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 JULY 31, 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 September 10, 1998:

Common stock, $.01 par value 30,239,300 shares outstanding

LANDS' END, INC. & SUBSIDIARIES
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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 31, 1998 (Unaudited)	Three months ended Aug. 1, 1997 (Unaudited)
Net sales	$239,194	$219,883
Cost of sales	123,716	117,350
Gross profit	115,478	102,533
Selling, general and administrative expenses	114,794	96,780
Income from operations	684	5,753
Other income (expense):		
Interest expense	(1,993)	(204)
Interest income	-	552
Other	1,212	(346)
Total other income (expense), net	(781)	2
Income (loss) before income taxes	(97)	5,755
Income tax provision (benefit)	(36)	2,327

Net income (loss)	$ (61)	$ 3,428
Basic earnings per share	$ 0.00	$ 0.11
Diluted earnings per share	$ 0.00	$ 0.11
Basic weighted average shares outstanding	30,504	32,220
Diluted weighted average shares outstanding	30,801	32,461

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 31, 1998	Aug. 1, 1997
	(unaudited)	
Net sales	$507,781	$464,603
Cost of sales	267,563	249,338
Gross profit	240,218	215,265
Selling, general and administrative expenses	231,077	198,945
Income from operations	9,141	16,320
Other income (expense):		
Interest expense	(2,999)	(346)
Interest income	1	1,508
Gain on sale of subsidiary	-	7,805
Other	2,026	(688)
Total other income (expense), net	(972)	8,279
Income before income taxes	8,169	24,599
Income tax provision	3,022	9,865
Net income	$ 5,147	$ 14,734
Basic earnings per share	$ 0.17	$ 0.46
Diluted earnings per share	$ 0.17	$ 0.46
Basic weighted average shares outstanding	30,724	32,304
Diluted weighted average shares outstanding	31,069	32,538

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

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

	July 31, 1998 (unaudited)	Jan. 30, 1998 (audited)	Aug. 1, 1997 (unaudited)
Assets			
Current assets:			
Cash and cash equivalents	$ 5,016	$ 6,338	$ 5,781
Receivables	12,087	15,443	7,033
Inventory	318,439	241,154	217,104
Prepaid advertising	22,364	18,513	12,728
Other prepaid expenses	5,459	5,085	5,103
Deferred income tax benefit	12,613	12,613	11,522
Total current assets	375,978	299,146	259,271
Property, plant and equipment, at cost:			
Land and buildings	94,256	81,781	71,767
Fixtures and equipment	139,780	118,190	105,518
Leasehold improvements	5,551	5,443	5,149
Construction in progress	5,126	12,222	8,028
Total property, plant and equipment	244,713	217,636	190,462
Less-accumulated depreciation and amortization	92,544	84,227	79,854
Property, plant and equipment, net	152,169	133,409	110,608
Intangibles, net	937	917	888
Total assets	$529,084	$433,472	$370,767
Liabilities and shareholders' investment			
Current liabilities:			
Lines of credit	$177,256	$ 32,437	$ 17,622
Accounts payable	85,524	83,743	85,013
Reserve for returns	3,610	6,128	3,280
Accrued liabilities	26,688	34,942	22,295
Accrued profit sharing	246	4,286	812
Income taxes payable	3,159	20,477	4,262
Total current liabilities	296,483	182,013	133,284
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	26,359
Deferred compensation	(912)	(1,047)	(1,216)
Currency translation adjustments	56	875	1,088
Retained earnings	380,358	375,211	325,795
Treasury stock, 9,984, 9,281 and 8,123 shares at cost, respectively	(191,111)	(167,586)	(132,159)
Total shareholders' investment	223,854	242,712	228,669
Total liabilities and shareholders' investment	$529,084	$433,472	$370,767

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)

