UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended October 31, 2016

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 No. 000-22754

Urban Outfitters, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Pennsylvania **(State or Other Jurisdiction of Incorporation or Organization)**	**23-2003332** **(I.R.S. Employer Identification No.)**
5000 South Broad Street, Philadelphia, PA **(Address of Principal Executive Offices)**	**19112-1495** **(Zip Code)**

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

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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common shares, $0.0001 par value—116,233,781 shares outstanding on December 5, 2016.

TABLE OF CONTENTS

PART I
FINANCIAL INFORMATION

PART II
OTHER INFORMATION

PART I
FINANCIAL INFORMATION

Item 1. Financial Statements

URBAN OUTFITTERS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(amounts in thousands, except share data)
(unaudited)

	October 31, 2016	January 31, 2016	October 31, 2015
ASSETS			
Current assets:			
Cash and cash equivalents	$ 234,886	$ 265,276	$ 149,597
Marketable securities	24,644	61,061	69,545
Accounts receivable, net of allowance for doubtful accounts of $568, $664 and $675, respectively	68,896	75,723	68,332
Inventory	453,826	330,223	441,550
Prepaid expenses, deferred taxes and other current assets	107,767	102,078	118,202
Total current assets	890,019	834,361	847,226
Property and equipment, net	872,309	863,137	891,871
Marketable securities	5,605	36,600	54,138
Deferred income taxes and other assets	117,258	99,203	83,300
Total Assets	$1,885,191	$1,833,301	$1,876,535
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	$ 199,421	$ 118,035	$ 190,542
Accrued expenses, accrued compensation and other current liabilities	205,812	211,196	187,345
Total current liabilities	405,233	329,231	377,887
Long-term debt	—	150,000	115,000
Deferred rent and other liabilities	232,325	216,843	211,979
Total Liabilities	637,558	696,074	704,866
Commitments and contingencies (see Note 11)			
Shareholders' equity:			
Preferred shares; $.0001 par value, 10,000,000 shares authorized, none issued	—	—	—
Common shares; $.0001 par value, 200,000,000 shares authorized, 116,233,584, 117,321,120 and 121,545,740 shares issued and outstanding, respectively	12	12	12
Additional paid-in-capital	—	—	—
Retained earnings	1,285,268	1,160,666	1,184,308
Accumulated other comprehensive loss	(37,647)	(23,451)	(12,651)
Total Shareholders' Equity	1,247,633	1,137,227	1,171,669
Total Liabilities and Shareholders' Equity	$1,885,191	$1,833,301	$1,876,535

The accompanying notes are an integral part of these condensed consolidated financial statements.

URBAN OUTFITTERS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(amounts in thousands, except share and per share data)
(unaudited)

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2016	2015	2016	2015
Net sales	$ 862,491	$ 825,258	$ 2,515,636	$ 2,431,728
Cost of sales	562,594	537,070	1,611,337	1,579,014
Gross profit	299,897	288,188	904,299	852,714
Selling, general and administrative expenses	229,592	207,863	665,299	615,584
Income from operations	70,305	80,325	239,000	237,130
Other income (expense), net	854	63	348	(2,654)
Income before income taxes	71,159	80,388	239,348	234,476
Income tax expense	23,804	28,394	85,516	82,865
Net income	$ 47,355	$ 51,994	$ 153,832	$ 151,611
Net income per common share:				
Basic	$ 0.41	$ 0.42	$ 1.31	$ 1.19
Diluted	$ 0.40	$ 0.42	$ 1.31	$ 1.18
Weighted-average common shares outstanding:				
Basic	116,829,912	123,442,931	117,087,696	127,478,092
Diluted	117,393,710	123,725,581	117,453,005	128,506,955

The accompanying notes are an integral part of these condensed consolidated financial statements.

URBAN OUTFITTERS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(amounts in thousands)
(unaudited)

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2016	2015	2016	2015
Net income.	$ 47,355	$51,994	$153,832	$151,611
Other comprehensive (loss) income:				
Foreign currency translation	(10,665)	(2,688)	(14,141)	2,810
Change in unrealized (losses) gains on marketable securities, net of tax	(55)	29	(55)	(34)
Total other comprehensive (loss) income	(10,720)	(2,659)	(14,196)	2,776
Comprehensive income	$ 36,635	$49,335	$139,636	$154,387

The accompanying notes are an integral part of these condensed consolidated financial statements.

URBAN OUTFITTERS, INC.

CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(amounts in thousands, except share data)
(unaudited)

	Common Shares					
	Number of Shares	Par Value	Additional Paid-in Capital	Retained Earnings	Accumulated Other Compre-hensive Loss	Total
Balances as of January 31, 2016	117,321,120	$ 12	$ —	$1,160,666	$ (23,451)	$1,137,227
Comprehensive income	—	—	—	153,832	(14,196)	139,636
Share-based compensation	—	—	20,032	—	—	20,032
Stock options and awards	292,847	—	4,096	—	—	4,096
Excess tax deficiencies from share-based awards, net	—	—	(5,522)	—	—	(5,522)
Share repurchases	(1,380,383)	—	(18,606)	(29,230)	—	(47,836)
Balances as of October 31, 2016	116,233,584	$ 12	$ —	$1,285,268	$ (37,647)	$1,247,633

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents

URBAN OUTFITTERS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(amounts in thousands)
(unaudited)

	Nine Months Ended October 31, 2016	Nine Months Ended October 31, 2015
Cash flows from operating activities:		
Net income	$ 153,832	$ 151,611
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	101,181	106,751
(Benefit) provision for deferred income taxes	(11,087)	448
Excess tax benefits from share-based awards	(333)	(6,419)
Share-based compensation expense	20,032	12,141
Loss on disposition of property and equipment, net	2,801	910
Changes in assets and liabilities:		
Receivables	6,261	(6,217)
Inventory	(126,934)	(82,780)
Prepaid expenses and other assets	(7,331)	19,972
Payables, accrued expenses and other liabilities	90,592	32,188
Net cash provided by operating activities	229,014	228,605
Cash flows from investing activities:		
Cash paid for property and equipment	(112,069)	(109,128)
Cash paid for marketable securities	(152,340)	(213,423)
Sales and maturities of marketable securities	218,400	296,172
Acquisition of business	(15,325)	—
Net cash used in investing activities	(61,334)	(26,379)
Cash flows from financing activities:		
Borrowings under long-term debt	—	191,612
Repayments of long-term debt	(150,000)	(76,612)
Proceeds from the exercise of stock options	4,096	46,400
Excess tax benefits from share-based awards	333	6,419
Share repurchases related to share repurchase program	(45,787)	(365,527)
Share repurchases related to taxes for share-based awards	(2,049)	(10,119)
Net cash used in financing activities	(193,407)	(207,827)
Effect of exchange rate changes on cash and cash equivalents	(4,663)	640
Decrease in cash and cash equivalents	(30,390)	(4,961)
Cash and cash equivalents at beginning of period	265,276	154,558
Cash and cash equivalents at end of period	$ 234,886	$ 149,597
Supplemental cash flow information:		
Cash paid during the period for:		
Income taxes	$ 85,179	$ 60,521
Non-cash investing activities—Accrued capital expenditures	$ 16,012	$ 14,596

The accompanying notes are an integral part of these condensed consolidated financial statements.

URBAN OUTFITTERS, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars in thousands, except share and per share data)
(unaudited)

1. Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. These condensed financial statements should be read in conjunction with Urban Outfitters, Inc.'s (the "Company's") Annual Report on Form 10-K for the fiscal year ended January 31, 2016, filed with the United States Securities and Exchange Commission on March 31, 2016.

The Company's business experiences seasonal fluctuations and realizes greater net sales and operating income in the fourth quarter of each year reflecting the year-end holiday period. Historically, and consistent with the retail industry, this seasonality also impacts our working capital requirements, particularly with regard to inventory. Accordingly, the results of operations for the three and nine months ended October 31, 2016 are not necessarily indicative of the results to be expected for the full year.

The Company's fiscal year ends on January 31. All references in these notes to the Company's fiscal years refer to the fiscal years ended on January 31 in those years. For example, the Company's fiscal year 2017 will end on January 31, 2017.

2. Recently Issued Accounting Pronouncements

In October 2016, the Financial Accounting Standards Board ("FASB") issued an accounting standards update that amends the existing guidance on the income tax effects of intra-entity asset transfers with the exception of transfers of inventory. The update requires the recognition of tax expense when an intra-entity asset transfer occurs as opposed to being deferred under the existing guidance. The update will be effective for the Company on February 1, 2018 and early adoption is permitted in the first interim period of a fiscal year. The update requires a modified retrospective transition approach, with a cumulative-effect adjustment to retained earnings. The Company is currently assessing the potential effects this update may have on its consolidated financial statements and related disclosures.

In June 2016, the FASB issued an accounting standards update that introduces a new model for recognizing credit losses on financial instruments based on an estimate of current expected credit losses. This includes loan commitments, accounts receivable, trade receivables, and certain off-balance sheet credit exposures. The guidance also modifies the impairment model for available-for-sale debt securities. The update will be effective for the Company on February 1, 2020 and early adoption is permitted. The Company is currently assessing the potential effects this update may have on its consolidated financial statements and related disclosures.

In March 2016, the FASB issued an accounting standards update that makes several modifications to the accounting for employee share-based payment transactions, including the requirement to recognize excess tax benefits and tax deficiencies as income tax expense or benefit in the income statement rather than in additional-paid-in capital. The guidance also clarifies the classification of components of share-based awards on the statement of cash flows. The update will be effective for the Company on February 1, 2017 and early adoption is permitted. The Company is currently assessing the potential effects this update may have on its consolidated financial statements and related disclosures.

In February 2016, the FASB issued an accounting standards update that amends the existing accounting standards for lease accounting. This update requires lessees to recognize a right-of-use asset and lease liability for all leases with terms of more than twelve months. Lessees are permitted to make an accounting policy election to not recognize the asset and liability for leases with a term of twelve months or less. The update will be effective for the Company on February 1, 2019 and early adoption is permitted. The update requires a modified retrospective transition approach, which includes a number of practical expedients. While the Company expects adoption to result in a significant increase in the assets and liabilities recorded on its balance sheet, the Company is currently assessing the overall impact on its consolidated financial statements and related disclosures.

In July 2015, the FASB issued an accounting standards update that clarifies the measurement of inventory. The update applies to entities which utilize the first-in, first-out ("FIFO") and average cost methods of measuring inventory and states that an entity should measure inventory at the lower of cost and net realizable value. Net realizable value represents the estimated selling price less costs associated with completion, disposal and transportation. The update will be effective for the Company on February 1, 2017 and early adoption is permitted. The update is to be adopted on a prospective basis. The Company has performed an assessment of its inventory measurement process and determined that the effects of this update will be immaterial to its consolidated financial statements and related disclosures.

In May 2014, the FASB issued an accounting standards update that clarifies the principles for recognizing revenue from contracts with customers. The update outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The update states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in the amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Entities are required to apply the following steps when recognizing revenue under the update: (1) identify the contract(s) with a customer; (2) identify the performance obligation in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the entity satisfies a performance obligation. The update allows for a "full retrospective" adoption, meaning the update is applied to all periods presented, or a "modified retrospective" adoption, meaning the update is applied only to the most current periods presented in the financial statements. In August 2015, the FASB issued an accounting standards update which approved a one-year deferral of the effective date that allows the Company to defer the effective date to February 1, 2018, but still permits the Company to adopt the update as of the original February 1, 2017 effective date. The Company is currently evaluating the adoption method to apply and the impact that the update will have on its consolidated financial statements and related disclosures.

3. Acquisition

On February 1, 2016, the Company acquired certain assets of the Vetri Family group of restaurants, headquartered in Philadelphia, PA, for a total aggregate purchase price of approximately $18,937, of which $15,325 was paid in cash, $2,687 was satisfied through the settlement of a note receivable and up to an additional $925 that will be paid in cash in the fourth quarter of fiscal 2017. No liabilities were assumed. Pro forma information related to this acquisition is not included because the impact on the Company's Condensed Consolidated Statements of Income is not considered to be material.

