
**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 13, 2010

URBAN OUTFITTERS, INC.

(Exact Name of Registrant as Specified in its Charter)

Pennsylvania
**(State or other jurisdiction
of incorporation)**

000-22754
**(Commission
File Number)**

23-2003332
**(IRS Employer
Identification No.)**

5000 South Broad St, Philadelphia PA
(Address of principal executive offices)

19112
(Zip Code)

Registrant's telephone number, including area code (215) 454-5500

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4))
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Item 2.02. Results of Operations and Financial Condition

On May 13, 2010, the Company issued an earnings release, which is attached hereto as Exhibit 99.1 and incorporated herein by reference. The earnings release disclosed material non-public information regarding the Company's earnings for the three months ended April 30, 2010.

Item 9.01. Financial Statements and Exhibits

99.1 Earnings Release dated May 13, 2010 – Operating results for the three months ended April 30, 2010.

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 13, 2010

By: /s/ Eric Artz
Eric Artz
Chief Financial Officer

Exhibit Index

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| EX-99.1 | Earnings Release dated May 13, 2010 – Operating results for the three months ended April 30, 2010. |

URBAN OUTFITTERS, INC.
First Quarter Results
Philadelphia, PA – May 13, 2010

For Immediate Release

Contact: John Kyees
 Chief Investor Relations Officer
 (215) 454-5500

Urban Outfitters Reports Q1 Earnings Surge 72%

PHILADELPHIA, PA May 13, 2010 (GLOBENEWSWIRE)—Urban Outfitters, Inc. (NASDAQ:URBN), a leading lifestyle specialty retail company operating under the Anthropologie, Free People, Leifsdottir, Terrain and Urban Outfitters brands today announced record first quarter earnings of \$53 million or net income of \$0.31 per diluted share for the three months ended April 30, 2010.

As stated in the Company's previous sales release on May 6, 2010, total Company sales for the first quarter rose to \$480 million, a 25% increase from the comparable quarter in the prior year. Comparable retail segment sales, which include our direct-to-consumer channel, rose 16% for the quarter while comparable store sales increased 11% for the quarter. Comparable retail segment sales at Anthropologie, Free People, Terrain and Urban Outfitters increased 22%, 25%, 22% and 9%, respectively for the quarter. Direct-to-consumer sales soared 42% and wholesale segment sales grew 4% for the quarter.

"We are delighted to begin the new fiscal year with a series of record-breaking results for the quarter," said Glen T. Senk, Chief Executive Officer. "I believe our ability to deliver this performance within the greater context of our long term goals of investing in store productivity, ecommerce penetration, international expansion and new brands is all the more impressive," finished Mr. Senk.

Net sales for the three month periods were as follows:

| | Three months ended | |
|--------------------------|---------------------------|------------------|
| | April 30, | |
| | 2010 | 2009 |
| | <i>(in thousands)</i> | |
| Urban Outfitters stores | \$174,259 | \$152,832 |
| Anthropologie stores | 182,705 | 138,343 |
| Free People stores | 9,987 | 7,313 |
| Terrain | 1,590 | 1,303 |
| Net store sales | <u>368,541</u> | <u>299,791</u> |
| Direct-to-consumer | 86,267 | 60,810 |
| Retail segment net sales | <u>454,808</u> | <u>360,601</u> |
| Wholesale segment Sales | 25,153 | 24,195 |
| Total net sales | <u>\$479,961</u> | <u>\$384,796</u> |

For the three months ended April 30, 2010, gross profit margins improved by 459 basis points versus the comparable period last year. This increase is primarily due to improvements in initial merchandise margins, a lower rate of merchandise markdowns and leveraging of store occupancy expenses driven by positive comparable store sales during the current quarter.

As of April 30, 2010, inventories increased by \$32.1 million, or 17% on a year-over-year basis. The increase is due to the addition of inventory to stock new retail stores. For the quarter ended April 30, 2010, total comparable retail segment inventories at cost, which include our Direct-to-consumer channel, increased by 3%.

During the first quarter, selling, general and administrative expenses, expressed as a percentage of net sales, decreased by 55 basis points versus the comparable period last year. This decrease was primarily due to leveraging of direct store fixed and controllable costs helped by the positive comparable store net sales during the quarter. The favorable leveraging of store related costs more than offset an increase in incentive-based compensation due to improved company performance.

Earnings per share increased by 72% to \$0.31 per diluted share for the three months ended April 30, 2010. The Company's annual effective tax rate was 35.9% versus 36.1% for the prior comparable period. The company expects further improvement in the annual effective tax rate for the remainder of the current fiscal year.

During the three months ended April 30, 2010, the Company opened a total of nine new stores including: two new Urban Outfitters stores, five new Anthropologie stores and two new Free People stores. As of February 1st, the Company converted one Free People store to a new Free People wholesale showroom. The Company expects to open approximately 45 new stores during the fiscal year.

