SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended October 31, 2002

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______________ to ______________

Commission File Number 0-16999

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

PENNSYLVANIA	23-2003332
(State or Other Jurisdiction of Incorporation of Organization)	(I.R.S. Employer Identification No.)
1809 Walnut Street, Philadelphia, PA	19103
(Address of Principal Executive Offices)	(Zip Code)

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

N/A
(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes X No

Title of Each Class of Common Stock	Number of Shares Outstanding at December 6, 2002
Common Shares, par value, $.0001 per share	19,381,336

INDEX

URBAN OUTFITTERS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)
(Unaudited)

	October 31, 2002	January 31, 2002	October 31, 2001
ASSETS			
Current assets:			
Cash and cash equivalents	$ 51,555	$ 28,251	$ 7,531
Marketable securities	3,755	32	42
Accounts receivable, net of allowance for doubtful accounts of $658, $562, and $594, respectively	6,265	4,129	5,352
Inventories	56,518	41,086	54,258
Prepaid expenses, deferred taxes and other current assets	8,940	8,651	7,774
Total current assets	127,033	82,149	74,957
Property and equipment, net	111,841	105,505	103,581
Marketable securities	24,230	-	-
Deferred taxes and other assets	9,077	7,448	6,127
	$ 272,181	$ 195,102	$ 184,665
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	$ 26,214	$ 20,838	$ 23,439
Accrued expenses, accrued compensation and other current liabilities	23,488	19,992	14,881
Total current liabilities	49,702	40,830	38,320
Deferred rent	9,418	8,384	7,497
Total liabilities	59,120	49,214	45,817
Commitments and contingencies (See Note 6)			
Shareholders' equity:			
Preferred shares; $.0001 par value, 10,000,000 shares authorized, none issued	-	-	-
Common shares; $.0001 par value, 50,000,000 shares authorized, 19,262,736, 17,352,886, and 17,264,486 issued and outstanding, respectively	2	2	2
Additional paid-in capital	64,844	17,872	16,374
Retained earnings	148,152	129,116	123,345
Accumulated other comprehensive income (loss)	63	(1,102)	(873)
Total shareholders' equity	213,061	145,888	138,848
	$ 272,181	$ 195,102	$ 184,665

See accompanying notes

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,	
	2002	2001	2002	2001
Net sales	$ 110,106	$ 92,859	$ 305,181	$ 245,088
Cost of sales, including certain buying, distribution and occupancy costs	70,932	61,615	198,080	166,340
Gross profit	39,174	31,244	107,101	78,748
Selling, general and administrative expenses	26,082	22,875	75,293	62,884
Income from operations	13,092	8,369	31,808	15,864
Other income (expense), net	397	(87)	185	(341)
Income before income taxes	13,489	8,282	31,993	15,523
Income tax expense	5,463	3,354	12,957	6,287
Net income	$ 8,026	$ 4,928	$ 19,036	$ 9,236
Net income per common share:				
Basic	$ 0.42	$ 0.29	$ 1.02	$ 0.54
Diluted	$ 0.41	$ 0.28	$ 0.99	$ 0.53
Weighted average common shares and common share equivalents outstanding:				
Basic	19,237,324	17,263,712	18,663,442	17,259,402
Diluted	19,680,441	17,361,188	19,223,047	17,310,375

See accompanying notes

URBAN OUTFITTERS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands, except share data)
(Unaudited)

	Comprehensive Income		Common Shares					
	Quarter	Year-to-Date	Number of Shares	Par Value	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balances at February 1, 2002			17,352,886	$ 2	$17,872	$129,116	$(1,102)	$145,888
Net income	$8,026	$19,036				19,036		19,036
Foreign currency translation adjustments, net	50	1,165					1,165	1,165
Comprehensive income	$8,076	$20,201						
Stock issued for cash, net of issuance costs			1,600,000		41,546			41,546
Exercise of stock options			309,850		3,819			3,819
Tax benefit of stock option exercises					1,607			1,607
Balances at October 31, 2002			19,262,736	$ 2	$64,844	$148,152	$ 63	$213,061
Balances at February 1, 2001			17,253,486	$ 2	$16,268	$114,109	(767)	$129,612
Net income	$4,928	$ 9,236				9,236		9,236
Foreign currency translation adjustments, net	226	(131)					(131)	(131)
Change in unrealized net losses on marketable securities	-	25					25	25
Comprehensive income	$5,154	$ 9,130						
Exercise of stock options			11,000		106			106
Balances at October 31, 2001			17,264,486	$ 2	$16,374	$123,345	$ (873)	$138,848

See accompanying notes

URBAN OUTFITTERS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Nine months ended October 31, 2002	Nine months ended October 31, 2001
Cash flows from operating activities:		
Net income	$ 19,036	$ 9,236
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	13,264	11,433
Tax benefit of stock option exercises	1,607	-
Changes in assets and liabilities:		
Increase in receivables	(2,121)	(1,910)
Increase in inventories	(15,275)	(19,482)
(Increase) decrease in prepaid expenses and other assets	(1,909)	2,060
Increase in payables, accrued expenses and other liabilities	8,046	5,823
Net cash provided by operating activities	22,648	7,160
Cash flows from investing activities:		
Capital expenditures	(16,918)	(16,260)
Purchases of marketable securities	(45,209)	-
Sales and maturities of marketable securities	17,100	297
Net cash used in investing activities	(45,027)	(15,963)
Cash flows from financing activities:		
Exercise of stock options	3,819	106
Issuance of common shares, net of issuance costs	41,546	-
Net cash provided by financing activities	45,365	106
Effect of exchange rate changes on cash and cash equivalents	318	(58)
Increase (decrease) in cash and cash equivalents	23,304	(8,755)
Cash and cash equivalents at beginning of period	28,251	16,286
Cash and cash equivalents at end of period	$ 51,555	$ 7,531

See accompanying notes

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The results of operations for the three and nine months ended October 31, 2002 are not necessarily indicative of the results to be expected for the full year. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2002, filed with the Securities and Exchange Commission on March 22, 2002.

2. Public Offering

In April 2002, the Company completed a public offering of 1.6 million shares of its common stock at a price of $28.00 per share. The Company received net proceeds of approximately $41.5 million from the offering. In conjunction with the offering, certain selling shareholders exercised options which resulted in additional cash proceeds of approximately $1.5 million.

3. Recent Accounting Pronouncements

In August 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," which establishes a single accounting model, based on the framework established in SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," and resolves significant implementation issues related to SFAS No. 121. SFAS No. 144 superceded SFAS No. 121 and Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations - Reporting the Effects of a Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." The adoption of SFAS No. 144 on February 1, 2002 did not have an impact on the Company's financial position or results of operations.

In July 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 supercedes Emerging Issues Task Force Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)," and is effective for transactions initiated after December 31, 2002. Under SFAS No. 146, a company will record a liability for a cost associated with an exit or disposal activity when that liability is incurred and can be measured at fair value. A liability is incurred when an event obligates the entity to transfer or use assets. The Company does not believe that the adoption of this statement will have a material impact on its financial position or its results of operations.

4. Marketable Securities

All marketable securities are carried at fair value, which approximates cost, and are classified as available-for-sale. Unrealized gains and losses on these securities are excluded from earnings and are reported as a separate component of shareholders' equity, net of applicable taxes, until realized. Unrealized gains and losses have not been material. When available-for-sale securities are sold, the cost of the securities is specifically identified and is used to determine the realized gain or loss.

