Powered By EDGAR Online 2002. EDGAR Online, Inc.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 FORM 10-K
(Mark One)

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

For the fiscal year ended February 3, 2001

OR

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

For the transition period from _____ to _____.

Commission file number 1-6140

DILLARD'S, INC. (Exact name of registrant as specified in its charter) **DELAWARE 71-0388071**
(State or other jurisdiction of incorporation or organization) (IRS Employer Identification Number)

1600 CANTRELL ROAD, LITTLE ROCK, ARKANSAS 72201 (Address of principal executive office) (Zip Code) **(501) 376-5200**
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each Class	Name of each exchange on which registered
Class A Common Stock	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by checkmark 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 checkmark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of the Form 10-K or any amendment to this Form 10-K. [X]

State the aggregate market value of the voting stock held by non-affiliates of the Registrant as of March 30, 2001: $1,727,896,548.

Indicate the number of shares outstanding of each of the Registrant's classes of common stock as of March 30, 2001:

CLASS A COMMON STOCK, $.01 par value	81,011,900
CLASS B COMMON STOCK, $.01 par value	4,010,929

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Annual Stockholders Report for the fiscal year ended February 3, 2001 (the "Report") are incorporated by reference into Parts I and II.

Portions of the Proxy Statement for the Annual Meeting of Stockholders to be held May 19, 2001 (the "Proxy Statement") are incorporated by reference into part III.

The Company cautions that any forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) contained in this report or made by management of the Company involve risks and uncertainties and are subject to change based on various important factors. The following factors, among others, could affect the Company's financial performance and could cause actual results for 2001 and beyond to differ materially from those expressed or implied in any such forward-looking statements: economic and weather conditions in the regions in which the Company's stores are located and their effect on the buying patterns of the Company's customers, changes in consumer spending patterns and debt levels, trends in personal bankruptcies and the impact of competitive market forces.

ITEM 1. BUSINESS.

General

Dillard's, Inc. (the "Company" or "Registrant") is an outgrowth of a department store originally founded in 1938 by William Dillard. The Company was incorporated in Delaware in 1964. The Company operates retail department stores located primarily in the southwest, southeast and midwest.

The department store business [illegible] competitive. The Company has several competitors at the national and regional levels as wel[illegible] competitors at the local level. Many factors enter into competition for the consumer's patronage, including price, quality, style, service, product mix, convenience and credit availability. The Company's earnings depend to a significant extent on the results of operations for the last quarter of its fiscal year. Due to holiday buying patterns, sales for that period average approximately one-third of annual sales.

Powered By EDGAR Online 2002 EDGAR Online, Inc.

Powered By EDGAR Online 2002. EDGAR Online, Inc.

Powered By EDGAR Online 2002. EDGAR Online, Inc.

DILLARD'S, INC.

2000 INCENTIVE AND NONQUALIFIED STOCK OPTION PLAN

WHEREAS, the Board of Directors of the Company deems it in the best interest of the Company that Key Employees and Outside Directors of the Company be given an opportunity to acquire a stake in the growth of the Company as a means of assuring their maximum effort and continued association and employment with the Company; and

WHEREAS, the Board of Directors believes that the Company can best obtain these and other benefits by granting stock options to such Key Employees and Outside Directors;

NOW, THEREFORE, BE IT RESOLVED:

That the Dillard's, Inc. 2000 Incentive and Nonqualified Stock Option Plan be adopted, and that it be effective commencing May 20, 2000.

1. Purpose. The purpose of the Dillard's, Inc. 2000 Incentive and Nonqualified Stock Option Plan is to encourage ownership of stock in the Company by Key Employees and Outside Directors, and thereby cause such Key Employees and Outside Directors to increase their efforts on behalf of the Company, to effect savings, and to otherwise promote the best interests of the Company. It is intended that options granted under this Plan to Key Employees will qualify as Incentive Stock Options, provided, however, that Nonqualified Stock Options may also be granted to Key Employees and Outside Directors which do not qualify as Incentive Stock Options.