Urban Outfitters, Inc. is an innovative specialty retail company which offers a variety of lifestyle merchandise to highly defined customer niches through 157 Urban Outfitters stores in the United States, Canada, and Europe, a catalog and two web sites; 142 Anthropologie stores in the United States, Canada and Europe, a catalog and two web sites; Free People wholesale, which sells to approximately 1,400 specialty store and select department stores; 35 Free People stores, a catalog and web site; Leifsdottir wholesale, which sells its product to approximately 65 specialty and select department stores; a Leifsdottir web site and one Terrain garden center and web site as of April 30, 2010.

A conference call will be held today to discuss first quarter results and will be web cast at 11:00 a.m. EDT on <http://investor.urbn.com/phoenix.zhtml?c=115825&p=irol-irhome>

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

| | Three Months Ended April 30, | |
|---|---------------------------------|--------------------|
| | 2010 | 2009 |
| Net sales | \$ 479,961 | \$ 384,796 |
| Cost of sales, including certain buying, distribution and occupancy costs | 279,175 | 241,491 |
| Gross profit | 200,786 | 143,305 |
| Selling, general and administrative expenses | 118,575 | 97,185 |
| Income from operations | 82,211 | 46,120 |
| Other income, net | 423 | 2,091 |
| Income before income taxes | 82,634 | 48,211 |
| Income tax expense | 29,677 | 17,406 |
| Net income | <u>\$ 52,957</u> | <u>\$ 30,805</u> |
| Net income per common share: | | |
| Basic | <u>\$ 0.31</u> | <u>\$ 0.18</u> |
| Diluted | <u>\$ 0.31</u> | <u>\$ 0.18</u> |
| Weighted average common shares outstanding: | | |
| Basic | <u>168,852,072</u> | <u>167,455,872</u> |
| Diluted | <u>172,819,037</u> | <u>170,316,708</u> |
| PERCENT OF NET SALES | | |
| Net sales | 100% | 100% |
| Cost of sales, including certain buying, distribution and occupancy costs | 58.2 | 62.8 |
| Gross profit | 41.8 | 37.2 |
| Selling, general and administrative expenses | 24.7 | 25.2 |
| Income from operations | 17.1 | 12.0 |
| Other income, net | 0.1 | 0.5 |
| Income before income taxes | 17.2 | 12.5 |
| Income tax expense | 6.2 | 4.5 |
| Net income | <u>11.0%</u> | <u>8.0%</u> |

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

| | April 30, 2010 | January 31, 2010 | April 30, 2009 |
|--|--------------------|---------------------|--------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 259,348 | \$ 159,024 | \$ 224,732 |
| Marketable securities | 323,910 | 342,512 | 72,893 |
| Accounts receivable, net of allowance for doubtful accounts of \$1,220, \$1,284 and \$1,400, respectively | 35,448 | 38,405 | 30,079 |
| Inventories | 221,984 | 186,130 | 189,881 |
| Prepaid expenses, deferred taxes and other current assets | 79,840 | 80,142 | 45,513 |
| Total current assets | 920,530 | 806,213 | 563,098 |
| Property and equipment, net | 548,575 | 539,961 | 520,945 |
| Marketable securities | 189,467 | 243,445 | 262,168 |
| Deferred income taxes and other assets | 49,606 | 46,474 | 44,850 |
| Total Assets | <u>\$1,708,178</u> | <u>\$1,636,093</u> | <u>\$1,391,061</u> |
| Liabilities and Shareholders' Equity | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 100,439 | \$ 78,041 | \$ 81,437 |
| Accrued expenses, accrued compensation and other current liabilities | 96,738 | 110,508 | 88,012 |
| Total current liabilities | 197,177 | 188,549 | 169,449 |
| Deferred rent and other liabilities | 150,855 | 150,769 | 132,819 |
| Total Liabilities | <u>348,032</u> | <u>339,318</u> | <u>302,268</u> |
| Shareholders' equity: | | | |
| Preferred shares; \$.0001 par value, 10,000,000 shares authorized, none issued | — | — | — |
| Common shares; \$.0001 par value, 200,000,000 shares authorized, 169,376,345, 168,558,371 and 168,042,088 issued and outstanding, respectively | 17 | 17 | 17 |
| Additional paid-in capital | 198,702 | 184,620 | 173,527 |
| Retained earnings | 1,174,189 | 1,121,232 | 932,144 |
| Accumulated other comprehensive loss | (12,762) | (9,094) | (16,895) |
| Total Shareholders' Equity | <u>1,360,146</u> | <u>1,296,775</u> | <u>1,088,793</u> |
| Total Liabilities and Shareholders' Equity | <u>\$1,708,178</u> | <u>\$1,636,093</u> | <u>\$1,391,061</u> |