AMERICAN EAGLE OUTFITTERS INC

FORM 10-Q
(Quarterly Report)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended August 2, 2003

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 0-23760

American Eagle Outfitters, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**No. 13-2721761**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
150 Thorn Hill Drive, Warrendale, PA	**15086-7528**
(Address of principal executive offices)	(Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for at least the past 90 days. YES [X] NO [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). YES [X] NO [ ]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 71,125,992 Common Shares were outstanding at September 2, 2003.

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PART I

ITEM 1. FINANCIAL STATEMENTS.

AMERICAN EAGLE OUTFITTERS, INC.
CONSOLIDATED BALANCE SHEETS

(In thousands) Assets	August 2, 2003 (Unaudited)	February 1, 2003	August 3, 2002 (Unaudited)
Current assets:			
Cash and cash equivalents	$119,328	$194,526	$109,246
Short-term investments	89,638	47,047	67,756
Merchandise inventory	159,036	124,708	148,781
Accounts and note receivable, including related party	25,230	13,598	17,971
Prepaid expenses and other	35,117	32,153	28,998
Deferred income taxes	13,468	15,846	16,343
Total current assets	441,817	427,878	389,095
Property and equipment, at cost, net of accumulated depreciation and amortization	277,619	267,479	263,989
Goodwill, net of accumulated amortization	23,614	23,614	23,966
Other assets, net of accumulated amortization	30,934	22,368	24,690
Total assets	$773,984	$741,339	$701,740
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable	$64,525	$50,608	$80,063
Current portion of note payable	4,593	4,225	8,780
Accrued compensation and payroll taxes	17,762	13,001	16,452
Accrued rent	27,874	28,476	26,387
Accrued income and other taxes	14,852	12,655	1,557
Unredeemed stored value cards and gift certificates	13,593	22,837	10,238
Other liabilities and accrued expenses	10,103	9,784	9,821
Total current liabilities	153,302	141,586	153,298
Non-current liabilities:			
Note payable	15,100	16,356	17,400
Other non-current liabilities	9,752	5,915	7,021
Total non-current liabilities	24,852	22,271	24,421
Commitments and contingencies	-	-	-
Stockholders' equity:			
Preferred stock	-	-	-
Common stock	734	733	721
Contributed capital	156,319	154,840	161,156
Accumulated other comprehensive gain (loss)	2,417	(31)	(1,844)
Retained earnings	483,029	468,522	402,585
Deferred compensation	(1,698)	(2,253)	(6,501)
Treasury stock	(44,971)	(44,329)	(32,096)
Total stockholders' equity	595,830	577,482	524,021
Total liabilities and stockholders' equity	$773,984	$741,339	$701,740

See Notes to Consolidated Financial Statements

AMERICAN EAGLE OUTFITTERS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(In thousands, except per share amounts)	Three Months Ended		Six Months Ended	
	August 2, 2003	August 3, 2002	August 2, 2003	August 3, 2002
Net sales	$337,055	$319,223	$628,913	$597,116
Cost of sales, including certain buying, occupancy and warehousing expenses	225,866	209,469	411,736	377,343
Gross profit	111,189	109,754	217,177	219,773
Selling, general and administrative expenses	84,826	81,154	167,682	159,293
Depreciation and amortization expense	13,763	12,487	27,179	24,445
Operating income	12,600	16,113	22,316	36,035
Other income, net	514	196	1,155	857
Income before income taxes	13,114	16,309	23,471	36,892
Provision for income taxes	5,010	6,229	8,964	14,094
Net income	$8,104	$10,080	$14,507	$22,798
Basic income per common share	$0.11	$0.14	$0.20	$0.32
Diluted income per common share	$0.11	$0.14	$0.20	$0.31
Weighted average common shares outstanding - basic	71,085	72,119	71,071	72,075
Weighted average common shares outstanding - diluted	72,380	73,265	72,175	73,427
Retained earnings, beginning	$474,925	$392,505	$468,522	$379,787
Net income	8,104	10,080	14,507	22,798
Retained earnings, ending	$483,029	$402,585	$483,029	$402,585

See Notes to Consolidated Financial Statements

AMERICAN EAGLE OUTFITTERS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(In thousands)	Six Months Ended August 2, 2003	Six Months Ended August 3, 2002
Operating activities:		
Net income	$14,507	$22,798
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Depreciation and amortization	27,179	24,445
Stock compensation	555	2,868
Deferred income taxes	(1,183)	(110)
Other adjustments	1,089	1,279
Changes in assets and liabilities:		
Merchandise inventory	(33,015)	(57,733)
Accounts and note receivable, including related party	(12,683)	(412)
Prepaid expenses and other	(2,454)	(5,507)
Accounts payable	12,976	42,680
Unredeemed stored value cards and gift certificates	(9,345)	(7,346)
Accrued liabilities	6,997	(34,142)
Total adjustments	(9,884)	(33,978)
Net cash provided by (used for) operating activities	4,623	(11,180)
Investing activities:		
Capital expenditures	(34,158)	(32,125)
Purchase of short-term investments	(82,544)	(35,480)
Sale of short-term investments	39,953	12,761
Other investing activities	(730)	(1,940)
Net cash used for investing activities	(77,479)	(56,784)
Financing activities:		
Payments on note payable	(2,814)	(2,670)
Proceeds from borrowings from line of credit	-	4,784
Repurchase of common stock	(642)	(7,242)
Net proceeds from stock options exercised	527	1,746
Net cash used for financing activities	(2,929)	(3,382)
Effect of exchange rates on cash	587	194
Net decrease in cash and cash equivalents	(75,198)	(71,152)
Cash and cash equivalents - beginning of period	194,526	180,398
Cash and cash equivalents - end of period	$119,328	$109,246

See Notes to Consolidated Financial Statements

1. Interim Financial Statements

The accompanying Consolidated Financial Statements of American Eagle Outfitters, Inc. (the "Company") at August 2, 2003 and August 3, 2002 and for the three and six month periods ended August 2, 2003 (the "current period") and August 3, 2002 (the "prior period") have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. Certain notes and other information have been condensed or omitted from the interim Consolidated Financial Statements presented in this Quarterly Report on Form 10-Q. Therefore, these Consolidated Financial Statements should be read in conjunction with the Company's Fiscal 2002 Annual Report. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The Consolidated Balance Sheet at February 1, 2003 was derived from the audited financial statements.

The Company's business is affected by the pattern of seasonality common to most retail apparel businesses. The results for the current and prior periods are not necessarily indicative of future financial results.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The Consolidated Financial Statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Fiscal Year

The Company's financial year is a 52/53 week year that ends on the Saturday nearest to January 31. As used herein, "Fiscal 2003" and "Fiscal 2002" refer to the fifty-two week period ending January 31, 2004 and the fifty-two week period ended February 1, 2003, respectively.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. On an ongoing basis, management reviews its estimates based on currently available information. Changes in facts and circumstances may result in revised estimates.

Recent Accounting Standards

FIN No. 46, *Consolidation of Variable Interest Entities*

In January 2003, the FASB issued Interpretation No. 46 ("FIN 46"), *Consolidation of Variable Interest Entities* , an interpretation of Accounting Research Bulletin No. 51, *Consolidated Financial Instruments* . FIN 46 requires certain variable interest entities to be consolidated by the primary beneficiary of the entity if the equity investors in the entity do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional financial support from other parties. FIN 46 is effective for all new variable interest entities created or interest acquired after January 31, 2003. For variable interest entities created or acquired prior to February 1, 2003, the interpretation must be applied in the first interim period beginning after June 15, 2003. Management is currently performing an evaluation of the effect, if any, that the adoption of FIN 46 may have on the Company's earnings and financial condition.

Foreign Currency Translation

The Canadian dollar is the functional currency for the Canadian businesses. In accordance with SFAS No. 52 , *Foreign Currency Translation* , assets and liabilities denominated in foreign currencies were translated into U.S. dollars at the exchange rate prevailing at the balance sheet date. Revenues and expenses denominated in foreign currencies were translated into U.S. dollars (the reporting currency) at the monthly average exchange rate for the period. Gains or losses resulting from foreign currency transactions are included in the results of operations, whereas, related translation adjustments are reported as an element of other comprehensive income, net of income taxes, in accordance with SFAS No. 130, *Reporting Comprehensive Income* (see Note 7 of the Consolidated Financial Statements).

Revenue Recognition

The Company principally records revenue upon the purchase of merchandise by customers. Revenue is not recorded on the purchase of stored value cards and gift certificates by customers. A current liability is recorded upon purchase and revenue is recognized when the card is redeemed for merchandise. Revenue is recorded net of sales returns. A sales returns reserve is provided on gross sales for projected merchandise returns based on historical average return percentages.

Cash and Cash Equivalents

Cash includes cash equivalents. The Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Short-term Investments

Cash in excess of operating requirements is invested in marketable equity or government debt obligations. As of August 2, 2003, short-term investments included investments with an original maturity of greater than three months (averaging approximately ten months) and consisted primarily of tax-exempt municipal bonds and taxable agency bonds classified as available for sale.