5. Line of Credit

On September 11, 2002, the Company renewed and amended its line of credit facility (the "Line") with one of its banks. The Line, which renewed and amended the Company's $25.0 million committed line of credit with the bank, is a one-year $30.0 million committed line of credit to fund working capital requirements and letters of credit. The Line was further amended on November 15, 2002 to add another bank who will participate in the Line. The Line contains a sublimit for borrowings by the Company's European subsidiaries and is guaranteed, as defined, by the Company. Cash advances bear interest at LIBOR plus 1.25% to 1.75% based upon the Company's achievement of prescribed adjusted debt ratios. The agreement subjects the Company to various restrictive covenants, including maintenance of certain financial ratios such as a fixed charge coverage ratio, adjusted debt ratio and minimum tangible net worth and limits the Company's capital expenditures and share repurchases and prohibits the payment of cash dividends on common stock. At October 31, 2002, the Company was in compliance with all covenants under the existing facility. As of and during the nine months ended October 31, 2002, there were no borrowings. Outstanding letters of credit and standby letters of credit were $12.0 million, $9.4 million and $11.6 million at October 31, 2002, January 31, 2002 and October 31, 2001, respectively.

6. Commitments and Contingencies

On August 21, 2002, Edward M. Wolkowitz, Chapter 7 Trustee for MXG Media, Inc. ("MXG"), filed a complaint in the U.S. Bankruptcy Court in the Central District of California naming the Company, Richard A. Hayne and two other individuals as defendants. Mr. Hayne and the other individual defendants had served as directors of MXG prior to its institution of bankruptcy proceedings. The claim alleges that payments made by MXG to the Company in connection with the repayment of outstanding promissory notes were fraudulent transfers or voidable preferences, and that Mr. Hayne and the other individuals named in the complaint violated their fiduciary duties as directors of MXG in authorizing the payments. The plaintiff has requested relief of approximately $8.0 million, as well as exemplary damages in an unspecified amount. The Company believes the claim is without merit and intends to defend it vigorously.

The Company is also party to other 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 the Company's financial position or results of operations.

7. Net Income Per Share

The difference between the number of weighted average common shares outstanding used for basic net income per share and the number used for diluted net income per share represents the share effect of dilutive stock options.

Options to purchase 163,950 and 975,700 shares were outstanding at October 31, 2002 and 2001, respectively, but were not included in the computation of earnings per share for the three months ended October 31, 2002 and 2001, respectively, because their effect would be antidilutive.

Options to purchase 57,500 and 1,451,700 shares were outstanding at October 31, 2002 and 2001, respectively, but were not included in the computation of earnings per share for the nine months ended October 31, 2002 and 2001, respectively, because their effect would be antidilutive.

8. Segment Reporting

The Company is a national retailer of lifestyle-oriented general merchandise through 91 stores operating under the retail names "Urban Outfitters," "Anthropologie," and "Free People" and through a catalog and two web sites. Sales from this retail segment accounted for over 90% of total consolidated sales for the fiscal year ended January 31, 2002. The remainder is derived from Free People's wholesale division that manufactures and distributes apparel to the retail segment and to approximately 1,100 better specialty retailers worldwide.

The Company has aggregated its operations into these two reportable segments based upon their unique 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 pretax income from operations (excluding intercompany royalty and interest charges) of the segment. Corporate expenses include expenses incurred in and directed by the corporate office that are not allocated to segments. The principal identifiable assets for each operating segment are inventory and fixed assets. Other assets are comprised primarily of general corporate assets, which principally consist of cash and cash equivalents, marketable securities, accounts receivable and other assets. The Company accounts for intersegment sales and transfers as if the sales and transfers were made to third parties making similar volume purchases.

Both the retail and wholesale segment are highly diversified. No customer comprises more than 10% of sales. Foreign operations are not material relative to the Company's overall operations. Certain prior period amounts have been restated to conform to the current period's presentation.

	(in thousands)			
	Three months ended October 31,		Nine months ended October 31,	
	2002	2001	2002	2001
Net sales				
Retail operations	$103,790	$86,599	$289,541	$229,817
Wholesale operations	7,122	9,105	18,161	20,965
Intersegment elimination	(806)	(2,845)	(2,521)	(5,694)
Total net sales	$110,106	$92,859	$305,181	$245,088
Income from operations				
Retail operations	$ 13,311	$ 8,942	$ 32,964	$ 17,511
Wholesale operations	406	778	1,524	1,821
Intersegment elimination	(140)	(646)	(471)	(1,255)
Total segment operating income	13,577	9,074	34,017	18,077
General corporate expenses	(485)	(705)	(2,209)	(2,213)
Total income from operations	$ 13,092	$ 8,369	$ 31,808	$ 15,864

	October 31, 2002	January 31, 2002	October 31, 2001
Property and equipment, net			
Retail operations	$111,053	$104,656	$102,649
Wholesale operations	788	849	932
Total property and equipment, net	$111,841	$105,505	$103,581
Inventories			
Retail operations	$ 54,450	$ 39,014	$ 52,606
Wholesale operations	2,068	2,072	1,652
Total inventories	$ 56,518	$ 41,086	$ 54,258

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

GENERAL

This Securities and Exchange Commission filing 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. When used in this Form 10-Q, the words "project," "believe," "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, 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. Further information about these and other factors may be found in other filings the Company has made with the Securities and Exchange Commission. The Company cautions that the foregoing list of factors is not intended to be, and is not, exhaustive. 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.

As of the date of this filing, the Company has opened seven new Anthropologie stores, three new Urban Outfitters stores, and the first Free People store, which serves as a marketing tool to showcase the Wholesale collection. Management plans to open two additional stores during the remainder of the fiscal year.

RESULTS OF OPERATIONS

The Company's fiscal year ends on January 31. All references in this discussion to fiscal years of the Company refer to the fiscal years ended on January 31 in those years. For example, the Company's Fiscal 2003 will end on January 31, 2003. This discussion of results of operations addresses the third quarter and the first nine months of Fiscal 2003.

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

	Three months ended October 31,		Nine months ended October 31,	
	2002	2001	2002	2001
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales, including certain buying, distribution and occupancy costs	64.4%	66.4%	64.9%	67.9%
Gross profit	35.6%	33.6%	35.1%	32.1%
Selling, general and administrative expenses	23.7%	24.6%	24.7%	25.7%
Income from operations	11.9%	9.0%	10.4%	6.4%
Other income (expense), net	0.4%	(0.1%)	0.1%	(0.1%)
Income before income taxes	12.3%	8.9%	10.5%	6.3%
Income tax expense	5.0%	3.6%	4.3%	2.6%
Net income	7.3%	5.3%	6.2%	3.7%

THREE MONTHS ENDED OCTOBER 31, 2002 COMPARED TO THREE MONTHS ENDED OCTOBER 31, 2001

Net sales increased by 18.6% during the three months ended October 31, 2002 to $110.1 million from $92.9 million for the comparable quarter last year. The $17.2 million increase over the prior year's third quarter was primarily the result of a $7.9 million, or 10.4%, comparable store sales increase along with a $7.0 million increase in the sales of noncomparable and new stores. In addition, direct-to-consumer sales contributed $2.2 million of sales increases in the quarter, while Free People wholesale sales contributed $0.1 million. Comparable store sales increased by 7.7% for Urban Outfitters, which is referred to as Urban Retail, and increased by 15.1% for Anthropologie. Comparable store sales increases were principally the result of increases in the number of transactions and in the average unit sales price, which more than offset a modest decrease in the number of items purchased per transaction. The increase in net sales attributable to noncomparable and new stores was due to the ten stores opened since August 1, 2001. Direct-to-consumer sales, during the three months ended October 31, 2002, increased 33.9% over the comparable quarter last year as a result of an increase in circulation of the Anthropologie catalog this quarter and the continued strength in urbn.com sales.