[Table of Contents](#)

4. Marketable Securities

During all periods shown, marketable securities are classified as available-for-sale. The amortized cost, gross unrealized gains (losses) and fair value of available-for-sale securities by major security type and class of security as of October 31, 2016, January 31, 2016 and October 31, 2015 were as follows:

	Amortized Cost	Unrealized Gains	Unrealized (Losses)	Fair Value
As of October 31, 2016				
Short-term Investments:				
Corporate bonds	$ 17,809	$ 1	$ (19)	$17,791
Municipal and pre-refunded municipal bonds	6,859	—	(6)	6,853
Certificates of deposit	—	—	—	—
	24,668	1	(25)	24,644
Long-term Investments:				
Corporate bonds	222	1	—	223
Municipal and pre-refunded municipal bonds	307	—	—	307
Mutual funds, held in rabbi trust	4,544	—	(97)	4,447
Certificates of deposit	628	—	—	628
	5,701	1	(97)	5,605
	$ 30,369	$ 2	$ (122)	$30,249

	Amortized Cost	Unrealized Gains	Unrealized (Losses)	Fair Value
As of January 31, 2016				
Short-term Investments:				
Corporate bonds	$ 33,885	$ 10	$ (25)	$33,870
Municipal and pre-refunded municipal bonds	26,243	33	—	26,276
Certificates of deposit	915	—	—	915
	61,043	43	(25)	61,061
Long-term Investments:				
Corporate bonds	12,227	9	(35)	12,201
Municipal and pre-refunded municipal bonds	18,028	58	(2)	18,084
Mutual funds, held in rabbi trust	4,604	6	(247)	4,363
Certificates of deposit	1,952	—	—	1,952
	36,811	73	(284)	36,600
	$ 97,854	$ 116	$ (309)	$97,661

	Amortized Cost	Unrealized Gains	Unrealized (Losses)	Fair Value
As of October 31, 2015				
Short-term Investments:				
Corporate bonds	$ 37,260	$ 4	$ (45)	$ 37,219
Municipal and pre-refunded municipal bonds	31,100	46	(1)	31,145
Certificates of deposit	1,181	—	—	1,181
	69,541	50	(46)	69,545
Long-term Investments:				
Corporate bonds	15,210	7	(28)	15,189
Municipal and pre-refunded municipal bonds	30,265	115	(2)	30,378
Mutual funds, held in rabbi trust	4,840	272	(1)	5,111
Certificates of deposit	3,460	—	—	3,460
	53,775	394	(31)	54,138
	$123,316	$ 444	$ (77)	$123,683

Proceeds from the sales and maturities of available-for-sale securities were $218,400 and $296,172 for the nine months ended October 31, 2016 and 2015, respectively. The Company included in "Other income (expense), net" in the Condensed Consolidated Statements of Income net realized losses of $96 and $74 for the three and nine months ended October 31, 2016, respectively, and net realized gains of $11 and $53 for the three and nine months ended October 31, 2015, respectively. Amortization of discounts and premiums, net, resulted in a reduction of "Other income (expense), net" of $550 and $1,711 for the three and nine months ended October 31, 2016, and $997 and $3,155 for the three and nine months ended October 31, 2015, respectively. Mutual funds represent assets held in an irrevocable rabbi trust for the Company's Non-qualified Deferred Compensation Plan ("NQDC"). These assets are a source of funds to match the funding obligations to participants in the NQDC but are subject to the Company's general creditors. The Company elected the fair value option for financial assets for the mutual funds held in the rabbi trust resulting in all unrealized gains and losses being recorded in "Other income (expense), net" in the Condensed Consolidated Statements of Income.

5. Fair Value

The Company utilizes a hierarchy that prioritizes fair value measurements based on the types of inputs used for the various valuation techniques (market approach, income approach and cost approach that relate to its financial assets and financial liabilities). The levels of the hierarchy are described as follows:

- Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; these include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs that reflect the Company's own assumptions.

Table of Contents

Management's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of financial assets and liabilities and their placement within the fair value hierarchy. The Company's financial assets that are accounted for at fair value on a recurring basis are presented in the tables below:

	Marketable Securities Fair Value as of October 31, 2016			
	Level 1	Level 2	Level 3	Total
Assets:				
Corporate bonds	$18,014	$ —	$ —	$18,014
Municipal and pre-refunded municipal bonds	—	7,160	—	7,160
Mutual funds, held in rabbi trust	4,447	—	—	4,447
Certificates of deposit	—	628	—	628
	$22,461	$7,788	$ —	$30,249

	Marketable Securities Fair Value as of January 31, 2016			
	Level 1	Level 2	Level 3	Total
Assets:				
Corporate bonds	$46,071	$ —	$ —	$46,071
Municipal and pre-refunded municipal bonds	—	44,360	—	44,360
Mutual funds, held in rabbi trust	4,363	—	—	4,363
Certificates of deposit	—	2,867	—	2,867
	$50,434	$47,227	$ —	$97,661

	Marketable Securities Fair Value as of October 31, 2015			
	Level 1	Level 2	Level 3	Total
Assets:				
Corporate bonds	$52,408	$ —	$ —	$ 52,408
Municipal and pre-refunded municipal bonds	—	61,523	—	61,523
Mutual funds, held in rabbi trust	5,111	—	—	5,111
Certificates of deposit	—	4,641	—	4,641
	$57,519	$66,164	$ —	$123,683

Financial assets

Level 1 assets consist of financial instruments whose value has been based on inputs that use, as their basis, readily observable market data that are actively quoted and are validated through external sources, including third-party pricing services and brokers.

Level 2 assets consist of financial instruments whose value has been based on quoted prices for similar assets and liabilities in active markets as well as quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3 assets consist of financial instruments where there has been no active market. The Company held no Level 3 financial instruments as of October 31, 2016, January 31, 2016 and October 31, 2015.

The fair value of cash and cash equivalents (Level 1) approximates carrying value since cash and cash equivalents consist of short-term highly liquid investments with maturities of less than three months at the time of purchase. As of October 31, 2016 and 2015, cash and cash equivalents included cash on hand, cash in banks, money market accounts and marketable securities with maturities of less than three months at the time of purchase. The fair value of debt approximates its carrying value as it is all variable rate debt.

Non-financial assets

The Company's non-financial assets, primarily consisting of property and equipment, are periodically tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

The fair value of the non-financial assets was determined using a discounted cash flow model that utilized Level 3 inputs. The Company's stores are reviewed for impairment at the store level, which is the lowest level at which individual cash flows can be identified. In calculating future cash flows, the Company makes estimates regarding future operating results based on its experience and knowledge of the market in which the store is located. For the three and nine months ended October 31, 2016 and 2015, impairment charges were zero.

6. Debt

On July 1, 2015, the Company and its domestic subsidiaries entered into a five-year asset-based revolving Credit Agreement ("Credit Agreement") with certain lenders, including JPMorgan Chase Bank, N.A., as administrative agent, and J.P. Morgan Securities LLC and Wells Fargo Bank, National Association, as joint lead arrangers and co-book managers.

The Credit Agreement provides senior secured revolving credit for loans and letters of credit up to $400,000 (the "Credit Facility"), subject to a borrowing base that is comprised of the Company's eligible accounts receivable and inventory. The Credit Facility includes a swing-line sub-facility, a multicurrency sub-facility and the option to expand the facility by up to $150,000.

The Credit Facility provides for interest on borrowings, at the Company's option, at either (i) adjusted LIBOR, CDOR or EURIBOR plus an applicable margin ranging from 1.125% to 1.625%, or (ii) an adjusted ABR plus an applicable margin ranging from 0.125% to 0.625%, each such rate based on the level of availability under the Credit Facility and the Company's adjusted leverage ratio. Interest is payable either monthly or quarterly depending on the type of borrowing. A commitment fee is payable quarterly on the unused portion of the Credit Facility based on the Company's adjusted leverage ratio.

All obligations under the Credit Facility are unconditionally guaranteed by the Company and its domestic subsidiaries. The obligations under the Credit Facility are secured by a first-priority security interest in inventory, accounts receivable, and certain other assets of the borrowers and guarantors. The Credit Agreement contains customary representations and warranties, negative and affirmative covenants and provisions relating to events of default.

As of October 31, 2016, the Company was in compliance with all terms of the Credit Agreement, borrowings on the Credit Facility totaled $0 and stand-by letters of credit outstanding were $13,113.

Additionally, the Company has borrowing agreements with two separate financial institutions under which the Company may borrow an aggregate of $130,000 for the purposes of trade letter of credit issuances. The availability of any future borrowings under the trade letter of credit facilities is subject to acceptance by the respective financial institutions. As of October 31, 2016, the Company had outstanding trade letters of credit of $66,001, and available trade letters of credit of $63,999 under these facilities.

7. Share-Based Compensation

The Company maintains stock incentive plans pursuant to which it can grant restricted shares, unrestricted shares, incentive stock options, non-qualified stock options, restricted stock units (“RSU’s”), performance stock units (“PSU’s”) or stock appreciation rights (“SAR’s”). A lattice binomial pricing model was used to estimate the fair values of stock options and SAR’s. The fair value of each of the PSU’s was determined using a Monte Carlo simulation. Share-based compensation expense included in “Selling, general and administrative expenses” in the Condensed Consolidated Statements of Income, for the three and nine months ended October 31, 2016 and 2015 was as follows:

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2016	2015	2016	2015
Stock Options	$ 245	$ 202	$ 757	$ 627
Stock Appreciation Rights	60	439	179	1,389
Performance Stock Units	5,595	3,828	15,550	10,102
Restricted Stock Units	1,380	—	3,546	23
Total	$ 7,280	$ 4,469	$20,032	$12,141

Share-based awards granted and the weighted-average fair value for the nine months ended October 31, 2016 was as follows:

	Nine Months Ended October 31, 2016	
	Awards Granted	Weighted-Average Fair Value
Stock Options	140,000	$ 7.31
Stock Appreciation Rights	—	$ —
Performance Stock Units	410,000	$ 27.30
Restricted Stock Units	541,500	$ 27.94
Total	1,091,500	

During the nine months ended October 31, 2016, 177,625 stock options were exercised, 67,975 SAR’s were exercised and 100,000 PSU’s vested. No RSU’s vested during the nine months ended October 31, 2016.

The total unrecognized compensation cost related to outstanding share-based awards and the weighted-average period in which the cost is expected to be recognized as of October 31, 2016 is as follows:

	October 31, 2016	
	Unrecognized Compensation Cost	Weighted-Average Years
Stock Options	$ 546	0.6
Stock Appreciation Rights	199	1.0
Performance Stock Units	34,265	2.3
Restricted Stock Units	10,826	2.3
Total	$ 45,836	2.3

8. Shareholders' Equity

Share repurchase activity under the Company's share repurchase programs is as follows:

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2016	2015	2016	2015
Number of common shares repurchased and subsequently retired	1,000,000	3,699,949	1,324,700	10,737,090
Total cost	$ 35,083	$ 111,909	$ 45,787	$ 365,527
Average cost per share, including commissions	$ 35.08	$ 30.25	$ 34.56	$ 34.04

On May 27, 2014, the Company's Board of Directors authorized the repurchase of 10,000,000 common shares under a share repurchase program; all shares were repurchased and the authorization was completed by the end of June 2015. On February 23, 2015, the Company's Board of Directors authorized the repurchase of 20,000,000 common shares under a share repurchase program, of which 5,995,059 common shares were remaining as of October 31, 2016.

In addition to the shares repurchased under the share repurchase program, during the nine months ended October 31, 2016, the Company acquired and subsequently retired 55,683 common shares at a total cost of $2,049 from employees to meet minimum statutory tax withholding requirements. During the nine months ended October 31, 2015, the Company acquired and subsequently retired 247,124 common shares at a total cost of $10,119 from employees to meet minimum statutory tax withholding requirements.

9. Other Comprehensive Income (Loss) and Accumulated Other Comprehensive Loss

The following tables present the changes in "Accumulated other comprehensive income (loss)," by component, net of tax, for the three and nine months ended October 31, 2016 and 2015, respectively:

	Three Months Ended October 31, 2016			Nine Months Ended October 31, 2016		
	Foreign Currency Translation	Unrealized Gains and (Losses) on Available-for-Sale Securities	Total	Foreign Currency Translation	Unrealized Gains and (Losses) on Available-for-Sale Securities	Total
Balance at beginning of period	$ (26,955)	$ 28	$(26,927)	$ (23,479)	$ 28	$(23,451)
Other comprehensive income (loss) before reclassifications	(10,665)	41	(10,624)	(14,141)	19	(14,122)
Amounts reclassified from accumulated other comprehensive income (loss)	—	(96)	(96)	—	(74)	(74)
Net current-period other comprehensive income (loss)	(10,665)	(55)	(10,720)	(14,141)	(55)	(14,196)
Balance at end of period	$ (37,620)	$ (27)	$(37,647)	$ (37,620)	$ (27)	$(37,647)

	Three Months Ended October 31, 2015			Nine Months Ended October 31, 2015		
	Foreign Currency Translation	Unrealized Gains and (Losses) on Available-for-Sale Securities	Total	Foreign Currency Translation	Unrealized Gains and (Losses) on Available-for-Sale Securities	Total
Balance at beginning of period	$ (10,018)	$ 26	$ (9,992)	$ (15,516)	$ 89	$(15,427)
Other comprehensive income (loss) before reclassifications	(2,688)	18	(2,670)	2,810	(87)	2,723
Amounts reclassified from accumulated other comprehensive income (loss)	—	11	11	—	53	53
Net current-period other comprehensive income (loss)	(2,688)	29	(2,659)	2,810	(34)	2,776
Balance at end of period .	$ (12,706)	$ 55	$(12,651)	$ (12,706)	$ 55	$(12,651)

All unrealized gains and losses on available-for-sale securities reclassified from accumulated other comprehensive loss were recorded in "Other income (expense), net" in the Condensed Consolidated Statements of Income.

10. Net Income per Common Share

The following is a reconciliation of the weighted-average common shares outstanding used for the computation of basic and diluted net income per common share:

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2016	2015	2016	2015
Basic weighted-average common shares outstanding	116,829,912	123,442,931	117,087,696	127,478,092
Effect of dilutive options, stock appreciation rights, performance stock units and restricted stock units	563,798	282,650	365,309	1,028,863
Diluted weighted-average shares outstanding	117,393,710	123,725,581	117,453,005	128,506,955

For the three months ended October 31, 2016 and 2015, awards to purchase 556,375 common shares with an exercise price range of $35.41 to $46.02 and 999,916 common shares with an exercise price range of $30.50 to $46.02, respectively, were excluded from the Company's computation of diluted weighted-average shares outstanding because their effect would have been anti-dilutive. For the nine months ended October 31, 2016 and 2015, awards to purchase 857,331 common shares with an exercise price range of $28.10 to $46.02 and 553,208 common shares with an exercise price range of $30.50 to $46.02, respectively, were excluded from the Company's computation of diluted weighted-average shares outstanding because their effect would have been anti-dilutive.

Excluded from the calculation of diluted net income per common share as of October 31, 2016 and 2015 were 2,442,345 and 3,702,743 performance-based equity awards, respectively, since they did not meet the required performance criteria.

