

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarterly Period Ended
October 31, 1996

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 office)	(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 No

Title of Each Class of Common Stock	Number of Shares Outstanding at November 30, 1996
--	--

Common shares, par value, \$.0001 per share	17,528,698
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URBAN OUTFITTERS, INC.
Consolidated Balance Sheets
(in thousands, except share and per share data)

	OCTOBER 31, 1996 (UNAUDITED)	JANUARY 31, 1996 (AUDITED)
Assets		
Current assets:		
Cash and cash equivalents	\$13,512	\$20,095
Marketable securities	9,968	9,499
Accounts receivable, net of allowance for doubtful accounts of \$701 and \$531 at October 31, 1996 and January 31, 1996, respectively	5,862	1,573
Inventory	18,732	10,477
Prepaid expenses and other current assets	5,636	4,915
	-----	-----
Total current assets	53,710	46,559
Property and equipment, less accumulated depreciation and amortization	22,851	16,690
Marketable securities	12,711	6,247
Other assets	2,046	1,621
	-----	-----
	\$91,318	\$71,117
	=====	=====
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	\$12,135	\$ 6,898
Accrued expenses and other current liabilities	4,290	3,174
	-----	-----
Total current liabilities	16,425	10,072
Accrued rent and other liabilities	2,053	1,593
	-----	-----
Total liabilities	18,478	11,665
	-----	-----
Shareholders' equity:		
Preferred shares; \$.0001 par, 10,000,000 authorized, none issued	--	--
Common shares; \$.0001 par, 50,000,000 shares authorized, 17,528,698 and 17,080,372 issued at October 31, 1996 and January 31, 1996, respectively	1	1
Additional paid-in capital	20,398	17,417
Retained earnings	52,441	42,034
	-----	-----
Total shareholders' equity	72,840	59,452
	-----	-----
	\$91,318	\$71,117
	=====	=====

See accompanying notes

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

	Three Months Ended October 31		Nine Months Ended October 31	
	1996	1995	1996	1995
	----	----	----	----
Net sales	\$ 44,884	\$ 38,842	\$ 114,416	\$ 96,642
Cost of sales	22,413	19,239	56,479	47,848
	-----	-----	-----	-----
Gross profit	22,471	19,603	57,937	48,794
Selling, general and administrative expenses	14,870	12,677	40,956	34,559
	-----	-----	-----	-----
Income from operations	7,601	6,926	16,981	14,235
Interest income, net	394	318	1,119	915
Other income (expenses), net	(44)	(92)	(234)	(118)
	-----	-----	-----	-----
Income before income taxes	7,951	7,152	17,866	15,032
Income tax expense	3,319	3,004	7,459	6,313
	-----	-----	-----	-----
Net income	\$ 4,632	\$ 4,148	\$ 10,407	\$ 8,719
	=====	=====	=====	=====
Net income per common share	\$.26	\$.23	\$.59	\$.49
	=====	=====	=====	=====
Weighted average common shares outstanding	17,840,541	17,630,726	17,786,429	17,613,620
	=====	=====	=====	=====

See accompanying notes

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

	NINE MONTHS ENDED 1996	OCTOBER 31 1995
	----	----
Cash flows from operating activities:		
Net income	\$ 10,407	\$ 8,719
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,613	2,132
Provision for losses on accounts receivable	170	(20)
Changes in assets and liabilities:		
Increase in receivables	(4,459)	(2,982)
Increase in inventory	(8,255)	(4,712)
(Increase)decrease in prepaid expenses and other assets	1,028	(344)
Increase in payables, accrued expenses and other liabilities	6,813	2,291
	-----	-----
Net cash provided by operating activities	8,317	5,084
	-----	-----
Cash flows from investing activities:		
Capital expenditures	(8,774)	(4,222)
Purchase of investments held-to-maturity	(18,713)	(5,246)
Purchase of investment available-for-sale	(2,350)	--
Maturities of investments held-to-maturity	9,894	7,236
Sale of investments available-for-sale	4,236	--
	-----	-----
Net cash used in investing activities	(15,707)	(2,232)
	-----	-----
Cash flows from financing activities:		
Exercise of stock options	807	466
Purchase of common shares	--	(73)
	-----	-----
Net cash provided by financing activities	807	393
	-----	-----
Increase(decrease) in cash and cash equivalents	(6,583)	3,245
Cash and cash equivalents at beginning of period	20,095	9,109
	-----	-----
Cash and cash equivalents at end of period	\$ 13,512	\$ 12,354
	=====	=====

See accompanying notes

URBAN OUTFITTERS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The accompanying unaudited 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. 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, 1996, filed with the Securities and Exchange Commission on April 23, 1996.

