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SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

[X] QUARTERLY REPORT UNDER SECTION 13 or 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended October 31, 1997

OR

[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number 0-16999

Urban Outfitters, Inc.
(Exact name of registrant as specified in its charter)

PENNSYLVANIA
(State or Other Jurisdiction of
Incorporation of Organization)

23-2003332
(I.R.S. Employer
Identification No.)

1809 Walnut Street, Philadelphia, PA
(Address of principal executive office)

19103
(Zip Code)

(215) 564-2313
(Registrant's telephone number including area code)

N/A
(Former name, former address and former fiscal year,
if changed since last report)

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 such
filing requirements for the past 90 days.

Yes [X] No ____

Title of Each Class
of Common Stock

Number of Shares Outstanding
at November 30, 1997

Common shares, par value, \$.0001 per share

17,645,360

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URBAN OUTFITTERS, INC. Consolidated Balance Sheets (in thousands, except share and per share data)

	OCTOBER 31, 1997 (UNAUDITED)	JANUARY 31, 1997 (AUDITED)
Assets		
Current assets:		
Cash and cash equivalents	\$ 19,654	\$ 14,581
Marketable securities	9,908	9,255
Accounts receivable, net of allowance for doubtful accounts of \$742 and \$643 at October 31, 1997 and January 31, 1997, respectively	6,711	2,827
Inventory	22,440	16,965
Prepaid expenses and other current assets	6,643	7,236
	-----	-----
Total current assets	65,356	50,864
Property and equipment, less accumulated depreciation and amortization	25,318	25,209
Marketable securities	12,833	12,047
Other assets	1,514	1,555
	-----	-----
	\$105,021	\$ 89,675
	=====	=====
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	\$ 9,866	\$ 8,699
Income taxes payable	1,974	388
Accrued expenses and other current liabilities	4,036	2,538
	-----	-----

Total current liabilities	15,876	11,625
Accrued rent and other liabilities	2,934	2,358
	-----	-----
Total liabilities	18,810	13,983
	-----	-----
Shareholders' equity:		
Preferred shares; \$.0001 par, 10,000,000 authorized, none issued	--	--
Common shares; \$.0001 par, 50,000,000 shares authorized, 17,643,028 and 17,528,698 issued at October 31, 1997 and January 31, 1997, respectively	2	2
Additional paid-in capital	20,854	20,396
Retained earnings	65,355	55,294
	-----	-----
Total shareholders' equity	86,211	75,692
	-----	-----
	\$105,021	\$ 89,675
	=====	=====

See accompanying notes

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URBAN OUTFITTERS, INC.
Consolidated Statements of Income
(in thousands, except share and per share data)
(Unaudited)

	Three Months Ended October 31		Nine Months Ended October 31	
	1997	1996	1997	1996
	----	----	----	----
Net sales	\$ 48,373	\$ 44,884	\$ 126,887	\$ 114,416
Cost of sales	24,347	22,413	63,903	56,479
	-----	-----	-----	-----
Gross profit	24,026	22,471	62,984	57,937
Selling, general and administrative expenses	16,235	14,870	46,821	40,956
	-----	-----	-----	-----
Income from operations	7,791	7,601	16,163	16,981
Interest income	483	394	1,266	1,119
Other expenses, net	(98)	(44)	(229)	(234)
	-----	-----	-----	-----
Income before income taxes	8,176	7,951	17,200	17,866
Income tax expense	3,393	3,319	7,138	7,459
	-----	-----	-----	-----
Net income	\$ 4,783	\$ 4,632	\$ 10,062	\$ 10,407
	=====	=====	=====	=====
Net income per common share	\$.27	\$.26	\$.57	\$.59
	=====	=====	=====	=====
Weighted average common shares outstanding	17,856,690	17,840,541	17,802,707	17,786,429
	=====	=====	=====	=====

See accompanying notes

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URBAN OUTFITTERS, INC.
Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

