

AMERICAN EAGLE OUTFITTERS INC

FORM 8-K (Current report filing)

Filed 11/02/06 for the Period Ending 11/01/06

Address	77 HOT METAL STREET PITTSBURGH, PA 15203
Telephone	4124323300
CIK	0000919012
Symbol	AEO
SIC Code	5651 - Family Clothing Stores
Industry	Retail (Apparel)
Sector	Services
Fiscal Year	01/28

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report
(Date of earliest event reported)

November 1, 2006

AMERICAN EAGLE OUTFITTERS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State of incorporation)

0-23760
(Commission File Number)

13-2721761
(IRS Employer Identification No.)

150 Thorn Hill Drive
Warrendale, Pennsylvania
(Address of principal executive offices)

15086-7528
(Zip Code)

(724) 776-4857
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 7.01. Regulation FD Disclosure

The information in this Item 7.01 of Form 8-K, including the accompanying exhibits, shall not be deemed to be "filed" for the purposes of Section 18 of the Securities and Exchange Act of 1934 (the "Exchange Act"), or otherwise subject to the liability of such section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, regardless of the general incorporation language of such filing, except as shall be expressly set forth by specific reference in such filing.

On November 1, 2006, the Company issued a press release announcing, among other things, the Company's October 2006 sales. A copy of the press release is attached hereto as Exhibit 99.1. The Company's Management issued a recorded sales commentary on November 1, 2006 to review the Company's sales results for the month ended October 28, 2006. Additionally, Management raised its third quarter 2006 earnings guidance in both the press release and the commentary. A copy of the sales commentary transcript is attached hereto as Exhibit 99.2.

ITEM 9.01. Financial Statements and Exhibits

(c) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1*	Press Release dated November 1, 2006 announcing October sales
99.2*	October Sales Commentary Transcript dated November 1, 2006

* Such Exhibit is being "furnished" (not filed) pursuant to Item 7.01 of the Current Report on Form 8-K.

SIGNATURE

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

AMERICAN EAGLE OUTFITTERS, INC.
(Registrant)

Date: November 2, 2006

By: /s/ Joan Holstein Hilson
Joan Holstein Hilson
Executive Vice President and
Chief Financial Officer, AE Brand

EXHIBIT INDEX

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NEWS RELEASE**AMERICAN EAGLE
OUTFITTERS****Reports October Sales of \$186.4 Million on a Same Store Sales Increase of 8%
Raises Third Quarter EPS Guidance**

Warrendale, PA, November 1, 2006 -- American Eagle Outfitters, Inc. (NASDAQ: AEOS) today announced that total sales for the month ended October 28, 2006 increased 18% to \$186.4 million, compared to \$157.9 million for the month ended October 29, 2005. Comparable store sales increased 8% for the month.

October results exceeded management's expectations, reflecting the continuation of on-trend assortments and a strong full-priced business. The company experienced broad-based strength across key categories. The initial Holiday collection arrived in stores during the fourth week of the month, and was met with a positive customer response.

Total sales for the third quarter ended October 28, 2006 increased 20% to \$696.3 million, compared to \$580.5 million for the quarter ended October 29, 2005. Comparable store sales increased 13% for the quarter.

Total sales for the year-to-date thirty-nine week period ended October 28, 2006 increased 17% to \$1.821 billion, compared to \$1.553 billion for the thirty-nine week period ended October 29, 2005. Comparable store sales increased 10% for the year-to-date period.

Based on October performance, the company is raising its third quarter earnings guidance to \$0.64 to \$0.65 per share, compared to \$0.47 per share last year. Previous third quarter guidance was \$0.61 to \$0.63 per share. Third quarter guidance includes stock option expense of approximately \$0.01 per share. For the year, stock option expense is expected to be approximately \$0.04 to \$0.05 per share.

To access the company's recorded monthly sales commentary, please call 800-642-1687, conference code 3282124#.

The company will report third quarter earnings on Tuesday, November 14th. Management will hold a conference call at 9:00 a.m. Eastern Time that morning. To listen to the call, please dial 877-601-0864, or go to our web-site, www.ae.com.