Capital Structure

The Company has 250 million common shares authorized at $.01 par value, 74 million issued at August 2, 2003, February 1, 2003 and August 3, 2002 and 71 million outstanding at August 2, 2003 and February 1, 2003 and 72 million outstanding at August 3, 2002. The Company has 5 million preferred shares authorized at $.01 par value, with none issued or outstanding at August 2, 2003, February 1, 2003 or August 3, 2002.

On February 24, 2000, the Company's Board of Directors authorized the repurchase of up to 3,750,000 shares of its stock. As part of this stock repurchase program, the company purchased 40,000 shares of common stock for approximately $0.5 million on the open market during the six months ended August 2, 2003. The company purchased 337,100 shares of common stock for approximately $5.6 million on the open market during the six months ended August 3, 2002. As of August 2, 2003, approximately 700,000 shares remain authorized for repurchase. Additionally, during the six months ended August 2, 2003 and August 3, 2002, the Company purchased 5,400 shares and 56,000 shares, respectively, from certain employees at market prices totaling $0.1 million and $1.6 million, respectively, for the payment of taxes in connection with the vesting of restricted stock as permitted under the 1999 Stock Incentive Plan. These repurchases have been recorded as treasury stock.

Earnings Per Share

The following table shows the amounts used in computing earnings per share and the effect on income and the weighted average number of shares of potential dilutive common stock (stock options and restricted stock).

(In thousands)	Three Months Ended August 2, 2003	Three Months Ended August 3, 2002	Six Months Ended August 2, 2003	Six Months Ended August 3, 2002
Net income	$8,104	$10,080	$14,507	$22,798
Weighted average common shares outstanding:				
Basic shares	71,085	72,119	71,071	72,075
Dilutive effect of stock options and non-vested restricted stock	1,295	1,146	1,104	1,352
Diluted shares	72,380	73,265	72,175	73,427

Options to purchase 5,420,000 and 5,467,000 shares of common stock during the three and six months ended August 2, 2003, respectively, and 5,914,000 and 3,900,000 shares during the three and six months ended August 3, 2002, respectively, were outstanding, but were not included in the computation of net income per diluted share because the options' exercise prices were greater than the average market price of the underlying shares.

Stock Option Plan

The Company accounts for its stock-based compensation plans under Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees* . The pro forma information below is based on provisions of SFAS No. 123, *Accounting for Stock-Based Compensation* , as amended by SFAS No. 148, *Accounting for Stock-Based Compensation-Transition and Disclosure* ("SFAS No. 148"), issued in December 2002. SFAS No. 148 requires that the pro forma information regarding net income and earnings per share be determined as if the Company had accounted for its employee stock options granted beginning in the fiscal year subsequent to December 31, 1994 under the fair value method of that Statement. The fair value for these options was estimated at the date of grant using a Black-Scholes option pricing model.

(In thousands)	Three Months Ended August 2, 2003	Three Months Ended August 3, 2002	Six Months Ended August 2, 2003	Six Months Ended August 3, 2002
Net income, as reported	$8,104	$10,080	$14,507	$22,798
Add: stock-based compensation expense included in reported net income, net of tax	412	103	597	229
Less: total stock-based compensation expense determined under fair value method, net of tax	(3,867)	(2,005)	(7,758)	(4,117)
Pro forma net income	$4,649	$8,178	$7,346	$18,910
Basic income per common share:				
As reported	$0.11	$0.14	$0.20	$0.32
Pro forma	$0.07	$0.11	$0.10	$0.26
Diluted income per common share:				
As reported	$0.11	$0.14	$0.20	$0.31
Pro forma	$0.06	$0.11	$0.10	$0.26

Reclassification

Certain reclassifications have been made to the Consolidated Financial Statements for prior periods in order to conform to the August 2, 2003 presentation.

3. Accounts and Note Receivable

Accounts and note receivable is comprised of the following:

(In thousands)	August 2, 2003	February 1, 2003	August 3, 2002
Accounts receivable - construction allowances	$5,722	$5,247	$4,875
Accounts receivable - sell-offs to non-related parties	4,468	1,670	3,149
Related party accounts receivable	3,759	1,266	1,578
Fabric receivable	3,189	-	-
Accounts receivable - other	8,092	5,415	8,369
Total	$25,230	$13,598	$17,971

4. Property and Equipment

Property and equipment consists of the following:

(In thousands)	August 2, 2003	February 1, 2003	August 3, 2002
Land	$2,355	$2,355	$2,355
Buildings	20,629	20,144	19,783
Leasehold improvements	240,265	217,102	207,248
Fixtures and equipment	176,434	164,175	146,803
	439,683	403,776	376,189
Less: Accumulated depreciation and amortization	(162,064)	(136,297)	(112,200)
Net property and equipment	$277,619	$267,479	$263,989

5. Related Party Transactions

The Company has various transactions with related parties. The Company believes that the terms of these transactions are as favorable to the Company as those that could be obtained from third parties.

The Company has an operating lease for its corporate headquarters and distribution center with Linmar Realty Company, an affiliate of Schottenstein Stores Corporation ("SSC"). The lease, which expires on December 31, 2020, provides for annual rental payments of approximately $2.4 million through 2005, $2.6 million through 2015, and $2.7 million through the end of the lease. Rent expense was $0.6 million for the three months ended August 2, 2003 and August 3, 2002, and $1.2 million for the six months ended August 2, 2003 and August 3, 2002 under the lease.

In addition, the Company and its subsidiaries sell end-of-season, overstock and irregular merchandise to various parties, including Value City Department Stores, Inc. ("VCDS"), a publicly-traded subsidiary of SSC. These sell-offs are typically sold below cost and the proceeds are reflected in cost of sales. For the three months ended August 2, 2003 and August 3, 2002, proceeds from sell-offs to VCDS were $0.7 million and $0.2 million, respectively. For the six months ended August 2, 2003 and August 3, 2002, proceeds from sell-offs to VCDS were $8.4 million and $3.9 million, respectively.

The Company had approximately $3.8 million, $1.3 million and $1.6 million included in accounts receivable at August 2, 2003, February 1, 2003 and August 3, 2002, respectively, that pertained to related party merchandise sell-offs.

SSC and its affiliates charge the Company for various professional services provided to the Company, including certain legal, real estate and insurance services. For the three months ended August 2, 2003 and August 3, 2002, the Company paid approximately $0.4 million and $0.1 million, respectively, for these services. For the six months ended August 2, 2003 and August 3, 2002, the Company paid approximately $0.8 million and $0.2 million, respectively, for these services.

During Fiscal 2002 and Fiscal 2001, the Company made deposits with SSC totaling approximately $2.5 million in a cost sharing arrangement for the acquisition of an interest in several corporate aircraft. These deposits are included in other assets, net of accumulated amortization. As of August 2, 2003, the net balance of the deposits was approximately $2.2 million. Additionally, the Company paid $0.4 million and $0.5 million for the three months ended August 2, 2003 and August 3, 2002, respectively, and $0.7 million for the six months ended August 2, 2003 and August 3, 2002 to cover its share of operating costs based on usage of the corporate aircraft.

6. Accounting for Derivative Instruments and Hedging Activities

On November 30, 2000, the Company entered into an interest rate swap agreement totaling $29.2 million in connection with the term facility. The swap amount decreases on a monthly basis beginning January 1, 2001 until the termination of the agreement in December 2007. The Company utilizes the interest rate swap to manage interest rate risk. The Company pays a fixed rate of 5.97% and receives a variable rate based on the one-month Bankers' Acceptance Rate. This agreement effectively changes the interest rate on the borrowings under the term facility from a variable rate to a fixed rate of 5.97% plus 140 basis points.

In accordance with SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities,* the Company recognizes its derivative on the balance sheet at fair value at the end of each period. Changes in the fair value of the derivative that is designated and meets all the required criteria for a cash flow hedge are recorded in accumulated other comprehensive income (loss). Unrealized net gains (losses) on derivative instruments of approximately $(39,000) and $62,000 for the three months ended August 2, 2003 and August 3, 2002, respectively, and $(4,000) and $216,000 for the six months ended August 2, 2003 and August 3, 2002, respectively, net of related tax effects, were recorded in other comprehensive income (loss).

The Company does not believe there is any significant exposure to credit risk due to the creditworthiness of the bank. In the event of non-performance by the bank, the Company's loss would be limited to any unfavorable interest rate differential.

7. Other Comprehensive Income (Loss)

Other comprehensive income (loss) is comprised of the following:

(In thousands)	Three Months Ended		Six Months Ended	
	August 2, 2003	August 3, 2002	August 2, 2003	August 3, 2002
Net Income	$8,104	$10,080	$14,507	$22,798
Unrealized gain (loss) on investments, net of tax	(7)	(147)	(66)	262
Foreign currency translation adjustment, net of tax	456	(473)	2,518	(427)
Unrealized derivative gains (losses) on cash flow hedge, net of tax	(39)	62	(4)	216
Other comprehensive income (loss), net of tax	410	(558)	2,448	51
Total comprehensive income	$8,514	$9,522	$16,955	$22,849

8. Segment Information

The Company has segmented its operations in a manner that reflects how its chief operating decision-makers review the results of the operating segments that make up the consolidated entity.