	NINE MONTHS ENDED 1997 ----	OCTOBER 31 1996 ----
Cash flows from operating activities:		
Net income	\$ 10,062	\$ 10,407
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,402	2,613
Provision for losses on accounts receivable	100	170
Changes in assets and liabilities:		
Increase in receivables	(3,983)	(4,459)
Increase in inventory	(5,475)	(8,255)
Decrease in prepaid expenses and other assets	634	1,028
Increase in payables, accrued expenses and other liabilities	4,827	6,813
	-----	-----
Net cash provided by operating activities	9,567	8,317
	-----	-----
Cash flows from investing activities:		
Capital expenditures	(3,513)	(8,774)
Purchase of investments held-to-maturity	(7,747)	(18,713)
Purchase of investments available-for-sale	(6,100)	(2,350)
Maturities of investments held-to-maturity	7,908	9,894
Sale of investments available-for-sale	4,500	4,236
	-----	-----
Net cash used in investing activities	(4,952)	(15,707)
	-----	-----
Cash flows from financing activities:		
Exercise of stock options	458	807
	-----	-----
Net cash provided by financing activities	458	807
	-----	-----
Increase(decrease) in cash and cash equivalents	5,073	(6,583)
Cash and cash equivalents at beginning of period	14,581	20,095
	-----	-----
Cash and cash equivalents at end of period	\$ 19,654	\$ 13,512
	=====	=====

See accompanying notes

URBAN OUTFITTERS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles 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 generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1997, filed with the Securities and Exchange Commission on April 21, 1997.

2. Marketable Securities

Marketable securities are classified as follows:

	October 31, 1997	January 31, 1997
	-----	-----
Current portion		
Held-to-maturity	\$ 8,008	\$ 8,955
Available-for-sale	1,900	300
	-----	-----
	9,908	9,255
	-----	-----
Noncurrent portion		
Held-to-maturity	12,833	12,047
	-----	-----
Total marketable securities ...	\$22,741	\$21,302
	=====	=====

3. Stock Split

On May 21, 1996, the Board of Directors of Urban Outfitters, Inc. declared a two-for-one stock split in the form of a stock dividend for shareholders of record on June 1, 1996. That stock split is retroactively reflected in the financial statements for all periods presented.

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4. Recent Accounting Pronouncements

Earnings Per Share. In February 1997, FASB Statement 128, "Earnings Per Share" was issued. The provisions of this statement, which supersedes Accounting Principles Board Opinion No. 15, "Earnings Per Share," simplify the computation of earnings per share. FASB Statement 128 will be effective for the Company's financial statements beginning with the quarter ended January 31, 1998. The Company does not expect the adoption of FASB Statement 128 to have a material effect on its calculations of earnings per share.

Reporting Comprehensive Income. In June 1997, FASB Statement 130, "Reporting Comprehensive Income" was issued. The provisions of this statement establish standards for reporting and display of comprehensive income and its components in financial statements. FASB Statement 130 will be effective for the Company's financial statements beginning with the quarter ended April 30, 1998. The Company does not expect the adoption of FASB Statement 130 to have a material effect on its reporting of net earnings.

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PART I

FINANCIAL INFORMATION (continued)

ITEM 2 Management's Discussion and Analysis of Financial Condition and
- ----- Results of Operations

GENERAL
- -----

Total Company sales growth during the third quarter and nine months ended October 31, 1997 compared to the same prior year periods was up 8 percent and 11 percent, respectively. The modest sales growth in the third quarter and in the nine month period resulted from a combination of converse trends. Urban Retail experienced the lowest overall growth, all of which came from two stores opened in the fourth quarter of the prior year. Comparable store sales in Urban Retail were negative during both periods. Anthropologie experienced the highest sales growth, that growth coming from both new store openings and from positive comparable store sales. The Wholesale Company experienced positive sales growth in the third quarter of 4 percent (compared to 45 percent last year) and 9 percent during the nine month period (compared to 23 percent last year).

Urban Retail's comparable store sales performance during the periods result from two categories of merchandise that have not performed at retail and thus produced lower sales than in the prior year. Adding to this is the fact that no new Urban Retail stores were opened during the nine month period. Subsequent to the nine month period, two new stores were opened in the fourth quarter. The next openings are expected to be in the first quarter of Fiscal 1999.

The Wholesale Company will not grow sales near last years levels of 45 percent in the third quarter, 80 percent in the fourth quarter, and 31 percent for all of last year. As previously noted, this year's third quarter growth was 4 percent with nine month growth at 9 percent. Fourth quarter sales growth will likely be flat to down when compared to last year's 80 percent growth rate.