The Company's gross profit margin, expressed as a percentage of sales, increased to 35.6% for the three months ended October 31, 2002 from 33.6% for the comparable quarter last year. This increase was primarily generated by better merchandise margins attributable to improved sourcing company-wide and the increased proportion of private label sales for Anthropologie, offset in part by an increase in seasonal markdowns. These factors, expressed as a percentage of sales, combined to increase gross profit by 1.6%. Additionally, leveraging of the Company's occupancy expenses, caused by the comparable store sales increase, accounted for another 0.5% of the increase in gross profit, expressed as a percentage of sales.

Selling, general and administrative expenses, expressed as a percentage of sales, decreased to 23.7% from 24.6% for the three months ended October 31, 2002 versus the comparable quarter last year. This improvement was primarily attributable to the leveraging of store-level expenses as a result of the increase in comparable store sales and increased efficiencies in the direct-to-consumer operations.

Net income for the three months ended October 31, 2002 was $8.0 million or $0.41 per diluted share versus $4.9 million or $0.28 per diluted share for the comparable quarter last year.

NINE MONTHS ENDED OCTOBER 31, 2002 COMPARED TO
NINE MONTHS ENDED OCTOBER 31, 2001

Net sales increased by 24.5% during the nine months ended October 31, 2002 to $305.2 million from $245.1 million for the comparable period last year. The $60.1 million increase over the prior year period was primarily the result of noncomparable and new store sales increases of $29.2 million, comparable store sales increases of $25.0 million or 12.5% and direct-to-consumer sales increases of $5.5 million. Additionally, Free People wholesale sales contributed $0.4 million of sales increases in the nine-month period. The increase in net sales attributable to noncomparable and new stores was caused by the opening of four new stores during the first nine months of Fiscal 2003 and eleven new stores in Fiscal 2002 which were noncomparable for the first nine months of Fiscal 2003. Comparable store sales increases were comprised of an 8.4% increase for Urban Retail and a 19.1% increase for Anthropologie. Comparable store sales increases were principally the result of increases in the number of transactions and in the average unit sales price, which more than offset a decrease in the number of items purchased per transaction. Direct-to-consumer sales increased 32.5% over the prior year period due to increased customer response and an increase in circulation, including the circulation of a new Anthropologie "Summer Essentials" catalog this year, and the continued strength in urbn.com sales. Free People's wholesale segment experienced an increase in sales of its Summer goods which were offset by a decrease in Fall sweater shipments compared to last year.

The Company's gross profit margin for the nine months ended October 31, 2002, expressed as a percentage of sales, increased to 35.1% from 32.1% for the comparable period last year. This increase was primarily caused by improvements to the initial cost of goods and decreased markdown requirements, which together increased gross profit, expressed as a percentage of sales, by 2.5%. Additionally, leveraging of the Company's occupancy expenses caused by the comparable store sales increase accounted for another 0.8% of the increase in gross profit, expressed as a percentage of sales.

Selling, general and administrative expenses, expressed as a percentage of sales, decreased to 24.7% from 25.7% for the nine months ended October 31, 2002 versus the comparable period in the prior year. This improvement was primarily attributable to the leveraging of store-level expenses as a result of the increases in comparable store sales and increased efficiencies in the direct-to-consumer operations.

Net income for the nine months ended October 31, 2002 was $19.0 million or $0.99 per diluted share compared to $9.2 million or $0.53 per diluted share for the comparable period in the prior year.

LIQUIDITY AND CAPITAL RESOURCES

Cash, cash equivalents and marketable securities were $79.5 million at October 31, 2002, as compared to $28.3 million at January 31, 2002 and $7.6 million at October 31, 2001. Increases in cash, cash equivalents and marketable securities were primarily a result of the Company's successful public offering of 1.6 million of its common shares during the first quarter of Fiscal 2003. The Company's net working capital was $77.3 million at October 31, 2002, as compared to $41.3 million at January 31, 2002 and $36.6 million at October 31, 2001.

Total inventories at October 31, 2002 increased by 4.2% versus the comparable period end last year, principally attributable to the increase in the number of new retail stores. Comparable store inventories at October 31, 2002 were 6.6% lower than last year's levels. Management believes that current inventory levels are appropriate.

The Company expects that capital expenditures for the current year will not exceed $28 million. The primary uses of cash will be to open new stores and to purchase inventories. The Company believes that existing cash and investments at October 31, 2002, together with future cash from operations and available credit under the Company's line of credit facility will be sufficient to meet the Company's cash needs for the next three years.

Accrued expenses, accrued compensation and other current liabilities increased to $23.5 million as of October 31, 2002 from $14.9 million at October 31, 2001. The increase in accrued expenses and other current liabilities is due to increases related to new store construction in progress, increased incentive compensation accruals associated with improved profitability and the timing of payments on other operating accruals.

Additional paid-in-capital increased to $64.8 million as of October 31, 2002 from $16.4 million at October 31, 2001. This increase was primarily the result of the Company's completed public offering during the first quarter of Fiscal 2003 of 1.6 million of its common shares, which generated approximately $41.5 million, net of issuance costs. Additionally, option exercises since October 31, 2001 generated another $6.9 million, including the estimated tax benefit related to the exercises. These monies will be used, in part, to fund additional new store openings.

On September 11, 2002, the Company renewed and amended its line of credit facility (the "Line") with one of its banks. The Line, which renewed and amended the Company's $25.0 million committed line of credit with the bank, is a one-year $30.0 million committed line of credit to fund working capital requirements and letters of credit. The Line was further amended on November 15, 2002 to add another bank who will participate in the Line. The Line contains a sublimit for borrowings by the Company's European subsidiaries and is guaranteed, as defined, by the Company. Cash advances bear interest at LIBOR plus 1.25% to 1.75% based upon the Company's achievement of prescribed adjusted debt ratios. The agreement subjects the Company to various restrictive covenants, including maintenance of certain financial ratios such as a fixed charge coverage ratio, adjusted debt ratio and minimum tangible net worth and limits the Company's capital expenditures and share repurchases and prohibits the payment of cash dividends on common stock. At October 31, 2002, the Company was in compliance with all covenants under the existing facility. As of and during the nine months ended October 31, 2002, there were no borrowings. Outstanding letters of credit and standby letters of credit were $12.0 million, $9.4 million and $11.6 million at October 31, 2002, January 31, 2002 and October 31, 2001, respectively.

OTHER MATTERS

Recent Accounting Pronouncements

In August 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," which establishes a single accounting model, based on the framework established in SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," and resolves significant implementation issues related to SFAS No. 121. SFAS No. 144 superceded SFAS No. 121 and Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations - Reporting the Effects of a Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." The adoption of SFAS No. 144 on February 1, 2002 did not have an impact on our financial position or results of operations.

In July 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 supercedes Emerging Issues Task Force Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)," and is effective for transactions initiated after December 31, 2002. Under SFAS No. 146, a company will record a liability for a cost associated with an exit or disposal activity when that liability is incurred and can be measured at fair value. A liability is incurred when an event obligates the entity to transfer or use assets. The Company does not believe that the adoption of this statement will have a material impact on its financial position or its results of operations.

Seasonality and Quarterly Results

While the Company has been profitable in each of its last 51 operating quarters, its operating results are subject to seasonal fluctuations. The Company's highest sales levels have historically occurred during the five-month period from August 1 to December 31 of each year (the back-to-school and holiday periods). Sales generated during these periods have traditionally had a significant impact on the Company's results of operations. Any decreases in sales for these periods or in the availability of working capital needed in the months preceding these periods could have a material adverse effect on the Company's results of operations. Results of operations in any one fiscal quarter are not necessarily indicative of the results of operations that can be expected for any other fiscal quarter or for the full fiscal year.