11. Commitments and Contingencies

The Company is party to various legal proceedings arising from normal business activities. Management believes that the ultimate resolution of these matters will not have a material effect on the Company's financial position or results of operations.

12. Segment Reporting

The Company is a portfolio of global consumer brands that offer lifestyle-oriented general merchandise and consumer products and services with two reportable segments—“Retail” and “Wholesale.” The Company’s Retail segment consists of the aggregation of its six brands operating under the names “Anthropologie,” “Bhldn,” “Free People,” “Terrain,” “Urban Outfitters” and “Vetri Family.” The Anthropologie, Bhldn, and Terrain brands make up the “Anthropologie Group.” As of October 31, 2016, there were 242 Urban Outfitters stores, 226 Anthropologie Group stores, 124 Free People stores and 12 restaurants. Urban Outfitters, the Anthropologie Group, and Free People, including their stores and direct-to-consumer channels, and restaurants are each considered an operating segment. Net sales from the Retail segment accounted for approximately 91.0% and 91.5% of total consolidated net sales for the three and nine months ended October 31, 2016, respectively. Net sales from the Retail segment accounted for approximately 92.8% and 92.4% of total consolidated net sales for the three and nine months ended October 31, 2015, respectively. The remaining net sales are derived from the Company’s Wholesale segment that distributes apparel and shoes to approximately 1,800 better department and specialty retailers worldwide and to the Retail segment.

The Company has aggregated its brands into the Retail segment based upon their shared management, customer base and economic characteristics. Reporting in this format provides management with the financial information necessary to evaluate the success of the segments and the overall business. The Company evaluates the performance of the segments based on the net sales and pre-tax income from operations (excluding intercompany charges) of the segment. Corporate expenses include expenses incurred and directed by the corporate office that are not allocated to segments. The principal identifiable assets for each reporting segment are inventory and property and equipment.

Other assets are comprised primarily of general corporate assets, which principally consist of cash and cash equivalents, marketable securities, deferred taxes and prepaid expenses, which are typically not allocated to the Company’s segments. The Company accounts for intersegment sales and transfers as if the sales and transfers were made to third parties making similar volume purchases.

The Company’s omni-channel strategy enhances its customers’ brand experience by providing a seamless approach to the customer shopping experience. All available shopping channels are fully integrated, including stores, websites, mobile applications, catalogs and customer contact centers. The Company’s investments in areas such as marketing campaigns and technology advancements are designed to generate demand for the omni-channel and not the separate store or direct-to-consumer channels. Store sales are primarily fulfilled from that store’s inventory, but may also be shipped from any of the Company’s fulfillment centers or from a different store location if an item is not available at the original store. Direct-to-consumer orders are primarily shipped to the Company’s customers through its fulfillment centers, but may also be shipped from any store, or a combination of fulfillment centers and stores depending on the availability of a particular item. Direct-to-consumer orders may also be picked up at a store location. Customers may also return certain merchandise purchased through direct-to-consumer channels at store locations. As the Company’s customers continue to shop across multiple channels, the Company has adapted its approach towards meeting this demand. Due to the availability of like product in a variety of shopping channels, the Company sources these products utilizing single stock keeping units based on the omni-channel demand rather than the demand of the separate channels. These and other technological capabilities allow the Company to better serve its customers and help it to complete a sale that otherwise may not have occurred due to out-of-stock positions. As a result of changing customer behavior and the substantial integration of the operations of the Company’s store and direct-to-consumer channels, the Company manages and analyzes its performance based on a single omni-channel rather than separate channels and believes that the omni-channel results present the most meaningful and appropriate measure of the Company’s performance.

The accounting policies of the reportable segments are the same as the policies described in Note 2, “Summary of Significant Accounting Policies,” in the Notes to Consolidated Financial Statements included in

Table of Contents

the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2016. Both the Retail and Wholesale segments are highly diversified. No one customer constitutes more than 10% of the Company's total consolidated net sales. A summary of the information about the Company's operations by segment is as follows:

	October 31, 2016	January 31, 2016	October 31, 2015
Inventory			
Retail operations	$ 415,923	$ 289,170	$ 391,771
Wholesale operations	37,903	41,053	49,779
Total inventory	$ 453,826	$ 330,223	$ 441,550
Property and equipment, net			
Retail operations	$ 869,042	$ 859,277	$ 887,927
Wholesale operations	3,267	3,860	3,944
Total property and equipment, net	$ 872,309	$ 863,137	$ 891,871

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2016	2015	2016	2015
Net sales				
Retail operations	$785,026	$765,525	$2,300,981	$2,246,275
Wholesale operations	81,552	62,170	222,712	194,410
Intersegment elimination	(4,087)	(2,437)	(8,057)	(8,957)
Total net sales	$862,491	$825,258	$2,515,636	$2,431,728
Income from operations				
Retail operations	$ 67,981	$ 76,095	$ 234,022	$ 227,684
Wholesale operations	17,006	12,094	44,213	40,182
Intersegment elimination	(317)	(203)	(568)	(809)
Total segment operating income	84,670	87,986	277,667	267,057
General corporate expenses	(14,365)	(7,661)	(38,667)	(29,927)
Total income from operations	$ 70,305	$ 80,325	$ 239,000	$ 237,130

The Company has foreign operations primarily in Europe and Canada. Revenues and long-lived assets, based upon the Company's domestic and foreign operations, are as follows:

	October 31, 2016	January 31, 2016	October 31, 2015
Property and equipment, net			
Domestic operations	$ 767,916	$ 742,171	$ 754,284
Foreign operations	104,393	120,966	137,587
Total property and equipment, net	$ 872,309	$ 863,137	$ 891,871

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2016	2015	2016	2015
Net Sales				
Domestic operations	$760,074	$720,671	$2,211,925	$2,126,877
Foreign operations	102,417	104,587	303,711	304,851
Total net sales	$862,491	$825,258	$2,515,636	$2,431,728

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Certain matters contained in this filing with the United States Securities and Exchange Commission ("SEC") may contain forward-looking statements and are being made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. When used in this Quarterly Report on Form 10-Q, the words "project," "believe," "plan," "will," "anticipate," "expect" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. 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, lowered levels of consumer confidence and higher levels of unemployment, lowered levels of consumer spending resulting from worldwide political and economic events, any effects of war, terrorism and civil unrest, natural disasters or severe weather conditions, increases in labor costs, availability of suitable retail space for expansion, timing of store openings, risks associated with international expansion, seasonal fluctuations in gross sales, the departure of one or more key senior executives, import risks, including potential disruptions and changes in duties, tariffs and quotas, the closing or disruption of, or any damage to, any of our distribution centers, our ability to protect our intellectual property rights, risks associated with internet sales, response to new store concepts, our ability to integrate acquisitions, failure of our manufacturers to comply with our social compliance program, changes in accounting standards and subjective assumptions, regulatory changes and legal matters and other risks identified in our filings with the SEC, including those set forth in Item 1A of our Annual Report on Form 10-K for the fiscal year ended January 31, 2016, filed on March 31, 2016. We disclaim 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.

Unless the context otherwise requires, all references to "Urban Outfitters," the "Company," "we," "us," "our" or "our company" refer to Urban Outfitters, Inc., together with its subsidiaries.

Overview

We operate two reportable segments: a leading lifestyle specialty Retail segment and a Wholesale segment. Our Retail segment consists of our Anthropologie, Bhldn, Free People, Terrain, Urban Outfitters and Vetri Family brands. Our Retail segment consumer products and services are sold directly to our customers through our stores, websites, mobile applications, catalogs and customer contact centers. Our Wholesale segment consists of the Free People wholesale division that primarily designs, develops and markets young women's contemporary casual apparel and shoes through individual and chain specialty stores and department stores.

Our fiscal year ends on January 31. All references to our fiscal years refer to the fiscal years ended on January 31 in those years. For example, our fiscal year 2017 will end on January 31, 2017.

Retail Segment

Our omni-channel strategy enhances our customers' brand experience by providing a seamless approach to the customer shopping experience. All available shopping channels are fully integrated, including stores, websites, mobile applications, catalogs and customer contact centers. Our investments in areas such as marketing campaigns and technology advancements are designed to generate demand for the omni-channel and not the separate store or direct-to-consumer channels. Store sales are primarily fulfilled from that store's inventory, but may also be shipped from any of our fulfillment centers or from a different store location if an item is not available at the original store. Direct-to-consumer orders are primarily shipped to our customers through our fulfillment centers, but may also be shipped from any store, or a combination of fulfillment centers and stores depending on the availability of particular items. Direct-to-consumer orders may also be picked up at a store location. Customers may also return certain merchandise purchased through direct-to-consumer channels at store locations. As our customers continue to shop across multiple channels, we have adapted our approach towards meeting this demand. Due to the availability of like product in a variety of shopping channels, we source these products utilizing single stock keeping units based on the omni-channel demand rather than the demand of the separate channels. These and other technological capabilities allow us to better serve our customers and help us complete sales that otherwise may not have occurred due to out-of-stock positions. As a result of changing customer behavior and the substantial integration of the operations of our store and direct-to-consumer channels, we manage and analyze our performance based on a single omni-channel rather than separate channels and believe that the omni-channel results present the most meaningful and appropriate measure of our performance.

Our comparable Retail segment net sales data is equal to the sum of our comparable store and comparable direct-to-consumer channel net sales. A store is considered to be comparable if it has been open at least twelve full months, unless it was materially expanded or remodeled within that year or was not otherwise operating at its full capacity within that year. A direct-to-consumer channel is considered to be comparable if it has been operational for at least twelve full months. There is no overlap between comparable store net sales and comparable direct-to-consumer net sales. Sales from stores and direct-to-consumer channels that do not fall within the definition of comparable store or channel are considered to be non-comparable. The effects of foreign currency translation are also considered non-comparable.

We monitor customer traffic at our stores, and customer sessions, average order value and conversion rates on our websites and mobile applications. We believe that changes in any of these metrics may be caused by a response to our brands' fashion offerings, our marketing campaigns, circulation of our catalogs and an overall growth in brand recognition as we expand our store base.

As of October 31, 2016, we operated 242 Urban Outfitters stores of which 180 were located in the United States, 18 were located in Canada and 44 were located in Europe. For the nine months ended October 31, 2016, we opened three new Urban Outfitters stores, two located in the United States and one located in Europe, and we closed one Urban Outfitters store located in the United States. Total store selling square footage increased 1.6% over the prior year period to 2.2 million square feet. Urban Outfitters operates websites and mobile applications in North America and Europe that capture the spirit of the brand by offering a similar yet broader selection of merchandise as found in our stores. Urban Outfitters offers a catalog in Europe offering select merchandise, most of which is also available in our Urban Outfitters stores. Urban Outfitters targets young adults aged 18 to 28 through a unique merchandise mix, compelling store environment and websites. Urban Outfitters' product offering includes women's and men's fashion apparel, intimates, footwear, beauty and accessories, home goods, activewear and gear, electronics, as well as an assortment of exclusive product through collaborations with global third-party brands. We plan to open additional stores over the next several years. Urban Outfitters' North American and European Retail segment net sales accounted for approximately 32.4% and 7.4% of consolidated net sales, respectively, for the nine months ended October 31, 2016, compared to 32.4% and 7.8%, respectively, for the comparable period in fiscal 2016.

The Anthropologie Group consists of the Anthropologie, Bhldn and Terrain brands. We initially operated the Bhldn and Terrain brands as standalone concepts and opened two Bhldn stores and two Terrain garden centers. We ultimately determined that the Bhldn and Terrain brands were complementary to the Anthropologie brand and integrated those brands into the Anthropologie Group during fiscal 2015 and 2016, respectively. As of October 31, 2016, we operated 226 Anthropologie Group stores, of which 203 were located in the United States, 13 were located in Canada and ten were located in Europe. For the nine months ended October 31, 2016, we opened nine new Anthropologie Group stores, seven in the United States, one in Canada and one in Europe, and we closed one Anthropologie Group store located in the United States. Total store selling square footage increased 7.7% over the prior year period to 1.7 million square feet driven mainly by the opening of expanded format stores. The Anthropologie Group operates websites in North America and Europe and a mobile application in North America that capture the spirit of our brands by offering a similar yet broader selection of merchandise as found in our stores. The Anthropologie brand offers registry services through our website and mobile applications and in all of our stores throughout the United States, allowing our customers to create gift registries for any occasion. In addition, the brand offers catalogs in North America and Europe that market select merchandise, most of which is also available in our Anthropologie brand stores. Merchandise at the Anthropologie brand is tailored to sophisticated and contemporary women aged 28 to 45. Product assortment includes women's casual apparel and accessories, intimates, shoes, beauty, home furnishings and a diverse array of gifts and decorative items. The Bhldn brand emphasizes every element that contributes to a wedding. The Bhldn brand offers a curated collection of heirloom quality wedding gowns, bridesmaid frocks, party dresses, assorted jewelry, headpieces, footwear, lingerie and decorations. The Terrain brand is designed to appeal to women and men interested in a creative and sophisticated outdoor living and gardening experience. Merchandise includes lifestyle home and garden products combined with antiques, live plants, flowers, wellness products and accessories. We plan to open additional Anthropologie Group stores, some of which will be expanded format stores, that allow us to present a broader product offering by presenting all Anthropologie Group brands and by expanding categories such as petites, jewelry and accessories, footwear, intimates, beauty and home furnishings. The Anthropologie Group's North American and European Retail segment net sales accounted for approximately 39.2% and 1.4% of consolidated net sales, respectively, for the nine months ended October 31, 2016, compared to 40.5% and 1.6%, respectively, for the comparable period in fiscal 2016.