The Company has two reportable segments, its American Eagle segment and its Bluenotes segment. The American Eagle segment includes the Company's 776 U.S. and Canadian retail stores and the Company's e-commerce business, ae.com. The Bluenotes segment includes the Company's 111 Bluenotes/Thriftys retail stores in Canada. Both segments derive their revenues from the sale of women's and men's apparel. However, each segment is identified by a distinct brand name and target customer.

Segment information as of and for the three and six months ended August 2, 2003 and August 3, 2002 follows:

(In thousands) 2003	American Eagle*	Bluenotes	Total
Three months:			
Net sales	$317,766	$19,289	$337,055
Operating income (loss)	17,032	(4,432)	12,600
Six months:			
Net sales	$593,835	$35,078	$628,913
Operating income (loss)	32,434	(10,118)	22,316
Total assets	712,050	61,934	773,984
2002			
Three months:			
Net sales	$300,411	$18,812	$319,223
Operating income (loss)	19,064	(2,951)	16,113
Six months:			
Net sales	$560,842	$36,274	$597,116
Operating income (loss)	42,411	(6,376)	36,035
Total assets	639,600	62,140	701,740

***** Includes certain other businesses that support American Eagle.

9. Contingency

During Fiscal 2000, a senior executive assumed a new position within the Company. As a result of this change, the Company accelerated the vesting on grants covering 780,000 shares of stock for this individual. This acceleration does not result in additional compensation expense unless this executive ceases employment with the Company prior to the original vesting dates. As of August 2, 2003, under the original terms of this executive's option agreements, 211,200 shares would have remained unvested which could result in compensation expense and a reduction to net income by $0.6 million based on the August 2, 2003 stock value if the executive ceases employment with the Company.

10. Income Taxes

For the three and six months ended August 2, 2003 and August 3, 2002, the effective tax rate used for the provision of income tax approximated 38%.

11. Legal Proceedings

The Company is a party to ordinary routine litigation incidental to its business. Management does not expect the results of the litigation to be material to the financial statements individually or in the aggregate.

Review by Independent Accountants

Ernst & Young LLP, our independent accountants, have performed a limited review of the Consolidated Financial Statements for the three and six month periods ended August 2, 2003 and August 3, 2002, as indicated in their report on the limited review included below. Since they did not perform an audit, they express no opinion on the Consolidated Financial Statements referred to above. Management has given effect to any significant adjustments and disclosures proposed in the course of the limited review.

Independent Accountants' Review Report

The Board of Directors and Stockholders
American Eagle Outfitters, Inc.

We have reviewed the accompanying condensed consolidated balance sheets of American Eagle Outfitters, Inc. as of August 2, 2003 and August 3, 2002, and the related condensed consolidated statements of operations for the three-month and six-month periods ended August 2, 2003 and August 3, 2002, and the condensed consolidated statements of cash flows for the six-month periods ended August 2, 2003 and August 3, 2002. These financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States, which will be performed for the full year with the objective of expressing an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States.

We have previously audited, in accordance with auditing standards generally accepted in the United States, the consolidated balance sheet of American Eagle Outfitters, Inc. as of February 1, 2003, and the related consolidated statements of operations, comprehensive income, stockholders' equity and cash flows for the year then ended (not presented herein) and in our report dated February 24, 2003 we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of February 1, 2003, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ Ernst & Young LLP

Pittsburgh, Pennsylvania
August 13, 2003

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis of financial condition and results of operations are based upon the Company's Consolidated Financial Statements and should be read in conjunction with these statements and notes thereto.

Results of Operations

Consolidated store data for the six months ended August 2, 2003 and August 3, 2002

	Six Months Ended	
	August 2, 2003	August 3, 2002
Number of stores:		
Beginning of period	864	790
Opened	24	33
Closed	(1)	(1)
End of period	887	822

Store count and gross square feet by brand as of August 2, 2003 and August 3, 2002

	August 2, 2003		August 3, 2002	
	Number of stores	Gross square feet	Number of stores	Gross square feet
American Eagle Outfitters stores	776	4,009,727	711	3,552,195
Bluenotes/Thriftys stores	111	354,206	111	352,210
Total stores and gross square feet at end of period	887	4,363,933	822	3,904,405

Comparison of three months ended August 2, 2003 to the three months ended August 3, 2002

Net Sales

Consolidated net sales increased 5.6% to $337.1 million from $319.2 million. The sales increase was due primarily to a 12% increase in gross square feet, consisting primarily of a net addition of 65 stores, offset by a consolidated comparable store sales decrease of 5.5%.

American Eagle net sales increased 5.8% to $317.8 million from $300.4 million. The sales increase was due primarily to the net addition of 65 stores offset by a comparable store sales decrease of 5.3%. The comparable store sales decrease was driven primarily by a lower average unit retail price as well as a decline in the number of transactions per average store. Units sold per average store and units sold per transaction both increased compared to the same period last year. Comparable store sales in the men's business declined in the high single-digits for the period while the women's comparable store sales decreased in the mid single-digits.

Bluenotes net sales increased 2.5% to $19.3 million from $18.8 million. The increase in net sales was due to a stronger Canadian dollar during the period compared to the same period last year. Comparable store sales, which exclude the impact of foreign currency fluctuations, decreased 8.3% due to a decline in the number of transactions per average store as well as a lower average unit retail price. Units sold per transaction and units sold per store increased compared to the same period last year.

A store is included in comparable store sales in the thirteenth month of operation. However, stores that have a gross square footage increase of 25% or greater due to an expansion and/or relocation are removed from the comparable store sales base, but are included in total sales. These stores are returned to the comparable store sales base in the thirteenth month following the expansion and/or relocation.

Gross Profit

Gross profit as a percent to sales declined to 33.0% from 34.4%. The percentage decrease was attributed to the deleveraging of buying, occupancy and warehousing costs, primarily rent expense, at the American Eagle stores. Merchandise margins were flat for the period as an improvement in markon was offset by higher markdowns.

Selling, General and Administrative Expenses

Selling, general and administrative expenses as a percent to sales decreased to 25.2% from 25.4% due primarily to the Company's cost control initiatives. Advertising, services purchased, travel, chargecard fees, supplies, and communications all leveraged during the period. These improvements were partially offset by the deleveraging of direct salaries in the American Eagle stores. For the period, selling, general and administrative expense per gross square foot declined 6.5% and decreased 3.1% per average store.

Depreciation and Amortization Expense

Depreciation and amortization expense as a percent to sales increased to 4.1% from 3.9% due primarily to our U.S. expansion, including new and remodeled stores.

Other Income, Net

Other income increased to $0.5 million from $0.2 million due primarily to lower interest expense and the strengthening of the Canadian dollar.

Comparison of six months ended August 2, 2003 to the six months ended August 3, 2002

Net Sales

Consolidated net sales increased 5.3% to $628.9 million from $597.1 million. The sales increase was due primarily to a 12% increase in gross square feet, consisting primarily of a net addition of 65 stores, offset by a consolidated comparable store sales decrease of 6.0%.

American Eagle net sales increased 5.9% to $593.8 million from $560.8 million. The sales increase was due primarily to the net addition of 65 stores offset by a comparable store sales decrease of 5.6%. The comparable store sales decrease was driven by a lower average unit retail price as well as a slight decline in the number of transactions per average store. Units sold per average store and units sold per transaction both increased compared to the same period last year.

Bluenotes net sales decreased 3.3% to $35.1 million from $36.3 million. The sales decline was due primarily to a comparable store sales decrease of 11.6% partially offset by a stronger Canadian dollar this year compared to the same period last year. The comparable store sales decrease, which excludes the impact of foreign currency fluctuations, was driven primarily by a lower average unit retail as well as a slight decline in the number of transactions per average store. Units sold per transaction and units sold per average store both increased compared to the same period last year.

Gross Profit

Gross profit as a percent to sales declined to 34.5% from 36.8%. The percentage decrease was primarily attributed to the deleveraging of buying, occupancy, and warehousing costs and a lower merchandise margin at the American Eagle stores. Buying, occupancy and warehousing costs deleveraged due primarily to rent expense. A lower merchandise margin resulted from an increase in markdowns as a percent to sales, partially offset by an improved markon.

Selling, General and Administrative Expenses

Selling, general and administrative expenses as a percent to sales remained constant at 26.7%. Direct salaries deleveraged, offset primarily by the leveraging of advertising, services purchased, travel, chargecard fees, supplies, and communications. For the six month period, selling, general and administrative expenses per square foot declined 5.8% and decreased 2.5% per average store versus the same period last year.