The Company's results of operations may also fluctuate from quarter to quarter as a result of the amount and timing of expenses incurred in connection with, and sales contributed by, new stores, store expansions and the integration of new stores into the operations of the Company or by the size and timing of mailings and web site traffic for the Company's direct response operations. Fluctuations in the bookings and shipments of wholesale merchandise between quarters can also have positive or negative effects on earnings during the quarters.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company is 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 the Company's inventory turnover and its historical ability to pass through the impact of any generalized changes in its cost of goods to its customers through pricing adjustments, commodity and other product risks are not expected to be material. The Company purchases substantially all its merchandise in U.S. dollars, including a portion of the goods for its stores located in Canada and Europe. The Company currently enters into short-term foreign currency forward exchange contracts, which expire quarterly, to manage exposures related to its Canadian dollar denominated investments and anticipated cash flow.

The Company's exposure to market risk for changes in interest rates relates to its cash, cash equivalents and marketable securities. As of October 31, 2002, the Company's cash, cash equivalents and marketable securities consisted primarily of funds invested in auction rate preferred and money market accounts, which bear interest at fixed and variable rates and municipal bonds, which bear interest at fixed rates. Due to the average maturity and conservative nature of the Company's investment portfolio, we believe a sudden change in interest rates would not have a material effect on the value of our investment portfolio. As the interest rates on predominantly all of our cash equivalents are variable, a change in interest rates earned on our investment portfolio would impact interest income and expense along with cash flows, but would not impact the fair market value of the related underlying instruments.

Item 4. Controls and Procedures

The Company maintains disclosure controls and procedures designed to ensure that information required to be disclosed by the Company in its Exchange Act reports is recorded, processed, summarized and reported on a timely basis and that such information is accumulated and communicated to the Company's management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Within 90 days prior to the filing date of this Form 10-Q, an evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of these disclosure controls and procedures. Based on that evaluation, the Company's management, including the Chief Executive Officer and the Chief Financial Officer, concluded that the Company's disclosure controls and procedures were effective. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect the internal controls subsequent to the date of their most recent evaluation.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings

On August 21, 2002, Edward M. Wolkowitz, Chapter 7 Trustee for MXG Media, Inc. ("MXG"), filed a complaint in the U.S. Bankruptcy Court in the Central District of California naming the Company, Richard A. Hayne and two other individuals as defendants. Mr. Hayne and the other individual defendants had served as directors of MXG prior to its institution of bankruptcy proceedings. The claim alleges that payments made by MXG to the Company in connection with the repayment of outstanding promissory notes were fraudulent transfers or voidable preferences, and that Mr. Hayne and the other individuals named in the complaint violated their fiduciary duties as directors of MXG in authorizing the payments. The plaintiff has requested relief of approximately $8.0 million, as well as exemplary damages in an unspecified amount. The Company believes the claim is without merit and intends to defend it vigorously.

Item 5. Other Information

The Company's Chief Executive Officer and Chief Financial Officer have submitted unqualified certifications, which accompany this Quarterly Report on Form 10-Q, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

3.1	The Company's Amended and Restated Articles of (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1 (File No. 33-69378) filed on September 24, 1993).
3.2	The Company's Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-1 (File No. 33-69378) filed on September 24, 1993).
10.1	First Amendment to Credit Agreement and Guaranty Agreement dated September 11, 2002.
10.2	Second Amendment to Credit Agreement dated November 15, 2002.

(b) Reports on Form 8-K: None.

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

URBAN OUTFITTERS, INC.
(Registrant)

By: /s/ Richard A. Hayne
Richard A. Hayne
Chairman of the Board of Directors

By: /s/ Stephen A. Feldman
Stephen A. Feldman
Chief Financial Officer

Dated: December 12, 2002

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 quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: December 12, 2002

By: /s/ Richard A. Hayne
Richard A. Hayne
Chief Executive Officer

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

I, Stephen A. Feldman, certify that:

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

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

7. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors:

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: December 12, 2002

By: /s/ Stephen A. Feldman
Stephen A. Feldman
Chief Financial Officer

Exhibit 10.1

FIRST AMENDMENT TO CREDIT AGREEMENT AND GUARANTY AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT AND GUARANTY AGREEMENT (this "Amendment") is made as of the 11/th/ day of September, 2002 by and among URBAN OUTFITTERS, INC., a Pennsylvania corporation ("Urban"), the Subsidiaries party to the Credit Agreement referenced below, the Guarantors party to the Guaranty Agreement referenced below, the Lenders who are or may become party to the Credit Agreement, and WACHOVIA BANK, NATIONAL ASSOCIATION (formerly known as First Union National Bank), as Administrative Agent (the "Bank").

RECITALS:

Urban, the Subsidiaries listed on Schedule 1 thereto, the Lenders referred to therein, and the Bank (as Administrative Agent) entered into a certain Credit Agreement dated the 12/th/ day of September, 2001 (the "Credit Agreement"). Anthropologie, Inc., Urban Outfitters Wholesale, Inc., Urban Outfitters Direct LLC, Anthropologie Direct LLC, U.O.D., Inc., U.O.D. Secondary, Inc. and UOGC (collectively, the "Original Guarantors") executed a Guaranty Agreement dated September 12, 2001 (the "Guaranty") in favor of the Bank (as Administrative Agent) and the Lenders. Urban Outfitters West LLC ("West LLC") joined the Guaranty by a Supplement dated as of October 1, 2001, and Free People LLC "Free People") joined the Guaranty by a Supplement dated as of May 21, 2002 (West LLC and Free People are to be referred to collectively as the "Additional Guarantors", and the Original Guarantors together with the Additional Guarantors shall be referred to collectively as the "Guarantors"). Capitalized terms used in this Amendment which are not otherwise defined in this Amendment shall have the respective meanings assigned to them in the Credit Agreement.

The Borrowers and the Bank wish to amend the Credit Agreement in certain respects, and the Guarantors and the Bank wish to amend the Guaranty Agreement, as hereinafter provided.

NOW, THEREFORE, in consideration of the Recitals and the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrowers and the Bank, intending to be legally bound hereby, agree as follows:

SECTION 1. Recitals. The Recitals are incorporated herein by reference and shall be deemed to be a part of this Amendment.

SECTION 2. Amendments to the Credit Agreement. The Credit Agreement is hereby amended as set forth in this Section 2.

SECTION 2.1 Amendments to Definitions. The definitions set forth in Section 1.1 of the Credit Agreement are hereby amended by:

(a) amending and restating in their entirety as set forth below the following defined terms:

"Aggregate Commitment" means the aggregate amount of the Lenders' Commitments hereunder, as such amount may be reduced or modified at any time or from time to time pursuant to the terms hereof. On the Amendment Effective Date, the Aggregate Commitment shall be Thirty Million Dollars ($30,000,000).

"L/C Commitment" means (a) in the case of documentary Letters of Credit, the Aggregate Commitment, and (b) in the case of standby Letters of Credit, the lesser of (i) the Aggregate Commitment and (ii) Five Hundred Thousand Dollars ($500,000).

(b) adding the following definition to Section 1.1 of the Credit Agreement in appropriate alphabetical order:

"Amendment Effective Date" means the date of effectiveness of the First Amendment to Credit Agreement, as defined in Section 4 of the First Amendment.