As of October 31, 2016, we operated 124 Free People stores, of which 118 were located in the United States and six were located in Canada. For the nine months ended October 31, 2016, we opened 11 new Free People stores, ten located in the United States and one located in Canada, and we closed one Free People store located in the United States. Total store selling square footage increased 28.5% over the prior year period to 244,000 square feet. The increase in selling square footage compared to the prior year period was a result of operating 12 net new stores and the addition of expanded format stores that were not in operation during the prior twelve month period. Free People operates websites and mobile applications in North America, Europe and Asia that capture the spirit of the brand by offering a similar yet broader selection of merchandise as found in our stores, as well as substantially all of the Free People product wholesale offerings. Free People also offers a catalog that markets select merchandise, most of which is also available in our Free People stores. Free People focuses its product offering on private label merchandise targeted to young contemporary women aged 25 to 30 and provides a unique merchandise mix of casual women's apparel, intimates, shoes, activewear, accessories, beauty and wellness, home products and gifts. We plan to open additional stores over the next several years, some of which will be expanded format stores that allow us to present an expanded assortment of intimates, shoes, party dresses and activewear. Free People's Retail segment net sales accounted for approximately 10.4% of consolidated net sales for the nine months ended October 31, 2016, compared to approximately 10.1% for the comparable period in fiscal 2016.

In February 2016, we acquired six restaurants as part of our acquisition of the Vetri Family group of restaurants. During fiscal 2017, our existing cafes were combined with the Vetri Family restaurants to form our Food and Beverage division. The Food and Beverage division focuses on a dining experience that provides excellence in food, beverage and service. For the nine months ended October 31, 2016, we opened two restaurants. The Food and Beverage division net sales accounted for less than 1.0% of consolidated net sales for the nine months ended October 31, 2016.

We plan to open approximately 32 new stores during fiscal 2017, including four Urban Outfitters stores, ten Anthropologie Group stores, 15 Free People stores and three restaurants.

Wholesale Segment

Our Wholesale segment consists of the Free People wholesale division that designs, develops and markets young women's contemporary casual apparel and shoes that are sold through approximately 1,800 better department and specialty stores worldwide, and our own Free People stores. Our Wholesale segment net sales accounted for approximately 8.5% of consolidated net sales for the nine months ended October 31, 2016, compared to 7.6% for the comparable period in fiscal 2016.

Critical Accounting Policies and Estimates

Our Condensed Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in the United States. These generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, net sales and expenses during the reporting period.

Our senior management has reviewed the critical accounting policies and estimates with our Audit Committee. Our significant accounting policies are described in Note 2 "Summary of Significant Accounting Policies," in the Notes to our Consolidated Financial Statements for the fiscal year ended January 31, 2016, which are included in our Annual Report on Form 10-K filed with the SEC on March 31, 2016. Critical accounting policies are those that are most important to the portrayal of our financial condition, results of operations and cash flows and require management's most difficult, subjective and complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. If actual results were to differ significantly from estimates made, the reported results could be materially affected. We are not currently aware of any reasonably likely events or circumstances that would cause our actual results to be materially different from our estimates. We believe that there have been no significant changes to our critical accounting policies during the nine months ended October 31, 2016.

Results of Operations

As a Percentage of Net Sales

The following table sets forth, for the periods indicated, the percentage of our net sales represented by certain income statement data and the change in certain income statement data from period to period. This table should be read in conjunction with the discussion that follows:

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2016	2015	2016	2015
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	65.2	65.1	64.1	64.9
Gross profit	34.8	34.9	35.9	35.1
Selling, general and administrative expenses	26.6	25.2	26.4	25.3
Income from operations	8.2	9.7	9.5	9.8
Other income (expense), net	0.1	0.0	0.0	(0.2)
Income before income taxes	8.3	9.7	9.5	9.6
Income tax expense	2.8	3.4	3.4	3.4
Net income	5.5%	6.3%	6.1%	6.2%

Three Months Ended October 31, 2016 Compared To Three Months Ended October 31, 2015

Net sales in the third quarter of fiscal 2017 increased by 4.5% to $862.5 million, from $825.3 million in the third quarter of fiscal 2016. The $37.2 million increase was attributable to a $19.5 million, or 2.5%, increase in Retail segment net sales and a $17.7 million, or 29.7%, increase in our Wholesale segment net sales. Retail segment net sales for the third quarter of fiscal 2017 accounted for 91.0% of total net sales compared to 92.8% of total net sales in the third quarter of fiscal 2016.

The growth in our Retail segment net sales during the third quarter of fiscal 2017 was due to an increase of $7.3 million, or 1.0%, in Retail segment comparable net sales, which includes our direct-to-consumer channel, and an increase of $12.2 million in non-comparable net sales, including new store net sales. Retail segment comparable net sales increased 5.2% at Urban Outfitters and decreased 1.5% at Free People and 2.7% at the Anthropologie Group. The increase in Retail segment comparable net sales was driven by continued growth in the direct-to-consumer channel, which was partially offset by negative comparable store net sales. The direct-to-consumer net sales increase was driven by an increase in sessions and conversion rate, while average order value decreased. Negative comparable store net sales resulted from a decrease in average unit selling price and transactions, while units per transaction increased. The increase in net sales attributable to non-comparable sales was primarily the result of operating 49 new stores during the third quarter of fiscal 2017 that were not in operation for the full comparable quarter in fiscal 2016 including sales from the newly acquired Vetri Family restaurants, partially offset by the negative impact of foreign currency translation. Thus far during the fourth quarter of fiscal 2017, comparable Retail segment net sales are low single-digit positive.

The increase in Wholesale segment net sales in the third quarter of fiscal 2017, as compared to the third quarter of fiscal 2016, was primarily due to increased selling square footage at select department stores to support our category expansions including shoes and activewear. This increase was also attributable to the delay at our recently opened east coast fulfillment center that caused approximately $8.9 million of shipments to move out of the third quarter of fiscal 2016 and into the fourth quarter of fiscal 2016.

Gross profit percentage for the third quarter of fiscal 2017 decreased to 34.8% of net sales, from 34.9% of net sales in the comparable quarter in fiscal 2016. Gross profit increased to $299.9 million in the third quarter of fiscal 2017 compared to $288.2 million in the comparable quarter in fiscal 2016. The reduction in gross profit rate was primarily driven by the increased penetration of the direct-to-consumer channel resulting in increased delivery and overall logistics expense rates. Within gross profit, maintained margins for the quarter were flat compared to the prior year comparable period with lower initial mark-ups offset by lower markdowns. Initial mark-up was lower due to the increased penetration of Wholesale segment net sales which has a lower initial mark-up compared to the Retail segment. Initial mark-up in the Retail segment increased due to improvements at each of the brands. The markdown rate was lower due to lower markdowns at the Urban Outfitters brand, which more than offset higher markdowns at the Free People and Anthropologie brands. The dollar increase in gross profit was due to higher net sales. Total inventory at October 31, 2016 increased by $12.3 million, or 2.8%, to $453.8 million from $441.6 million at October 31, 2015. The increase in inventory is primarily due to an increase in non-comparable inventory to support our new and expanded stores. Comparable Retail segment inventory increased 0.6% at cost.

Selling, general and administrative expenses as a percentage of net sales increased during the third quarter of fiscal 2017 to 26.6% of net sales, compared to 25.2% of net sales for the third quarter of fiscal 2016. The increase in selling, general and administrative expenses as a percentage of net sales was partially due to the net effect of one-time legal settlements, which accounted for approximately 50 basis points of deleverage. The remaining change primarily related to an increase in direct store controllable expenses that were largely due to pre-opening expenses and initial staffing levels for several large format Anthropologie stores opened during the third quarter of fiscal 2017 or previously opened. Selling, general and administrative expenses increased by $21.7 million, or 10.5%, to $229.6 million, in the third quarter of fiscal 2017, from $207.9 million in the third quarter of fiscal 2016. The dollar increase versus the prior year was primarily related to the operating expenses of non-comparable stores, the net effect of one-time legal settlements and increased marketing expense to support our customer acquisition and retention efforts.

Income from operations decreased to 8.2% of net sales, or $70.3 million, for the third quarter of fiscal 2017 compared to 9.7%, or $80.3 million, for the third quarter of fiscal 2016.

Our effective tax rate for the third quarter of fiscal 2017 was 33.5% of income before income taxes compared to 35.3% of income before income taxes in the third quarter of fiscal 2016. The decrease in the effective tax rate was due to the ratio of foreign taxable losses to global taxable profits for the year.

Nine Months Ended October 31, 2016 Compared To Nine Months Ended October 31, 2015

Net sales for the nine months ended October 31, 2016 increased by 3.5% to $2.52 billion, from $2.43 billion in the comparable period of fiscal 2016. The $83.9 million increase was attributable to a $54.7 million, or 2.4%, increase in Retail segment net sales and a $29.2 million, or 15.7%, increase in our Wholesale segment net sales. Retail segment net sales for the nine months ended October 31, 2016 accounted for 91.5% of total net sales compared to 92.4% of total net sales during the nine months ended October 31, 2015.

The growth in Retail segment net sales during the first nine months of fiscal 2017 was driven by an increase of $24.2 million, or 1.2%, in Retail segment comparable net sales, which includes our direct-to-consumer channel, and a $30.5 million increase in non-comparable net sales, including new store net sales. Retail segment comparable net sales increased 4.6% at Urban Outfitters, and decreased 0.7% and 1.8% at Free People and the Anthropologie Group, respectively. The increase in the Retail segment comparable net sales was driven by continued growth in the direct-to-consumer channel, partially offset by negative comparable store net sales. Direct-to-consumer net sales were driven by an increase in sessions and conversion rate, while average order value decreased. Negative comparable store net sales resulted from a reduction in transactions and average unit selling price, while units per transaction were flat. The increase in net sales attributable to non-comparable sales was primarily the result of operating 62 new stores during the first nine months of fiscal 2017 that were not in operation for the full comparable first nine months of fiscal 2016 and sales from the newly acquired Vetri Family restaurants, partially offset by the negative impact of foreign currency translation.

The increase in Wholesale segment net sales during the first nine months of fiscal 2017, as compared to the first nine months of fiscal 2016, was primarily due to increased sales to department and specialty stores, driven by increased selling square footage at select department stores and growth in our European distribution. Wholesale sales growth was driven by an increase in units that was partially offset by a decrease in average unit selling price.

Gross profit percentage for the first nine months of fiscal 2017 increased to 35.9% of net sales, from 35.1% of net sales in the comparable period in fiscal 2016. Gross profit increased to $904.3 million for the first nine months of fiscal 2017 compared to $852.7 million in the comparable period in fiscal 2016. The increase in gross profit percentage was primarily driven by improvement in maintained margins at the Urban Outfitters and Anthropologie brands due to higher initial mark-ups and lower merchandise markdowns compared to the prior year. The percentage increase was partially offset by lower maintained margins at Free People due to higher merchandise markdowns. The dollar increase in gross profit was primarily due to higher net sales and the increase in gross profit percentage.

Selling, general and administrative expenses as a percentage of net sales increased during the first nine months of fiscal 2017 to 26.4% of net sales, compared to 25.3% of net sales for the first nine months of fiscal 2016. The increase in selling, general and administrative expenses as a percentage of net sales was primarily driven by direct store controllable expenses to support our 5.4% square footage growth and an increase in direct marking and technology related expense to support our direct-to-consumer growth. Selling, general and administrative expenses increased by $49.7 million, or 8.1%, to $665.3 million, in the first nine months of fiscal 2017, from $615.6 million in the first nine months of fiscal 2016. The dollar increase versus the prior year was primarily related to the operating expenses of non-comparable stores and increased marketing and technology expenses, which helped to drive higher direct-to-consumer traffic.

Income from operations expressed as a percentage of net sales decreased to 9.5% of net sales for the first nine months of fiscal 2017 compared to 9.8% for the first nine months of fiscal 2016. Income from operations increased by $1.9 million, or 0.8%, to $239.0 million, in the first nine months of fiscal 2017, from $237.1 million in the first nine months of fiscal 2016.

Our effective tax rate for the first nine months of fiscal 2017 was 35.7% of income before income taxes compared to 35.3% of income before income taxes in the first nine months of fiscal 2016.

Liquidity and Capital Resources

Cash, cash equivalents and marketable securities were $265.1 million as of October 31, 2016, as compared to $362.9 million as of January 31, 2016 and $273.3 million as of October 31, 2015. The decrease in cash, cash equivalents and marketable securities as compared to January 31, 2016 was primarily due to cash used for the repayment of long-term debt and for share repurchases. Our working capital was $484.8 million at October 31, 2016 compared to $505.1 million at January 31, 2016 and $469.3 million at October 31, 2015. The decrease in working capital as compared to January 31, 2016 was primarily due to the decrease in cash, cash equivalents and marketable securities, noted above.

During the last two years, we have satisfied our cash requirements primarily through our cash flow from operating activities. In fiscal 2016, we utilized borrowings on our long-term debt facility as an additional source of cash that were used for the repurchase of our common shares. In addition to repurchasing common shares, our primary uses of cash have been to open new stores, purchase inventory and expand our home offices and fulfillment facilities. We have also continued to invest in our omni-channel capabilities and technology.

Cash Flows from Operating Activities

Cash provided by operating activities during the first nine months of fiscal 2017 increased by $0.4 million to $229.0 million from $228.6 million in the first nine months of fiscal 2016. For both periods, our major source of cash from operations was merchandise sales and our primary outflow of cash for operations was for the payment of operational costs.

