

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **May 15, 2003**

URBAN OUTFITTERS, INC.

(Exact Name of Registrant as Specified in Charter)

Pennsylvania

(State or Other Jurisdiction of Incorporation)

0-16999

(Commission File No.)

22-2003332

(IRS Employer
Identification No.)

1809 Walnut Street, Philadelphia PA

(Address of Principal Executive Offices)

19103

(Zip Code)

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

N/A

(Former Name or Former Address, if Changed Since Last Report)

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits**(c) Exhibits:**

99.1 Press Release dated May 15, 2003 – First Quarter Earnings.

Item 9. Regulation FD Disclosure

The following information is being furnished under “Item 12. Results of Operations and Financial Condition” and shall not be incorporated by reference into any of Urban Outfitters, Inc.’s (the “Company”) reports or other filings made with the Securities and Exchange Commission. The information is set forth under the heading “Item 9. Regulation FD Disclosure” in accordance with filing guidance issued by the Securities and Exchange Commission, effective as of March 28, 2003.

On May 15, 2003, the Company issued a press release, which is attached hereto as Exhibit 99.1 and incorporated herein by reference. The press release disclosed material non-public information regarding the Company’s earnings for the three month period ended April 30, 2003.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

URBAN OUTFITTERS, INC.

Date: May 15, 2003

By: /s/ STEPHEN A. FELDMAN

Stephen A. Feldman
Chief Financial Officer

Exhibit Index

99.1 Press Release dated May 15, 2003 – First Quarter Earnings

URBAN OUTFITTERS, INC.
First Quarter Results
Philadelphia, PA—May 15, 2003

For Immediate Release

Contact: Stephen A. Feldman
 Chief Financial Officer
 (215) 564-2313

Urban Outfitters Reports a 34% Increase in Net Income

Richard A. Hayne, Chairman of the Board and President of Urban Outfitters, Inc. (NASDAQ:URBN), today announced sales and earnings for the first quarter and the fiscal year ended on April 30, 2003.

Net income for the quarter increased by 34% to \$6.4 million or \$0.32 per diluted share versus \$4.8 million or \$0.26 per diluted share for the comparable first quarter last year.

“We had outstanding results this past quarter,” said Mr. Hayne. “We are very pleased to deliver positive “comp” store sales and a 34% increase in bottom line performance. Our retail brands, Urban Outfitters and Anthropologie, have never been stronger. The summer apparel assortments have been well received, and May sales, thus far, continue to modestly exceed our plan.”

Net sales for the quarter totaled \$107.0 million, a 14% increase compared to the same quarter last year. Of the \$12.9 million increase, \$9.1 million resulted from sales at noncomparable and new stores. Comparable store sales increased \$1.5 million or 2% versus an 18% increase last year. Comparable store sales were up 5% at Urban Retail and were down 2% at Anthropologie Retail, as compared to increases of 12% and 27%, respectively, for the comparable period. Direct-to-consumer sales jumped \$2.4 million or 35% for the quarter.

Net sales were as follows:

| | Three months ended April 30, | |
|------------------------------|------------------------------|-----------|
| | 2003 | 2002 |
| | <i>(in thousands)</i> | |
| Urban Outfitters store sales | \$ 52,109 | \$ 45,788 |
| Anthropologie store sales | 40,954 | 36,615 |
| Direct-to-consumer sales | 9,527 | 7,082 |
| Free People sales | 4,438 | 4,589 |
| | <hr/> | <hr/> |
| Total net sales | \$ 107,028 | \$ 94,074 |
| | <hr/> | <hr/> |

Gross profit margins increased to 35.4% of net sales in the first quarter of fiscal 2004 versus 34.2% in last year's comparable period. This gain was primarily due to the higher initial margins associated with the continued growth of private label and better sourcing of apparel merchandise. Total inventories at April 30, 2003 increased by 27.5%. Comparable store inventories increased by 7.8%, consistent with the Company's plan.

Selling, general and administrative expenses, expressed as a percentage of net sales were 25.4% compared to last year's 25.5%. The continuing cost controls in place more than offset the costs associated with the successful testing of a catalog at Urban Direct.

Urban Outfitters, Inc. is an innovative specialty retailer and wholesaler which offers a variety of lifestyle merchandise to highly defined customer niches through 54 Urban Outfitters stores in the United States, Canada, and Europe; an Urban Outfitters web site and catalog; 40 Anthropologie stores in the United States; an Anthropologie catalog and web site; and Free People, the Company's wholesale division, which sells its product to approximately 1,100 specialty stores, department stores and catalogs, as well as through one Free People store. The wholesale division sells its products under two labels: Free People and bdg.

A conference call will be held today to discuss first quarter results and will be web cast at 11:00 a.m. EDT on: www.companyboardroom.com. Notes of the Company's conference call presentation will be available on www.urbanoutfittersinc.com.

This news release is being made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Certain matters contained in this release may constitute forward-looking statements. Any one, or all, of the following factors could cause actual financial results to differ materially from those financial results mentioned in the forward-looking statements: the difficulty in predicting and responding to shifts in fashion trends, changes in the level of competitive pricing and promotional activity and other industry factors, overall economic and market conditions and the resultant impact on consumer spending patterns, including any effects of terrorist acts or war, availability of suitable retail space for expansion, timing of store openings, seasonal fluctuations in gross sales, the departure of one or more key senior managers, import risks, including potential disruptions and changes in duties, tariffs and quotas and other risks identified in filings with the Securities and Exchange Commission. The Company disclaims any intent or obligation to update forward-looking statements even if experience or future changes make it clear that actual results may differ materially from any projected results expressed or implied therein.

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(Tables follow)

URBAN OUTFITTERS, INC.