SECTION 2.2 Amendment to Section 2.4. The reference in the last sentence of Section 2.4 of the Credit Agreement to "the Closing Date" shall be deleted and replaced by a reference to "the Amendment Effective Date."

SECTION 2.3 Amendment to Section 2.6. The reference to September 11, 2002 contained in Section 2.6(a) of the Credit Agreement shall be deleted and replaced by a reference to September 10, 2003.

SECTION 2.4 Amendment to Section 6.1. Sections 6.1(o) and 6.1(p) of the Credit Agreement are amended by changing the date specified therein from "January 31, 2001" to "January 31, 2002."

SECTION 2.5 Amendment to Section 10.13. Section 10.13 of the Credit Agreement is deleted in its entirety and replaced with the following:

Section 10.13. Capital Expenditures. Make Capital Expenditure Payments exceeding $50,000,000 in the aggregate in the Fiscal Year ending January 31, 2004.

SECTION 2.6 Amendment to Section 13.1. The contact information for notices to First Union contained in Section 13.1 of the Credit Agreement is hereby modified so that all notices under that Section shall be sent to Wachovia at: Wachovia Securities, Inc., 1339 Chestnut Street, PA 4830, Philadelphia, PA 19107, Attention: Susan Vitale, Vice President, Telephone No.: (267)321-6712, Telecopy No.: (267) 321-6700, with copies to: Wachovia Securities, Inc., 1339 Chestnut Street, PA 4830, Philadelphia, PA 19107, Attention: Tom Harper, Director, Telephone No.: (267)321-6616, Telecopy No.: (267) 321-6700. The contact information for Pepper, Hamilton shall remain the same.

SECTION 2.7 Replacement of Schedules 2 and 3. Schedules 2 and 3 to the Credit Agreement are hereby replaced with the new Schedule 2 and Schedule 3 attached hereto and made a part hereof.

SECTION 3. Amendment to the Guaranty. The Guaranty is hereby amended as set forth in this Section 3.

SECTION 3.1 Amendment to the "WHEREAS" Clauses. The references in each of the second and third "Whereas" clauses of the Guaranty to "Twenty-Five Million Dollars ($25,000,000)" are hereby deleted, and replaced by a reference to "Thirty Million Dollars ($30,000,000)."

SECTION 3.2. Amendment to Section 13. The contact information for notices to the Administrative Agent contained in Section 13 of the Guaranty is hereby modified so that all notices under that Section shall be sent to Wachovia at: Wachovia Securities, Inc., 1339 Chestnut Street, PA 4830, Philadelphia, PA 19107, Attention: Susan Vitale, Vice President, Telephone No.: (267)321-6712, Telecopy No.: (267) 321-6700, with copies to: Wachovia Securities, Inc., 1339 Chestnut Street, PA 4830, Philadelphia, PA 19107, Attention: Tom Harper, Director, Telephone No.: (267)321-6616, Telecopy No.: (267) 321-6700. The contact information for Pepper, Hamilton shall remain the same.

SECTION 4. Conditions to Effectiveness. The effectiveness of this Amendment and the obligations of the Bank hereunder are subject to the satisfaction of the following conditions (the "Amendment Effective Date"):

(a) the Bank shall have received (i) from each of the Borrowers and each of the Guarantors a counterpart hereof signed by such party or facsimile or other written confirmation (in form satisfactory to Bank) that such party has signed a counterpart hereof; (ii) from each of the Borrowers, a duly executed counterpart of the Note in the amount of the Aggregate Commitment, which Note shall replace and supercede any prior Notes; and (iii) from each of the Additional Guarantors, a duly executed supplement to the existing Guaranty Agreement, in form and substance acceptable to the Bank, each dated as of the date on which such Additional Guarantor was created or acquired by any of the Borrowers, together with a favorable legal opinion for each Additional Guarantor addressed to the Bank as the Administrative Agent, and the Lenders, in form and substance satisfactory to the Bank;

(b) the Bank shall have received a certificate signed by a Responsible Officer of Urban, dated the Amendment Effective Date, stating that:

(i) no Default or Event of Default exists; and

(ii) the representations and warranties of each of the Borrowers contained in the Credit Agreement are true and correct on and as of such date, as though made on and as of such date;

(c) the Bank shall have received all documents it may reasonably request relating the existence of each Borrower and Guarantor (including the Additional Guarantors), the corporate authority for and the validity of this Amendment, and any other matters relevant hereto, all in form and substance satisfactory to the Bank, including, without limitation, resolutions duly adopted by the board of directors of each Borrower and Guarantor (including the Additional Guarantors) authorizing the borrowings contemplated hereunder (and the obligations of the Guarantors (including the Additional Guarantors) pursuant to the Guaranty Agreement with respect thereto) and the execution, delivery and performance of this Amendment; and

(d) The Bank shall have received payment of the $25,000 Administration Fee due and owing pursuant to Section 4.3(b) of the Credit Agreement.

SECTION 5. No Other Amendment. Except for the amendments set forth above, the text of the Credit Agreement and each of the other Loan Documents, including, without limitation, the Guaranty Agreement, shall remain unchanged and in full force and effect. This Amendment is not intended to effect, nor shall it be construed as, a novation. The Credit Agreement and this Amendment shall be construed together as a single agreement. Nothing herein contained shall waive, annul, vary or affect any provision, condition, covenant or agreement contained in the Credit Agreement, except as herein amended, nor affect or impair any rights, powers or remedies under the Credit Agreement as hereby amended. The Borrowers promise and agree to perform all of the requirements, conditions, agreement and obligations under the terms of the Credit Agreement, as hereby amended, the Credit Agreement, as amended, being hereby ratified and affirmed. The Borrowers hereby expressly agree that the Credit Agreement, as amended, and each of the other Loan Documents, is in full force and effect. In addition, the consent letter dated January 31, 2002 by and between Urban (for itself and each of the Borrowers) and the Bank shall remain in full force and effect.

SECTION 6. Representations and Warranties. Each of the Borrowers hereby represents and warrants to the Bank as follows:

(a) No Default, or Event of Default, nor any act, event, condition or circumstance which with the passage of time or the giving of notice, or both, would constitute an Event of Default, under the Credit Agreement or any other Loan Document has occurred and is continuing unwaived by the Bank on the date hereof;

(b) The representations and warranties of the Borrowers set forth in Section 6.1 of the Credit Agreement (as amended hereby) shall be true on and as of the Amendment Effective Date.

(c) Each of the Borrowers has the power and authority to enter into this Amendment and to do all acts and things as are required or contemplated hereunder, or thereunder, to be done, observed and performed by it.

(d) This Amendment has been duly authorized, validly executed and delivered by one or more authorized officers of each Borrower and constitutes a legal, valid and binding obligation of each of the Borrowers, enforceable against each of the Borrowers in accordance with its terms, provided that such enforceability is subject to general principles of equity.

(e) The execution and delivery of this Amendment and the performance hereunder by each of the Borrowers does not and will not require the consent or approval of any regulatory authority or governmental authority or agency having jurisdiction over any Borrower, nor be in contravention of or in conflict with the certificate of incorporation or bylaws of any Borrower, or the provision of any statute, or any judgement, order, indenture, instrument, agreement or undertaking, to which any Borrower is party or by which the assets or properties of any Borrower are or may become bound.

SECTION 7. Counterparts. This Amendment may be executed in multiple counterparts each of which shall be deemed to be an original and all of which, taken together, shall constitute one and the same agreement.

SECTION 8. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without reference to the conflicts or choice of law principles thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed, under seal, by their respective authorized officers as of the day and year first above written.