Depreciation and Amortization Expense

Depreciation and amortization expense as a percent to sales increased to 4.3% from 4.1% due primarily to our U.S. expansion, including new and remodeled stores.

Other Income, Net

Other income increased to $1.2 million from $0.9 million due primarily to lower interest expense and the strengthening of the Canadian dollar, offset by lower investment income resulting from lower average investment rates.

Liquidity and Capital Resources

The following sets forth certain measures of the Company's liquidity:

	August 2, 2003	February 1, 2003	August 3, 2002
Working capital (in 000's)	$288,515	$286,292	$235,797
Current ratio	2.88	3.02	2.54

Net cash provided by operating activities was $4.6 million for the six months ended August 2, 2003 compared to $11.2 million used for operating activities during the same period last year. The primary differences in cash used for operating activities between the six months ended August 2, 2003 and the six months ended August 3, 2002 were due primarily to the timing of income tax payments offset by lower net income adjusted for depreciation and amortization and stock compensation compared to the same period last year.

Net cash used for investing activities of $77.5 million was primarily for the $42.6 million net purchase of short-term investments as well as capital expenditures of $34.2 million.

The Company has an unsecured demand lending arrangement (the "facility") with a bank to provide a $118.6 million line of credit at either the lender's prime lending rate (4.0% at August 2, 2003) or a negotiated rate such as LIBOR. The facility has a limit of $40.0 million that can be used for direct borrowing. No borrowings were required against the line for the current or prior period. At August 2, 2003, letters of credit in the amount of $52.1 million were outstanding leaving a remaining available balance on the facility of $66.5 million. The Company also has an uncommitted letter of credit facility for $50.0 million with a separate financial institution. At August 2, 2003, letters of credit in the amount of $30.5 million were outstanding, leaving a remaining available balance on the uncommitted letter of credit facility of $19.5 million.

The Company has a $29.1 million non-revolving term facility (the "term facility") and a $11.2 million revolving operating facility (the "operating facility") in connection with its Canadian acquisition. The term facility matures in December 2007 and bears interest at the one-month Bankers' Acceptance Rate (3.0% at August 2, 2003) plus 140 basis points. At August 2, 2003, the remaining balance on the term facility was $19.7 million. The operating facility is due in November 2003, has four additional one-year extensions, and bears interest at either the lender's prime lending rate (4.8% at August 2, 2003) or the Bankers' Acceptance Rate (3.0% at August 2, 2003) plus 120 basis points. There were no borrowings under the operating facility for the period ended August 2, 2003.

Capital expenditures, net of construction allowances, totaled $34.2 million for the six months ended August 2, 2003. This amount consisted primarily of $27.3 million related to 24 new and 35 remodeled American Eagle stores in the United States and Canada.

We expect capital expenditures during Fiscal 2003 to be approximately $80 to $90 million, which will relate primarily to approximately 60 new American Eagle stores in the United States and Canada, and the remodeling of approximately 65 to 70 American Eagle stores in the United States. Remaining capital expenditures will relate primarily to information technology upgrades. This forward-looking statement will be influenced by factors including our financial position, consumer spending, and the number of acceptable store locations that may become available. We believe that our existing cash and investment balances, our cash flow from operations, and our bank lines of credit will be sufficient to meet our anticipated cash requirements through Fiscal 2003.

Our growth strategy includes the possibility of acquisitions and/or internally developing new brands. We periodically consider and evaluate these options to support future growth. In the event we do pursue such options, we could require additional equity or debt financing. There can be no assurance that we would be successful in closing any potential transaction, or that any endeavor we undertake would increase our profitability.

Critical Accounting Policies

The accompanying Consolidated Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States. When more than one accounting principle, or method of its application, is generally accepted, management selects the principle or method that is appropriate in the Company's specific circumstances. Application of these accounting principles requires management to make estimates about the future resolution of existing uncertainties. Accordingly, results could differ from these estimates. In preparing these financial statements, management has made its best estimates and judgments of the amounts and disclosures included in the financial statements giving due regard to materiality. We believe the following policies, in addition to those described in our annual report on Form 10-K for the year ended February 1, 2003, to be critical:

Goodwill. In accordance with SFAS No. 142, *Goodwill and Other Intangible Assets* , management evaluates goodwill for impairment by comparing the fair value of the Company's reporting units to the book value. As of August 2, 2003, approximately $13.5 million in goodwill was assigned to the Bluenotes reporting unit. Additionally, a deferred tax asset of approximately $6.2 million relates to the Bluenotes' goodwill. The fair value of the Company's reporting units is estimated using discounted cash flow methodologies and market comparable information. Based on the analysis, if the implied fair value of each reporting unit exceeds the book value of the goodwill, no impairment loss is recognized. The Company continues to monitor for impairment of goodwill based on certain risk factors (see discussion of Risk Factors beginning on page 18). As of August 2, 2003, the Company has determined that no impairment of goodwill exists.

The Company's prospective determination will depend on the ongoing operations and performance of its defined reportable units. Bluenotes' future earnings growth depends, in part, upon the Company's ability to successfully reposition the brand. The Company has made management changes in the Bluenotes division and has implemented new merchandising and operating strategies. However, there can be no assurance that the merchandising and operating strategies implemented by the Company's new management team will result in improved results of operations. Additionally, management's assumptions about discount rates, inflation rates and other internal and external economic conditions, such as the expected growth rate and terminal value of its reportable units, requires significant judgment based on fluctuating rates, anticipated future revenues, and the prospective financial markets.

Asset Impairment. The Company is required to test for asset impairment whenever events or changes in circumstances indicate that the carrying value of an asset might not be recoverable. The Company applies SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* , in order to determine whether or not an asset is impaired. Management evaluates the ongoing value of assets associated with retail stores that have been open longer than one year, which includes a review of lease acquisition costs, net of accumulated depreciation, of approximately $3.2 million related to Bluenotes. When undiscounted cash flows estimated to be generated by those assets are less than the carrying value of those assets, impairment losses are recorded. When events such as these occur, the impaired assets are adjusted to estimated fair value and an impairment loss is recorded in selling, general and administrative expenses. Should actual results or market conditions differ from those anticipated, particularly regarding the Bluenotes brand, additional losses may be recorded.

Income Taxes. The Company calculates income taxes in accordance with SFAS No. 109, *Accounting for Income Taxes* , which requires the use of the asset and liability method. Under this method, deferred tax assets and liabilities are recognized based on the difference between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the tax rates in effect in the years when those temporary differences are expected to reverse. No valuation allowance has been provided for the deferred tax assets. A portion of the Company's deferred tax asset totaling $10.8 million is attributed to a foreign tax loss carryforward and relates to Bluenotes. However, the Company has identified tax planning strategies and believes that future taxable income will be sufficient to recover the full amount of the respective deferred tax asset.

Impact of Inflation/Deflation

We do not believe that inflation has had a significant effect on our net sales or our profitability. Substantial increases in cost, however, could have a significant impact on our business and the industry in the future. Additionally, while deflation could positively impact our merchandise costs, it could have an adverse effect on our average unit retail price, resulting in lower sales and profitability.

Income Taxes

The actual effective tax rate for Fiscal 2003 will ultimately depend on several variables, including the mix of earnings between U.S. and foreign operations and the overall level of earnings. The rate is also influenced by proposed and enacted state and federal income tax legislation. We anticipate an increase in the effective tax rate to approximately 39% beginning in the three months ending November 1, 2003.

Safe Harbor Statement, Seasonality and Risk Factors

This report contains various "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which represent our expectations or beliefs concerning future events, including the following:

- the planned opening of 36 additional American Eagle stores in the United States and Canada during the remainder of Fiscal 2003,
- the selection of approximately 30 to 35 additional stores in the United States for remodeling during the remainder of Fiscal 2003,
- the sufficiency of existing cash and investment balances, cash flows and line of credit facilities to meet Fiscal 2003 cash requirements, and
- the possibility of growth through acquisitions and/or internally developing new brands.

We caution that these statements are further qualified by factors that could cause our actual results to differ materially from those in the forward-looking statements, including without limitation, the following:

Our ability to identify and respond to changing consumer preferences and fashion trends in a timely manner

The Company's future success depends, in part, upon its ability to identify and respond to fashion trends in a timely manner. The specialty retail apparel business fluctuates according to changes in the economy and customer preferences, dictated by fashion and season. These fluctuations especially affect the inventory owned by apparel retailers, since merchandise typically must be ordered well in advance of the selling season. While we endeavor to test many merchandise items before ordering large quantities, we are still susceptible to changing fashion trends and fluctuations in customer demands.

In addition, the cyclical nature of the retail business requires that we carry a significant amount of inventory, especially prior to peak selling seasons, when we build up our inventory levels. We enter into agreements for the manufacture and purchase of our private label apparel well in advance of the applicable selling season. As a result, we are vulnerable to changes in consumer demand, pricing shifts, and the timing and selection of merchandise purchases. Changes in fashion trends, if unsuccessfully identified, forecasted or responded to by the Company, could, among other things, lead to lower sales, excess inventories and higher markdowns, which in turn could have a material adverse effect on the Company's results of operations and financial condition.