2. Marketable Securities

Marketable securities are classified as follows:

	October 31, 1996	January 31, 1996
	-----	-----
Current portion		
Held-to-maturity.....	\$ 8,868	\$ 6,588
Available-for-sale.....	1,100	2,911
	-----	-----
	9,968	9,499
	-----	-----
Noncurrent portion		
Held-to-maturity.....	12,711	6,247
	-----	-----
Total marketable securities.....	\$22,679	\$15,746
	=====	=====

3. Stock Split

On May 21, 1996, the Board of Directors of Urban Outfitters, Inc. declared a two-for-one stock split in the form of a stock dividend for shareholders of record on June 1, 1996. All applicable shares and per share data have been adjusted for the split.

4. Additional Information

During the third quarter, the Company opened new Anthropologie stores in Newport Beach and Santa Monica, California. Subsequent to the third quarter, the Company opened Urban Retail stores in Montreal and Toronto, Canada, and another Anthropologie store in Chicago, Illinois.

PART I

FINANCIAL INFORMATION (continued)

ITEM 2 Management's Discussion and Analysis of Financial Condition
- - - - - and Results of Operations

GENERAL

Sales growth for the total Company during the third quarter and nine months ended October 31, 1996 compared to the same prior year periods was up 16 percent and 18 percent, respectively. The Wholesale Company's sales increased 44.8 percent during the third quarter and 23.4 percent for the nine-months. Retail comparable store sales slowed during the third quarter to a negative 1.9 percent. The nine-month period finished with a positive comparable store sales growth of 5.7 percent. Four new Anthropologie stores were added during the nine months ended October 31, 1996. No new Urban Retail stores were opened during that time.

Management believes that several factors combined to lead to the third quarter comparable store sales decline. Among those are: the third quarter last year was the strongest "comping" quarter; there was not enough transitional merchandise linking summer and fall; Back-to-School and early fall merchandise was too concentrated, and to some extent, missed certain fashion changes; and finally, several merchandise classifications did not have enough inventory throughout the quarter. Efforts are underway to get the inventory properly balanced. Adding to the sales issue is a shorter holiday season.

Management expects the fourth quarter to benefit from the continuing positive trends in the Wholesale business, and the opening of the eighth Anthropologie store (in Chicago, the fifth opening this year) and the opening of two new Urban Retail stores in Montreal and Toronto in early December. Retail comparable store sales, on the other hand, remain below plan and, if not improved during the fourth quarter, will offset those benefits.

RESULTS OF OPERATIONS

The Company's operating years end on January 31, and include 12 periods ending on the last day of the month. For example, fiscal year 1997 will end on January 31, 1997. This discussion of results of operations covers the third quarter and the first nine months of fiscal 97 and fiscal 96.

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

	THIRD QUARTER ENDED OCTOBER 31		NINE MONTHS ENDED OCTOBER 31	
	1996	1995	1996	1995
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	49.9%	49.5%	49.4%	49.5%
Gross profit	50.1%	50.5%	50.6%	50.5%
Selling, general and administrative expenses	33.1%	32.6%	35.8%	35.8%
Income from operations	17.0%	17.8%	14.8%	14.7%
Net interest and other income	.8%	.6%	.8%	.8%
Income before income taxes	17.7%	18.4%	15.6%	15.6%
Income tax expense	7.4%	7.7%	6.5%	6.5%
Net income	10.3%	10.7%	9.1%	9.0%

THIRD QUARTER ENDED OCTOBER 31, 1996 COMPARED
TO THE THIRD QUARTER ENDED OCTOBER 31, 1995

Net sales increased during the third quarter ended October 31, 1996 to \$44.9 million, up 15.6 percent from the same period in the prior year. \$3.7 million of the \$6.1 million increase was attributable to newly opened and enlarged stores; comparable store sales were down \$.6 million while the Wholesale Company contributed \$3.0 million to the third quarter sales growth.

