

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

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

Date of Report (Date of earliest event reported) November 7, 2006

URBAN OUTFITTERS, INC.

(Exact Name of Registrant as Specified in its Charter)

Pennsylvania
(State or other jurisdiction
of incorporation)

000-22754
(Commission File Number)

23-2003332
(IRS Employer
Identification No.)

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

19112
(Zip Code)

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

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4))

Item 2.02. Results of Operations and Financial Condition

On November 7, 2006, the Company issued a sales release, which is attached hereto as Exhibit 99.1 and incorporated herein by reference. The sales release disclosed material non-public information regarding the Company's sales for the three and nine months ended October 31, 2006.

In addition, on November 9, 2006, the Company issued an earnings release, which is attached hereto as Exhibit 99.2 and incorporated herein by reference. The earnings release disclosed material non-public information regarding the Company's earnings for the three and nine months ended October 31, 2006.

Item 9.01. Financial Statements and Exhibits

99.1 Sales Release dated November 7, 2006 – Sales for the three and nine months ended October 31, 2006.

99.2 Earnings Release dated November 9, 2006 – Operating results for the three and nine months ended October 31, 2006.

SIGNATURE

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

URBAN OUTFITTERS, INC.

Date: November 13, 2006

By: /s/ John E. Kyees

John E. Kyees

Chief Financial Officer

Exhibit Index

Exhibit No.	Description
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EX-99.1	Sales Release dated November 7, 2006 – Sales for the three and nine months ended October 31, 2006.
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EX-99.2	Earnings Release dated November 9, 2006 – Operating results for the three and nine months ended October 31, 2006.
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URBAN OUTFITTERS, INC.
Philadelphia, PA – November 7, 2006

For Immediate Release

Contact: John E. Kyees
 Chief Financial Officer
 (215) 454-5500

Urban Outfitters Reports Q3 Sales Up 7%

Urban Outfitters, Inc. (NASDAQ:URBN), a leading lifestyle consumer products company operating under the Anthropologie, Free People and Urban Outfitters brands, today announced sales for the three and nine months ended October 31, 2006.

Total sales for the third quarter increased by 7% over the same period last year to \$308.4 million. The growth was primarily driven by a 24% increase in the total number of stores in operation. These new and non-comparable stores added \$35.1 million in sales during the period. Also contributing to the increase was a 15% increase in Free People Wholesale sales and a 17% rise in direct-to-consumer sales through the Company's catalogs and web sites.

These factors more than offset a 10% decrease in total Company comparable store sales during the third quarter. By brand, 'comp' store sales decreased by 10% at Anthropologie, 10% at Urban Outfitters and increased by 9% at Free People. In the prior year's third quarter, 'comps' rose by 13% and, by brand, increased by 7%, 19% and 21%, respectively.

"Our Urban European stores continued to significantly exceed their sales plan while both Free People Wholesale and our direct-to-consumer business saw very positive sales increases, as well," said Richard A. Hayne, Chairman and President. "We see a steady increase in the number of our customers who are embracing the new fashion silhouette and believe this trend augurs well for our future sales. Even though total 'comp' store sales improved throughout the quarter, they continue to trail last year's level so our objective is to manage inventory levels tightly and control operating expenses to maintain healthy operating margins," Mr. Hayne added.

Net sales for the three and nine months were as follows:

	Three months ended October 31,		Nine months ended October 31,	
	2006	2005	2006	2005
	<i>(in thousands)</i>		<i>(in thousands)</i>	
Urban Outfitters store sales	\$ 143,510	\$ 137,483	\$ 386,232	\$ 363,901
Anthropologie store sales	106,093	101,410	313,761	279,320
Direct-to-consumer sales	36,070	30,921	101,074	87,916
Free People sales	22,682	18,987	62,854	42,381
Total net sales	<u>\$ 308,355</u>	<u>\$ 288,801</u>	<u>\$ 863,921</u>	<u>\$ 773,518</u>

Management expects to release financial results for the three and nine months ended October 31, 2006 on November 9, 2006. During the third quarter, the Company opened 4 new Urban Outfitters stores, 4 Anthropologie stores and 1 Free People store. The Company has opened a total of 22 new stores thus far this fiscal year and expects to open a total of 32 to 33 new stores during the full year.

Urban Outfitters, Inc. is an innovative specialty retailer and wholesaler which offers a variety of lifestyle merchandise to highly defined customer niches through 102 Urban Outfitters stores in the United States, Canada, and Europe, an Urban Outfitters web site and catalog; 87 Anthropologie stores in the United States; an Anthropologie web site and catalog, and Free People, the Company's wholesale segment, which sells its product to approximately 1,500 specialty stores, department stores and catalogs, as well as through 8 Free People stores, a web site and catalog.

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

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URBAN OUTFITTERS, INC.
Third Quarter Results
Philadelphia, PA – November 9, 2006

For Immediate Release

Contact: John E. Kyees
 Chief Financial Officer
 (215) 454-5500

Urban Outfitters Reports Q3 Earnings

Urban Outfitters, Inc. (NASDAQ:URBN), a leading lifestyle consumer products company operating under the Anthropologie, Free People and Urban Outfitters brands, today announced earnings of \$34.5 million and \$80.5 million for the three and nine months ended October 31, 2006, respectively. Earnings per diluted share were \$0.21 for the quarter and \$0.48 for the nine months.

