

DILLARDS INC

FORM 8-K (Current report filing)

Filed 05/11/12 for the Period Ending 05/10/12

Address 1600 CANTRELL RD

LITTLE ROCK, AR 72201

Telephone 5013765200

CIK 0000028917

Symbol DDS

SIC Code 5311 - Department Stores

Industry Retail (Department & Discount)

Sector Services

Fiscal Year 02/03



UNITED STATES SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549

FORM 8-K

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

Date of report (Date of earliest event reported): May 10, 2012

Dillard's	s, Inc.
(Exact Name of Registrant as	s Specified in its Charter)
Delaw	are
(State or Other Jurisdict)	ion of Incorporation)
1-6140	71-0388071
(Commission File Number)	(I.R.S. Employer Identification No.)
1600 Cantrell Road Little Rock, Arkansas	72201
(Address of Principal Executive Offices)	(Zip Code)
(501) 376	
(Registrant's Telephone Num	iber, Including Area Code)
Not Appl	licable
(Former Name or Former Address,	, if Changed Since Last Report)
Check the appropriate box below if the Form 8-K filing is intended to simple following provisions (<i>see</i> General Instruction A.2. below):	nultaneously satisfy the filing obligation of the registrant under any of
☐ Written communications pursuant to Rule 425 under the Securitie	es Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange A	Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) u	under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) u	nder the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On May 10, 2012 the registrant issued a press release announcing results for the 13 weeks ended April 28, 2012. A copy of the press release is furnished as Exhibit 99.

Item 9.01 <u>Financial Statements and Exhibits</u>.

99 Press Release dated May 10, 2012

SIGNATURE

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

DILLARD'S, INC.

DATED: May 10, 2012 By: /s/ James I. Freeman

Name: James I. Freeman

Title: Senior Vice President & Chief Financial Officer

EXHIBIT INDEX

Exhibit No. Description

99 Press Release dated May 10, 2012

Dillard's, Inc. Reports Record First Quarter Performance

LITTLE ROCK, Ark.--(BUSINESS WIRE)--May 10, 2012--Dillard's, Inc. (NYSE:DDS) (the "Company" or "Dillard's") announced operating results for the 13 weeks ended April 28, 2012. This release contains certain forward-looking statements. Please refer to the Company's cautionary statements regarding forward-looking information included below under "Forward-Looking Information."

First Quarter Results

Dillard's reported net income for the 13 weeks ended April 28, 2012 of \$95.0 million, or \$1.89 per share compared to net income of \$76.7 million or \$1.31 per share for the 13 weeks ended April 30, 2011. Highlights of the 13 weeks ended April 28, 2012 included:

- A 5% increase in comparable store sales
- Control of advertising, selling, administrative and general expenses ("operating expenses") which declined 110 basis points of sales
- Repurchase of \$27.5 million (0.4 million shares) of Class A Common Stock

Dillard's Chief Executive Officer, William T. Dillard, II, stated, "We are happy to report a very strong start to 2012 with our seventh consecutive quarter of increased same store sales as well as record setting earnings and earnings per share performances."

Included in net income for the prior year first quarter is a \$3.0 million net pretax gain (\$1.9 million after tax or \$0.04 per diluted share) consisting of a distribution from a mall joint venture and asset impairment and store closing charges.

Net Sales – 13 Weeks

Net sales for the 13 weeks ended April 28, 2012 were \$1.549 billion compared to net sales for the 13 weeks ended April 30, 2011 of \$1.469 billion. Net sales include the operations of the Company's construction business, CDI Contractors, LLC ("CDI").

Total merchandise sales (which exclude CDI) for the 13-week period ended April 28, 2012 were \$1.522 billion compared to \$1.456 billion for the 13-week period ended April 30, 2011. Total merchandise sales increased 5% during the first quarter. Sales in comparable stores increased 5%. Sales performances were strong in all merchandise categories with the exception of the home and furniture and juniors' and children's apparel categories, which were below trend for the quarter. Sales trends were strongest in ladies' accessories and lingerie, followed by shoes, men's apparel and accessories, and cosmetics. Sales trends were strongest in the Central region, followed by the Eastern and Western regions.

Gross Margin/Inventory

Gross margin from retail operations (which excludes CDI) was 39.0% (of sales) for the 13 weeks ended April 28, 2012 compared to 39.1% for the prior year first quarter. Consolidated gross margin for the 13 weeks ended April 28, 2012 was 38.4% compared to 38.8% during the prior year first quarter. Inventory in comparable stores increased 1% at April 28, 2012 compared to April 30, 2011.