The effect of competitive pressures from other retailers and other business factors

The specialty retail industry is highly competitive. The Company competes primarily on the basis of quality, fashion, service, selection and price. There can be no assurance that the Company will be able to successfully compete in the future.

The success of the Company's operations also depends to a significant extent upon a number of factors relating to discretionary consumer spending, including economic conditions affecting disposable consumer income such as employment, consumer debt, interest rates, and consumer confidence. There can be no assurance that consumer spending will not be negatively affected by general or local economic conditions, thereby adversely impacting the Company's continued growth and results of operations.

Our ability to expand through new store growth

The Company's continued growth and success will depend in part on its ability to open and operate new stores on a timely and profitable basis. During the remainder of Fiscal 2003, the Company plans to open roughly 36 new American Eagle stores in the United States and Canada. Accomplishing the Company's new store expansion goals will depend upon a number of factors, including the ability to obtain suitable sites for new stores at acceptable costs, the hiring and training of qualified personnel, particularly at the store management level, the integration of new stores into existing operations, the expansion of the Company's buying and inventory capabilities and the availability of capital. There can be no assurance that the Company will be able to achieve its store expansion goals, manage its growth effectively, successfully integrate the planned new stores into the Company's operations or operate its new stores profitably.

Our ability to successfully reposition the Bluenotes brand

The Company's future earnings depend, in part, upon its ability to successfully reposition the Bluenotes brand. The Bluenotes business incurred operating losses during the prior year due to a combination of factors, including (i) an abrupt change to the target customer and merchandising strategy, (ii) adjusting the merchandise fit to a smaller size, (iii) a merchandise product assortment that was skewed too high in price points and not consistent with the brand strategy, (iv) a marketing approach that was too narrow in scope, (v) a lack of sourcing efficiencies and (vi) increased competitive pressure. In addition, adverse economic conditions in general during the year had a negative impact on the operations of many Canadian retailers, including those of Bluenotes. The Company has made management changes in the Bluenotes division and has implemented new merchandising and operating strategies. However, there can be no assurance that the merchandising and operating strategies implemented by the Company's new management team will result in improved results of operations. For the six months ended August 2, 2003, the Bluenotes brand incurred an operating loss of approximately $10.1 million (see Note 8 of the Consolidated Financial Statements).

If the Company is not successful in repositioning the Bluenotes brand, the carrying value of certain assets assigned to the reporting unit may exceed the fair value of those assets and result in an impairment loss. As of August 2, 2003, goodwill and lease acquisition costs attributed to the Bluenotes brand, including the related deferred tax asset, had a carrying value of approximately $23.0 million. Additionally, a portion of the Company's deferred tax asset totaling $10.8 million is attributed to a foreign tax loss carryforward and relates to Bluenotes. However, the Company has identified tax planning strategies and believes that future taxable income will be sufficient to recover the full amount of the respective deferred tax asset. Management continues to monitor the Bluenotes brand for impairment based on the risk factors discussed above. There were no impairment losses related to Bluenotes recognized for the three months ended August 2, 2003. However, it is possible than an impairment loss may be required during the remainder of Fiscal 2003.

The interruption of the flow of merchandise from key vendors

The Company purchases merchandise from domestic and foreign suppliers. During the prior year, a majority of the Company's merchandise was purchased from foreign suppliers. Since we rely on a small number of overseas sources for a significant portion of our purchases, any event causing the disruption of imports including the insolvency of a significant supplier, the imposition of additional import restrictions, such as increased duties, tariffs or quotas, or political or economic disruptions could have an adverse effect on our operations. We do not maintain any long-term or exclusive commitments or arrangements to purchase from any single supplier.

Other risk factors

Additionally, other factors could adversely affect our financial performance, including factors such as: our ability to successfully acquire and integrate other businesses; any interruption of our key business systems; any disaster or casualty resulting in the interruption of service from our distribution centers or in a large number of our stores; changes in weather patterns; the effects of changes in currency exchange rates and interest rates; and international and domestic acts of terror.

The impact of the aforementioned factors, some of which are beyond our control, may cause our actual results to differ materially from expected results in these statements and other forward-looking statements we may make from time-to-time.

Seasonality

Historically, our operations have been seasonal, with a significant amount of net sales and net income occurring in the fourth fiscal quarter, reflecting increased demand during the year-end holiday selling season and, to a lesser extent, the third quarter, reflecting increased demand during the back-to-school selling season. During Fiscal 2002, these periods accounted for approximately 59.2% of our sales. As a result of this seasonality, any factors negatively affecting us during the third and fourth fiscal quarters of any year, including adverse weather or unfavorable economic conditions, could have a material adverse effect on our financial condition and results of operations for the entire year. Our quarterly results of operations also may fluctuate based upon such factors as the timing of certain holiday seasons, the number and timing of new store openings, the amount of net sales contributed by new and existing stores, the timing and level of markdowns, store closings, refurbishments and relocations, competitive factors, weather and general economic conditions.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES.

The Co-Chief Executive Officers and the Chief Financial Officer of the Company conducted an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as defined in Exchange Act Rule 13a-15(e) as of the end of the period covered by this report. Based on that evaluation, the Co-Chief Executive Officers and the Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report. There were no significant changes in internal controls over financial reporting that occurred during the three months ended August 2, 2003 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

(a) The Company held its 2003 Annual Meeting of Stockholders on May 27, 2003. Holders of 65,003,408 shares of the Company's common stock were present in person or by proxy representing approximately 91.5% of the Company's 71,053,177 shares outstanding on the record date.

(b) and (c) The following persons continued to serve as Class I directors: Ari Deshe, Michael G. Jesselson, George Kolber, Roger S. Markfield and Jay L. Schottenstein; and the following persons continue to serve as Class III directors: Jon P. Diamond, Martin P. Doolan, Gilbert W. Harrison and James V. O'Donnell. The following persons were elected as Class II members of the Board of Directors to serve a three year term until the annual meeting in 2006 or until their successors are duly elected and qualified. Each person received the number of votes for or the number of votes with authority withheld indicated below.

Name	Shares For	Shares Abstain
John L. Marakas	63,556,695	1,446,713
Robert R. McMaster	64,089,230	914,178
Gerald E. Wedren	54,757,169	10,246,239
Larry M. Wolf	54,707,395	10,296,013

The stockholder proposal regarding the adoption of a management incentive plan did pass. It received 62,953,595 shares for, 2,023,999 shares against and 25,814 shares abstain. The stockholder proposal regarding the adoption of human rights standards did not pass. It received 6,751,031 shares for, 45,271,874 shares against and 3,072,472 shares abstain. The Company has an existing comprehensive vendor compliance program that contractually requires all suppliers to meet our global workplace standards, including human rights standards.

(d) Not applicable

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibit 10.13 Employment Agreement between the Registrant and Michael Leedy dated July 30, 2003.

Exhibit 15 Acknowledgement of Ernst & Young LLP

Exhibit 31.1 Certification by Roger S. Markfield pursuant to Rule 13a-14(a) or Rule 15d-14(a)

Exhibit 31.2 Certification by James V. O'Donnell pursuant to Rule 13a-14(a) or Rule 15d-14(a)

Exhibit 31.3 Certification by Laura A. Weil pursuant to Rule 13a-14(a) or Rule 15d-14(a)

Exhibit 32.1 Certification of Co-Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes- Oxley Act of 2002

Exhibit 32.2 Certification of Co-Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Exhibit 32.3 Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b) We filed the following reports on Form 8-K during the three months ended August 2, 2003:

1. On May 7, 2003, we issued a press release announcing our April 2003 sales, filed on Form 8-K with the SEC on May 9, 2003.

2. On May 15, 2003, we issued a press release announcing our financial results for the first quarter ended May 3, 2003, filed on Form 8-K with the SEC on May 15, 2003.

3. On June 4, 2003, we issued a press release announcing our May 2003 sales, filed on Form 8-K with the SEC on June 6, 2003.

4. On July 9, 2003, we issued a press release announcing our June 2003 sales, filed on Form 8-K with the SEC on July 11, 2003.

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, thereunto duly authorized.

Dated September 9, 2003

American Eagle Outfitters, Inc.
(Registrant)

/s/ Laura A. Weil

Laura A. Weil
Executive Vice President and Chief Financial Officer

/s/ Dale E. Clifton

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

EMPLOYMENT AGREEMENT
(Michael Leedy)

THIS AGREEMENT is by and between American Eagle Outfitters, Inc. ("Company") and Michael Leedy ("Executive"), and is effective as of the date it has been fully executed by both parties.