As stated in the Company's previous sales release on November 7, 2006, net sales for the quarter increased by 7%, to \$308.4 million. The growth was primarily driven by a 24% increase in the number of stores in operation contributing to new and non-comparable stores sales gains of \$35.6 million, a 15% increase in Free People Wholesale sales and a 17% rise in direct-to-consumer sales through the Company's catalogs and web sites.

These factors offset a 10% decrease in total Company comparable store sales during the third quarter. By brand, 'comp' store sales decreased by 10% at Anthropologie, 10% at Urban Outfitters and increased by 9% at Free People. In the prior year's third quarter, 'comps' at these brands increased by 7%, 19% and 21%, respectively, and total Company 'comps' rose by 13%.

"I see significant opportunity for our brands in the coming quarters," stated Richard A. Hayne, Chairman and President. "More customers are embracing the new fashion silhouette, we begin to anniversary weaker 'comp' store sales and we continue to make headway on improving our fashion offering. In addition, we enter the fourth quarter with appropriately conservative inventory levels, store related operating expenses are tightly controlled and our new store opening schedule is on-track for our two largest brands," added Mr. Hayne.

Net sales for the three and nine months were as follows:

	Three months ended		Nine months ended	
	October 31,		October 31,	
	2006	2005	2006	2005
	<i>(in thousands)</i>		<i>(in thousands)</i>	
Urban Outfitters store sales	\$ 143,510	\$ 137,483	\$ 386,232	\$ 363,901
Anthropologie store sales	106,093	101,410	313,761	279,320
Direct-to-consumer sales	36,070	30,921	101,074	87,916
Free People sales	22,682	18,987	62,854	42,381
Total net sales	<u>\$ 308,355</u>	<u>\$ 288,801</u>	<u>\$ 863,921</u>	<u>\$ 773,518</u>

For the three and nine months ended October 31, 2006, gross profit margins decreased by 339 basis points and 474 basis points, respectively, versus the prior year's comparable periods. These reductions were primarily due to a higher rate of fixed store occupancy expense caused by 'comp' store sales decreases, additional markdowns to clear seasonal inventories and increases in inventory related valuation reserves.

As of October 31, 2006, total Company inventories grew by \$9.4 million or 5.5% on a year-over-year basis. The acquisition of inventory to stock new retail stores was the primary factor for this increase. Total comparable store inventories fell by 13.2%.

For the three and nine months ended October 31, 2006, selling, general and administrative expenses, expressed as a percentage of net sales, increased by 288 and 189 basis points, respectively, versus the same periods last year. The increase was primarily caused by the effect of 'comp' store sales declines on fixed store related expenses and the anniversary of a one-time gain on the sale of property of \$1.6 million (55 and 21 basis point impact for the quarter and year, respectively) which occurred during the third quarter of last fiscal year.

As well during the third quarter, the Company's annual effective tax rate improved by approximately 450 basis points based upon receipt of certification for work performed on the development of its new offices that qualifies for certain one-time federal tax incentives. The Company believes it will receive an additional and similar one-time benefit that it can realize upon further certification of additional work related to the same project, for which it has not yet applied. The Company anticipates it will recognize the additional benefit during the fourth quarter of this fiscal year or early next fiscal year. For the three and nine months, the adjustment impacted net income by \$4.4 million. Without the adjustment, diluted earnings per share would have been \$0.18 and \$0.45 for the quarter and nine months ended October 31, 2006, respectively.

The Company plans to open a total of 32-33 new stores by the end of the current fiscal year. During the first nine months of this fiscal year, the Company has opened 22 new stores.

Urban Outfitters, Inc. is an innovative specialty retailer and wholesaler which offers a variety of lifestyle merchandise to highly defined customer niches through 102 Urban Outfitters stores in the United States, Canada, and Europe, an Urban Outfitters web site and catalog; 87 Anthropologie stores in the United States; an Anthropologie web site and catalog, and Free People, the Company's wholesale segment, which sells its product to approximately 1,500 specialty stores, department stores and catalogs, as well as through 8 Free People stores, a web site and catalog, as of October 31, 2006.