2. Definitions. As used herein, the following definitions shall apply.

a. "Board" shall mean the Board of Directors of the Company.

b. "Common Stock" shall mean Common Stock, Class A, $.01 par value per share, of the Company.

c. "Code" shall mean the Internal Revenue Code of 1986, as amended.

d. "Committee" shall mean the Committee appointed by the Board in accordance with paragraph 4(a) of the Plan.

e "Company" shall mean Dillard's, Inc.

f. "Continuous Employment" or "Continuous Status as an Employee" shall mean the absence of any interruption or termination of employment by the Company. Employment shall not be considered interrupted in the case of sick leave, military leave, or any other leave of absence approved by the Company.

g. "Effective Date" shall mean May 20, 2000.

h "Employee" shall mean any person employed on a full-time basis by the Company or of any subsidiaries of the Company (as defined inss.425(f) of the Code).

i. "Incentive Stock Option" shall mean an Option which meets the requirements ofss.422(b) of the Code.

j. "Key Employee" shall mean an Employee who, in the opinion of the Committee, can contribute significantly to the growth and profitability of, or perform services of major importance to, the Company or any subsidiaries of the Company.

k. "Nonqualified Stock Option" means an Option which does not receive the special tax treatment received by an Incentive Stock Option.

l. "Option" shall mean a right to acquire Common Stock which is granted pursuant to this Plan.

m. "Option Agreement" shall mean a written agreement which sets forth the terms of each Option and is signed by an authorized officer of the Company.

n. "Optioned Stock" shall mean Common Stock subject to an Option granted pursuant to this Plan.

o. "Optionee" shall mean an Employee or Outside Director who receives an Option.

p. "Outside Director" shall mean a member of the Board who is not also an Employee.

q. "Plan" shall mean the Dillard's, Inc.2000 Incentive and Nonqualified Stock Option Plan.

r. "Share" shall mean one share of the Common Stock.

3. Shares Subject to the Plan. Except as otherwise required by the provisions of paragraph 13 hereof, the aggregate number of Shares of Stock deliverable upon the exercise of Options pursuant to the Plan shall not exceed seven million (7,000,000) Shares. Such Shares may either be authorized but unissued or treasury shares. If an Option should expire or become unexercisable for any reason without having been exercised in full, the unpurchased Shares which were subject thereto shall, unless the Plan shall have been terminated, be available for the grant of other Options under the Plan. No Optionee may receive options covering more than one million (1,000,000) shares in any single fiscal year of the Company under the Plan.

Powered By EDGAR Online 2002 EDGAR Online, Inc.

EXHIBIT 12

STATEMENT RE: COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES (DOLLARS IN THOUSANDS)

	February 3, 2001*	January 29, 2000	January 30, 1999	January 31, 1998	February 1, 1997
Consolidated pretax income	$140,860	$283,949	$219,084	$410,035	$378,761
Fixed charges (less capitalized interest)	249,671	261,638	219,341	147,466	139,188
EARNINGS	$390,531	$545,587	$438,425	$557,501	$517,949
Interest	$224,323	$236,566	$196,680	$129,237	$120,599
Capitalized interest	4,720	5,177	3,050	3,644	4,420
Interest factor in rent expense	25,348	25,072	22,661	18,229	18,589
FIXED CHARGES	$254,391	$266,815	$222,391	$151,110	$143,608
Ratio of earnings to fixed Charges	1.54	2.04	1.97	3.69	3.61

*53 week year.

Powered By EDGAR Online 2002. EDGAR Online, Inc.

Dillard's 2000 Annual Report

buying smart selling smarter

Improving value through strategic inventory management.

Dillard's, Inc.

2000 Annual Report

In 2000, Dillard's opened new stores in the following locations, for a total of 337 stores in 29 states: Palm Beach Mall (W. Palm Beach, FL); La Plaza Mall* (McAllen, TX); Sunrise Mall* (Brownsville, TX); FlatIron Crossing (Broomfield, CO); North Plains Mall (Clovis, NM); Quintard Mall (Oxford, AL); Aiken Mall* (Aiken, SC)
*Replacement store

Table of Contents

1 Financial Highlights

2 Letter to Shareholders

4 The Smart Buy

6 The Smart Value

8 The Smart Sell

10 The Smart Investment

12 Table of Selected Financial Data

13 Management's Discussion and Analysis of Financial Condition and Results of Operations

17 Independent Auditors' Report

18 Consolidated Balance Sheets

19 Consolidated Statements of Operations

20 Consolidated Statements of Stockholders' Equity

21 Consolidated Statements of Cash Flows

22 Notes to Consolidated Financial Statements

32 Corporate Organization and Board of Directors

33 Shareholder Information

Selected Financial Highlights

(dollars in thousands, except per share amounts)	2000*	1999	1998	1997	1996
Income Statement Data:					
Net sales	$8,566,560	$8,676,711	$7,762,778	$6,610,064	$6,199,247
Income before extraordinary item and accounting change	96,830	163.729	135,259	258,325	238,621
Extraordinary					

Powered By EDGAR Online 2002. EDGAR Online, Inc.