Company agrees to promote Executive to Executive Vice President - New Business Concept (specific name of New Business Concept to be determined) ("EVP - New Business") and Executive hereby accepts this offer of continued employment and agrees to serve Company subject to the general supervision, advice and direction of Company's President and Co-Chief Executive Officer and Board of Directors ("Board"), and upon the following terms and conditions:

1. Position and Duties . Executive shall be employed as Company's EVP - New Business, with such authority and duties as are set forth in the Primary Position Responsibilities description for this position a copy of which has been provided to Executive, and shall perform such other services and duties as the Board may from time to time designate, including without limitation the development of new businesses and product lines for the Company (the "New Business"); provided, however, that in the event that the Board determines, at any time, to discontinue the New Business, Executive agrees that he shall be employed as the Company's Executive Vice President - New Business Development. To become effective at the beginning of fiscal year 2005, consideration will be given for Executive to assume the added responsibility of becoming the President of the New Business, which consideration will include the following factors: (i) New Business performance results; (ii) individual performance results; (iii) leadership capacity as demonstrated though successful retention, development and succession planning of all associates within Executive's responsibility; and (iv) Executive Committee relationships and support.

1.1. Executive agrees to devote his full business time, best efforts, and undivided attention to the business and affairs of Company, except for any vacations, illness, or disability. Executive shall not engage in any other businesses that would interfere with his duties, provided that nothing contained herein is intended to limit Executive's right to make passive investments in the securities of publicly-owned companies or other businesses which will not interfere or conflict with his duties hereunder. Nothing herein is intended to restrict Executive from serving on civic or charitable boards or committees, delivering lectures, fulfilling speaking engagements or teaching at educational institutions; provided, however, that such activities shall be mutually agreed upon in advance by Company's President and Executive.

1.2. Except as provided in paragraph 3.9, Executive shall office at Company's headquarters in Warrendale, PA, or at such other location designated by Company, which is within a 50-mile radius of Warrendale, PA. Nothing herein is intended to limit Executive's business-related travel.

1.3. Executive agrees that he shall at all times observe and be bound by all rules, policies, practices, and resolutions heretofore or hereafter adopted in writing by Company which are generally applicable and provided to Company's officers and employees and which do not otherwise conflict with this Agreement.

1.4. Company shall indemnify Executive in the performance of his duties and responsibilities and advance expenses in connection therewith to the same extent as other senior executives and officers. Such rights shall not be subject to arbitration under paragraph 6.

2. Term . This Agreement shall terminate on February 3, 2007 (with the period from August 3, 2003 through the last day of fiscal 2006 constituting the "Initial Term" of this Agreement) unless sooner terminated as provided herein; provided, however, that this Agreement shall be extended automatically for successive one fiscal year periods unless either party notifies the other of an intent to terminate, in writing, at least 60 calendar days prior to the date of automatic extension.

3. Compensation .

3.1. Base Salary . For the remainder of fiscal 2003, Executive's annual base salary will remain at $430,000 as compensation for his services hereunder, and be adjusted to $465,000 for fiscal 2004, and for fiscal 2005 and fiscal 2006 the Chairman and President shall recommend to the Compensation and Stock Option Committee ("Committee") of the Board that Executive receive an annual base salary of $500,000 and $540,000, respectively, assuming satisfactory performance in each prior fiscal year. In each case said amounts shall be payable in equal installments in accordance with Company's payroll practices for executive employees. At the end of each fiscal year, including without limitation fiscal 2004 and fiscal 2005, Executive's salary will be reviewed in comparison to salaries of other executive employees at the Company and in the industry and increases to Executive's salary may be made if warranted in the sole discretion of the Committee, but said salary shall not be decreased.

3.2. Incentive Bonus . Executive will be eligible to receive an annual incentive bonus targeted at 70% of his base salary in each fiscal year or other performance period established under Company's Management Incentive Plan" ("the Bonus Plan"), with the 70% target beginning in fiscal 2004 and remaining at 60% for fiscal 2003. The Bonus Plan conditions the payment of this annual performance bonus based on achievement of pre-determined performance goals set forth in writing and based on objective measurements all established by the Committee; provided, however, that for each full fiscal year Executive has the added responsibility of being the President of the New Business, such performance targets shall relate specifically to the New Business rather than the Company. The Committee must verify that the performance goals and other material terms are met prior to payment. It is the parties' intention that the Bonus Plan be adopted and administered in a manner that enables Company to deduct for federal income tax purposes the amount of any annual incentive bonus. The incentive bonus determined to be due, if any, will be paid in a lump sum within 120 calendar days after the close of Company's fiscal year and completion of an outside audit by Company's then current outside audit firm. Appropriate adjustments to Executive's annual incentive bonus will be made by the Committee in its discretion in the event that the Bonus Plan is modified or terminated or under any replacement plan.

3.3. Stock .

3.3.1. Stock Grant . The Chairman and President shall recommend to the Committee that Executive receive a series of annual grants of restricted stock, with one grant for each full fiscal year during the term of this Agreement, which series of grants will be for a combined recommended total of 45,000 shares of Company's common stock during the Initial Term or 15,000 shares per year beginning with fiscal 2004, and each grant will be made pursuant to and subject to all terms and conditions set forth in Company's 1999 Stock Incentive Plan ("the Stock Plan"). The Chairman and President's recommendation to the Committee for restricted stock grants to Executive for fiscal years after 2006 will be consistent with Company's then current compensation policies. However, Executive is eligible for additional restricted stock grants at the recommendation of the President. Pursuant to the terms of the Stock Plan, the Committee will condition the vesting of this restricted stock based on achievement of pre-determined performance goals set forth in writing and based on objective measurements all established by the Committee provided, however, that for each full fiscal year Executive has the added responsibility of being the President of the New Business, such performance targets shall relate specifically to the New Business rather the Company. Committee must verify that the performance goals and other material terms are met prior to vesting. If the performance goals are not met then the restricted stock will be forfeited. It is the parties' intention that the Stock Plan be adopted and administered in a manner that enables Company to deduct for federal income tax purposes the full value of all annual restricted stock grants. The delivery of restricted stock earned, if any, will be made within 120 calendar days after the close of the applicable fiscal year of the Company and completion of the audit of the annual financial statements by Company's then current outside audit firm. The parties acknowledge that the grant of any restricted shares by the Committee is contingent upon the availability of shares under the Stock Plan.

3.3.2. Stock Options . The Chairman and President shall recommend to the Committee that Executive receive a series of annual grants of stock options, with one grant for each full fiscal year during the term of this Agreement, which series of grants will be for a combined recommended total of 150,000 shares of Company's common stock during the Initial Term or 50,000 shares per year beginning with fiscal 2004, and each grant will be made pursuant to and subject to all terms and conditions set forth in Company's Stock Plan and in a manner consistent with the Company's then current compensation policies. The Chairman and President's recommendation to the Committee for stock option grants to Executive for fiscal years after 2006 will be consistent with Company's then current compensation policies. However, Executive is eligible for additional stock option grants at the recommendation of the President. The parties acknowledge that the grant of any options by the Committee is contingent upon the availability of shares under the Stock Plan and in the event that the Company's Stock Option program is replaced with another program, it will be recommended to the Committee that Executive receive grants under the replacement program.

3.4. Vacation . During the term of this Agreement, Executive shall be entitled to vacation commensurate with other senior executives. The dates of said vacations shall be mutually agreed upon by Company's President and Executive.

3.5. Business Expenses; NYC Apartment . Company shall pay, advance or reimburse Executive for all normal and reasonable business-related expenses, including travel expenses, incurred in the performance of his duties so long as Executive completes appropriate expense reports and submits receipts in accordance with Company's practices. Company shall furnish Executive with company credit cards provided to other senior executives for use solely in the performance of his duties. In lieu of hotel expense reimbursement for travel to New York City by Executive for Company business, at its election Company may provide Executive an apartment (which is reasonably satisfactory to Executive) for such portion of the term of this Agreement as determined by the Company if Executive does not relocate to New York City.

3.6. Auto Allowance . During the terms of this Agreement, Company will provide Executive with an automobile allowance of $750 per month. Any amount included in Executive's W-2 wages relative to this allowance shall be grossed up for tax purposes. (The term "grossed up" as used in this Agreement refers to a payment to Executive in an amount that, after reduction for any income or excise taxes due, is equal to the net amount payable.)

3.7. Taxes . The compensation provided to Executive hereunder shall be subject to any withholdings and deductions required by any applicable tax laws.

3.8. Benefit Plans . Executive is entitled to participate in any deferred compensation or other employee benefit plans, including any retirement, profit sharing or 401(k) plans; group life, health, hospitalization and disability insurance plans; deferred compensation plans; discount privileges; incentive bonus plans; and other employee welfare benefits made available generally to, and under the same terms as, Company's executives.

3.9. Relocation Benefits . In the event that the operation of the New Business is headquartered in the New York City area, then Executive and his family shall relocate to the New York City Metropolitan area, Company will pay for such relocation in accordance with the Company's customary practices for executive relocations. Company agrees to reimburse Executive, after submission of the appropriate expense reports and receipts, for reasonable out-of-pocket expenses related to such relocation.