A conference call will be held today to discuss third quarter results and will be web cast at 11:00 a.m. EST on:
http://ir.urbanoutfittersinc.com/ireye/ir_site.zhtml?ticker=URBN&script=1010&item_id=1411158

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

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(Tables follow)

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

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2006	2005	2006	2005
Net sales	\$ 308,355	\$ 288,801	\$ 863,921	\$ 773,518
Cost of sales, including certain buying, distribution and occupancy costs	190,407	168,550	544,453	450,814
Gross profit	117,948	120,251	319,468	322,704
Selling, general and administrative expenses	72,484	59,592	203,744	167,802
Income from operations	45,464	60,659	115,724	154,902
Other income, net	1,365	1,021	4,527	3,111
Income before income taxes	46,829	61,680	120,251	158,013
Income tax expense	12,315	24,518	39,776	62,810
Net income	<u>\$ 34,514</u>	<u>\$ 37,162</u>	<u>\$ 80,475</u>	<u>\$ 95,203</u>
Net income per common share:				
Basic	<u>\$ 0.21</u>	<u>\$ 0.23</u>	<u>\$ 0.49</u>	<u>\$ 0.58</u>
Diluted	<u>\$ 0.21</u>	<u>\$ 0.22</u>	<u>\$ 0.48</u>	<u>\$ 0.56</u>
Weighted average common shares and common share equivalents outstanding:				
Basic	<u>164,707,980</u>	<u>163,953,135</u>	<u>164,760,387</u>	<u>163,698,505</u>
Diluted	<u>168,306,967</u>	<u>170,328,859</u>	<u>168,675,078</u>	<u>169,934,178</u>
AS A PERCENT OF NET SALES:				
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales, including certain buying, distribution and occupancy costs	61.8%	58.4%	63.0%	58.3%
Gross profit	38.2%	41.6%	37.0%	41.7%
Selling, general and administrative expenses	23.5%	20.6%	23.6%	21.7%
Income from operations	14.7%	21.0%	13.4%	20.0%
Other income, net	0.5%	0.4%	0.5%	0.4%
Income before income taxes	15.2%	21.4%	13.9%	20.4%
Income tax expense	4.0%	8.5%	4.6%	8.1%
Net income	<u>11.2%</u>	<u>12.9%</u>	<u>9.3%</u>	<u>12.3%</u>

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

	October 31, 2006	January 31, 2006	October 31, 2005
Assets			
Current assets:			
Cash and cash equivalents	\$ 30,544	\$ 49,912	\$ 20,067
Marketable securities	96,048	141,883	136,273
Accounts receivable, net of allowance for doubtful accounts of \$1,238, \$445 and \$855, respectively	19,553	14,324	18,509
Inventories	179,592	140,377	170,232
Prepaid expenses, deferred taxes and other current assets	33,197	38,687	27,170
Total current assets	<u>358,934</u>	<u>385,183</u>	<u>372,251</u>
Property and equipment, net	426,430	299,291	255,091
Marketable securities	58,636	64,748	65,946
Deferred income taxes and other assets	21,204	19,983	17,165
	<u>\$865,204</u>	<u>\$ 769,205</u>	<u>\$ 710,453</u>
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable	\$ 61,988	\$ 41,291	\$ 53,299
Accrued expenses, accrued compensation and other current liabilities	88,015	92,217	74,409
Total current liabilities	<u>150,003</u>	<u>133,508</u>	<u>127,708</u>
Deferred rent and other liabilities	80,626	74,817	66,392
Total liabilities	<u>230,629</u>	<u>208,325</u>	<u>194,100</u>
Shareholders' equity:			
Preferred shares; \$.0001 par value, 10,000,000 shares authorized, none issued	—	—	—
Common shares; \$.0001 par value, 200,000,000 shares authorized, 164,663,037, 164,831,477 and 164,434,327 issued and outstanding, respectively	17	16	17
Additional paid-in capital	124,970	134,146	125,125
Retained earnings	506,665	426,190	390,597
Accumulated other comprehensive income	2,923	528	614
Total shareholders' equity	<u>634,575</u>	<u>560,880</u>	<u>516,353</u>
	<u>\$865,204</u>	<u>\$ 769,205</u>	<u>\$ 710,453</u>

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

	Nine Months Ended October 31,	
	2006	2005
Cash flows from operating activities:		
Net income	\$ 80,475	\$ 95,203
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	39,239	28,483
Excess tax benefits from stock-based compensation	(5,014)	—
Stock-based compensation expense	2,515	862
Loss (gain) on disposition of property and equipment, net	1,236	(1,562)
Changes in assets and liabilities:		
Increase in receivables	(5,178)	(10,187)
Increase in inventories	(38,694)	(71,546)
Decrease (increase) in prepaid expenses and other assets	4,720	(7,628)
Increase in payables, accrued expenses and other liabilities	30,686	34,076
Net cash provided by operating activities	109,985	67,701
Cash flows from investing activities:		
Cash paid for property and equipment	(168,243)	(78,093)
Proceeds from disposition of building	—	3,769
Purchases of marketable securities	(114,913)	(396,716)
Sales and maturities of marketable securities	165,724	381,854
Net cash used in investing activities	(117,432)	(89,186)
Cash flows from financing activities:		
Exercise of stock options	4,430	11,937
Excess tax benefits from stock-based compensation	5,014	—
Share repurchases	(20,801)	—
Net cash (used in) provided by financing activities	(11,357)	11,937
Effect of exchange rate changes on cash and cash equivalents	(564)	(116)
Decrease in cash and cash equivalents	(19,368)	(9,664)
Cash and cash equivalents at beginning of period	49,912	29,731
Cash and cash equivalents at end of period	\$ 30,544	\$ 20,067