

AMERICAN EAGLE OUTFITTERS INC

FORM 8-K (Current report filing)

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

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549-0001

FORM 8-K

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

DATE OF REPORT: AUGUST 24, 2000

AMERICAN EAGLE OUTFITTERS, INC.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE

(STATE OR OTHER
JURISDICTION OF
INCORPORATION OR
ORGANIZATION)

0-23760

(COMMISSION FILE NO.)

13-2721761

(IRS EMPLOYER
IDENTIFICATION NUMBER)

150 Thorn Hill Drive
Warrendale, PA 15086-7528
(724)776-4857
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER
**INCLUDING AREA CODE OF REGISTRANT'S
PRINCIPAL EXECUTIVE OFFICES**)

Not Applicable
(FORMER NAME OR FORMER ADDRESS, IF CHANGED SINCE LAST REPORT)

ITEM 5. OTHER ITEMS.

On August 24, 2000, American Eagle Outfitters, Inc., issued a news release announcing the execution of a letter of intent to acquire the assets of Thriftys, Braemar and National Logistics Services divisions of Dylex Limited, a Canadian specialty retailer.

The news release and transcript of recorded commentary are included as exhibits to this Form 8-K and are incorporated herein by this reference.

ITEM 7. EXHIBITS.

(C) EXHIBITS.

Exhibit No.	Description
99(a)	News release, dated August 24, 2000.
99(b)	Transcript of recorded commentary

SIGNATURES

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.

Date: August 24, 2000

By: /s/ Dale E. Clifton

Dale E. Clifton
Vice President, Controller, and
Chief Accounting Officer

EXHIBIT INDEX

Exhibit No.	Description
99(a)	News release, dated August 24, 2000.
99(b)	Transcript of recorded commentary

EX-99.a

EXHIBIT 99(a)

Exhibit 99(a)

NEWS RELEASE

**DYLEX LIMITED
AMERICAN EAGLE OUTFITTERS, INC.**

August 24, 2000 - Dylex Limited and American Eagle Outfitters, Inc. announced today that they have entered into a Letter of Intent to sell the assets of Dylex's Thriftys, Braemar and National Logistics Services divisions to American Eagle Outfitters Inc. for consideration consisting of Cdn. \$110 million (U.S. \$74 million) cash. The parties are proceeding with the negotiation of a definitive purchase agreement. The purchase will be completed as soon as practicable following execution of the purchase agreement and obtaining of all required approvals.

Thriftys is one of the largest Canadian specialty retailers of casual apparel targeted at young teens, sold under its exclusive private-label, Bluenotes/R/. Thriftys operates 115 stores in major shopping malls, the majority of which are in Ontario, and had fiscal 1999 sales of Cdn. \$147 million. Braemar operates 57 women's ready-to-wear clothing stores. National Logistics Services is a warehouse and distribution operation.

George Kolber, Vice Chairman and Chief Operating Officer of American Eagle Outfitters, commented, "We are very excited about the possibility of acquiring the strong Thrifty's/Bluenotes operations. It is our plan to convert some of the Braemar stores to Bluenotes and the remaining to American Eagle Outfitters Stores. This transaction provides us with a unique opportunity to quickly expand American Eagle Outfitters into Canada. We believe that the acquisition will have no material impact on fiscal 2000 earnings and should be accretive beginning in fiscal 2001."

William Anderson, Chairman of Dylex Limited noted, "This is a favorable transaction for Dylex and is in the best interest of our shareholders, employees and other stakeholders."

Dylex Limited is one of Canada's leading specialty retailers, offering mainstream fashions and family merchandise under its well-known operating divisions: BiWay, Braemar, Fairweather, Labels and Thriftys.

American Eagle Outfitters, Inc. is a specialty retailer of all-American, casual apparel, accessories, and footwear for men and women between the ages of 16 and 34. The Company designs, markets, and sells its own brand of versatile, relaxed, and timeless classics like American Eagle jeans, cargos, and T-shirts, providing high quality merchandise at affordable prices. The Company currently operates 519 stores in 46 states and the District of Columbia.

To access American Eagle Outfitters' recorded commentary, please call 724-779- 6601.

``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 the proposed transaction. All forward-looking statements involve material risks and uncertainties and are subject to change based on factors beyond the parties' control. Such factors include, but are not limited to those risks described in American Eagle's filings with the Securities and Exchange Commission and the risk that we may not enter into the definitive agreement or close the transaction. The transaction will be subject to customary terms and conditions, including the receipt of all required approvals. Accordingly, American Eagle's future performance and financial results may differ materially from those expressed or implied in any such forward-looking statements. American Eagle does not undertake to publicly update or revise its forward-looking statements even if experience or future changes make it clear that any projected results

expressed or implied therein will not be realized.

EXHIBIT 99(b)

Exhibit 99(b)

Hello, this is George Kolber, Vice Chairman and Chief Operating Officer of American Eagle Outfitters. On this call I will provide further information about this morning's press release.

During this call, I may make certain forward-looking statements, based upon current information, which represent the company's current expectations or beliefs regarding the proposed transaction. The results actually realized may differ materially from those expectations or beliefs based on risk factors including those in our quarterly and annual reports filed with the SEC and the risks that the transaction will not close or produce the expected results.

This morning we announced that we have entered into a letter of intent to acquire 115 Thriftys stores, a number of which have been converted to Bluenotes stores, a strategy which we will continue. The merchandise in all 115 stores is sold under the exclusive private-label Bluenotes brand, a widely recognized brand in Canada. The merchandise is targeted at young teens.

We believe Thriftys/Bluenotes is a natural fit where we can take advantage of a number of synergies. First, we believe our design team can enhance the merchandise assortment and selection offered in the Bluenotes operation. In addition, through our sourcing infrastructure, we believe we can provide a better product at a lower cost. Thus, over time we expect to increase Bluenotes' sales and profit margins. With this acquisition we get a seasoned management team, a solid infrastructure, an established brand and prime real estate.

We will also acquire 57 Braemar stores. Braemar is currently engaged in selling women's ready-to-wear clothing. While the Braemar concept has struggled, we have determined that the real estate is very appealing. We, therefore, plan to convert some of the Braemar locations to Bluenotes and the remaining to American Eagle Outfitters stores early in fiscal 2001.

This transaction also includes the acquisition of the NLS warehouse and distribution operation. This operation currently services both Thriftys and Braemar as well as other parties. Acquisition of this operation is important in order to support existing operations and future growth in Canada.

We believe this transaction is an excellent opportunity for American Eagle Outfitters. The acquisition of this Canadian operation, with an established infrastructure will also enable us to continue to expand our business in the United States.

Again, this transaction is subject to our signing and closing a definitive agreement. We expect to close this transaction by late in the third quarter and to fund the transaction through a combination of cash and new debt. It is our expectation that there will be no material impact to fiscal 2000 earnings and

that it will be accretive beginning fiscal 2001.

End of Filing

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