Cash Flows from Investing Activities

Cash used in investing activities during the first nine months of fiscal 2017 increased by $34.9 million to $61.3 million from $26.4 million in the first nine months of fiscal 2016. For both periods, our primary outflow of cash for investing activities was for the payment of property and equipment. Cash paid for property and equipment for the nine months ended October 31, 2016 and 2015 was $112.1 million and $109.1 million, respectively, and was used in fiscal 2017 primarily to expand our store base and in fiscal 2016 primarily to expand our store base and home offices and to increase our fulfillment capabilities. Additionally, the increase in cash used in investing activities was driven by $15.3 million used to acquire the Vetri Family group of restaurants and a $16.6 million change in net purchases of marketable securities.

Cash Flows from Financing Activities

Cash used in financing activities during the first nine months of fiscal 2017 was $193.4 million, primarily related to $150.0 million in long-term debt repayments and $45.8 million of repurchases of our common shares under our February 23, 2015 share repurchase program.

Credit Facilities

On July 1, 2015, we entered into a five-year asset-based revolving Credit Agreement (“Credit Agreement”) with certain lenders, including JPMorgan Chase Bank, N.A., as administrative agent, and J.P. Morgan Securities LLC and Wells Fargo Bank, National Association, as joint lead arrangers and co-book managers. The Credit Agreement provides senior secured revolving credit for loans and letters of credit up to $400.0 million (the “Credit Facility”), subject to a borrowing base that is comprised of our eligible accounts receivable and inventory. The Credit Facility includes a swing-line sub-facility, a multicurrency sub-facility and the option to expand the facility by up to $150.0 million. The funds available under the Credit Facility may be used for working capital and other general corporate purposes.

The Credit Facility provides for interest on borrowings, at our option, at either (i) adjusted LIBOR, CDOR or EURIBOR plus an applicable margin ranging from 1.125% to 1.625%, or (ii) an adjusted ABR plus an applicable margin ranging from 0.125% to 0.625%, each such rate based on the level of availability under the Credit Facility and our adjusted leverage ratio. Interest is payable either monthly or quarterly depending on the type of borrowing. A commitment fee is payable quarterly on the unused portion of the Credit Facility based on our adjusted leverage ratio.

All obligations under the Credit Facility are unconditionally guaranteed by us and our domestic subsidiaries. The obligations under the Credit Facility are secured by a first-priority security interest in inventory, accounts receivable, and certain other assets of the borrowers and guarantors. The Credit Agreement contains customary representations and warranties, negative and affirmative covenants and provisions relating to events of default.

As of October 31, 2016, we were in compliance with all terms of the Credit Agreement, we had no borrowings on the Credit Facility and stand-by letters of credit outstanding were $13.1 million.

Additionally, we have borrowing agreements with two separate financial institutions under which we may borrow an aggregate of $130.0 million for the purposes of trade letter of credit issuances. The availability of any future borrowings under the trade letter of credit facilities is subject to acceptance by the respective financial institutions. As of October 31, 2016, we had $66.0 million in outstanding trade letters of credit, and $64.0 million available for future trade letters of credit under these facilities.

Capital and Operating Expenditures

During fiscal 2017, we plan to construct and open approximately 32 new stores, including our restaurant locations, expand certain existing stores, complete the construction of our new east coast fulfillment center, upgrade our systems, improve our capabilities in the digital channel, invest in omni-channel marketing and purchase inventory for our Retail and Wholesale segments at levels appropriate to maintain our planned sales growth. We believe that our marketing, social media, merchandise expansion, website and mobile initiatives are a significant contributor to our Retail segment sales growth. During fiscal 2017, we plan to continue our investment in these initiatives for all brands. We anticipate our capital expenditures during fiscal 2017 to be approximately $160 million, all of which are expected to be financed by cash flow from operating activities. We believe that our new store investments have the potential to generate positive cash flow within a year. We may also enter into one or more acquisitions or transactions related to the expansion of our brand offerings. We believe that our existing cash and cash equivalents, available credit facilities and future cash flows from operations will be sufficient to fund these initiatives.

Share Repurchases

See Note 8 “Shareholders’ Equity” of the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for certain financial information regarding the Company’s share repurchases.

Off-Balance Sheet Arrangements

As of and for the nine months ended October 31, 2016, except for operating leases entered into in the normal course of business, we were not party to any material off-balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources.

Other Matters

See Note 2 “Recently Issued Accounting Pronouncements,” of the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for a description of recently issued accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to the following types of market risks—fluctuations in the purchase price of merchandise, as well as other goods and services, the value of foreign currencies in relation to the U.S. dollar, and changes in interest rates. Due to our inventory turnover rate and our historical ability to pass through the impact of any generalized changes in our cost of goods to our customers through pricing adjustments, commodity and other product risks are not expected to be material. We purchase the majority of our merchandise in U.S. dollars, including a majority of the goods for our stores located in Canada and a portion of the goods for our stores located in Europe.

Our exposure to market risk for changes in foreign currencies is due to our financial statements being presented in U.S. dollars and our international subsidiaries transacting in currencies other than U.S. dollars. Fluctuations in exchange rates in effect during or at the end of the reporting period may affect the value of the reported amounts of revenues, expenses, assets and liabilities. As we expand our international operations, the potential impact of currency fluctuations increases.

Our exposure to market risk for changes in interest rates relates to our cash, cash equivalents and marketable securities and our Credit Facility. As of October 31, 2016, our cash, cash equivalents and marketable securities consisted primarily of cash on hand and in banks, money market accounts, municipal and pre-refunded municipal bonds rated “BBB” or better, corporate bonds rated “BBB” or better, certificates of deposit, and mutual funds. Due to the short average maturity and conservative nature of our investment portfolio, we believe a 100 basis point change in interest rates would not have a material effect on the Condensed Consolidated Financial Statements. As the interest rates on a material portion of our cash, cash equivalents and marketable securities are variable, a change in interest rates earned on the cash, cash equivalents and marketable securities would impact interest income along with cash flows, but would not impact the fair market value of the related underlying instruments.

We are exposed to market risks relating to changes in interest rates on outstanding borrowings under our Credit Facility because these borrowings bear interest at variable rates. A 100 basis point change in our applicable interest rate would not have a material impact to interest expense for the nine months ended October 31, 2016.

Item 4. Controls and Procedures

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed by us in our Securities Exchange Act of 1934 reports is recorded, processed, summarized and reported on a timely basis and that such information is accumulated and communicated to management, including the Principal Executive Officer and the Principal Financial Officer, as appropriate, to allow timely decisions regarding the required disclosure. As of the end of the period covered by this Quarterly Report on Form 10-Q, an evaluation was performed under the supervision and with the participation of our management, including the Principal Executive Officer and the Principal Financial Officer, of the effectiveness of the design and operation of these disclosure controls and procedures. Based on that evaluation, the Principal Executive Officer and the Principal Financial Officer concluded that our disclosure controls and procedures were effective.

There have been no changes in our internal controls over financial reporting during the quarter ended October 31, 2016 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Table of Contents

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

We are party to various legal proceedings arising from normal business activities. Management believes that the ultimate resolution of these matters will not have a material adverse effect on our financial position, results of operations or cash flows.

Item 1A. Risk Factors

There have been no material changes in our risk factors since January 31, 2016. Please refer to our Annual Report on Form 10-K for the fiscal year ended January 31, 2016, filed with the United States Securities and Exchange Commission on March 31, 2016, for our risk factors.

Item 2. Unregistered Sales of Equity Securities and the Use of Proceeds

Issuer Purchase of Equity Securities

A summary of the repurchase activity under the Company's share repurchase program for the quarter ended October 31, 2016 is as follows:

	Total Number of Shares (or Units) Purchased(1)	Average Price Paid per share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs(2)
August 1, 2016 through August 31, 2016	—	$ —	—	6,995,059
September 1, 2016 through September 30, 2016	957,327	$ 35.10	957,327	6,037,732
October 1, 2016 through October 31, 2016	42,673	$ 34.77	42,673	5,995,059
Total Fiscal 2017 Third Quarter	1,000,000		1,000,000	5,995,059

1 In addition to the shares repurchased under the share repurchase program, for the quarter ended October 31, 2016, the Company acquired and subsequently retired 55,683 common shares from employees to meet minimum statutory withholding requirements. These shares do not reduce the number of shares that may yet be purchased under our publicly announced share repurchase program.

2 On February 23, 2015, the Company's Board of Directors authorized the repurchase of 20,000,000 shares under a share repurchase program.

Item 5. Other Information

Amendments to the Company's Second Amended and Restated By-laws

On December 12, 2016, the Company's Board of Directors (the "Board") amended and restated the Company's Second Amended and Restated By-laws (the "By-laws") to implement "proxy access," a means for the Company's eligible shareholders to include shareholder-nominated director candidates in the Company's proxy materials for annual meetings of shareholders (the "Amendments"). The Amendments took effect immediately upon approval by the Board. The Amendments were undertaken in response to the approval by shareholders at the Company's 2016 Annual Meeting of Shareholders of a non-binding shareholder proposal to adopt proxy access.

Section 1.10 has been added to the By-laws to allow a shareholder, or a group of up to 20 shareholders, owning at least 3% of the number of outstanding common shares of the Company continuously for at least three years, to include in the Company's proxy materials for an annual meeting of shareholders a number of director nominees up to the greater of two or 25% of the Board, provided that the shareholder(s) and the nominee(s) satisfy the requirements specified therein. Certain conforming and technical amendments were also made to the By-laws.

The foregoing description of the Amendments is qualified in its entirety by the full text of the Amended and Restated By-laws, a copy of which is filed as Exhibit 3.4 to this Quarterly Report on Form 10-Q and is incorporated herein by reference.

Item 6. Exhibits

(a) Exhibits

Exhibit Number	Description
3.1	Amended and Restated Articles of Incorporation are incorporated by reference to Exhibit 3.1 of the Company's Quarterly Report on Form 10-Q (file no. 000-22754) filed on September 9, 2004.
3.2	Amendment No. 1 to Amended and Restated Articles of Incorporation is incorporated by reference to Exhibit 3.2 of the Company's Quarterly Report on Form 10-Q (file no. 000-22754) filed on September 9, 2004.
3.3	Amendment No. 2 to Amended and Restated Articles of Incorporation is incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed on May 31, 2013.
3.4*	Amended and Restated By-laws of Urban Outfitters, Inc.
31.1*	Rule 13a-14(a)/15d-14(a) Certification of the Principal Executive Officer.
31.2*	Rule 13a-14(a)/15d-14(a) Certification of the Principal Financial Officer.
32.1**	Section 1350 Certification of the Principal Executive Officer.
32.2**	Section 1350 Certification of the Principal Financial Officer.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase.
101.LAB*	XBRL Taxonomy Extension Label Linkbase.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase.

* Filed herewith
** Furnished herewith

Attached as Exhibits 101 to this report are the following financial statements from the Company's Quarterly Report on Form 10-Q for the three and nine months ended October 31, 2016, filed with the Securities and Exchange Commission on December 12, 2016, formatted in XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets; (ii) the Condensed Consolidated Statements of Income; (iii) the Condensed Consolidated Statements of Comprehensive Income; (iv) the Condensed Consolidated Statement of Shareholders' Equity; (v) the Condensed Consolidated Statements of Cash Flows and (vi) the Notes to Condensed Consolidated Financial Statements.

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.

URBAN OUTFITTERS, INC.

Date: December 12, 2016 By: /S/ RICHARD A. HAYNE

Richard A. Hayne
Chief Executive Officer
(Principal Executive Officer)

URBAN OUTFITTERS, INC.

Date: December 12, 2016 By: /S/ FRANCIS J. CONFORTI

Francis J. Conforti
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT INDEX

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Exhibit 3.4

AMENDED AND RESTATED

BY-LAWS

(Effective as of December 12, 2016) of

URBAN OUTFITTERS, INC.

(A Pennsylvania Business Corporation)

ARTICLE 1. MEETINGS OF SHAREHOLDERS

Section 1.01 Place of Meeting. Meetings of shareholders of the Corporation shall be held at such place, within the Commonwealth of Pennsylvania or elsewhere, as may be fixed from time to time by the Board of Directors. If no place is so fixed for a meeting, it shall be held at the Corporation's then-principal executive office.

Section 1.02 Annual Meeting. There shall be an annual meeting of shareholders, unless the Board of Directors shall fix some other hour or date therefor, at 10:00 o'clock A.M. on the third Tuesday in May in each year, if not a legal holiday under the laws of Pennsylvania, and, if a legal holiday, then on the next succeeding secular day not a legal holiday under the laws of Pennsylvania, at which the shareholders shall elect directors and transact such other business as may properly be brought before the meeting.

Section 1.03 Special Meetings. Special meetings of the shareholders may be called at any time by the Board of Directors or by the Chairman of the Board. Business transacted at all special meetings shall be confined to the objects stated in the call and matters germane thereto.

Section 1.04 Notice of Meetings. Except as provided in Section 1707 of the Pennsylvania Business Corporation Law of 1988, written notice of every meeting of shareholders shall be given in any manner permitted by law, by or at the direction of the Secretary or such other person as is authorized by the Board of Directors to each shareholder of record entitled to receipt thereof, at least five days prior to the day named for the meeting, unless a greater period of notice is required by law in a particular case.

Section 1.05 Organization. At every meeting of the shareholders, the Chairman of the Board, or in his absence, the Chief Executive Officer, or in their absence, a chairman chosen by the shareholders, shall act as chairman; and the Secretary, or in his absence, a person appointed by the chairman, shall act as secretary.

Section 1.06 Voting. Except as otherwise specified herein or in the Articles of Incorporation or provided by law, whenever any corporate action is to be taken by vote of shareholders, it shall be authorized by a majority of the votes cast, in person or by proxy, at a duly organized meeting of shareholders by the holders of shares entitled to vote thereon.