	Six Months Ended	
	July 31, 1998	Aug. 1, 1997
	(unaudited)	
Cash flows from (used for) operating activities:		
Net income	$ 5,147	$ 14,734
Adjustments to reconcile net income to net cash flows from operating activities-		
Depreciation and amortization	9,582	8,022
Deferred compensation expense	135	154
Pre-tax gain on sale of subsidiary	-	(7,805)
Loss on disposal of fixed assets	1,217	64
Changes in current assets and liabilities excluding the effects of acquisitions and divestitures:		
Receivables	3,356	1,391
Inventory	(77,285)	(80,495)
Prepaid advertising	(3,851)	(1,662)
Other prepaid expenses	(374)	(1,384)
Accounts payable	1,781	12,886
Reserve for returns	(2,518)	(1,904)
Accrued liabilities	(8,655)	(3,977)
Accrued profit sharing	(4,040)	(2,125)
Income taxes payable	(17,318)	(17,262)
Other	(615)	179
Net cash flows used for operating activities	(93,438)	(79,184)
Cash flows from (used for) investing activities:		
Cash paid for capital additions	(29,178)	(16,576)
Proceeds from sale of subsidiary	-	12,350
Net cash flows used for investing activities	(29,178)	(4,226)
Cash flows from (used for) financing activities:		
Proceeds from short-term debt	144,819	6,427
Purchases of treasury stock	(23,525)	(10,063)
Net cash flows from (used for) financing activities	121,294	(3,636)
Net decrease in cash and cash equivalents	(1,322)	(87,046)
Beginning cash and cash equivalents	6,338	92,827
Ending cash and cash equivalents	$ 5,016	$ 5,781
Supplemental cash flow disclosures:		
Interest paid	$ 2,674	$ 345
Income taxes paid	20,033	27,552

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 June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting For Derivative Instruments and Hedging Activities." This statement addresses the accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and hedging activities. The provisions of SFAS No. 133 are effective for fiscal years beginning after June 15, 1999. The company will adopt this standard in fiscal 2000, and is currently assessing its impact.

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		Six months ended	
(In thousands, except per share data)	July 31, 1998	Aug. 1, 1997	July 31, 1998	Aug. 1, 1997
Net income (loss)	$ (61)	$ 3,428	$ 5,147	$14,734
Average shares of common stock outstanding	30,504	32,220	30,724	32,304
Incremental shares from assumed exercise of stock options	297	241	345	234
	30,801	32,461	31,069	32,538
Diluted earnings per share	$ 0.00	$ 0.11	$ 0.17	$ 0.46
Basic earnings per share	$ 0.00	$ 0.11	$ 0.17	$ 0.46

5. Comprehensive income

During fiscal 1999, 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		Six months ended	
	July 31, 1998	Aug. 1, 1997	July 31, 1998	Aug. 1, 1997
Net income (loss)	$ (61)	$ 3,428	$ 5,147	$14,734
Change in cumulative translation adjustments, net	(691)	379	(819)	710
Total comprehensive income (loss)	$ (752)	$ 3,807	$ 4,328	$15,444

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS

Results of Operations

Three Months Ended July 31, 1998, compared with Three Months Ended August 1, 1997

The company's net sales in the second quarter of fiscal 1999 increased 8.8 percent to $239.2 million from $219.9 million in the same quarter last year. The growth in sales during the quarter just ended came from the company's specialty businesses, while sales from the core U.S. business and foreign-based operations were relatively flat. Sales from the core U.S. business continued the inconsistent trend seen in the first quarter and were particularly soft in the month of June. The sales increase during the quarter just ended was primarily due to an overall increase in the number of catalogs and pages mailed. The company's foreign-based and export businesses have been disappointing in both sales and earnings, due to weakness in certain international economies and the relative strength of the U.S. dollar. Net sales for the first five weeks of the third quarter of fiscal 1999 were weaker than the 8.8 percent increase in the second quarter.

Gross profit in this year's second quarter was $115.5 million, or 48.3 percent of net sales, compared with $102.5 million, or 46.6 percent of net sales, in the second quarter of the prior year. The improvement in gross profit margin was mainly due to higher initial margins and less steep markdowns on liquidated merchandise. Liquidations of excess inventory were about seven percent of net sales in the quarter just ended, compared with six percent in the prior year.

Selling, general and administrative expenses in the quarter just ended increased 18.6 percent to $114.8 million, compared with $96.8 million for last year's second quarter. As a percentage of sales, SG&A was 48.0 percent, compared with 44.0 percent in the same period last year. The increase in the SG&A ratio during the quarter was principally the result of lower productivity, or sales per page, especially in the month of June. Other factors that increased relative costs were increased spending on national advertising, Year-2000 compliance efforts, expanding and promoting the company's website, and higher depreciation expenses due to increased capital projects. This was partially offset by lower bonus and profit sharing expenses due to lower profitability.

During the quarter just ended, interest expense was $2 million, compared with interest income of $0.3 million in the same quarter last year. Higher inventory, coupled with planned capital expenditures and purchases of treasury stock, resulted in an increase in the company's borrowing on short-term lines of credit, which stood at $177 million at the end of the quarter, compared with $18 million a year ago.

Inventory at the end of the quarter was $318 million, up 47 percent from $217 million in the prior year. In fall of last year, the company increased inventory in its efforts to provide an annualized first-time fulfillment rate of at least 90 percent of all items ordered by customers. Much of the current inventory consists of basic products carried over from last fall that the company plans to sell at full price, as well as fall/winter merchandise that has arrived earlier than usual. However, higher inventory levels may result in greater product liquidations at lower margins in future periods.

