

# AMERICAN EAGLE OUTFITTERS INC

## FORM 8-K (Current report filing)

Filed 01/05/07 for the Period Ending 01/03/07

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)

**January 3 , 2007**

---

**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))
-

---

**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 January 3, 2007, the Company issued a press release announcing, among other things, the Company's December 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 January 3, 2007 to review the Company's sales results for the month ended December 30, 2006. Additionally, Management raised its fourth 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 January 3, 2007 announcing December sales
99.2*	December sales commentary transcript dated January 3, 2007

\* 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: January 5, 2007

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

---

**EXHIBIT INDEX**

<u>Exhibit Number</u>	<u>Description</u>
99.1*	Press release dated January 3, 2007 announcing December sales
99.2*	December sales commentary transcript dated January 3, 2007

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

---

NEWS RELEASE**AMERICAN EAGLE  
OUTFITTERS****Reports December Sales of \$522.4 Million on a Same Store Sales Increase of 13%  
Raises Fourth Quarter EPS Guidance**

Warrendale, PA, January 3, 2007 -- American Eagle Outfitters, Inc. (NASDAQ: AEOS) today announced that total sales for the month ended December 30, 2006 increased 20% to \$522.4 million, compared to \$435.5 million for the month ended December 31, 2005. Comparable store sales increased 13% for the month.

In December, the company experienced strong sales reflecting a compelling holiday collection, making the AE brand a popular gift destination this season. In addition, AE's new spring transition assortment, which arrived in stores on December 24<sup>th</sup>, has been met with a positive customer response.

Jim O'Donnell, Chief Executive Officer, commented, "Our excellent performance for the holiday season and throughout fiscal 2006 reflects the strong appeal of our brand, our ability to deliver on-trend fashion that fits our customer's lifestyle, as well as our focus on disciplined operational execution."

Total sales for the year-to-date forty-eight week period ended December 30, 2006 increased 18% to \$2.591 billion, compared to \$2.192 billion for the forty-eight week period ended December 31, 2005. Comparable store sales increased 11% for the year-to-date period.

At this point in the quarter, the company is raising its fourth quarter earnings guidance to \$0.64 to \$0.65 per share compared to \$0.47 per share last year, which would represent 36% to 38% growth over last year. Previous fourth quarter guidance was \$0.63 to \$0.64 per share.

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

*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 836 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. 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 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 five stores. 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 fourth 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 fourth quarter sales, markdowns and/or 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.**  
**December 2006**  
**Recorded Sales Commentary Transcript dated January 3, 2007**

Good afternoon and happy New Year. Welcome to the American Eagle Outfitters December 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.

Our holiday season was highly successful and December delivered strong sales, reflecting a favorable customer response to our Holiday collection. The AE brand was a popular gift destination, as we featured strong key items, in a compelling shopping environment with focused gift-giving messages across our stores and at ae.com.

Total December sales of \$522.4 million increased 20% compared to \$435.5 million last year. We delivered a comparable store sales increase of 13%, following a 10% comp increase in December of last year.

Our women's business achieved a positive low double-digit comp, and men's increased in the mid-teens. We experienced broad-based strength across most major categories, particularly in men's and women's sweaters, denim, fleece, knits and aerie.

In addition to our Holiday line, we were also pleased with the response to our new Spring Transition assortment which arrived in stores on December 24<sup>th</sup>, the same time as last year. The collection was built around the strength of our AE jeans business and also features new knits, fleece and graphics, in fresh colors and updated silhouettes.

In December, well-received merchandise led to a strong full price business, higher transaction counts and an increase in transaction value. Specifically, our average unit retail price rose in the high single-digits due to fewer promotions compared to last year. This contributed to a low double-digit increase in the average transaction value. Additionally, units per transaction rose in the low single-digits. Sales transactions per average store increased slightly, and units sold per average store rose in the mid single-digits.

Contributing to our total sales picture, ae.com achieved a 36% increase in sales during December. We had a positive reaction to our interactive AE gift guide which drove our conversion rate and made shopping for gifts online fun and easy.

Gift card purchases in December produced an average store increase in the mid-teens compared to a high-twenty increase last year.

Our positive comp performance by week compared to comp increases last year as follows:

- Week one of mid single-digit, compared to low single-digit last year;
- Week two of low double-digit, compared to mid single-digit;
- Week three of high single-digit, compared to mid single-digit;
- Week four of high-teens, compared to high-twenty last year; and
- Week five of high-teens, compared to a mid single-digit increase last year.

All geographic regions achieved positive comps to last year as follows:

- The Northeast increased in the high-teens;
- The Southwest and Mid-West achieved a positive mid-teen comp;
- The Mid-Atlantic and West regions posted low double-digit comps;
- The Southeast increased in the low single-digits; and
- Our Canadian stores performed at a positive low-twenty comp.

Based on December sales performance, we are increasing our fourth quarter earnings expectations to \$0.64 to \$0.65, which is adjusted for the recent three-for-two stock split. This compares to a split-adjusted \$0.47 per share for the same quarter last year.

Overall, we believe that December demonstrated AE's strong brand positioning. Similarly timed to last year, our next major delivery, Spring One, will arrive in stores on January 23<sup>rd</sup>.

Thank you for your interest in American Eagle Outfitters.