

AMERICAN EAGLE OUTFITTERS INC

FORM 8-K (Current report filing)

Filed 11/04/10 for the Period Ending 11/04/10

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 4, 2010

AMERICAN EAGLE OUTFITTERS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State of incorporation)

1-33338
(Commission File Number)

13-2721761
(IRS Employer Identification No.)

77 Hot Metal Street
Pittsburgh, Pennsylvania
(Address of principal executive offices)

15203-2329
(Zip Code)

(412) 432-3300
(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 2.02. Results of Operations and Financial Condition

The information in this Item 2.02 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 4, 2010, American Eagle Outfitters, Inc. (the "Company") issued a press release announcing, among other things, the Company's October 2010 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 4, 2010 to review the Company's sales results for the month ended October 30, 2010. Additionally, Management raised its third quarter 2010 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

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1*	Press release dated November 4, 2010 announcing October sales
99.2*	October sales commentary transcript dated November 4, 2010

* Such Exhibit is being "furnished" (not filed) pursuant to Item 2.02 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 4, 2010

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

EXHIBIT INDEX

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American Eagle Outfitters Reports October Sales Of \$188 Million Same Store Sales Decreased 2% Raises Third Quarter EPS Guidance

Pittsburgh - November 4, 2010 -- American Eagle Outfitters, Inc. (NYSE: AEO) today announced that total sales for the four weeks ended October 30, 2010 decreased 1% to \$188 million, compared to \$190 million for the four weeks ended October 31, 2009. Comparable store sales decreased 2% for the month, compared to a 5% decrease for the same period last year.

Total sales for the third quarter ended October 30, 2010 increased 2% to \$752 million, compared to \$736 million for the third quarter ended October 31, 2009. Comparable store sales increased 1% for the third quarter compared to a 4% decrease for the same period last year.

Total sales for the year-to-date period ended October 30, 2010, increased 3% to \$2.05 billion, compared to \$1.98 billion for the same period last year. Comparable store sales increased 1% for the year-to-date period compared to an 8% decrease last year.

The company completed the closure of MARTIN+OSA during the second quarter of 2010. Accordingly, MARTIN+OSA's total sales for the current and prior periods have been reclassified as discontinued operations and are not included in the results from continuing operations above.

As a result of better than expected sales and margin performance, the company is raising its third quarter adjusted earnings guidance from continuing operations to a range of \$0.28 to \$0.29 per diluted share from prior guidance of \$0.27 to \$0.28 per diluted share. This guidance excludes \$0.12 per diluted share for investment security charges related to the liquidation of auction rate securities as disclosed in the company's Form 8-K filed separately this morning. Third quarter guidance compares to adjusted earnings from continuing operations for the third quarter 2009 of \$0.25 per diluted share, which excluded a tax benefit of \$0.07 per diluted share associated with the repatriation of earnings from Canada as outlined in the table that follows.

To access the company's recorded monthly sales commentary, please dial (866) 514-0390, or internationally dial (585) 267-8021.

The company will announce third quarter earnings on Thursday, November 18 and management will hold a conference call at 10:00 a.m. EST. To listen to the call, please dial (877) 407-0789. As the company has done previously, fourth quarter EPS guidance will be established with the November sales release on Thursday, December 2.

Non-GAAP Measures

This press release includes information on non-GAAP earnings per diluted share ("non-GAAP" or "adjusted"). This measure is not based on any standardized methodology prescribed by U.S. generally accepted accounting principles ("GAAP") and is not necessarily comparable to similar measures presented by other companies. The company believes that this non-GAAP information is useful as an additional means for investors to evaluate the company's operating performance, when reviewed in conjunction with the company's GAAP financial statements. This amount is not determined in accordance with GAAP and therefore, should not be used exclusively in evaluating the company's business and operations.

AMERICAN EAGLE OUTFITTERS, INC. GAAP to Non-GAAP reconciliation (unaudited)

	13 Weeks Ended		
	October 30, 2010	October 30, 2010	October 31, 2009
	<i>Low Range</i>	<i>High Range</i>	
GAAP Diluted EPS from Continuing Operations	\$0.16	\$0.17	\$0.32
Add back: Realized loss on sale of investment securities	0.12	0.12	
Deduct: Impact of tax benefit related to repatriation of earnings from Canada	-	-	(0.07)
Non-GAAP Diluted EPS from Continuing Operations	\$0.28	\$0.29	\$0.25

American Eagle Outfitters, Inc., through its subsidiaries, ("AEO, Inc.") offers high-quality, on-trend clothing, accessories and personal care products at affordable prices. The American Eagle Outfitters brand targets 15 to 25 year old girls and guys, with 935 stores in the U.S. and Canada and online at www.ae.com. aerie by american eagle offers apparel and intimates collections for the AE girl, with 147 standalone stores

in the U.S. and Canada and online at www.aerie.com. The latest brand, 77kids by american eagle, is available online at www.77kids.com, as well as at seven stores across the nation. The 77kids brand offers small sizes and great big style for kids 0-14. AE.COM, the online home of the brands of AEO, Inc. ships to 76 countries worldwide.

"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 the 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, 412-432-3300

American Eagle Outfitters, Inc.
October 2010
Recorded Sales Commentary dated November 4, 2010

Good morning and welcome to the American Eagle Outfitters October 2010 Sales Commentary. This is Judy Meehan, Vice President 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 and margins were slightly ahead of our expectations, leading to an increase in our third quarter earnings guidance. Total sales for the four weeks ended October 30, 2010 decreased 1% to \$188 million compared to \$190 million for the four weeks ended October 31, 2009. Consolidated comparable store sales decreased 2%, compared to a 5% decrease for the same period last year.

Now looking at the month: October business trends moderated following a robust back-to-school shopping season during September. This was consistent with our expectations and recent trends of stronger consumer demand during peak selling periods and lower traffic during non-peak periods.

AE women's produced a slightly positive comp and men's declined in the high single-digits. AE jeans and accessories continued to deliver the best performance overall. A higher customer conversion rate led to a mid single-digit increase in consolidated transactions per store. The average unit retail price on AE apparel was up to last year. A higher sales contribution from accessories and aerie, however, led to a mid single-digit decline in the average unit retail price.

On a consolidated basis, the level of promotions and markdowns declined, leading to a higher merchandise margin for the month and the quarter. Average weekly third quarter inventories are consistent with our plan.

Based on better than expected sales and margin performance, we are raising our third quarter adjusted earnings guidance to \$0.28 to \$0.29 per share. This compares to adjusted earnings from continuing operations of \$0.25 per share last year, which excluded a tax benefit of \$0.07 per share. The third quarter 2010 adjusted EPS guidance excludes a charge of 12 cents per share related to the liquidation of auction rate securities as disclosed in an 8K filed separately this morning.

The next peak shopping period is Thanksgiving weekend, which will provide an indication of the holiday season and fourth quarter performance. As we have done in the past, we will establish fourth quarter EPS guidance when we announce November sales on Thursday, December 2nd. We will hold our third quarter earnings conference call on Thursday, November 18th at 10:00 am, Eastern Time. To listen to the call, please dial 877-407-0789. Thank you for your continued interest in American Eagle Outfitters.