The company had a net loss of $61 thousand in its second quarter ended July 31, 1998, compared with net income of $3.4 million earned in the second quarter last year. Diluted earnings per share were at break-even, or $0.00, for the quarter just ended, compared with $0.11 in the prior year. The quarter just ended includes $1.3 million in foreign currency exchange gains, recorded as other income, compared with a loss of $0.4 million in the same quarter last year. Foreign currency exchange gains or losses occur due to currency market movements and the company's hedging strategy.

Six Months Ended July 31, 1998, compared with
Six Months Ended August 1, 1997

The company's net sales in the first six months of fiscal 1999 increased 9.3 percent to $507.8 million from $464.6 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 31, 1998.

Gross profit of $240.2 million for the first six months of fiscal 1999 increased 11.6 percent from $215.3 million in the same six-month period last year. As a percentage of net sales, gross profit increased from 46.3 percent in fiscal 1998 to 47.3 percent in fiscal 1999. The increase in gross profit was due principally to the same factors disclosed above for the second quarter ended July 31, 1998. Year-to-date liquidation sales were about eight percent, compared with seven percent during the same period last year.

Selling, general and administrative expenses increased 16.2 percent to $231.1 million in the first six months of fiscal 1999 from $198.9 million in the same period last year. As a percentage of net sales, selling, general and administrative expenses increased to 45.5 percent in fiscal 1999 from 42.8 percent in fiscal 1998. The increase in the SG&A ratio was the result of relatively higher catalog advertising costs along with the same factors listed above for the second quarter ended July 31, 1998.

Net income in the first half of fiscal 1999 was $5.1 million, or $0.17 per share, compared with $10.1 million, or $0.31 per share in the first six months of the prior year. This excludes last year's 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. Including that one-time gain, net income in the first half of fiscal 1998 was $14.7 million, or $0.46 per share.

Seasonality of business

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

Liquidity and capital resources

To date, the bulk of the company's working capital needs have been met through funds generated from operations and from short-term bank loans. The company's principal need for working capital has been to meet peak inventory requirements associated with its seasonal sales pattern. In addition, the company's resources have been used to 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 July 31, 1998, the company had unsecured domestic credit facilities totaling $175 million, of which about $151 million had been used. As of the date of filing, the company increased its unsecured domestic bank credit lines to $205 million. The company also maintains foreign credit lines for use in foreign operations totaling the equivalent of approximately $47 million as of July 31, 1998, of which $26 million was used.

Since fiscal 1990, the company's board of directors has authorized the company from time to time to purchase a total of 12.7 million shares of treasury stock. As of September 10, 1998, 11.0 million shares have been purchased, and there is a balance of 1.7 million shares available to the company.

Capital expenditures for fiscal 1999 are currently planned to be about $55 million, of which about $29 million had been expended through July 31, 1998. Major projects as of July 31, include a new distribution and phone center in Oakham, England, expansion of office facilities in Dodgeville, Wisconsin, expansion of distribution facilities in Reedsburg, 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.

Year 2000

The company is progressing as planned with its Year 2000 initiatives with no material changes anticipated. Major areas that are being addressed include the mainframe and mid-range computer environments, personal computers, third party vendors and suppliers, common facilities, equipment and warehouse automation and communications. Costs pertaining to the Year 2000 project are estimated between $16 and $20 million. The total amount expended as of July 31, 1998, was about $7 million, of which $4.0 million was expended during the current fiscal year.

Due to the general uncertainty of the Year 2000 readiness of third-party suppliers and customers, the company is unable to determine at this time whether the consequences of Year 2000 failures will have a material impact on the company's results of operations, liquidity or financial condition. The company believes that, with the implementation of new business systems and completion of projects as scheduled, the possibility of significant interruptions of normal operations should be reduced.

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 31, 1998, other than those disclosed in the Form 10-Q dated May 1, 1998, 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

There were no exhibits filed as part of this report.

(b) Reports on Form 8-K
A report on Form 8-K was filed June 29, 1998, reporting a meeting with members of the financial community in New York, New York, on Thursday, May 21, 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: September 10, 1998 By /s/ BRADLEY K. JOHNSON
Bradley K. Johnson
Senior Vice President,
Chief Administrative Officer
and Chief Financial Officer

<ARTICLE> 5
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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM
CONSOLIDATED STATEMENTS OF OPERATIONS AND CONSOLIDATED BALANCE SHEETS
AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL
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