4. Executive's Obligations .

4.1. Confidential Information . Executive agrees that during and after his employment, any "confidential information" as defined below shall be held in confidence and treated as proprietary to Company. Executive agrees not to use or disclose any confidential information except to promote and advance the business interests of Company. Executive agrees that upon his separation from employment, for any reason whatsoever, he shall not take or copy, and shall immediately return to Company, any documents that constitute or contain confidential information. "Confidential information" includes, but is not limited to, any confidential data, figures, projections, estimates, pricing data, customer lists, buying manuals or procedures, distribution manuals or procedures, other policy and procedure manuals or handbooks, supplier information, tax records, personnel histories and records, company phone directories, lists of associates, organizational charts, information regarding sales, information regarding properties and any other confidential information regarding the business, operations, properties or personnel of Company which are disclosed to or learned by Executive as a result of his employment, but shall not include his personal personnel records. Confidential information shall not include any information that (i) Executive had in his possession prior to his first performing services for Company; (ii) becomes a matter of public knowledge thereafter through sources independent of Executive; (iii) is disclosed by Company without restriction on its use; or (iv) is required to be disclosed by law or governmental order or regulation.

4.2. Solicitation .

4.2.1. Employees . Executive agrees that during his employment and for two years after the end of his employment, for any reason, he shall not, directly or indirectly, solicit Company's employees to leave their employment; he shall not employ or seek to employ them; and, he shall not cause or induce any of Company's competitors to solicit or employ Company's employees.

4.2.2. Third Parties . Executive agrees that during his employment and for two years following the end of his employment, for any reason, he shall not, either directly or indirectly, recruit, solicit or otherwise induce or influence any customer, supplier, sales representative, lender, lessor or any other person having a business relationship with Company to discontinue or reduce the extent of such relationship except in the course of his duties pursuant to this Agreement and with the good faith objective of advancing Company's business interests.

4.3. Noncompetition . Executive agrees that for a period of one year following the end of his employment, except in the case of an involuntary termination by Company under paragraphs 5.3.1 or 5.3.2 below, he shall not, either directly or indirectly, accept employment with, act as a consultant to, or otherwise perform the same services (which shall be determined regardless of job title) for any business that directly competes with Company's business, which is understood to be the design, manufacture and retail sale of specialty clothing, accessories, shoes, and related merchandise at Company's physical, brick and mortar locations. The foregoing notwithstanding, in the event that there are insufficient shares available under the Stock Plan and Executive does not receive a grant of Restricted Stock or options as contemplated under paragraphs 3.3.1 and 3.3.2 above and if there is no replacement compensation program for the Stock Plan, then in those events Executive shall not be obligated under this paragraph 4.3.

4.4. Cooperation .

4.4.1. With Company . Executive agrees to cooperate with Company during the course of all third-party proceedings arising out of Company's business about which Executive has knowledge or information. Such proceedings may include, but are not limited to, internal investigations, administrative investigations or proceedings, and lawsuits (including pre-trial discovery). For purposes of this paragraph, cooperation includes, but is not limited to, Executive's making himself available, upon reasonable notice and at mutually agreeable time, for interviews, meetings, depositions, hearings, and/or trials without the need for subpoena or assurances by Company, providing any and all documents in his possession that relate to the proceeding, and providing assistance in locating any and all relevant notes and/or documents. Company shall reimburse Executive for all reasonable out-of-pocket expenses incurred in connection with such proceedings, and if such proceedings take place after the term of this Agreement, Company shall compensate him at the rate of $125 per hour.

4.4.2. With Third Parties . Except to the extent otherwise required by law, Executive agrees to communicate with, or give statements to, third parties relating to any matter about which Executive has knowledge or information as a result of his employment only to the extent that it is Executive's good faith belief that such communication or statement is in Company's business interests.

4.4.3. With Media . Executive agrees to communicate with, or give statements to, any member of the media (print, television or radio) relating to any matter about which Executive has knowledge or information as a result of his employment only to the extent that it is Executive's good faith belief that such communication or statement is in Company's business interests.

4.5. Remedies . Executive agrees that any disputes under this paragraph shall not be subject to arbitration. If Executive breaches this paragraph, the damage will be substantial, although difficult to quantify, and money damages may not afford Company an adequate remedy; therefore, if Employee breaches or threatens to breach this paragraph, Company shall be entitled, in addition to other rights and remedies, to specific performance, injunctive relief and other equitable relief to prevent or restrain such conduct.

5. Termination and Related Benefits .

5.1. Death . This Agreement shall terminate automatically upon Executive's death, and Company shall pay his surviving spouse, or if he leaves no spouse, his estate, any base salary earned by Executive, and any rights or benefits that have vested. In addition, Company shall pay

Executive's surviving spouse, or if he leaves no spouse, his estate, a pro rata share of any declared but unpaid incentive bonus for the year in which Executive dies (pro-rated on the basis of the actual number of days worked by Executive). Such bonus shall be paid in accordance with paragraph 3.2. above.

5.2. Permanent Disability. Upon Executive's permanent disability, Company shall have the right to terminate this Agreement immediately with written notice. For these purposes, permanent disability shall mean that Executive fails to perform his duties on a full-time basis for a period of more than 90 calendar days during any 12-month period, due to a physical or mental disability or infirmity. If this Agreement is terminated due to Executive's permanent disability, Company shall pay Executive any base salary earned and any rights or benefits that have vested. In addition, Company shall pay Executive a pro rata share of any declared but unpaid incentive bonus for the year in which Executive becomes disabled (prorated on the basis of the actual number of days worked by Executive). Such bonus shall be paid in accordance with paragraph 3.2. above

5.3 Termination by Company.

5.3.1. At End of Term. Company may terminate this Agreement at the end of its term or any extension thereof by giving 60 calendar days' written notice to Executive. Company may, in its sole discretion, require Executive to cease active employment and pay out the 60-day notice period. Upon a termination at the end of this Agreement, Company shall have the same obligations to Executive as those set forth in paragraph 5.3.2 below (e.g., severance of one year's base salary and continuation of medical coverage).

5.3.2. During the Term. In addition to as provided below in paragraph 5.3.3, Company may terminate this Agreement during its term, for any reason, upon 30 days' written notice to Executive. Company may, in its sole discretion, require Executive to cease active employment immediately. In the event of a termination under this paragraph 5.3.2, Company shall have the following obligations:

(i) Pay Executive severance in an amount equal to one year of Executive's then current base salary from the last day of active employment through the Severance Period, which shall be paid in equal installments over the Severance Period; provided, however, that such salary shall cease to be paid if Executive accepts or performs comparable employment. For purposes of this Agreement, the term Severance Period shall mean, as elected by the Executive within ten (10) days of termination pursuant to this Paragraph 5.3.2., either: (i) the 12-month period immediately following the date of termination or (ii) the 24-month period immediately following the date of termination, with the understanding that election to receive the one year base salary severance amount over 24 months will not increase the total amount of severance and the installment payments will be one half of the amount that would have been paid in the 12 month period and that acceptance of comparable employment ends the Severance Period;

(ii) With respect to each full fiscal year that the Executive has been employed by the Company prior to the date of termination, pay Executive any incentive bonus that has been or is later declared with respect to each such fiscal year, but is unpaid as of the termination date;

(iii) Continue Executive's medical coverage for the Severance Period, under the same terms as provided to other Company executives; provided, however, that such coverage shall cease upon Executive's becoming eligible for similar coverage under another benefit plan; and

(iv) Stock options previously granted to Executive shall continue to vest and to the extent vested shall continue to be exercisable during the Severance Period, and vested options shall be exercisable for 30 days thereafter.

5.3.3. For Cause. Company may terminate this Agreement during its term if it has "cause" to do so. For purposes of this paragraph, the term "cause" means the following:

(i) Willful violation of laws and regulations governing Company;

(ii) Willful failure to substantially comply with any material terms of this Agreement, provided Company shall make a written demand for substantial compliance setting forth the specific reason(s) for same and Executive shall have 60 days to cure, if possible;

(iii) willful breach of fiduciary duties;

(iv) willful damage, willful misrepresentation, willful dishonesty, or other willful conduct which Company determines has had or is likely to have a material adverse effect upon Company's operations, assets, reputation or financial conditions; or

(v) willful breach of any stated material employment policy of Company.

Failure to meet performance targets and measures shall not constitute "cause" as that term is used herein. Executive may have an opportunity to be heard by the Board prior to a termination for cause. For purposes of this paragraph, Executive's acts or omissions shall be considered "willful" if done without a good faith, reasonable belief that such act or omission was in Company's best interest. In the event of termination for cause, Company's obligations hereunder cease on Executive's last day of active employment, unless otherwise provided herein.

5.4. Termination by Executive.

5.4.1. At End of Term. Executive may terminate this Agreement at the end of its term or any extension of this Agreement by giving 60 calendar days' written notice to Company's Chairman. Company may, in its sole discretion, accept Executive's termination effective immediately; provided, however, that it shall continue to pay Executive for 60 calendar days. Company shall thereafter have no obligations to Executive under this Agreement.