Advertising, Selling, Administrative and General Expenses

Advertising, selling, administrative and general expenses ("operating expenses") decreased approximately 110 basis points of sales during the 13 weeks ended April 28, 2012 compared to the 13 weeks ended April 30, 2011. Operating expenses were \$393.2 million (25.4% of sales) and \$389.3 million (26.5% of sales), respectively. During the first quarter, increases in payroll, services purchased and insurance were partially offset by cost savings in advertising and utilities.

Share Repurchase

During the 13 weeks ended April 28, 2012, Dillard's repurchased approximately \$27.5 million of Class A Common Stock (0.4 million shares). At April 28, 2012, \$250.0 million of authorization remained under the Company's share repurchase program. Total shares outstanding (Class A and Class B Common Stock) at April 28, 2012 and April 30, 2011 were 49.1 million and 53.9 million, respectively.

Store Information

During the first quarter of 2012, the Company announced the upcoming closure of its Hutchinson Mall location in Hutchinson, Kansas (70,000 square feet). The store is expected to close during the second quarter of 2012. At April 28, 2012, the Company operated 287 Dillard's locations and 17 clearance centers spanning 29 states and an Internet store at www.dillards.com. Total square footage at April 28, 2012 was 52.5 million.

Dillard's, Inc. and Subsidiaries Condensed Consolidated Statements of Income (Unaudited) (In Millions, Except Per Share Data)

		13-Week Period Ended					
	April 28, 2012		2012	April 30, 2		2011	
	An	nount	% of Net Sales	A	mount	% of Net Sales	
Net sales	\$	1,549.3	100.0%	\$	1,469.2	100.0%	
Service charges and other income		33.9	2.2		29.6	2.0	
		1,583.2	102.2		1,498.8	102.0	
Cost of sales		954.1	61.6		898.9	61.2	
Advertising, selling, administrative and general expenses		393.2	25.4		389.3	26.5	
Depreciation and amortization		64.0	4.1		64.0	4.4	
Rentals		8.3	0.5		11.4	0.8	
Interest and debt expense, net		17.5	1.1		18.3	1.2	
Gain on disposal of assets		1.0	0.0		-	-	
Asset impairment and store closing charges	-	-	0.0		1.2	0.1	
Income before income taxes and income on and equity in losses of joint ventures		147.1	9.5		115.7	7.8	
Income taxes		52.9			42.7		
Income on and equity in losses joint ventures		0.8	0.0		3.7	0.3	
Net income	\$	95.0	6.1%	\$	76.7	5.2%	
Basic earnings per share	\$	1.92		\$	1.33		
Diluted earnings per share	\$	1.89		\$	1.31		
Basic weighted average shares	<u></u>	49.4			57.5		
Diluted weighted average shares		50.3		====	58.8		
Diacot weighted average shares		30.3		===	50.0		

Dillard's, Inc. and Subsidiaries Condensed Consolidated Balance Sheets (Unaudited) (In Millions)

	Ap 2	April 30, 2011		
Assets				
Current Assets:				
Cash and cash equivalents	\$	250.7	\$	147.3
Accounts receivable		30.8		21.5
Merchandise inventories		1,499.6		1,504.0
Other current assets		45.8		43.2
Total current assets		1,826.9		1,716.0
Property and equipment, net		2,411.4		2,547.9
Other assets		277.7		73.0
Total Assets	\$	4,516.0	\$	4,336.9
Liabilities and Stockholders' Equity				
Current Liabilities:				
Trade accounts payable and accrued expenses	\$	813.9	\$	835.7
Current portion of long-term debt and capital leases		78.7		51.4
Federal and state income taxes including current deferred taxes		129.0		101.6
Total current liabilities		1,021.6		988.7
Long-term debt and capital leases		623.4		707.6
Other liabilities		245.6		206.8
Deferred income taxes		301.7		328.9
Subordinated debentures		200.0		200.0
Stockholders' equity		2,123.7		1,904.9
Total Liabilities and Stockholders' Equity	\$	4,516.0	\$	4,336.9

Dillard's, Inc. and Subsidiaries Condensed Consolidated Statements of Cash Flows (Unaudited) (In Millions)