Borrowers:

[CORPORATE SEAL]

URBAN OUTFITTERS, INC.,
as a Borrower

By: /S/ Richard A. Hayne

Name: Richard A. Hayne
Title: President

[CORPORATE SEAL]

UO FENWICK, INC.,
as a Borrower

By: /S/ Kenneth J. Kubacki

Name: Kenneth J. Kubacki
Title: President

[CORPORATE SEAL]

INTER-URBAN, INC.,
as a Borrower

By: /S/ Kenneth J. Kubacki

Name: Kenneth J. Kubacki
Title: President

[CORPORATE SEAL]

URBAN OUTFITTERS (DELAWARE), INC.,
as a Borrower

By: /S/ Kenneth R. Bull

Name: Kenneth R. Bull
Title: Treasurer

[CORPORATE SEAL]

ANTHROPOLOGIE (DELAWARE), INC.,
as a Borrower

By: /S/ Kenneth R. Bull

Name: Kenneth R. Bull
Title: Treasurer

[CORPORATE SEAL]

URBAN OUTFITTERS UK LIMITED,
as a Borrower

By: /S/ Richard A. Hayne

Name: Richard A. Hayne
Title: Director

[CORPORATE SEAL]

URBAN OUTFITTERS UK LIMITED,
as a Borrower

By: /S/ Stephen A. Feldman
Name: Stephen A. Feldman
Title: Director

[CORPORATE SEAL]

URBAN OUTFITTERS IRELAND LIMITED,
as a Borrower

By: /S/ Stephen A. Feldman
Name: Stephen A. Feldman
Title: Director

[CORPORATE SEAL]

URBAN OUTFITTERS IRELAND LIMITED,
as a Borrower

By: /S/ Glen A. Bodzy
Name: Glen A. Bodzy
Title: Director

Lenders:

WACHOVIA BANK, NATIONAL ASSOCIATION

as a Lender and as Administrative Agent

By: /S/ Susan T. Vitale
Name: Susan T. Vitale
Title: Vice President

ACKNOWLEDGED AND AGREED BY GUARANTORS:

ANTHROPOLOGIE, INC.

[CORPORATE SEAL]

By: /S/ Glen T. Senk
Name: Glen T. Senk

Title: President

URBAN OUTFITTERS WHOLESALE, INC. [CORPORATE SEAL]

By: /S/ Kenneth R. Bull

Name: Kenneth R. Bull
Title: Treasurer

URBAN OUTFITTERS DIRECT, LLC [CORPORATE SEAL]

By: /S/ Stephen A. Feldman

Name: Stephen A. Feldman
Title: Chief Financial Officer

ANTHROPOLOGIE DIRECT, LLC [CORPORATE SEAL]

By: /S/ Stephen A. Feldman

Name: Stephen A. Feldman
Title: Chief Financial Officer

U.O.D., INC. [CORPORATE SEAL]

By: /S/ Kenneth J. Kubacki

Name: Kenneth J. Kubacki
Title: President

U.O.D. SECONDARY, INC. [CORPORATE SEAL]

By: /S/ Kenneth J. Kubacki

Name: Kenneth J. Kubacki
Title: President

UOGC, INC. [CORPORATE SEAL]

By: /S/ Stephen A. Feldman

Name: Stephen A. Feldman
Title: Chief Financial Officer

URBAN OUTFITTERS WEST LLC [CORPORATE SEAL]

By: /S/ Stephen A. Feldman

Name: Stephen A. Feldman
Title: Chief Financial Officer

FREE PEOPLE LLC [CORPORATE SEAL]

By: /S/ Kenneth R. Bull

Name: Kenneth R. Bull
Title: Treasurer

Schedule 2
Lenders and Commitments

Lender	Commitment
Wachovia Bank, National Association 1339 Chestnut Street, PA 4830 Philadelphia, PA 19107-7619 Attention: Susan Vitale, Vice President Telephone No.: (267)321-6712 Telecopy No.: (267) 321-6700	$30,000,000

Schedule 3
Guarantors

Anthropologie, Inc., a Pennsylvania corporation

Urban Outfitters Wholesale, Inc., a Pennsylvania corporation

Urban Outfitters Direct, LLC, a Pennsylvania limited liability company

Anthropologie Direct, LLC, a Pennsylvania limited liability company

U.O.D., Inc., a Delaware corporation

U.O.D. Secondary, Inc., a Delaware corporation

UOGC, Inc., a Florida corporation

Urban Outfitters West LLC, a Californialimited liability company

Free People LLC, a Delawarelimited liability company

Exhibit 10.2

SECOND AMENDMENT TO CREDIT AGREEMENT

THIS SECOND AMENDMENT TO CREDIT AGREEMENT (this "Second Amendment") is made as of the 15th day of November, 2002, by and among URBAN OUTFITTERS, INC., a Pennsylvania corporation ("Urban"), and certain of its subsidiaries listed on Schedule 1 to the Credit Agreement (as defined below) (together with Urban, individually and collectively, the "Borrowers"); the Lenders party to the Credit Agreement defined below, WACHOVIA BANK, NATIONAL ASSOCIATION (formerly known as First Union National Bank), as administrative agent for the Lenders ("Administrative Agent") and JPMORGAN CHASE BANK, as a lender and an Issuing Bank ("JPMC").

BACKGROUND

Borrowers and Administrative Agent entered into a Credit Agreement dated September 12, 2001, as amended by First Amendment to Credit Agreement and Guaranty Agreement dated September 11, 2002 (as amended hereby and as may be further amended, restated or modified from time to time, the "Credit Agreement") to fund the Borrowers' working capital and general corporate requirements and support the issuance of letters of credit for the account of any Borrower.

JPMC is becoming a Lender under the Credit Agreement under an Assignment and Acceptance Agreement dated of even date herewith.

Borrowers, Lenders, Administrative Agent and JPMC have agreed to certain amendments to the Credit Agreement, each as set forth herein and subject to the terms and conditions hereof.

In consideration of the foregoing and the premises and the agreements hereinafter set forth, and intending to be legally bound hereby, effective as of the Second Amendment Effective Date (as defined below), the parties hereto agree as follows:

1. Definitions.

a. General Rule. Unless otherwise defined herein, terms used herein which are defined in the Credit Agreement shall have the respective meanings assigned to such terms in the Credit Agreement.

b. Additional Definitions. As of the Second Amendment Effective Date, the following definitions are hereby added to Section 1.1 of the Credit Agreement in proper alphabetical order to read as follows:

"JPMC" means JPMorgan Chase Bank, a New York state banking association, and its successors.

"Second Amendment" means Second Amendment to Credit Agreement by and among Borrowers, Lenders, Administrative Agent and JPMorgan Chase Bank dated November __, 2002.

"Second Amendment Effective Date" means the date on which the conditions set forth in Paragraph 15 of the Second Amendment have been satisfied.

"Wachovia" means Wachovia Bank, National Association (formerly known as First Union National Bank), a national banking association, and its successors.

c. Amended Definition. As of the Second Amendment Effective Date, the following definition found in Section 1.1 of the Credit Agreement is hereby amended and restated to read in its entirety as follows:

"Issuing Lender" means, collectively, Wachovia and JPMC, each in its capacity as issuer of any Letter of Credit, or any successor thereto.

d. Replaced Definition. All references in the Credit Agreement to "First Union" shall be deemed to be references to "Wachovia."

2. Amendment and Restatement of Schedule 2 (Lenders and Commitments). As of the Second Amendment Effective Date, Schedule 2 to the Credit Agreement (Lenders and Commitments) is amended and restated in its entirety as set forth on Schedule 2 hereto, to reflect the addition of JPMC as a Lender.

