30, 1998.

2. Reclassification

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

3. Accounting standards

In March 1998, the American Institute of Certified Public Accountants issued Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." SOP 98-1 requires that entities capitalize certain internal-use software costs once certain criteria are met. The provisions of SOP 98-1 are effective for fiscal years beginning after December 15, 1998. The company does not expect the adoption of SOP 98-1 will have a material impact on the financial statements.

4. Earnings per share

In accordance with SFAS No. 128, "Earnings Per Share", the following table discloses the computation of the diluted earnings per share and the basic earnings per share. The common stock equivalents do not significantly dilute earnings per share.

	Three Months Ended	
(In thousands, except per share data)	May 1, 1998	May 2, 1997
Net income	$ 5,208	$ 11,306
Average shares of common stock outstanding	30,950	32,391
Incremental shares from assumed exercise of stock options	396	226
	31,346	32,617
Diluted earnings per share	$ 0.17	$ 0.35
Basic earnings per share	$ 0.17	$ 0.35

5. Comprehensive income

In January 1998, the company adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income." This statement establishes standards for the reporting and display of comprehensive income and its components. The following table presents the company's comprehensive income (000's):

	Three Months Ended	
	May 1, 1998	May 2, 1997
Net income	$ 5,208	$ 11,306
Change in cumulative translation adjustments, net	(128)	331

Total comprehensive income	$ 5,080	$ 11,637

Item 2. Management's Discussion and Analysis

Results of Operations

Three Months Ended May 1, 1998, compared with Three Months Ended May 2, 1997

The company's net sales in the first quarter of fiscal 1999 increased 9.8 percent to $268.6 million from $244.7 million in the same quarter last year. The increase in sales for the quarter just ended was primarily due to an increase in the number of catalogs and pages mailed. The growth in sales came primarily from the company's specialty businesses. Sales from the core business, represented by the company's regular monthly and prospecting catalogs, were flat. Sales during the first two months of the quarter were unexpectedly soft, and the majority of the sales gains were realized in the last month of the quarter. Net sales for last year's first quarter included $5.1 million from The Territory Ahead, in which the company had a majority interest at that time. Excluding this amount from fiscal 1998's revenues, net sales for the first quarter of fiscal 1999 increased 12.1 percent. Sales for the first six weeks of the second quarter were not as strong as that 12.1 percent increase.

Gross profit in the quarter just ended was $124.7 million, or 46.4 percent of net sales, compared with $112.7 million, or 46.1 percent of net sales, in the first quarter of the prior year. The increase in gross profit margin was due to higher initial margins. This was partially offset by higher sales of liquidated merchandise due to a shift in timing of the company's liquidation mailer which pushed more lower margin sales into the first quarter than in the prior year. Liquidations of excess inventory were about 9 percent of net sales in the quarter just ended, compared with about 7 percent in the prior year.

For the first quarter this year, selling, general and administrative expenses increased 14 percent to $116.3 million, compared with $102.2 million in the similar quarter last year. As a percentage of net sales, SG&A was 43.3 percent, compared with 41.7 percent in the same period last year. The increase in the SG&A ratio was mainly due to lower catalog productivity, or sales per page. An additional factor contributing to the increased SG&A ratio was higher costs primarily associated with the company's Year 2000 efforts. During the quarter just ended, there was relatively lower profit sharing costs, due to lower earnings for the period.

During the last half of the prior fiscal year, the company had increased inventory to improve customer service. First quarter ending inventory was $266 million, up 68 percent from $158 million in the prior year. The company had about $110 million of short-term debt as of May 1, 1998, compared with $19 million at the same time last year. Interest expense in the quarter just ended was $1.0 million, compared with $1.0 million of interest income in the prior year. Higher inventory levels throughout the quarter contributed to higher sales due to higher first-time order fulfillment. Higher inventory levels may result in increased liquidations at greater markdowns in future periods.

Net income for the quarter just ended was $5.2 million, and diluted earnings per share were $0.17. Last year's first quarter earnings of $11.3 million, or $0.35 per share, included an after-tax gain of $4.7 million, or $0.15 per share, from the sale of the company's majority interest in The Territory Ahead. Excluding this non-recurring gain, net income for the prior year's first quarter was $6.6 million or $0.20 per share.

Seasonality of business

The company's business is highly seasonal. Historically, a disproportionate amount of the company's net sales and a majority of its profits have been realized during the fourth quarter. If the company's sales were materially different from seasonal norms during the fourth quarter, the company's annual operating results could be materially affected. In addition, as the company continues to refine its marketing efforts by experimenting with the timing of its catalog mailings, 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 purchase treasury stock and make asset additions.