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RESULTS OF OPERATIONS

The Company's operating years end on January 31, and include 12 periods ending on the last day of the month. For example, fiscal year 1998 will end on January 31, 1998. This discussion of results of operations covers the third quarter and the first nine months of fiscal 98 and fiscal 97.

The following table sets forth, for the periods indicated, the percentage of the Company's net sales represented by certain income statement data. The discussion should be read in conjunction with the following table.

	THIRD QUARTER ENDED OCTOBER 31		NINE MONTHS ENDED OCTOBER 31	
	1997	1996	1997	1996
	----	----	----	----
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	50.3%	49.9%	50.4%	49.4%
Gross profit	49.7%	50.1%	49.6%	50.6%
Selling, general and administrative expenses	33.6%	33.1%	36.9%	35.8%
	-----	-----	-----	-----
Income from operations	16.1%	17.0%	12.7%	14.8%
Net interest and other income	.8%	.8%	.8%	.8%
	-----	-----	-----	-----
Income before income taxes	16.9%	17.7%	13.5%	15.6%
Income tax expense	7.0%	7.4%	5.6%	6.5%
	-----	-----	-----	-----
Net income	9.9%	10.3%	7.9%	9.1%
	=====	=====	=====	=====

THIRD QUARTER ENDED OCTOBER 31, 1997 COMPARED
TO THE THIRD QUARTER ENDED OCTOBER 31, 1996

Net sales increased during the third quarter ended October 31, 1997 to \$48.4 million, up 7.8 percent from the same period in the prior year. \$3.3 million of the \$3.5 million increase was attributable to newly opened and enlarged stores, the comparable store sales contribution was down \$.2 million, while the Wholesale Company contributed \$.4 million to the third quarter sales growth.

Gross profit during the third quarter ended October 31, 1997 was \$24.0 million, up \$1.6 million or 6.9 percent from the prior year quarter. The dollar increase resulted from the volume increases previously described. The gross profit margin percentage to sales decreased to 49.7 percent during the third quarter of this year from 50.1 percent last year. Both retail companies gross profit margins percentages were either flat or improved. The Wholesale Company's percentage decreased due to markdowns. Adding to the overall decline was a higher sales mix from Anthropologie and the Wholesale Company, both of which have lower gross profit margin percentages than Urban Retail.

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Selling, general and administrative expenses during the third quarter ended October 31, 1997 were \$16.2 million, up \$1.4 million or 9.2 percent from the prior year quarter. These dollar increases were attributed to new stores opened, enlarged stores, and investments in people and systems necessary to manage last year's and future sales growth in the Wholesale Company. Stated as a percentage of sales, selling, general and administrative expenses increased slightly to 33.6 percent from 33.1 percent in the third quarter of the prior year. Anthropologie leveraged expenses on higher sales growth, while Urban Retail was flat to the prior year's quarter. Wholesale made investment in people and systems as described.

Income from operations during the third quarter of fiscal 98 was \$7.8 million, up from \$7.6 million in the prior year's third quarter. The retail companies provided most of the income growth.

The effective income tax rate for the third quarter of 42 percent remains unchanged from last year.

Net income during the third quarter of fiscal 98 was \$4.8 million, up \$.2 million or 3.3 percent from the prior year's third quarter.

NINE MONTHS ENDED OCTOBER 31, 1997
COMPARED TO THE NINE MONTHS ENDED OCTOBER 31, 1996

Net sales increased during the nine months ended October 31, 1997 to \$126.9 million, up 10.9 percent from \$114.4 million during the same period of the prior year. The nine-month-to-nine-month \$12.5 million increase was provided by sales from newly opened and enlarged stores of \$12.9 million, comparable store sales decrease of \$2.5 million or 2.9 percent and increases from the Wholesale Company of \$2.1 million.

Gross profit during the nine months ended October 31, 1997 was \$63.0 million, up \$5.0 million (an 8.7 percent increase) from the same prior year period of \$57.9 million. The dollar increases resulted from the volume growth previously described. The gross profit margin percentage to sales decreased to 49.6 percent from 50.6 percent during the nine-month period last year. The gross profit margin percentage decrease resulted from higher markdowns in Urban Retail and the Wholesale Company. Anthropologie's percentage improved over the prior year. Adding to the decline was a higher sales mix of Anthropologie and the Wholesale Company, both of which have lower gross profit margin percentages than Urban Retail.