About American Eagle Outfitters:

American Eagle Outfitters (Nasdaq: AEOS) is a leading retailer that designs, markets and sells its own brand of laidback, current clothing targeting 15 to 25 year-olds, providing high-quality merchandise at affordable prices. AE's original collection includes standards like jeans and graphic Ts as well as essentials like accessories, outerwear, footwear, basics and swimwear. American Eagle Outfitters currently operates 830 stores in 50 states, the District of Columbia and Puerto Rico, and 72 AE stores in Canada. AE also operates ae.com, which offers additional sizes and styles of favorite AE merchandise and ships around the world. In September of this year, the company launched a new collection of dormwear and intimates. " *aerie* by American Eagle" is now available in American Eagle stores across the country and at aerie.com. It includes bras, undies, camis, hoodies, robes, boxers, sweats and leggings for the AE girl. Designed to be sweetly sexy, comfortable and cozy, *aerie* offers AE customers a new way to express their personal style everyday, from the dormroom to the coffee shop to the classroom. The company has also introduced MARTIN + OSA, a new sportswear concept targeting 25 to 40 year-old women and men. MARTIN + OSA carries apparel, accessories and footwear, using denim and sport inspiration to design fun and sport back into sportswear. MARTIN + OSA currently operates four stores and plans to open one additional store this year. For additional information and updates, visit martinandosa.com.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: This release contains forward-looking statements, which represent our expectations or beliefs concerning future events, specifically regarding third quarter earnings. All forward-looking statements made by the company involve material risks and uncertainties and are subject to change based on factors beyond the company's control. Such factors include, but are not limited to the risk that the company's third quarter earnings expectations may not be achieved and those other risks described in the Risk Factor Section of the company's Form 10-K and Form 10-Q filed with the Securities and Exchange Commission. Accordingly, the company's future performance and financial results may differ materially from those expressed or implied in any such forward-looking statements. The company does not undertake to publicly update or revise its forward-looking statements even if future changes make it clear that projected results expressed or implied will not be realized.

CONTACT:

American Eagle Outfitters, Inc.
Judy Meehan, 724-776-4857

OR

Financial Media Contact
Berns Communications Group
Stacy Berns or Melissa Jaffin, 212-994-4660

American Eagle Outfitters, Inc.
October 2006
Recorded Sales Commentary Transcript dated November 1, 2006

Good afternoon. Welcome to the American Eagle Outfitters October 2006 Sales Commentary. This is Judy Meehan, Senior Director of Investor Relations. During this call, I will make certain forward-looking statements based on our current expectations. Actual results may be materially different based on risk factors included in our quarterly and annual reports filed with the SEC.

October sales reflected a continued favorable customer reception to our on-trend assortments and strong full-priced business. We experienced broad-based strength across key categories, demonstrating on-going consistency. Our initial Holiday collection arrived in stores during the fourth week of the month and was met with a positive customer response.

Total October sales of \$186.4 million increased 18% compared to \$157.9 million last year. We delivered a comparable store sales increase of 8%, which exceeded our expectations, with sales momentum progressing throughout the month. Our performance this October compares to a 17% comp increase in October of last year.

Our men's and women's businesses both achieved a comp in the positive high single-digits. Key categories performed well in October including men's and women's knit tops, jeans, sweaters and fleece. We are also pleased with the continued strong performance of our new *erie* intimates collection, which is already emerging into a true sub-brand for American Eagle.

Sales were driven by the following positive metrics: The average transaction value increased in the high single-digits, with units per transaction and units sold per store up in the mid single-digits. Our average unit retail price increased in the low single-digits, a positive result of less promotional activity compared to last year. The number of transactions per store also increased in the low single-digits, reflecting a strong conversion rate.

Comps by week strengthened throughout the month, against positive comps last year as follows:

- Week one of low single-digits, compared to mid-teens;
- Week two of high single-digits, compared to low double-digits;
- Week three of low double-digits, compared to high-teens; and
- Week four of low double-digits, compared to mid-twenties last year.

Comps by region were as follows:

- The Northeast increased in the low double-digits;
- The Midwest and Southwest rose in the high single-digits;
- The West and Mid-Atlantic regions increased in the mid single-digits;
- The Southeast declined in the low single-digits; and
- Canada achieved a comp in the positive high-teens.

Sales at ae.com increased 50% in October, led by an improvement in the conversion rate and an increase in both units per transaction and transaction value. We have also had a positive customer reaction to the new Holiday site and are excited about the launch of our new interactive AE gift guide, which enables shopping by price, latest trends, outfits, stylist picks and most wished for.

Our new holiday floor-set arrived in stores on October 24th with similar timing to last year. We are featuring favorite key items such as sweaters, knits and fleece, as well as maintaining our focus on AE jeans this holiday season. We will update our stores before Thanksgiving with new items and marketing, which is consistent with last year.

Based on October performance, we are raising our third quarter earnings guidance to \$0.64 to \$0.65 per share, compared to \$0.47 last year. Our previous third quarter guidance was \$0.61 to \$0.63 per share. The third quarter guidance includes approximately \$0.01 of stock option expense, which was not reflected last year.

We will announce our third quarter earnings on Tuesday, November 14th. To listen to our conference call, please dial 877-601-0864, ten minutes before 9:00 a.m. Eastern Time, or go to our web-site, www.ae.com.

Thank you for your continued interest in American Eagle Outfitters.