5.4.2. Voluntary Resignation. Executive may terminate this Agreement by his voluntary resignation. Executive shall give at least 60 calendar days' written notice of his intention to resign to Company's Chairman, which Company may accept immediately. In the event of Executive's resignation, Company will have no further obligations or liability hereunder except as provided herein.

5.5. Salary Due at Termination. In the event of any termination of Executive's employment under this Agreement, Executive (or his estate) shall be paid any unpaid portion of his salary that has accrued by virtue of his employment during the period prior to termination, and any unpaid, declared bonus, together with any unpaid business expenses properly incurred under this Agreement prior to termination. Such amounts shall be paid within 15 days of the date of termination, unless otherwise provided herein. Executive (or his estate) shall also be entitled to any rights or benefits that have vested.

6. Arbitration. Unless stated otherwise herein, the parties agree that arbitration shall be the sole and exclusive remedy to redress any dispute, claim or controversy involving the interpretation of this Agreement or the terms, conditions or termination of this Agreement or the terms, conditions or termination of Executive's employment with Company. The parties intend that any arbitration award shall be final and binding and that a judgment on the award may be entered in any court of competent jurisdiction and enforcement may be had according to its terms. This paragraph shall survive the termination or expiration of this Agreement.

6.1. Arbitration shall be held in Pittsburgh, PA, and shall be conducted by a retired federal judge or other qualified arbitrator mutually agreed upon by the parties in accordance with the Voluntary Arbitration Rules of the American Arbitration Association then in effect. The parties shall have the right to conduct discovery pursuant the Federal Rules of Civil Procedure; provided, however, that the Arbitrator shall have the authority to establish an expedited discovery schedule and cutoff and to resolve any discovery disputes. The Arbitrator shall not have jurisdiction or authority to change any provision of this Agreement by alterations of, additions to or subtractions from the terms hereof. The Arbitrator's sole authority in this regard shall be to interpret or apply any provision(s) of this Agreement. The Arbitrator shall be limited to awarding compensatory damages, including unpaid wages or benefits, but shall have no authority to award punitive, exemplary or similar-type damages.

6.2. Any claim or controversy not sought to be submitted to arbitration, in writing, within 120 days of when it arose shall be deemed waived and the moving party shall have no further right to seek arbitration or recovery with respect to such claim or controversy.

6.3. The arbitrator shall be entitled to award expenses, including the costs of the proceeding, and reasonable counsel fees.

6.4. The parties hereby acknowledge that since arbitration is the exclusive remedy, neither party has the right to resort to any federal, state or local court or administrative agency concerning breaches of this Agreement, except as otherwise provided herein in paragraph 6, and that the decision of the Arbitrator shall be a complete defense to any suit, action or proceeding instituted in any federal, state or local court before any administrative agency with respect to any arbitrable claim or controversy.

7. General Provisions .

7.1. The parties agree that the covenants and promises set forth in paragraphs 4, 5 and 6 shall survive the termination of this Agreement and continue in full force and effect.

7.2. Except as otherwise provided in paragraph 6.2 above, failure to insist upon strict compliance with any term hereof shall not be considered a waiver of any such term.

7.3. This Agreement and its attachments, along with any other document or policy or practice referenced herein (which are collectively referred to as "Agreement" herein), contain the entire agreement of the parties regarding Executive's employment and supersede any prior written or oral agreements or understandings relating to the same. No modification or amendment of this Agreement shall be valid unless in writing and signed by or on behalf of both parties.

7.4. Once signed by both parties, this Agreement shall be binding upon and shall inure to the benefit of the heirs, successors, and assigns of the parties.

7.5. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provisions of this Agreement, or the application thereof to any person or circumstance, shall, for any reason and to any extent, be held invalid or unenforceable, such invalidity and unenforceability shall not affect the remaining provisions hereof and the application of such provisions to other persons or circumstances, all of which shall be enforced to the greatest extent permitted by law.

7.6. The validity, construction, and interpretation of this Agreement and the rights and duties of the parties hereto shall be governed by the laws of the State of Ohio, without reference to the Ohio choice of law rules.

7.7. Any written notice required or permitted hereunder shall be mailed, certified mail (return receipt requested) or hand-delivered, addressed to Company's President at Company's corporate headquarters in Warrendale, PA, or to Executive at the most recent home address. Notices are effective upon receipt.

7.8. The rights of Executive under this Agreement shall be solely those of an unsecured general creditor of Company.

7.9. The headings in this Agreement are inserted for convenience of reference only and shall not be a part of or control or affect the meaning of any provision hereof.

[signature page follows]

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement.

EXECUTIVE

/s/ Michael Leedy
Michael Leedy

Signed: July 30, 2003

AMERICAN EAGLE OUTFITTERS, INC.

By: /s/ Roger Markfield
Roger Markfield
Its: President and Co-Chief Executive Officer

Signed: July 30, 2003

Exhibit 15

Acknowledgment of Ernst & Young LLP

The Board of Directors and Stockholders
American Eagle Outfitters, Inc.

We are aware of the incorporation by reference in the American Eagle Outfitters, Inc. Registration Statements as follows:

- 1999 Stock Incentive Plan (Registration Nos. 333-34748 and 333-75188),
- Employee Stock Purchase Plan (Registration No. 333-3278),
- 1994 Restricted Stock Plan (Registration No. 33-79350),
- 1994 Stock Option Plan (Registration Nos. 333-44759, 333-79358, and 333-12661),
- Stock Fund of American Eagle Outfitters, Inc. Profit Sharing and 401(k) Plan (Registration No. 33-84796), and
- Registration Statement (Form S-3) (Registration No. 333-68875)

of our report dated August 13, 2003 relating to the unaudited condensed consolidated interim financial statements of American Eagle Outfitters, Inc. which is included in its Form 10-Q for the quarter ended August 2, 2003.

Pursuant to Rule 436(c) of the Securities Act of 1933, our reports are not a part of the registration statement prepared or certified by accountants within the meaning of Section 7 or 11 of the Securities Act of 1933.

/s/ Ernst & Young LLP

Pittsburgh, Pennsylvania
August 13, 2003

Exhibit 31.1

CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER

I, Roger S. Markfield, Co-Chief Executive Officer of American Eagle Outfitters, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of American Eagle Outfitters, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report.
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
   b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
   c) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially effect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

September 9, 2003

/s/ Roger S. Markfield
Roger S. Markfield
President and Co-Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER

I, James V. O'Donnell, Co-Chief Executive Officer of American Eagle Outfitters, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of American Eagle Outfitters, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report.
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
   b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
   c) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially effect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

September 9, 2003

/s/ James V. O'Donnell
James V. O'Donnell
Co-Chief Executive Officer

Exhibit 31.3

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Laura A. Weil, Chief Financial Officer of American Eagle Outfitters, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of American Eagle Outfitters, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report.
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
c) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially effect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

September 9, 2003

/s/ Laura A. Weil
Laura A. Weil
Executive Vice President and Chief Financial Officer

Exhibit 32.1

Certification Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of American Eagle Outfitters, Inc. on Form 10-Q for the period ended August 2, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Roger S. Markfield, Co-Chief Executive Officer of American Eagle Outfitters, Inc., certify to the best of my knowledge, pursuant to 18 U.S.C. (S) 1350, as adopted pursuant to (S) 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of American Eagle Outfitters, Inc.

/s/ Roger S. Markfield

Roger S. Markfield
President and Co-Chief Executive Officer
September 9, 2003

A signed original of this written statement required by Section 906 has been provided to American Eagle Outfitters, Inc. and will be retained by American Eagle Outfitters, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

Certification Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of American Eagle Outfitters, Inc. on Form 10-Q for the period ended August 2, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James V. O'Donnell, Co-Chief Executive Officer of American Eagle Outfitters, Inc., certify to the best of my knowledge, pursuant to 18 U.S.C. (S) 1350, as adopted pursuant to (S) 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of American Eagle Outfitters, Inc.

/s/ James V. O'Donnell

James V. O'Donnell
Co-Chief Executive Officer
September 9, 2003

A signed original of this written statement required by Section 906 has been provided to American Eagle Outfitters, Inc. and will be retained by American Eagle Outfitters, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.3

Certification Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of American Eagle Outfitters, Inc. on Form 10-Q for the period ended August 2, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Laura A. Weil, Chief Financial Officer of American Eagle Outfitters, Inc., certify to the best of my knowledge, pursuant to 18 U.S.C. (S) 1350, as adopted pursuant to (S) 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of American Eagle Outfitters, Inc.

/s/ Laura A. Weil

Laura A. Weil
Executive Vice President and Chief Financial Officer
September 9, 2003

A signed original of this written statement required by Section 906 has been provided to American Eagle Outfitters, Inc. and will be retained by American Eagle Outfitters, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

End of Filing