Section 1.07 Notifications of Nominations and Proposed Business.

(a) Required Procedures. Subject to the rights of holders of any class or series of preferred shares, (a) nominations for the election of directors, and (b) business to be brought before any shareholder meeting may be made or proposed by or at the direction of the Chairman of the Board, the Chief Executive Officer or by the Board of Directors or a proxy committee appointed by the Board of Directors, or by any shareholder entitled to vote in the election of directors generally. However, any such shareholder may nominate one or more persons for election as directors at a meeting or propose business to be brought before a meeting, only if such shareholder has given timely notice in proper written form of intent to make such nomination or nominations or to propose such business. To be timely, a shareholder's notice must be received by the Corporation not less than 70 days nor more than 90 days prior to the first anniversary of the previous year's annual meeting (or, in the case of a special meeting, not earlier than the 90th day before such meeting and not later than the later of (i) the 70th day prior to such meeting and (ii) the 10th day following the day on which notice of the meeting was mailed or public announcement of the date of such meeting was made, whichever first occurs); provided, however, that if an Eligible Shareholder is nominating a Shareholder Nominee in accordance with Section 1.10 of these By-laws (each such capitalized term as defined in Section 1.10 and such a nomination a "Proxy Access Nominations"), then the provisions of Section 1.10 shall control. To be in proper written form, a shareholder's notice to the Corporation shall set forth:

(i) the name and address of the shareholder who intends to make the nominations or propose the business and, as the case may be, of the person or persons to be nominated or of the business to be proposed;

(ii) a representation that the shareholder is a holder of record of shares of the Corporation entitled to vote at such meeting and, if applicable, intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice or to make the proposal to the meeting;

(iii) a representation that the shareholder will notify the Corporation in writing of the number and class of shares owned beneficially or of record by the shareholder and any Shareholder Associated Person as of the close of business on the record date for the meeting promptly, and in no event later than 10 days, following the later of the record date or the date on which notice of the record date is first publicly disclosed;

(iv) a description of all agreements, arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder, or the business is to be proposed, and a representation that the shareholder will notify the Corporation in writing of any such agreement, arrangement or understanding in effect as of the close of business on the record date for the meeting promptly, and in no event later than 10 days, following the later of the record date or the date on which notice of the record date is first publicly disclosed;

(v) such other information regarding each nominee or each matter of business to be proposed by such shareholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission had the nominee been nominated, or intended to be nominated, or had the matter been proposed, or intended to be proposed by the Board of Directors;

(vi) if applicable, the consent of each nominee to serve as a director of the Corporation if so elected; and

(vii) the information required by Section 1.08, and a representation that the shareholder will notify the Corporation in writing of any changes in that information as of the close of business on the record date for the meeting promptly, and in no event later than 10 days, following the later of the record date or the date on which notice of the record date is first publicly disclosed.

(b) Effect of Failure to Comply. The chairman of the meeting shall refuse to acknowledge the nomination of any person or the proposal of any business not made in compliance with the foregoing procedures.

Section 1.08 Disclosure by Shareholders of Hedged Positions.

(a) Required Disclosures. A notice submitted by a shareholder under Section 1.07 must describe in reasonable detail, with respect to the shareholder and any Shareholder Associated Person:

(i) any Derivative Instrument directly or indirectly beneficially owned by the shareholder or a Shareholder Associated Person, or any other direct or indirect opportunity for the shareholder or Shareholder Associated Person to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation;

(ii) any interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which the shareholder or Shareholder Associated Person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner; and

(iii) any hedging or other transaction or series of transactions that has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including, without limitation, any put, short position or any borrowing or lending of shares) that has been made by or on behalf of, a shareholder or any Shareholder Associated Person, the effect or intent of which is to mitigate loss to, or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, the shareholder or any Shareholder Associated Person with respect to any share of the Corporation.

(b) Definitions. As used in Section 1.07 and this Section 1.08, the following terms have the meanings indicated:

"Derivative Instrument" means an option, warrant, convertible security, stock appreciation right, or other right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to the value of any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right is subject to settlement in the underlying class or series of shares of the Corporation or otherwise.

"Shareholder Associated Person" of a shareholder means (i) any person controlling, controlled by, under common control with, or acting in concert with, the shareholder, (ii) any beneficial owner of shares of the Corporation owned of record or beneficially by the shareholder, (iii) any entity of which the shareholder is an employee, officer, member, partner, trustee, director or, except for entities the shares of which are registered under the Securities Exchange Act of 1934, a shareholder, and (iv) any person controlling, controlled by or under common control with, the Shareholder Associated Person.

Section 1.09 Determination of Shareholders of Record.

(a) Record Date for Meetings. The Board of Directors may fix a time prior to the date of any meeting of shareholders as a record date for the determination of the shareholders entitled to notice of, or to vote at, the meeting, which time, except in the case of an adjourned meeting, shall be not more than 90 days prior to the date of the meeting of shareholders. Only shareholders of record on the date fixed shall be so entitled notwithstanding any transfer of shares on the books of the Corporation after any record date fixed as provided in this subsection. When a determination of shareholders of record has been made as provided in this subsection for purposes of a meeting, the determination shall apply to any adjournment thereof unless the Board of Directors fixes a new record date for the adjourned meeting.

(b) Fixing Record Date for Purpose of Distributions. The Board of Directors of the Corporation may fix a time prior to the date of payment of a distribution as a record date for the determination of the shareholders entitled to be paid the distribution, which time shall be not more than 90 days prior to the date of payment. Only shareholders of record on the date fixed shall be so entitled notwithstanding any transfer of shares on the books of the Corporation after any record date fixed as provided in this subsection.

(c) Record Date for Action by Written Consent. Before a shareholder may seek to have the shareholders authorize or take corporate action by written consent without a meeting, the shareholder must, by written notice to the Secretary of the Corporation, request the Board of Directors to fix a record date for such consent. The request must include a brief description of the action proposed to be taken. The Board of Directors shall, within twenty days after the date on which such request is received, adopt a resolution fixing the record date. The record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and shall not be more than twenty days after the date on which the resolution fixing the record date is adopted by the Board of Directors.

(d) Fixing Record Date for Other Purposes. The Board of Directors of the Corporation may fix a time prior to an event or action other than a meeting of shareholders or payment of a distribution as a record date for the determination of shareholders with respect thereto, which time shall be not more than 90 days prior to the date of the event or action.

(e) Determination When a Record Date is Not Fixed. If a record date is not fixed:

(i) The record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the day next preceding the day on which notice is given.

(ii) The record date for determining shareholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

(f) Certification by Nominee. The Board of Directors may adopt a procedure whereby a shareholder of the Corporation may certify in writing to the Corporation that all or a portion of the shares registered in the name of the shareholder are held for the account of a specified person or persons. Upon receipt by the Corporation of a certification complying with the procedure, the persons specified in the certification shall be deemed, for the purposes set forth in the certification, to be the holders of record of the number of shares specified in place of the shareholder making the certification.

Section 1.10 Proxy Access for Director Nominations.

(a) Whenever the Board of Directors solicits proxies with respect to the election of directors at an annual meeting of shareholders of the Corporation, subject to the provisions of this Section 1.10, the Corporation will include in its proxy statement and form of proxy for an annual meeting of shareholders, in addition to any persons nominated for election by the Board of Directors or any committee thereof, the name, together with the Required Information (as defined below), of any person nominated for election (the "Shareholder Nominee") to the Board of Directors by an Eligible Shareholder (as defined below) or group of up to 20 Eligible Shareholders that, as determined by the Board of Directors or its designee acting in good faith, has (individually and collectively, in the case of a group) satisfied all the requirements of, and procedures set forth in, this Section 1.10 (such Eligible Shareholder or a group of Eligible Shareholders, a "Nominating Shareholder"), and that expressly elects at the time of providing the notice required by this Section 1.10, including all of the information in Section 1.10(e) (the "Notice of Proxy Access Nomination"), to have its nominee included in the Corporation's proxy materials pursuant to this Section 1.10. For the avoidance of doubt, in the event that a Nominating Shareholder consists of a group of Eligible Shareholders, any and all requirements and obligations applicable to an Eligible Shareholder or a Nominating Shareholder set forth in this Section 1.10 shall apply to each member of such group; provided, however, that the Required Shares provision shall apply to such group in the aggregate. Should any Eligible Shareholder withdraw from a group of Eligible Shareholders constituting a Nominating Shareholder at any time prior to the annual meeting of shareholders, the Nominating Shareholder shall be deemed to own only the shares held by the remaining Eligible Shareholders. Nothing in this Section 1.10 shall limit the Corporation's ability to solicit against and include in its proxy materials its own statements relating to any Shareholder Nominee or Nominating Shareholder.

(i) For purposes of this Section 1.10, the following shall be treated as one Eligible Shareholder if such Eligible Shareholder provides, together with the Notice of Proxy Access Nomination, documentation satisfactory to the Board of Directors or its designee, acting in good faith, that demonstrates that it is (i) a group of funds under common management and investment control or (ii) a "family of investment companies" or a "group of investment companies" (each as defined in the Investment Company Act of 1940, as amended). No Eligible Shareholder may be a member of more than one group of persons constituting a Nominating Shareholder under this Section 1.10 and, if any Eligible Shareholder appears as a member of more than one group, such Eligible Shareholder will be deemed to be a member of the group that has the largest ownership position as reflected in the Notice of Proxy Access Nomination.

(ii) For purposes of this Section 1.10, the "Required Information" that the Corporation will include in its proxy statement is (A) the information concerning the Shareholder Nominee and the Nominating Shareholder that is required to be disclosed in the Corporation's proxy statement by the regulations promulgated under the Exchange Act and, (B) if the Nominating Shareholder so elects, a Statement (as defined below).

(iii) To be timely, the Required Information and Notice of Proxy Access Nomination must be received by the Secretary of the Corporation by the close of business at the principal executive offices of the Corporation no earlier than 150 days and no later than 120 days before the anniversary of the date that the Corporation mailed its definitive proxy statement for the previous year's annual meeting of shareholders; provided, however, that in the event the annual meeting of shareholders is not scheduled to be held within a period that commences 30 days before and ends 60 days after the first anniversary date of the previous year's annual meeting of shareholders (such meeting date referred to herein as an "Outside Meeting Date"), the Required Information and Notice of Proxy Access Nomination must be so delivered to and received by the Secretary of the Corporation no earlier than 180 days prior to and no later than the tenth day following the date such Outside Meeting Date is first publicly announced or disclosed. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of the Notice of Proxy Access Nomination and the Required Information as described above.

(b) The maximum number of Shareholder Nominees (including Shareholder Nominees that were submitted by a Nominating Shareholder for inclusion in the Corporation's proxy materials pursuant to this Section 1.10 that are either subsequently withdrawn or that the Board of Directors decides to nominate as director nominees) appearing in the Corporation's proxy materials with respect to an annual meeting of shareholders shall not exceed the greater of (i) 2 nominees or (ii) 25% of the directors in office as of the last day on which the Notice of Proxy Access Nomination may be delivered pursuant to, and in accordance with, this Section 1.10 (the "Final Proxy Access Nomination Date"), or, if such percentage is not a whole number, the closest whole number, rounding down, below 25% (such greater number, the "Permitted Number"); provided, however, that the Permitted Number shall be reduced by:

(i) the number of director candidates for which the Corporation shall have received one or more valid shareholder notices nominating director candidates pursuant to Section 1.07 (but not this Section 1.10) of these By-laws;

(ii) the number of directors in office or director candidates that, in either case, will be included in the Corporation's proxy materials with respect to such annual meeting as an unopposed (by the Corporation) nominee pursuant to any agreement, arrangement or other understanding with any shareholder or group of shareholders, other than any such director referred to in this clause (ii) who at the time of such annual meeting will have served as a director continuously, as a nominee of the Board of Directors, for at least two annual terms, but only to the extent the Permitted Number after such reduction with respect to this clause (ii) equals or exceeds one; and

(iii) the number of directors in office that will be included in the Corporation's proxy materials with respect to such annual meeting for whom access to the Corporation's proxy materials was previously provided pursuant to this Section 1.10, other than any such director referred to in this clause (iii) who at the time of such annual meeting will have served as a director continuously, as a nominee of the Board of Directors, for at least two annual terms.

In the event that one or more vacancies for any reason occurs on the Board of Directors after the Final Proxy Access Nomination Date but before the date of the annual meeting and the Board of Directors resolves to reduce the size of the Board of Directors in connection therewith, the Permitted Number of Shareholder Nominees included in the Corporation's proxy materials shall be calculated based on the number of directors in office as so reduced. In the event that the number of Shareholder Nominees submitted by Nominating Shareholders pursuant to this Section 1.10 exceeds the Permitted Number, each Nominating Shareholder will select one Shareholder Nominee for inclusion in the Corporation's proxy materials until the Permitted Number is reached, going in order of the amount (largest to smallest) of common shares of the Corporation each Nominating Shareholder disclosed as owned in the Notice of Proxy Access Nomination submitted to the Corporation. If the Permitted Number is not reached after each Nominating Shareholder has selected one Shareholder Nominee, this selection process will continue as many times as necessary, following the same order each time, until the Permitted Number is reached.