Condensed Consolidated Statements of Income

(amounts in thousands, except share and per share data)

(Unaudited)

| | Three Months Ended April 30, | |
|---|---------------------------------|------------|
| | 2003 | 2002 |
| Net sales | \$ 107,028 | \$ 94,074 |
| Cost of sales, including certain buying, distribution and occupancy costs | 69,095 | 61,904 |
| Gross profit | 37,933 | 32,170 |
| Selling, general and administrative expenses | 27,273 | 24,002 |
| Income from operations | 10,660 | 8,168 |
| Other income (expense), net | 84 | (177) |
| Income before income taxes | 10,744 | 7,991 |
| Income tax expense | 4,351 | 3,236 |
| Net income | \$ 6,393 | \$ 4,755 |
| Net income per common share: | | |
| Basic | \$ 0.33 | \$ 0.27 |
| Diluted | \$ 0.32 | \$ 0.26 |
| Weighted average common shares outstanding: | | |
| Basic | 19,409,787 | 17,569,709 |
| Diluted | 19,766,220 | 18,112,904 |
| PERCENT OF NET SALES | | |
| Net sales | 100.0% | 100.0% |
| Cost of sales, including certain buying, distribution and occupancy costs | 64.6 | 65.8 |
| Gross profit | 35.4 | 34.2 |
| Selling, general and administrative expenses | 25.4 | 25.5 |
| Income from operations | 10.0 | 8.7 |
| Other income (expense), net | 0.1 | (0.2) |
| Income before income taxes | 10.1 | 8.5 |
| Income tax expense | 4.1 | 3.4 |
| Net income | 6.0% | 5.1% |

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

| | April 30, 2003 | January 31, 2003 | April 30, 2002 |
|---|-------------------|---------------------|-------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 57,632 | \$ 72,127 | \$ 74,647 |
| Marketable securities | 7,000 | 7,379 | 4,032 |
| Accounts receivable, net of allowance for doubtful accounts of \$625, \$563 and \$535, respectively | 5,538 | 3,262 | 4,678 |
| Inventories | 53,739 | 48,825 | 42,143 |
| Prepaid expenses, deferred taxes and other expenses | 15,222 | 12,991 | 6,639 |
| | <u>139,131</u> | <u>144,584</u> | <u>132,139</u> |
| Total current assets | 139,131 | 144,584 | 132,139 |
| Property and equipment, net | 110,406 | 108,847 | 106,018 |
| Marketable securities | 28,672 | 15,640 | — |
| Deferred taxes and other assets | 8,929 | 8,925 | 7,430 |
| | <u>\$ 287,138</u> | <u>\$ 277,996</u> | <u>\$ 245,587</u> |
| Liabilities and Shareholders' Equity | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 21,604 | \$ 19,186 | \$ 22,497 |
| Accrued expenses, accrued compensation and other current liabilities | 22,734 | 23,886 | 18,493 |
| | <u>44,338</u> | <u>43,072</u> | <u>40,990</u> |
| Total current liabilities | 44,338 | 43,072 | 40,990 |
| Deferred rent and other liabilities | 10,740 | 10,539 | 8,836 |
| | <u>55,078</u> | <u>53,611</u> | <u>49,826</u> |
| Total liabilities | 55,078 | 53,611 | 49,826 |
| Commitments and contingencies | | | |
| Shareholders' equity: | | | |
| Preferred shares; \$.0001 par value, 10,000,000 shares authorized, none issued | — | — | — |
| Common shares; \$.0001 par value, 50,000,000 shares authorized, 19,457,936, 19,381,636, and 19,152,786 issued and outstanding, respectively | 2 | 2 | 2 |
| Additional paid-in capital | 68,625 | 67,162 | 62,635 |
| Retained earnings | 162,922 | 156,529 | 133,871 |
| Accumulated other comprehensive income (loss) | 511 | 692 | (747) |
| | <u>232,060</u> | <u>224,385</u> | <u>195,761</u> |
| Total shareholders' equity | 232,060 | 224,385 | 195,761 |
| | <u>\$ 287,138</u> | <u>\$ 277,996</u> | <u>\$ 245,587</u> |

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

| | Three Months Ended April 30, | |
|---|------------------------------|-----------|
| | 2003 | 2002 |
| Cash flows from operating activities: | | |
| Net income | \$ 6,393 | \$ 4,755 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 4,948 | 4,212 |
| Tax benefit of stock option exercises | 288 | 886 |
| Changes in assets and liabilities: | | |
| Increase in receivables | (2,279) | (543) |
| Increase in inventories | (4,941) | (1,003) |
| (Increase) decrease in prepaid expenses and other assets | (2,253) | 2,032 |
| Increase in payables, accrued expenses and other liabilities | 703 | 1,801 |
| Net cash provided by operating activities | 2,859 | 12,140 |
| Cash flows from investing activities: | | |
| Capital expenditures | (5,925) | (5,705) |
| Purchases of marketable securities | (24,228) | (4,000) |
| Sales and maturities of marketable securities | 11,578 | — |
| Net cash used in investing activities | (18,575) | (9,705) |
| Cash flows from financing activities: | | |
| Exercise of stock options | 1,175 | 2,407 |
| Issuance of common shares, net of issuance costs | — | 41,470 |
| Net cash provided by financing activities | 1,175 | 43,877 |
| Effect of exchange rate changes on cash and cash equivalents | 46 | 84 |
| (Decrease) increase in cash and cash equivalents | (14,495) | 46,396 |
| Cash and cash equivalents at beginning of period | 72,127 | 28,251 |
| Cash and cash equivalents at end of period | \$ 57,632 | \$ 74,647 |