Gross profit during the third quarter ended October 31, 1996 was \$22.5 million, up \$2.9 million or 14.6 percent from the prior year quarter. The dollar increase resulted from the volume increases previously described. The gross profit margin percentage to sales decreased to 50.1 percent during the third quarter of this year from 50.5 percent last year. All three companies' gross profit margin percentages improved during the third quarter. However, the total percentage decline was due to a higher sales mix of Anthropologie and Wholesale, both of which have lower gross profit margin percentages than Urban Retail.

Selling, general and administrative expenses during the third quarter ended October 31, 1996 were \$14.9 million, up \$2.2 million or 17.3 percent from the prior year quarter. These dollar increases were attributed to new stores opened, enlarged stores and investments in people and systems necessary to manage the planned sales growth, particularly in Anthropologie. Stated as a percentage of sales, selling, general and administrative expenses increased slightly to 33.1 percent from 32.6 percent in the third quarter of the prior year. Both Wholesale and Anthropologie leveraged expenses on higher sales growth. Urban Retail, with lower sales growth, experienced expense growth in dollars and in percentage.

Income from operations during the third quarter of fiscal 97 was \$7.6 million, up from \$6.9 million in the prior year's third quarter. The Wholesale Company experienced the most significant operating profit growth during the quarter.

The effective income tax rate for the third quarter of 42 percent remains unchanged from last year.

Net income during the third quarter of fiscal 97 was \$4.6 million, up \$.5 million or 11.7 percent from the prior year's third quarter.

NINE MONTHS ENDED OCTOBER 31, 1996
COMPARED TO THE NINE MONTHS ENDED OCTOBER 31, 1995

Net sales increased during the nine months ended October 31, 1996 to \$114.4 million, up 18.4 percent from \$96.6 million during the same period of the prior year. The nine-month-to-nine-month \$17.8 million increase was provided by sales from newly opened and enlarged stores of \$9.2 million, comparable store sales increases of \$4.2 million (a 5.7 percent increase) and increases from the Wholesale Company of \$4.4 million.

Gross profit during the nine months ended October 31, 1996 was \$57.9 million, up \$9.1 million (an 18.7 percent increase) from the same prior year period of \$48.8 million. The dollar increases resulted from the sales volume growth previously described. The gross profit margin percentage to sales improved slightly to 50.6 percent from 50.5 percent during the nine-month period last year.

Selling, general and administrative expenses during the nine months ended October 31, 1996 were \$41.0 million, up \$6.4 million or 18.5 percent from the same period in the prior year. These dollar increases were attributed to newly opened and enlarged stores and investments in people and systems necessary to manage the sales growth in Urban Retail, Anthropologie and in Wholesale. Stated as a percentage of sales, selling, general and administrative expenses were flat at 35.8 percent during the nine-month periods of both years.

Income from operations during the nine months ended October 31, 1996 was \$17.0 million, up \$2.7 million or 19.3 percent from the same period in the prior year. The Wholesale Company contributed \$.6 million to the growth during the nine-month period.

The effective income tax rate for the nine months ended October 31, 1996 of 42 percent remains unchanged from last year.

Net income during the nine months ended October 31, 1996 was \$10.4 million, up \$1.7 million or 19.4 percent from the same period in the prior year.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents decreased to \$13.5 million at October 31, 1996 from \$20.1 million at January 31, 1996. The \$6.6 million net decrease results from an increase in cash from operating activity of \$8.3 million, and net issuance of common stock of \$807,000, offset by capital expenditures of \$8.8 million and net purchases of investments of \$6.9 million.

The Company's net working capital increased from \$36.5 million at January 31, 1996 to \$37.2 million at October 31, 1996. The \$.7 million increase in net working capital during the nine-month period ended October 31, 1996 results from net income of \$10.4 million and stock options exercised and tax benefits from those exercised of \$3.0 million, offset by investments in long-term marketable securities purchased of \$6.5 million and net property and equipment purchased of \$6.2 million.

