

AMERICAN EAGLE OUTFITTERS INC

FORM 8-K (Current report filing)

Filed 12/02/10 for the Period Ending 12/02/10

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)

December 2, 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 and 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 December 2, 2010, American Eagle Outfitters, Inc. (the "Company") issued a press release announcing the Company's November 2010 sales. Additionally, in this press release, the Company announced that its Board of Directors declared a \$0.50 per share special cash dividend and a regular quarterly cash dividend of \$0.11 per share. As such, a cash dividend of \$0.61 per share will be payable on December 27, 2010 to stockholders of record at the close of business on December 13, 2010. Also, the Company's Board of Directors extended the Company's current remaining share repurchase authorization of 16 million shares through February 2, 2013. A copy of the press release is attached hereto as Exhibit 99.1.

The Company's Management issued a recorded sales commentary on December 2, 2010 to review the Company's sales results for the month ended November 27, 2010. A copy of the sales commentary transcript is attached hereto as Exhibit 99.2. Additionally, Management provided its fourth quarter 2010 earnings guidance in both the press release and the commentary.

ITEM 7.01. Regulation FD Disclosure

The information provided in Item 2.02 is incorporated herein by reference.

ITEM 9.01. Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1*	Press release dated December 2, 2010
99.2*	November sales commentary transcript dated December 2, 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: December 2, 2010

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

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1*	Press release dated December 2, 2010
99.2*	November sales commentary transcript dated December 2, 2010

* Such Exhibit is being "furnished" (not filed) pursuant to Item 2.02 of the Current Report on Form 8-K.

American Eagle Outfitters Reports November Sales and Provides Fourth Quarter EPS Guidance -- Declares \$0.50 Per Share Special Dividend and Extends 16 Million Share Repurchase Authorization--

Pittsburgh - December 2, 2010 -- American Eagle Outfitters, Inc. (NYSE: AEO) today announced the following:

- November sales increase of 2% to \$272 million, with comparable store sales flat for the month.
- Fourth quarter earnings guidance of \$0.43 to \$0.46 per diluted share.
- A \$0.50 per share special cash dividend.
- A regular quarterly cash dividend of \$0.11 per share with accelerated payment into December.
- Extension of the company's 16 million share repurchase authorization, through February 2, 2013.

November and Year-to-Date Sales

Total sales for the four weeks ended November 27, 2010 increased 2% to \$272 million, compared to \$266 million for the four weeks ended November 28, 2009. Comparable store sales were flat for the month, compared to a 2% decrease for the same period last year.

Jim O'Donnell, chief executive officer, commented, "November sales reflected a strong performance over Thanksgiving weekend, offsetting some weakness during non-peak periods earlier in the month. Customers are responding to our merchandise offering, and we are well-positioned from an inventory perspective as we enter December."

Total sales for the year-to-date period ended November 27, 2010 increased 3% to \$2.32 billion, compared to \$2.25 billion for the same period last year. Comparable store sales increased 1% for the year-to-date period, compared to a 7% decrease for the same period 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 year-to-date period and all prior periods have been reclassified as discontinued operations and are not included in the results from continuing operations above.

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

Fourth Quarter EPS Guidance

The company is providing fourth quarter 2010 earnings guidance from continuing operations of \$0.43 to \$0.46 per diluted share. Fourth quarter guidance compares to earnings from continuing operations of \$0.38 per diluted share last year.

Special Dividend and Accelerated Regular Quarterly Dividend

The company's board of directors declared a \$0.50 per share special cash dividend. In addition, the board declared a regular quarterly cash dividend of \$0.11 per share, payment of which will be accelerated into December. As such, a cash dividend of \$0.61 per share will be payable on December 27, 2010 to stockholders of record at the close of business on December 13, 2010.

Extended Share Repurchase Program

The board of directors also voted to extend the company's current repurchase authorization of 16 million shares through February 2, 2013. Since 2005, the company has repurchased a total of 48.5 million shares for \$938 million, which includes 14 million shares repurchased in 2010.

Mr. O'Donnell stated, "The payment of a special cash dividend primarily reflects the successful liquidation of auction rate securities, which resulted in proceeds of \$150 million during the third quarter and brought our cash position at quarter-end to \$631 million. The use of this cash in no way impedes our ongoing investments in strategic growth. Indeed, we are highly confident that our current initiatives will lead to further improvements in profitability and cash flow. At the same time, today's announcement demonstrates our commitment to enhance shareholder value through execution of our business plan, cash dividends and share repurchases."

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 937 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 nine 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 fourth quarter earnings, improvements in profitability and cash flow. 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 earnings expectations, improvements in profitability and cash flow 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.
November 2010
Recorded Sales Commentary dated December 2, 2010

Good morning and welcome to the American Eagle Outfitters November 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.

Total sales for the four weeks ended November 27, 2010 increased 2% to \$272 million compared to \$266 million for the four weeks ended November 28, 2009. Consolidated comparable store sales were flat, compared to a 2% decrease for the same period last year.

Consistent with recent trends, sales continued to be the strongest during peak shopping periods. As such, November sales reflected positive results over Thanksgiving weekend, offsetting weakness during non-peak periods earlier in the month. Store traffic was robust and we achieved record sales on Black Friday, with a comp store sales gain in the mid-single digits.

For the month overall, including Thanksgiving weekend, our promotional activity was below last year, supported by lower inventory levels. The average unit retail price increased in the low single digits, driving a slight increase in the average transaction value.

AE women's comparable store sales were flat, and men's declined in the low single digits. Denim and accessories continued to be the best categories. Our direct to consumer business increased in the high single digits compared to last year. Consolidated inventory levels are on-plan, and we are well positioned for the remainder of the holiday season.

Based on November sales and our current outlook for the remainder of the quarter, we are providing fourth quarter earnings guidance from continuing operations of \$0.43 to \$0.46 per share. This compares to earnings from continuing operations of \$0.38 per share last year. Our next announcement will be December sales on Thursday, January 6th.

Have a great holiday season and thanks for your continued interest in American Eagle Outfitters.