Selling, general and administrative expenses during the nine months ended October 31, 1997 were \$46.8 million, up \$5.9 million or 14.3 percent from the same period in the prior year. These dollar increases were attributed to newly opened and enlarged stores and investments in people and systems necessary to

manage the sales growth, particularly in the Wholesale Company. Stated as a percentage of sales, selling, general and administrative expenses increased to 36.9 percent from 35.8 percent. The percentage increases resulted from no expense leveraging due to lower comparable store sales and investments in people and systems needed for last year's growth and planned growth in Wholesale. Anthropologie leveraged the expense percentage down on higher sales growth.

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Income from operations during the nine months ended October 31, 1997 was \$16.2 million, down \$.8 million or 4.8 percent from the same period in the prior year. Both Urban Retail and Wholesale contributed to the decline while Anthropologie made a positive contribution.

The effective income tax rate for the nine months ended October 31, 1997 of 42 percent remains unchanged from last year.

Net income during the nine months ended October 31, 1997 was \$10.1 million, down \$.3 million or 3.3 percent from the same period in the prior year.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents increased to \$19.7 million at October 31, 1997 from \$14.6 million at January 31, 1997. The \$5.1 million net increase results from an increase in cash from operating activity of \$9.6 million, and net issuance of common stock of \$458,000, offset by capital expenditures of \$3.5 million and net purchases of investments of \$1.5 million.

The Company's net working capital increased from \$39.2 million at January 31, 1997 to \$49.5 million at October 31, 1997. The \$10.3 million increase in net working capital during the nine-month period resulted from net income of \$10.1 million and stock options exercised of \$.5 million, offset by a net investment in other assets of \$.3 million.

The Company maintains a line of credit of \$15.0 million which is available for any combination of cash borrowing or letters of credit. The line is unsecured and any cash borrowing under the line would accrue interest at an as offered basis not to exceed LIBOR plus 3/8 of one percent. The Company uses international letters of credit to purchase private label merchandise and merchandise for the Wholesale Company. Outstanding balances of letters of credit at January 31, 1997 and at October 31, 1997 were \$4.3 million and \$5.3 million, respectively. The Company has never borrowed against the available cash line of credit. There were no loan balances at January 31, 1997 or October 31, 1997.

The Company expects that capital expenditures during fiscal 98 will be approximately \$5.0 million depending upon the number of stores opened, enlarged or improved during the year. In future years, the Company expects to invest amounts greater than that figure, again depending on new and existing stores opened or expanded. The Company believes that existing cash, and marketable securities at October 31, 1997 and cash from future operations will be sufficient to meet the Company's cash needs for at least the next three years.

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PART II

OTHER INFORMATION

ITEM 6 Exhibits and Reports on Form 8-K
- - - - -

(a) Exhibits: Income Per Share Calculation

(b) Reports on Form 8-K: None

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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.

URBAN OUTFITTERS, INC.
(Registrant)

By: /s/ Richard A. Hayne

Richard A. Hayne
Chairman of the Board of
Directors

By: /s/ Kenneth K. Cleeland

Kenneth K. Cleeland
Treasurer
(Chief Financial Officer)

Dated: December 12, 1997

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	Three Months Ended October 31,			
	1997		1996	
	\$	Per Share	\$	Per Share
NET INCOME	4,783,000	\$0.27	4,632,000	\$0.26
WEIGHTED AVERAGE COMMON SHARES & COMMON SHARE EQUIVALENTS OUTSTANDING		17,856,690		17,840,541

COMPUTATION OF COMMON SHARES
& COMMON SHARE EQUIVALENTS OUTSTANDING:

	Nine Months Ended October 31,			
	1997		1996	
	End of Period	Weighted Ave.	End of Period	Weighted Ave.
Common Shares Outstanding	17,643,028	17,578,306	17,528,698	

		-----		-----
Common Share Equivalents:				
Options	546,270	532,214	472,937	559,595
Assumed Repurchased at				
Average Price		(307,814)		(169,433)
		-----		-----
Weighted Average Common Equivalents		224,401		390,162
		-----		-----
Total Weighted Average Common Shares				
& Common Share Equivalents Outstanding		17,802,707		17,786,429
		=====		=====

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