The Company maintains a line of credit of \$10.0 million which is available for any combination of cash borrowing or letters of credit. The line is unsecured and any cash borrowing under the line would accrue interest at the LIBOR rate plus 1/2 of one percent. The Company uses international letters of credit to purchase private label merchandise and merchandise for the Wholesale Company. Outstanding balances of letters of credit at January 31, 1996 and at October 31, 1996 were \$5.3 million and \$3.1 million, respectively. The Company has never borrowed against the available cash line of credit. There were no loan balances at January 31, 1996 or October 31, 1996.

The Company expects that capital expenditures during fiscal 97 will be approximately \$10.0 million depending upon the number of stores opened, enlarged or improved during the year. In future years, the Company expects to invest amounts greater than that figure, again depending on new and existing stores opened or expanded. The Company believes that existing cash, marketable securities at October 31, 1996 and cash from future operations will be sufficient to meet the Company's cash needs for at least the next three years.

PART II

OTHER INFORMATION

ITEM 6

Exhibits and Reports on Form 8-K

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- (a) Exhibits: Income Per Share Calculation
- (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/ Kenneth K. Cleeland

Kenneth K. Cleeland
Treasurer
(Chief Financial Officer)

Dated: December 13, 1996

Urban Outfitters, Inc.
 INCOME PER SHARE CALCULATION:
 OCTOBER 31, 1996 & 1995

INCOME PER SHARE CALCULATION:

	Three Months Ended October 31,			
	1996		1995	
	\$	Per Share	\$	Per Share
NET INCOME	4,632,000	\$0.26	4,148,000	\$0.23
WEIGHTED AVERAGE COMMON SHARES & COMMON SHARE EQUIVALENTS OUTSTANDING		17,840,541		17,630,726

COMPUTATION OF COMMON
 SHARES & COMMON SHARE
 EQUIVALENTS OUTSTANDING:

	Three Months Ended October 31,			
	1996		1995	
	End of Period	Weighted Ave.	End of Period	Weighted Ave.
COMMON SHARES OUTSTANDING	17,528,698	17,520,771	17,080,372	17,053,580
COMMON SHARE EQUIVALENTS:				
OPTIONS	472,937	480,864	783,942	810,734
ASSUMED REPURCHASED AT AVERAGE PRICE		(161,094)		(233,588)
WEIGHTED AVERAGE COMMON EQUIVALENTS		319,770		577,146
TOTAL WEIGHTED AVERAGE COMMON SHARES & COMMON SHARE EQUIVALENTS OUTSTANDING		17,840,541		17,630,726

INCOME PER SHARE CALCULATION:

	Nine Months Ended October 31,			
	1996		1995	
	\$	Per Share	\$	Per Share
NET INCOME	10,407,000	\$0.59	8,719,000	\$0.49
WEIGHTED AVERAGE COMMON SHARES & COMMON SHARE EQUIVALENTS OUTSTANDING		17,786,429		17,613,620

COMPUTATION OF COMMON
 SHARES & COMMON SHARE
 EQUIVALENTS OUTSTANDING:

	Nine Months Ended October 31,			
	1996		1995	
	End of Period	Weighted Ave.	End of Period	Weighted Ave.
COMMON SHARES OUTSTANDING	17,528,698	17,396,267	17,080,372	17,011,684
COMMON SHARE EQUIVALENTS:				
OPTIONS	472,937	559,595	783,942	796,208
ASSUMED REPURCHASED AT AVERAGE PRICE		(169,433)		(194,272)

WEIGHTED AVERAGE COMMON
EQUIVALENTS

390,162

601,936

TOTAL WEIGHTED AVERAGE
COMMON SHARES & COMMON
SHARE EQUIVALENTS OUTSTANDING

17,786,429

17,613,620

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9-MOS
JAN-31-1996
OCT-31-1996
13,512
9,968
5,862
0
18,732
53,710
22,851
0
91,318
16,425
0
0
1
72,839
91,318
114,416
114,416
56,479
56,479
41,190
0
(1,119)
17,866
7,459
10,407
0
0
0
10,407
.59
.59