3. Deletion of Schedule 5 to the Credit Agreement. As of the Second Amendment Effective Date, Schedule 5 to the Credit Agreement (Import Letter of Credit Pricing) is hereby deleted in its entirety.

4. Amendment to Section 3.1 of the Credit Agreement (L/C Commitment.) As of the Second Amendment Effective Date, the lead-in to Section 3.1 of the Credit Agreement is hereby amended and restated in its entirety as follows:

Section 3.1 L/C Commitment. Subject to the terms and conditions hereof, each Issuing Lender: (i) agrees to issue standby and documentary letters of credit for the account of any Borrower or Guarantor and (ii) agrees to issue Alternate Currency Letters of Credit for the account of any Non-U.S. Borrower (collectively, "Letters of Credit"), on any Business Day from the Closing Date through but not including the Termination Date in such form as may be approved from time to time by each Issuing Lender; provided, that no Issuing Lender shall have any obligation to issue any Letter of Credit if:

5. New Section 3.1(b)(vi) of the Credit Agreement (L/C Commitment). As of the Second Amendment Effective Date, a new Section 3.1(b)(vi) is hereby added to the Credit Agreement as follows:

vi. at the time of issuance of any Letter of Credit by JPMC, the amount available to be drawn under the Letter of Credit requested from JPMC together with the face amount of all other outstanding Letters of Credit issued by JPMC plus any unreimbursed draws under Letters of Credit issued by JPMC shall not exceed Ten Million Dollars ($10,000,000);

6. Amendment to Section 3.2(d) of the Credit Agreement (Terms of Letters of Credit). As of the Second Amendment Effective Date, Section 3.2(d) of the Credit Agreement is hereby amended and restated in its entirety as follows:

(d) be subject to the Uniform Customs and, to the extent not inconsistent therewith: (i) the laws of the Commonwealth of Pennsylvania, with respect to Wachovia as the Issuing Lender, or (ii) the laws of the State of New York, with respect to JPMC as the Issuing Lender.

7. Amendment to Section 3.5 of the Credit Agreement (Procedure for Issuance of Letters of Credit.) As of the Second Amendment Effective Date, Section 3.5 of the Credit Agreement is hereby amended and restated in its entirety as follows:

Section 3.5 Procedure for Issuance of Letters of Credit. The Borrowers may from time to time request that an Issuing Lender issue a Letter of Credit, or request that a Letter of Credit be amended or extended, by delivering to such Issuing Lender (which Issuing Lender shall be at the discretion of Borrowers, subject to the terms of Section 3.1(b)(vi) hereof) at its office listed in Section 13.1(b), an Application therefor, completed to the satisfaction of the Issuing Lender, and such other certificates, documents and other papers and information as the Issuing Lender may request. Upon receipt of any Application, the Issuing Lender shall process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall, subject to Section 3.1 and Article V hereof, promptly issue the Letter of Credit requested thereby (but in no event shall the Issuing Lender be required to issue any standby Letter of Credit earlier than three (3) Business Days, or any documentary Letter of Credit earlier than one (1) Business Day, after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed by the Issuing Lender and the Borrowers. The Issuing

Lender shall promptly furnish to the Borrowers a copy of such Letter of Credit.

8. Amendment to Section 3.6(b) of the Credit Agreement (Commissions and Other Charges.) As of the Second Amendment Effective Date, Section 3.6(b) of the Credit Agreement is hereby amended and restated in its entirety as follows:

(b) In connection with the issuance, transfer, extension, modification or other administration of any Letter of Credit, the Borrowers shall pay to the Issuing Lender upon request all customary costs and expenses of the Issuing Lender therefore.

9. New Section 3.6(c) of the Credit Agreement (Commissions and Other Charges). As of the Second Amendment Effective Date, a new Section 3.6(c) is hereby added to the Credit Agreement in its entirety as follows:

(c) All fees, commissions, costs, expenses or other charges paid to an Issuing Lender by Borrowers under this Section 3.6 shall be non-refundable.

10. Amendment to Section 3.9 of the Credit Agreement (Obligations Absolute). As of the Second Amendment Effective Date, the last sentence of Section 3.9 is hereby deleted in its entirety and replaced with the following two sentences:

The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of an Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each determination of whether drafts or other documents presented under a Letter of Credit comply with the terms thereof. In furtherance of the foregoing, and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in compliance with the terms of such Letter of Credit.

11. Amendment to Section 3.12 (Continuing Letter of Credit Agreement). As of the Second Amendment Effective Date, Section 3.12 of the Credit Agreement is hereby amended and restated in its entirety as follows:

Section 3.12. Letter of Credit Documents.

(a) Wachovia. Letters of Credit and amendments thereto issued by Wachovia, as Issuing Lender, shall be requested, processed and issued, and draws thereon shall be negotiated, processed and paid, in accordance with and subject to the terms and procedures of: (i) the Continuing Letter of Credit Agreement and/or (ii) the Import Express Electronic Letter of Credit Service Agreement between Wachovia and Anthropologie, Inc. dated July 5, 2000 and the Import Express Electronic Letter of Credit Service Agreement between Wachovia and Urban dated July 5, 2000.

(b) JPMC. Letters of Credit and amendments thereto issued by JPMC, as Issuing Lender, are subject to the terms and procedures of: (i) the Continuing Agreement for Commercial and Standby Letters of Credit by and between JPMC and Borrowers dated October 30, 2002 and (ii) the Agreement for Trade-Related Electronic Services by and between JPMC and Borrowers dated October 30, 2002.

12. New Section 3.13 (Letter of Credit Reports). As of the Second Amendment Effective Date, a new Section 3.13 is hereby added to the Credit Agreement as follows:

3.13 Letter of Credit Reports. Each Issuing Lender shall deliver to the Administrative Agent: (i) within five (5) Business Days after the last day of each calendar month, a report of the actual daily outstandings for each day in the previous month for all Letters of Credit issued by such Issuing Lender; and (ii) immediately upon the request of Administrative Agent, a daily report of all actual daily outstanding Letters of Credit issued by such Issuing Lender for the period requested by the Administrative Agent. Additionally, the Administrative Agent shall promptly report to each Lender, within fifteen (15) Business Days after the end of each month, the average daily outstandings for each day in the previous month for all Letters of Credit.

13. Amendment to Section 13.6 (Binding Arbitration; Waiver of Jury Trial; Preservation of Remedies). As of the Second Amendment Effective Date, Section 13.6 of the Credit Agreement is hereby amended and restated in its entirety as follows:

Section 13.6. Waiver of Jury Trial; Preservation of Remedies.

(a) [Intentionally Omitted.]

(b) Jury Trial. THE ADMINISTRATIVE AGENT, EACH LENDER AND EACH BORROWER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL WITH RESPECT TO ANY ACTION, CLAIM OR OTHER PROCEEDING ARISING OUT OF ANY DISPUTE, CLAIM OR CONTROVERSY IN CONNECTION WITH THIS

AGREEMENT, THE NOTES, THE LETTERS OF CREDIT OR THE OTHER LOAN DOCUMENTS, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER, OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS.