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

At May 1, 1998, the company had unsecured domestic credit facilities totaling $110 million, of which about $75 million had been used. The company also maintains foreign credit lines for use in foreign operations totaling the equivalent of approximately $49 million as of May 1, 1998, of which $35 million was used. The company has a separate $20 million bank facility, which runs through May 31, 1999, available to fund treasury stock purchases and capital expenditures, all of which was unused.

Since fiscal 1990, the company's board of directors has authorized the company from time to time to purchase a total of 12.7 million shares of treasury stock. As of June 12, 1998, 10.9 million shares have been purchased, and there is a balance of 1.8 million shares available to the company. The company did not purchase any treasury stock during the quarter ended May 1, 1998.

Capital expenditures for fiscal 1999 are currently planned to be about $55 million, of which about $11 million had been expended through May 1, 1998. Major projects to date as of May 1, 1998, include a new distribution and phone center in Oakham, England, expansion of distribution facilities in Reedsburg, Wisconsin, completion of office facilities in Dodgeville, Wisconsin, and new computer hardware and software. The company believes that its cash flow from operations and borrowings under its current credit facilities will provide adequate resources to meet its capital requirements, treasury stock purchases and operational needs for the foreseeable future.

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
At the Annual Meeting of Shareholders held on May 13, 1998, pursuant to the Notice of Annual Meeting of Shareholders and Proxy Statement dated April 13, 1998, the voting results were as follows:

(a) Each of the three nominees (John N. Latter, Daniel Okrent and Michael J. Smith) were elected to the Board of Directors. John N. Latter had holders of 28,611,007 shares voted FOR and 259,261 shares WITHHELD. Daniel Okrent had holders of 28,624,899 shares voted FOR and 245,369 shares WITHHELD. Michael J. Smith had holders of 28,598,131 shares voted FOR and 272,137 shares WITHHELD.

(b) The appointment of Arthur Andersen LLP as independent public accountants for the company for the fiscal year ending January 29, 1999, was approved (28,731,786 shares voted FOR; 16,858 shares voted AGAINST; and 121,624 shares ABSTAINED).

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)	Ninth Amendment to Loan Agreement between the company and the American National Bank and Trust Company of Chicago, dated May 31, 1998	1

(b) Reports on Form 8-K
There were no reports filed on Form 8-K during the three-month period ended May 1, 1998.

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: June 12, 1998 By /s/ BRADLEY K. JOHNSON
Bradley K. Johnson
Senior Vice President,
Chief Administrative Officer
and Chief Financial Officer

Exhibit 10.1

NINTH AMENDMENT TO LOAN AGREEMENT

THIS NINTH AMENDMENT ("Amendment") is entered into as of this 31st day of May, 1998, by and between LANDS' END, INC., a Delaware corporation ("Borrower"), and AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO ("Bank").

WHEREAS, Borrower executed in favor of Bank a Loan Agreement dated July 19, 1990, as amended from time to time, in exchange for Bank's agreement to lend monies to Borrower (the "Loan Agreement"); and

WHEREAS, the Bank and Borrower wish to extend the time within which disbursement of the Term Loan may be made; and

WHEREAS, the parties hereto desire and have agreed to enter into this Amendment in order to amend certain terms of the Loan Agreement; and

NOW, THEREFORE, in consideration of the above recitals, the mutual promises and agreements of the parties set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree to amend the Loan Agreement as follows:

1. Extension of Final Disbursement Date. The Final Disbursement Date under the Loan Agreement is hereby extended to May 31, 1999.

2. This Amendment shall be incorporated into and made a part of the Loan Agreement and all other related loan documents executed by Borrower.

3. All terms and provisions of the Loan Agreement and all other related loan documents between Borrower and Bank, except as expressly modified herein, shall continue in full force and effect, and Borrower hereby confirms each and every one of its obligations under the Loan Agreement as amended herein.

4. This Amendment shall be governed by, and construed in accordance with, the internal laws of the State of Illinois.

5. This Amendment shall inure to the benefit of Bank's successors and assigns, and shall be binding upon Borrower's successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

LANDS' END, INC.
a Delaware corporation

By: TERRY R. JANES
Terry R. Janes, Treasurer

ACCEPTED BY:

AMERICAN NATIONAL BANK AND TRUST
COMPANY OF CHICAGO

By: PETER B. HARRISON, JR.
Peter B. Harrison, Jr.

Its: Commercial Banking Officer

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED STATEMENTS OF OPERATIONS AND CONSOLIDATED BALANCE SHEETS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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