March 21, 2001

Dillard's, Inc.
1600 Cantrell Road
Little Rock, Arkansas

Board of Directors:

We have audited the consolidated financial statements of Dillard's, Inc. and Subsidiaries as of February 3, 2001 and January 29, 2000, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended February 3, 2001, included in your Annual Report on Form 10-K to the Securities and Exchange Commission and have issued our report thereon dated March 21, 2001, which expresses an unqualified opinion and includes an explanatory paragraph concerning the change in the method of calculating merchandise inventories under the retail inventory method. Note 1 to such consolidated financial statements contains a description of your adoption during the year ended February 3, 2001 of the change in the method of calculating merchandise inventories under the retail inventory method. In our judgment, such change is to an alternative accounting principle that is preferable under the circumstances.

Yours truly,

DELOITTE & TOUCHE LLP

EXHIBIT 21

SUBSIDIARIES OF REGISTRANT

Name	State of Incorporation	Name Under Which Subsidiary Is Doing Business
Brownsville Shopping Center, Inc.	Texas	Brownsville Shopping Center, Inc.
Condev Mission, Inc.	Arkansas	Condev Mission, Inc.
Condev Nevada, Inc.	Nevada	Dillard's
Dillard Store Services, Inc.	Arizona	Dillard's
Construction Developers, Inc.	Arkansas	Construction Developers, Inc.
Dillard's, Inc.	Delaware	Dillard's
Dillard International, Inc.	Nevada	Dillard International, Inc.
Dillard Investment Co., Inc.	Delaware	Dillard Investment Co., Inc.
Dillard National Bank	National Banking Ass.	Dillard National Bank
Dillard Ticket Systems, Inc.	Arizona	Dillard Ticket Systems, Inc.
Dillard Travel, Inc.	Arkansas	Dillard Travel, Inc.
Dillard USA, Inc.	Nevada	Dillard's
Dillard's Nevada, Inc.	Nevada	Dillard's Nevada, Inc.
Dillard's Utah, Inc.	Utah	Dillard's Utah, Inc.
Dillard's Wyoming, Inc.	Wyoming	Dillard's
The Higbee Company	Delaware	Dillard's
J. B. Ivey & Company	North Carolina	Dillard's
Pulaski Realty Company	Arkansas	Pulaski Realty Company
Mercantile Stores Co., Inc.	Delaware	Dillard's
J. Bacon & Sons	Kentucky	Bacon's
The Castner-Knott Dry Goods Co.	Tennessee	Dillard's
C. J. Gayfer & Company, Inc.	Delaware	Dillard's
Gayfer Montgomery Fair Co.	Delaware	Dillard's
Hennessy Company	Montana	Dillard's
Mercantile Kansas City, Inc.	Delaware	Dillard's
Ishawn Beauty School, Inc.	Missouri	Dillard's
The Joslin Dry Goods Company	Colorado	Dillard's
The Lion Dry Goods Company	Ohio	Lion
The McAlpin Company	Kentucky	McAlpin
Mercantile Credit Corp.	Louisiana	Mercantile Credit Corp.
Mercantile International, Inc.	Delaware	Mercantile International, Inc.
Mercantile Logistics Company, Inc.	Ohio	Mercantile Logistics Company, Inc.
Mercantile Properties, Inc.	Delaware	Mercantile Properties, Inc.
Mercantile Real Estate Company, Inc.	Delaware	Mercantile Real Estate Company, Inc.
Mersco Development Company, Inc.	Delaware	Mersco Development Company, Inc.
Mersco Factors, Inc.	Delaware	Mersco Factors, Inc.
Mersco Finance Corporation	Delaware	Mersco Finance Corporation
Mersco Realty Co., Inc.	Ohio	Mersco Realty Co., Inc.
J. B. White & Company	South Carolina	Dillard's

Powered By EDGAR Online 2002. EDGAR Online, Inc.

EXHIBIT 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement Number 33-42500 on Form S-8, in Registration Number 33-42499 on Form S-8, in Registration Statement Number 33-42553 on Form S-8, in Registration Statement Number 333-59183 on Form S-3 of our report dated March 21, 2001, appearing in and incorporated by reference in this Annual Report on Form 10-K of Dillard's, Inc. and subsidiaries for the year ended February 3, 2001.

DELOITTE & TOUCHE LLP

New York, New York
May 4, 2001

Powered By EDGAR Online 2002. EDGAR Online, Inc.

End of Filing

Powered By EDGAR Online 2002. EDGAR Online, Inc.