(c) For purposes of this Section 1.10, an Eligible Shareholder shall be deemed to "own" only those outstanding common shares of the Corporation as to which the shareholder possesses both (i) the full voting and investment rights pertaining to the shares and (ii) the full economic interest in (including the opportunity for profit from and risk of loss on) such shares; provided that the number of shares calculated in accordance with clauses (i) and (ii) shall not include any shares (A) sold by such shareholder or any of its affiliates in any transaction that has not been settled or closed, (B) borrowed by such shareholder or any of its affiliates for any purposes or purchased by such shareholder or any of its affiliates pursuant to an agreement to resell, or (C) subject to any option, warrant, forward contract, swap, contract of sale, other derivative or similar agreement entered into by such shareholder or any of its affiliates, whether any such instrument or agreement is to be settled with shares or with cash based on the notional amount or value of shares of outstanding stock of the Corporation, in any such case which instrument or agreement has, or is intended to have, the purpose or effect of (1) reducing in any manner, to any extent or at any time in the future, such shareholder's or affiliates' full right to vote or direct the voting of any such shares, and/or (2) hedging, offsetting, or altering to any degree any gain or loss realized or realizable from maintaining the full economic ownership of such shares by such shareholder or affiliate. An Eligible Shareholder shall "own" shares held in the name of a nominee or other intermediary so long as the Eligible Shareholder retains the right to instruct how the shares are voted with respect to the election of directors and possesses the full economic interest in the shares. An Eligible Shareholder's ownership of shares shall be deemed to continue during any period in which the Eligible Shareholder has (i) delegated any voting power by means of a proxy, power of attorney, or other instrument or arrangement which is revocable at any time by the shareholder or (ii) loaned such shares, provided the shareholder has the power to recall such loaned shares on five (5) business days' notice. The terms "owned," "owning" and other variations of the word "own" shall have correlative meanings. Whether outstanding common shares of the Corporation are "owned" for these purposes shall be determined by the Board of Directors or its designee.

(d) An "Eligible Shareholder" is a person who has either (1) been the record holder of the number of common shares of the Corporation used to satisfy the eligibility requirements in this Section 1.10 continuously for at least 3 years (the "Minimum Holding Period") as of the date the Notice of Proxy Access Nomination is received by the Corporation in accordance with this Section 1.10 or (2) provides to the Secretary of the Corporation evidence of continuous ownership of such shares for the Minimum Holding Period in a form that the Board of Directors or its designee, acting in good faith, determines acceptable. In order to make a nomination pursuant to this Section 1.10, a Nominating Shareholder must have owned (as defined above) at least 3% or more of the Corporation's outstanding common shares (the "Required Shares") continuously for at least the Minimum Holding Period, and the Nominating Shareholder must continue to own the Required Shares through the date of the annual meeting. For the avoidance of doubt, each Eligible Shareholder whose shares are aggregated for purposes of constituting a Nominating Shareholder must comply with the Minimum Holding Period.

(e) Within the time period specified in this Section 1.10 for delivering the Notice of Proxy Access Nomination, a Nominating Shareholder (including, for the avoidance of doubt, each Eligible Shareholder whose shares are aggregated for purposes of constituting a Nominating Shareholder) must provide the following information in writing to the Secretary of the Corporation: (i) one or more written statements from the record holder of the shares (and from each intermediary through which the shares are or have been held during the requisite Minimum Holding Period) verifying that, as of a date within 7 calendar days prior to the date of the Notice of Proxy Access Nomination, the Nominating Shareholder owns, and has owned continuously, the Required Shares for the Minimum Holding Period, and the Nominating Shareholder's agreement to provide, within 5 business days after (A) the record date for the annual meeting, written statements from the record holder and intermediaries verifying the Nominating Shareholder's continuous ownership of the Required Shares through the record date for the annual meeting and (B) the date of the annual meeting, written statements from the record holder and intermediaries verifying the Nominating Shareholder's continuous ownership of the Required Shares through the date of the annual meeting; (ii) an agreement to provide immediate notice if the Nominating Shareholder ceases to own the Required Shares at any time prior to the date of the annual meeting of shareholders; (iii) the information, representations, and agreements that would be required to be set forth in a shareholder's notice of nomination pursuant to Section 1.07 of these By-Laws (but without regard to the time periods set forth in such Section); (iii) a copy of the Schedule 14N (or any successor form) relating to the Shareholder Nominee that has been completed and filed by the Nominating Shareholder with the Securities and Exchange Commission as required by Rule 14a-18 under the Exchange Act, as may be amended; (iv) the written consent of each Shareholder Nominee to being named in the Corporation's proxy statement, form of proxy and ballot as a nominee and to serving as a director if elected; (v) a representation that the Nominating Shareholder (including, for the avoidance of doubt, each Eligible Shareholder whose shares are aggregated for purposes of constituting a Nominating Shareholder): (A) acquired the Required Shares in the ordinary course of business and not with the intent to change or influence control at the Corporation, and does not presently have such intent, (B) presently intends to maintain qualifying ownership of the Required Shares through the date of the annual meeting, (C) has not designated or nominated and will not designate or nominate for election to the Board of Directors at the annual meeting any person other than the Shareholder Nominee(s) being nominated pursuant to this Section 1.10, (D) has not engaged and will not engage in, and has not been and will not be a "participant" in another person's "solicitation" within the meaning of Rule 14a-1(l) under the Exchange Act in support of the election of any individual as a director at the Corporation's annual meeting other than its Shareholder Nominee or a nominee of the Board, and (E) will not distribute to any shareholder or use any form of proxy for the annual meeting other than the form distributed by the Corporation; (vi) an undertaking that the Nominating Shareholder agrees to (A) assume all liability stemming from any legal or regulatory violation arising out of the Nominating Shareholder's communications with the shareholders of the Corporation or out of the information that the Eligible Shareholder provided to the Corporation, (B) comply with all other laws and regulations applicable to any solicitation in connection with the annual meeting, (C) provide facts, statements, and other information in all communications with the Corporation and its shareholders that are or will be true and correct in all material respects and does not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, (D) promptly provide the Corporation with copies of any solicitation or other communication with the Corporation's shareholders relating to the annual meeting at which the Shareholder Nominee will be nominated that is exempt from filing with the Securities and Exchange Commission pursuant to applicable laws and regulations of the Commission and (E) indemnify and hold harmless the Corporation and each of its directors, officers, or employees arising out of the nomination process pursuant to this Section 1.10; and (vii) in the case of a Nominating Shareholder that consists of a group of Eligible Shareholders, the designation by all group members as evidenced by a written agreement provided to the Corporation signed by all group members of one Eligible Shareholder that is authorized to act on behalf of all members of the Nominating Shareholder with respect to the nomination and matters related thereto, including withdrawal of the nomination.

(f) The Nominating Shareholder may provide to the Secretary, at the time the information required by this Section 1.10 is provided, a written statement for inclusion in the Corporation's proxy statement for the annual meeting, not to exceed 500 words, in support of the

Shareholder Nominee's candidacy (the "Statement"). Notwithstanding anything to the contrary contained in this Section 1.10, the Corporation may omit from its proxy materials any information or Statement that it, in good faith, believes is untrue in any material respect (or omits a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading) or would violate any applicable law or regulation.

(g) Within the time period specified in this Section 1.10 for providing a Notice of Proxy Access Nomination in accordance with the procedures set forth in this Section 1.10, a Shareholder Nominee must deliver to the Secretary of the Corporation at the principal executive offices of the Corporation, a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and executed agreement (in the form provided by the Secretary upon written request) that such person (i) is not and will not become a party to (A) any agreement, arrangement, or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed in such questionnaire or (B) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected and serving as a director of the Corporation, with such person's fiduciary duties under applicable law; (ii) is not and will not become a party to any agreement, arrangement, or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, payment or other financial agreement, reimbursement, or indemnification in connection with such person's nomination, service or action as a director that has not been disclosed in such questionnaire; and (iii) in such person's individual capacity and on behalf of any person on whose behalf the nomination is being made, would be in compliance, if elected as a director, and will comply with, applicable law and all conflict of interest, confidentiality, and other policies and guidelines of the Corporation applicable to directors generally and publicly available (whether on the Corporation's website or otherwise) as of the date of such representation and agreement. The Corporation may request such additional information as necessary to permit the Board of Directors to determine if each Shareholder Nominee is independent under the listing standards of the principal U.S. securities exchange upon which the common shares of the Corporation are listed, any applicable rules of the Securities and Exchange Commission, and any publicly disclosed standards used by the Board of Directors in determining and disclosing the independence of the Corporation's directors.

(h) In the event that any information or communications provided by the Nominating Shareholder or the Shareholder Nominee to the Corporation or its shareholders ceases to be true and correct in all material respects or omits a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, each Nominating Shareholder or Shareholder Nominee, as the case may be, shall promptly notify the Secretary of the Corporation of any defect in such previously provided information and of the information that is required to correct any such defect.

(i) The Corporation shall not be required to include, pursuant to this Section 1.10, a Shareholder Nominee in its proxy materials for any annual meeting of shareholders (i) for which the Secretary of the Corporation receives a notice that any shareholder has nominated any person for election to the Board of Directors pursuant to the advance notice requirements for shareholder nominees for director set forth in Section 1.07 of these By-Laws; (ii) if the Shareholder who has nominated such Shareholder Nominee has engaged in or is currently engaged in, or has been or is a "participant" in another person's, "solicitation" within the meaning of Rule 14a-1(l) under the Exchange Act in support of the election of any individual as a director at the annual meeting other than its Shareholder Nominee(s) or a nominee of the Board; (iii) who is not independent under the listing standards of the principal U.S. securities exchange upon which the common shares of the Corporation are listed, any applicable rules of the Securities and Exchange Commission and any publicly disclosed standards used by the Board of Directors in determining and disclosing independence of the Corporation's directors, in each case as determined by the Board; (iv) whose election as a member of the Board of Directors would cause the Corporation to be in violation of these By-Laws, the Certificate of Incorporation, the rules and listing standards of the principal U.S. securities exchanges upon which the common shares of the Corporation are traded, or any applicable state or federal law, rule, or regulation; (v) who is or has been, within the past three (3) years, an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914; (vi) who is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses) or has been convicted in such a criminal proceeding within the past 10 years; (vii) who is subject to any order of the type specified in Rule 506(d) of Regulation D under the Securities Act of 1933, as amended; (viii) who serves as a director at more than four other public companies; (ix) if such Shareholder Nominee or the applicable Eligible Shareholder shall have provided information to the Corporation in respect to such nomination that was untrue in any material respect or omitted to state a material fact necessary in order to make the statement made, in light of the circumstances under which they were made, not misleading, as determined by the Board of Directors or any committee thereof; or (x) the Nominating Shareholder or applicable Shareholder Nominee fails to comply with its obligations pursuant to this Section 1.10.

(j) Notwithstanding anything to the contrary set forth herein, the Board of Directors or the chairman of the meeting of shareholders shall declare a nomination by a Nominating Shareholder to be invalid, and such nomination shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the Corporation, if (i) the Shareholder Nominee(s) and/or the applicable Nominating Shareholder shall have breached any of its or their obligations, agreements, or representations under this Section 1.10, as determined by the Board of Directors or the chairman of the meeting or (ii) the Nominating Shareholder (or a qualified representative thereof) does not appear at the meeting of shareholders to present any nomination pursuant to this Section 1.10.

(k) Any Shareholder Nominee who is included in the Corporation's proxy materials for a particular annual meeting of shareholders but withdraws from or becomes ineligible or unavailable for election at any such annual meeting will be ineligible to be a Shareholder Nominee pursuant to this Section 1.10 for the next two annual meetings of shareholders.

ARTICLE 2. DIRECTORS

Section 2.01 Number. The number of directors of the Corporation shall be such number as shall be designated from time to time by resolution of the Board of Directors.

Section 2.02 Classes and Term of Office. Except as otherwise provided herein, the directors of the Corporation shall be elected at each annual meeting of the shareholders to hold office until the next year's annual meeting. Each director shall serve until his successor is elected and qualified or until his earlier death, resignation or removal.

Section 2.03 Resignations. Any director may resign at any time by giving written notice to the Board of Directors, the Chief Executive Officer or the Secretary. The resignation shall be effective upon receipt thereof or at such subsequent time as may be specified in the notice of resignation. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 2.04 Annual Meeting. Immediately after each annual election of directors, the Board of Directors shall meet for the purpose of organization, election of officers, and the transaction of other business, at the place where such election of directors was held. Notice of such meeting need not be given. In the absence of a quorum at said meeting, the same may be held at any other time and place which shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors.

Section 2.05 Regular Meetings. Regular meetings of the Board of Directors shall be held on the 3rd Tuesday of each February, May, August and November or at such other time and place as shall be designated from time to time by the Board. Notice of such meetings need not be given. If the date fixed for any such regular meeting be a legal holiday under the laws of the State where such meeting is to be held, then the same shall be held on the next succeeding secular day not a legal holiday under the laws of said State, or at such other time as may be determined by resolution of the Board. At such meetings the directors may transact such business as may be brought before the meeting.

Section 2.06 Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board, by the Chief Executive Officer or by two or more of the directors, and shall be held at such time and place as shall be designated in the call for the meeting. Notice of each special meeting shall be given by or at the direction of the person or persons authorized to call such meeting to each director at least one day prior to the day named for the meeting.

Section 2.07 Organization. Every meeting of the Board of Directors shall be presided over by the Chairman of the Board, if present, and, if not, the Chief Executive Officer, or in the absence of the Chairman of the Board and the Chief Executive Officer, a chairman chosen by a majority of the directors present. The Secretary, or in his absence, a person appointed by the chairman, shall act as secretary.