	13-week P April 28, 2012	eriod Ended April 30, 2011	
Operating activities:	2012		2011
Net income	\$ 95.0	\$	76.7
Adjustments to reconcile net income to net cash provided by operating activities:	Ψ ,5.0	Ψ	70.7
Depreciation and amortization of property and deferred financing cost	64.5		64.5
Gain on disposal of assets	(1.0)		-
Asset impairment and store closing charges	-		1.2
Excess tax benefits from share-based compensation	(1.3)		(2.4)
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	(2.1)		4.4
Increase in merchandise inventories	(195.4)		(213.9)
Increase in other current assets	(11.2)		(0.6)
Decrease in other assets	1.2		0.8
Increase in trade accounts payable and accrued expenses and other liabilities	167.0		127.9
(Decrease) increase in income taxes payable	(18.2)		0.6
Net cash provided by operating activities	98.5		59.2
Investing activities:			
Purchase of property and equipment	(47.5)		(17.0)
Distribution from joint venture	-		2.5
Proceeds from disposal of property and equipment	7.8		-
Net cash used in investing activities	(39.7)		(14.5)
Financing activities:			
Principal payments on long-term debt and capital lease obligations	(1.0)		(0.9)
Issuance cost of line of credit	(5.3)		-
Cash dividends paid	(2.5)		(2.4)
Purchase of treasury stock	(27.5)		(247.1)
Excess tax benefits from share-based compensation	1.3		2.4
Proceeds from stock issuance	2.6		7.3
Net cash used in financing activities	(32.4)		(240.7)
Increase (decrease) in cash and cash equivalents	26.4		(196.0)
Cash and cash equivalents, beginning of period	224.3		343.3
Cash and cash equivalents, end of period	\$ 250.7	\$	147.3
Non-cash transactions:			
Accrued capital expenditures	\$ 1.7	\$	2.4
Stock awards	1.9		2.2

Estimates for 2012

The Company is updating the following estimates for certain financial statement items for the fiscal year ending February 2, 2013 based upon current conditions. Actual results may differ significantly from these estimates as conditions and factors change – See "Forward-Looking Information."

		In millions			
	2012	2012		11	
	Estimated			Actual	
Depreciation and amortization	\$	257	\$	258	
Rentals		34		48	
Interest and debt expense, net		70		72	
Capital expenditures		175		116	

Forward-Looking Information

The foregoing contains certain "forward-looking statements" within the definition of federal securities laws. The following are or may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995: statements including (a) words such as "may," "will," "could," "believe," "expect," "future," "potential," "anticipate," "intend," "plan," "estimate," "continue," or the negative or other variations thereof, and (b) statements regarding matters that are not historical facts. The Company cautions that forwardlooking statements contained in this report are based on estimates, projections, beliefs and assumptions of management and information available to management at the time of such statements and are not guarantees of future performance. The Company disclaims any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information, or otherwise. Forward-looking statements of the Company involve risks and uncertainties and are subject to change based on various important factors. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements made by the Company and its management as a result of a number of risks, uncertainties and assumptions. Representative examples of those factors include (without limitation) general retail industry conditions and macro-economic conditions; economic and weather conditions for regions in which the Company's stores are located and the effect of these factors on the buying patterns of the Company's customers, including the effect of changes in prices and availability of oil and natural gas; the availability of consumer credit; the impact of competitive pressures in the department store industry and other retail channels including specialty, off-price, discount and Internet retailers; changes in consumer spending patterns, debt levels and their ability to meet credit obligations; changes in legislation, affecting such matters as the cost of employee benefits or credit card income; adequate and stable availability and pricing of materials, production facilities and labor from which the Company sources its merchandise; changes in operating expenses, including employee wages, commission structures and related benefits; system failures or data security breaches; possible future acquisitions of store properties from other department store operators; the continued availability of financing in amounts and at the terms necessary to support the Company's future business; fluctuations in LIBOR and other base borrowing rates; potential disruption from terrorist activity and the effect on ongoing consumer confidence; epidemic, pandemic or other public health issues; potential disruption of international trade and supply chain efficiencies; world conflict and the possible impact on consumer spending patterns and other economic and demographic changes of similar or dissimilar nature. The Company's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended January 28, 2012, contain other information on factors that may affect financial results or cause actual results to differ materially from forward-looking statements.

CONTACT: Dillard's, Inc. Julie Johnson Bull, 501-376-5965