(c) Preservation of Certain Remedies. The parties hereto and the other Loan Documents preserve, without diminution, certain remedies that such Persons may employ or exercise freely, either alone, in conjunction with or during a dispute, claim or controversy arising out of this Agreement, the Notes, the Letters of Credit or any other Loan Document. Each such Person shall have and hereby reserves the right to proceed in any court of proper jurisdiction or by self help to exercise or prosecute the following remedies: (i) all rights to foreclose against any real or personal property or other security by exercising a power of sale granted in the Loan Documents or under applicable law or by judicial foreclosure and sale; (ii) all rights of self help including without limitation peaceful occupation of property and collection of rents, set off, and peaceful possession of property; (iii) obtaining provisional or ancillary remedies including without limitation injunctive relief, sequestration, garnishment, attachment, appointment of receiver and in filing an involuntary bankruptcy proceeding; and (iv) when applicable, a judgment by confession of judgment.

14. Representations and Warranties. Borrowers hereby represent and warrant to Lenders as follows:

a. Representations. As of the Second Amendment Effective Date the Borrowers represent and warrant as follows: (i) the representations and warranties set forth in Article VI of the Credit Agreement are true and correct in all material respects, except for any representation or warranty made as of an earlier date, which representation and warranty shall remain true and correct as of such earlier date; (ii) there is no Event of Default or Default under the Credit Agreement, as amended hereby, which has not been cured or waived; and (iii) no Borrower is aware of any Material Adverse Effect.

b. Power and Authority. Each Borrower has the power and authority under the laws of its jurisdiction of formation and under its respective formation documents to enter into and perform this Second Amendment and the other documents and agreements required hereunder (collectively, the "Amendment Documents"); all necessary actions (corporate or otherwise) for the execution and performance by each Borrower of the Amendment Documents have been taken; and each of the Amendment Documents and the Credit Agreement, as amended, constitute the valid and binding obligations of Borrowers, enforceable in accordance with its respective terms.

c. No Violations of Law or Agreements. The execution and performance of the Amendment Documents by Borrowers will not: (i) violate any provisions of any law or regulation, federal, state, local, or foreign, or any formation document of any Borrower or (ii) result in any breach or violation of, or constitute a default or require the obtaining of any consent under, any material agreement or instrument by which any Borrower or its property may be bound.

15. Conditions to Effectiveness of Amendment. This Second Amendment shall be effective upon the date of Administrative Agent's receipt of the following documents, each in form and substance reasonably satisfactory to Administrative Agent:

a. Second Amendment. This Second Amendment duly executed by Borrowers, Lenders, Administrative Agent and JPMC.

b. Assignment and Assumption Agreement. A duly executed Assignment and Assumption Agreement under which JPMC is assigned no less than $10,000,000 of the Commitment.

c. Promissory Notes. Amended and restated Notes duly executed by Borrowers in favor of each Lender; in form and substance acceptable to Administrative Agent, which Notes amend, restate, replace and supersede (but are not a novation of) the Note by Borrowers in favor of Wachovia in the original principal amount of $30,000,000 dated September 11, 2002.

d. Letter Agreement for Letter of Credit Fees. A duly executed letter agreement by and between each Issuing Lender and Borrowers with respect to additional Letter of Credit fees due under Section 3.6(b) of the Credit Agreement.

e. Other Documents. Such additional documents as Administrative Agent may reasonably request.

16. Affirmations. Borrowers hereby: (i) affirm all the provisions of the Credit Agreement, as amended by this Second Amendment, and (ii) agree that the terms and conditions of the Credit Agreement shall continue in full force and effect as amended hereby.

17. Guarantors. The Guarantors, as evidenced by their signature below, hereby: (i) affirm all the provisions of the Credit Agreement, as amended by this Second Amendment, (ii) agree that the terms and conditions of the Credit Agreement shall continue in full force and effect as amended hereby and (iii) agree that the terms and conditions of the Guaranty Agreement, as amended and supplemented, shall continue in full force and effect.

18. Miscellaneous.

a. Borrowers agree to pay or reimburse Administrative Agent for all reasonable fees and expenses (including without limitation reasonable fees and expenses of counsel) incurred by Administrative Agent in connection with the preparation, execution and delivery of this Second Amendment.

b. This Second Amendment shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to conflicts of law or choice of law principles.

c. This Second Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and shall be binding upon all parties, their successors and assigns, and all of which taken together shall constitute one and the same agreement.

d. Except as expressly set forth herein, the execution, delivery and performance of this Second Amendment shall not operate as a waiver of any right, power or remedy of Administrative Agent, any Issuing Lender, or Lenders under the Credit Agreement and the agreements and documents executed in connection therewith or constitute a waiver of any provision thereof.

IN WITNESS WHEREOF, the undersigned have executed this Second Amendment the day and year first above written.

Borrowers:

URBAN OUTFITTERS, INC.,
as a Borrower

By: /S/ Richard A. Hayne

Name: Richard A. Hayne
Title: President

UO FENWICK, INC.,
as a Borrower

By: /S/ Kenneth J. Kubacki

Name: Kenneth J. Kubacki
Title: President

INTER-URBAN, INC.,
as a Borrower

By: /S/ Kenneth J. Kubacki

Name: Kenneth J. Kubacki
Title: President

URBAN OUTFITTERS (DELAWARE), INC.,
as a Borrower

By: /S/ Kenneth R. Bull

Name: Kenneth R. Bull
Title: Treasurer

ANTHROPOLOGIE (DELAWARE), INC.,
as a Borrower

By: /S/ Kenneth R. Bull

Name: Kenneth R. Bull
Title: Treasurer

URBAN OUTFITTERS UK LIMITED,
as a Borrower

By: /S/ Richard A. Hayne

Name: Richard A. Hayne
Title: Director

By: /S/ Stephen A. Feldman

Name: Stephen A. Feldman
Title: Director

URBAN OUTFITTERS IRELAND LIMITED,
as a Borrower

By: /S/ Stephen A. Feldman

Name: Stephen A. Feldman
Title: Director

By: /S/ Glen A. Bodzy

Name: Glen A. Bodzy
Title: Director

Lenders:

WACHOVIA BANK, NATIONAL
ASSOCIATION (f/k/a First Union National
Bank), as a Lender, Issuing Lender and
as Administrative Agent

By: /S/ Susan T. Vitale

Name: Susan T. Vitale
Title: Vice President

JPMORGAN CHASE BANK, as a Lender and
Issuing Lender

By: /S/ James A. Knight

Name: James A. Knight
Title: Vice President

Guarantors:

ANTHROPOLOGIE, INC.,
as a Guarantor

By: /S/ Richard A. Hayne

Name: Richard A. Hayne
Title: Vice President

URBAN OUTFITTERS WHOLESALE, INC.,
as a Guarantor

By: /S/ Kenneth R. Bull

Name: Kenneth R. Bull
Title: Treasurer

URBAN OUTFITTERS DIRECT, LLC,
as a Guarantor

By: /S/ Stephen A. Feldman

Name: Stephen A. Feldman
Title: Chief Financial Officer

ANTHROPOLOGIE DIRECT, LLC,
as a Guarantor

By: /S/ Stephen A. Feldman

Name: Stephen A. Feldman
Title: Chief Financial Officer

U.O.D., INC.,
as a Guarantor

By: /S/ Kenneth J. Kubacki

Name: Kenneth J. Kubacki

Title: President

U.O.D. SECONDARY, INC.
as a Guarantor

By: /S/ Kenneth J. Kubacki

Name: Kenneth J. Kubacki
Title: President

UOGC, INC.,
as a Guarantor

By: /S/ Stephen A. Feldman

Name: Stephen A. Feldman
Title: Chief Financial Officer

URBAN OUTFITTERS WEST LLC

By: /S/ Stephen A. Feldman

Name: Stephen A. Feldman
Title: Chief Financial Officer

FREE PEOPLE LLC

By: /S/ Kenneth R. Bull

Name: Kenneth R. Bull
Title: Treasurer