ARTICLE 3. COMMITTEES

Section 3.01 The Board of Directors may establish one or more committees to consist of one or more directors of the Corporation. Any committee, to the extent provided by the Board of Directors, shall have and may exercise all of the powers and authority of the Board of Directors except that a committee shall not have any power or authority as to the following: (i) the submission to shareholders of any action requiring approval of shareholders under the

Pennsylvania Business Corporation Law of 1988; (ii) the creation or filling of vacancies in the Board of Directors; (iii) the adoption, amendment or repeal of the By-Laws; (iv) the amendment or repeal of any resolution of the Board that by its terms is amendable or repealable only by the Board; (v) action on matters committed by the By-Laws or resolution of the Board of Directors to another committee of the Board.

ARTICLE 4. OFFICERS

Section 4.01 Number. The officers of the Corporation shall be a Chief Executive Officer, a President, a Secretary and a Treasurer, and may include a Chairman of the Board and one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as the Board of Directors may authorize from time to time.

Section 4.02 Qualifications. The Chief Executive Officer, President and Secretary shall be natural persons of full age. The Treasurer may be a corporation, but if a natural person shall be of full age.

Section 4.03 Election and Term of Office. The officers of the Corporation shall be elected or appointed by the Board of Directors and each shall serve at the pleasure of the Board.

Section 4.04 Resignations. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. The resignation shall be effective upon receipt thereof or at such subsequent time as may be specified in the notice of resignation. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.05 Chairman of the Board. If there is a Chairman of the Board, he shall preside at the meetings of the Board and at meetings of shareholders. Such Chairman of the Board shall also perform such other duties as may be specified by the Board from time to time and as do not conflict with the duties of the Chief Executive Officer.

Section 4.06 The Chief Executive Officer. The Chief Executive Officer shall be the chief executive officer of the Corporation and shall have general supervision over the business and operations of the Corporation with all such powers with respect to such business and operations as may be reasonably incident to such responsibilities, subject, however, to the control of the Board of Directors. He shall sign, execute, and acknowledge, in the name of the Corporation, deeds, mortgages, bonds, contracts, and other instruments authorized by the Board, except in cases where the signing and execution thereof shall be expressly delegated by the Board to some other officer or agent of the Corporation; and, in general, he shall perform all duties incident to the office of Chief Executive Officer, and such other duties as from time to time may be assigned to him by the Board. In addition, the Chief Executive Officer shall preside at meetings of shareholders in the absence of the Chairman of the Board and shall preside at meetings of the Board of Directors in the absence of the Chairman of the Board.

Section 4.07 The President. The President shall assist the Chief Executive Officer of the Corporation in the general supervision over the business and operations of the Corporation with all such powers with respect to the management of such business and operations as may be reasonably incident to such responsibilities, subject, however, to the control of the Board of

Directors. He may sign, execute, and acknowledge, in the name of the Corporation, deeds, mortgages, bonds, contracts, and other instruments authorized by the Board, except in cases where the signing and execution thereof shall be expressly delegated by the Board to some other officer or agent of the Corporation; and, in general, he shall perform all duties incident to the office of President, and such other duties as from time to time may be assigned to him by the Board of Directors. Unless otherwise provided by the Board of Directors or these By-Laws, the President shall exercise the powers of the Chief Executive Officer during his absence or inability to act. Any action taken by the President in the performance of the duties of the Chief Executive Officer shall be conclusive evidence of the absence or inability of the Chief Executive Officer to act at the time such action was taken. In addition, if designated by the Board of Directors, he shall preside at meetings of shareholders and directors in the absence of the Chairman of the Board and the Chief Executive Officer.

Section 4.08 The Vice Presidents. In the absence or disability of the President or when so directed by the President, any Vice President designated by the Board of Directors may perform all the duties of the President, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President; provided, however, that no Vice President shall act as a member of or as chairman of any committee of the Board of which the President is a member or chairman by designation or ex-officio, unless such Vice President is a member of the Board of Directors and has been designated expressly by the Board as the alternate to the President for purposes of service on such committee. The Vice Presidents shall perform such other duties as from time to time may be assigned to them respectively by the Board of Directors, the Chief Executive Officer, or the President.

Section 4.09 The Secretary. The Secretary shall record all the votes of the shareholders and of the directors and the minutes of the meetings of the shareholders and of the Board of Directors in a book or books to be kept for that purpose; he shall see that notices of meetings of the Board and shareholders are given and that all records and reports are properly kept and filed by the Corporation as required by law; he shall be the custodian of the seal of the Corporation and shall see that it is affixed to all documents to be executed on behalf of the Corporation under its seal; and, in general, he shall perform all duties incident to the office of Secretary, and such other duties as may from time to time be assigned to him by the Board of Directors, the Chief Executive Officer, or the President.

Section 4.10 Assistant Secretaries. In the absence or disability of the Secretary or when so directed by the Secretary, any Assistant Secretary may perform all the duties of the Secretary, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Secretary. The Assistant Secretaries shall perform such other duties as from time to time may be assigned to them respectively by the Board of Directors, the Chief Executive Officer, the President, or the Secretary.

Section 4.11 The Treasurer. The Chief Financial Officer shall perform all the duties of Treasurer if a separate Treasurer has not been designated. The Treasurer shall have charge of all receipts and disbursements of the Corporation and shall have or provide for the custody of its funds and securities; he shall have full authority to receive and give receipts for all money due and payable to the Corporation, and to endorse checks, drafts, and warrants in its name and on its behalf and to give full discharge for the same; he shall deposit all funds of the Corporation, except such as may be required for current use, in such banks or other places of deposit as the Board of Directors may from time to time designate; and, in general, he shall perform all duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him by the Board of Directors, the Chief Executive Officer, or the President.

Section 4.12 Assistant Treasurers. In the absence or disability of the Treasurer or when so directed by the Treasurer, any Assistant Treasurer may perform all the duties of the Treasurer, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Treasurer. The Assistant Treasurers shall perform such other duties as from time to time may be assigned to them respectively by the Board of Directors, the Chief Executive Officer, the President, or the Treasurer.

ARTICLE 5. INDEMNIFICATION AND LIABILITY OF DIRECTORS AND OFFICERS

Section 5.01 Personal Liability of Directors. A director of the Corporation shall not be personally liable for monetary damages for any action taken, or any failure to take any action, as a director except to the extent that by law a director’s liability for monetary damages may not be limited.

Section 5.02 Indemnification. The Corporation shall indemnify any person who was or is a party to or witness in, or is threatened to be made a party to or a witness in, any threatened, pending or completed action, suit or proceeding, including actions by or in the right of the Corporation, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director or officer of the Corporation, or is or was serving while a director or officer of the Corporation at the request of the Corporation as a director, officer, employee, agent, fiduciary or other representative of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against expenses (including attorneys’ fees), judgments, fines, excise taxes and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding unless the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.

Section 5.03 Advancement of Expenses. Expenses incurred by an officer or director of the Corporation in connection with participating in a civil or criminal action, suit or proceeding as described in Section 5.02 shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that the person is not entitled to be indemnified by the Corporation.

Section 5.04 Other Rights. The indemnification and advancement of expenses provided by or pursuant to this Article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Corporation’s Articles of Incorporation, any insurance or other agreement, vote of shareholders or directors or otherwise, both as to actions in their official capacity and as to actions in another capacity while holding an office, and shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such person.

Section 5.05 Insurance. The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of these By-Laws.

Section 5.06 Security Fund; Indemnity Agreements. By action by the Board of Directors (notwithstanding their interest in the transaction) the Corporation may create and fund a trust fund or fund of any nature, and may enter into agreements with its directors, officers, employees and agents for the purpose of securing or insuring in any manner its obligation to indemnify or advance expenses provided for in this Article.

Section 5.07 Modification. The duties of the Corporation to indemnify and to advance expenses to a director or officer provided in this Article shall be in the nature of a contract between the Corporation and each such director or officer, and no amendment or repeal of any provision of this Article, and no amendment or termination of any trust or other fund created pursuant to Section 5.06, shall alter, to the detriment of such director or officer, the right of such person to the advance of expenses or indemnification related to a claim based on an act or failure to act which took place prior to such amendment, repeal or termination.

Section 5.08 Exception. Notwithstanding anything in this Article 5 to the contrary, the Corporation shall not be obligated to indemnify any person under Section 5.02 or advance expenses under Section 5.03 with respect to an action, suit or proceeding commenced by such person, other than mandatory counterclaims, affirmative defenses or to enforce the right to indemnification under Section 5.02 or advancement of expenses under Section 5.03.

ARTICLE 6. BORROWING, DEPOSITS, PROXIES, ETC.

Section 6.01 Borrowing, etc. No officer, agent or employee of the Corporation shall have any power or authority to borrow money on its behalf, to pledge its credit, or to mortgage or pledge its real or personal property, except within the scope and to the extent of the authority delegated by resolution of the Board of Directors. Authority may be given by the Board for any of the above purposes and may be general or limited to specific instances.

Section 6.02 Deposits and Investments. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositaries, or invested in such manner, as the Board of Directors may approve or designate, and all such funds shall be withdrawn only upon checks signed by, and all such investments shall be disposed of only by, such one or more officers or employees as the Board shall from time to time determine.

Section 6.03 Proxies. Unless otherwise ordered by the Board of Directors, any officer of the Corporation may appoint an attorney or attorneys (who may be or include such officer himself), in the name and on behalf of the Corporation, to cast the votes which the Corporation may be entitled to cast as a shareholder or otherwise in any other corporation or other entity, any of whose shares or other securities are held by or for the Corporation, at meetings of the holders of the shares or other securities of such other corporation or other entity, or, in connection with the ownership of such shares or other securities, to consent in writing to any action by such other corporation or other entity, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its seal such written proxies or other instruments as the officer may deem necessary or proper in the premises.

ARTICLE 7. SHARE CERTIFICATES; TRANSFER

Section 7.01 Share Certificates. Share certificates in the form prescribed by the Board of Directors, shall be signed by the Chief Executive Officer, the President or a Vice President and by the Secretary or the Treasurer or an Assistant Secretary or an Assistant Treasurer of the Corporation, but such signatures may be facsimiles, engraved or printed. In case any officer who has signed, or whose facsimile signature has been placed upon any share certificate shall have ceased to be such officer because of death, resignation, or otherwise, before the certificate is issued, it may be issued by the Corporation with the same effect as if the officer had not ceased to be such at the date of its issue.

Section 7.02 Transfer of Shares. The Corporation or a Registrar or Transfer Agent of the Corporation shall maintain books in which the ownership and transfer of the Corporation's shares shall be definitively registered. Transfer of share certificates and the shares represented thereby shall be made only on the books of the Corporation by the owner thereof or by the owner's attorney thereunto authorized, by a power of attorney duly executed and filed with the Secretary or a Transfer Agent of the Corporation, and on surrender of the share certificates.

Section 7.03 Transfer Agent and Registrar, Regulations. The Corporation may, if and whenever the Board of Directors so determines, maintain, in the Commonwealth of Pennsylvania, or any other state of the United States, one or more transfer offices or agencies, each in charge of a Transfer Agent designated by the Board, where the shares of the Corporation shall be transferable, and also one or more registry offices, each in charge of a Registrar (which may also be a Transfer Agent) designated by the Board, where such shares shall be registered; and no certificates for shares of the Corporation in respect of which a Transfer Agent shall have been designated shall be valid unless countersigned by such Transfer Agent and no certificates for shares of the Corporation in respect of which a Registrar shall have been designated shall be valid unless registered by such Registrar. The Board may also make such additional rules and regulations as it may deem expedient concerning the issue, transfer and registration of its shares.

Section 7.04 Lost, Destroyed and Mutilated Certificates. The Board of Directors, by standing resolution or by resolutions with respect to particular cases, may authorize the issue of new share certificates in lieu of share certificates lost, destroyed or mutilated, upon such terms and conditions as the Board may direct.

ARTICLE 8. MISCELLANEOUS

Section 8.01 Non-Applicability of Certain Provisions of Law. The provisions of Section 2538(a) and Subchapters E, F, G and H of Chapter 25 of the Pennsylvania Business Corporation Law of 1988, as amended, and any corresponding provisions of succeeding law, shall not be applicable to the Corporation.

Section 8.02 Fiscal Year. The fiscal year of the Corporation ends on the 31st day of January in each year.

ARTICLE 9. AMENDMENTS

Section 9.01 Except as otherwise provided by the Business Corporation Law of 1988, the authority to adopt, amend and repeal these By-Laws is expressly vested in the Board of Directors, subject to the power of the shareholders to change such action. No provision of these By-Laws shall vest any property right in any shareholder as such.

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Richard A. Hayne, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Urban Outfitters, Inc.;

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4. The registrant's other certifying officer 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and 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 report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this 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 affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer 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 the 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 control 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.

Date: December 12, 2016

By: /S/ RICHARD A. HAYNE

Richard A. Hayne
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Francis J. Conforti, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Urban Outfitters, Inc.;

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4. The registrant's other certifying officer 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and 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 report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this 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 affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer 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 the 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 control 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.

Date: December 12, 2016

By: /S/ FRANCIS J. CONFORTI
Francis J. Conforti
Chief Financial Officer
(Principal 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

I, Richard A. Hayne, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that (1) the Form 10-Q of Urban Outfitters, Inc. (the “Company”) for the three month period ended October 31, 2016, as filed with the Securities and Exchange Commission (the “Form 10-Q”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and (2) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 12, 2016

By: /S/ RICHARD A. HAYNE

Richard A. Hayne
Chief Executive Officer
(Principal Executive Officer)

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**

I, Francis J. Conforti, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that (1) the Form 10-Q of Urban Outfitters, Inc. (the "Company") for the three month period ended October 31, 2016, as filed with the Securities and Exchange Commission (the "Form 10-Q"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and (2) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 12, 2016

By: /S/ FRANCIS J. CONFORTI

Francis J. Conforti
Chief Financial Officer
(Principal Financial Officer)