

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) March 14, 2002

LANDS' END, INC.  
(exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation)	1-9769 (Commission File Number)	36-2512786 (I.R.S. Employer Identification Number)
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Lands' End Lane, Dodgeville, Wisconsin (Address of principal executive offices)	53595 (Zip Code)
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Registrant's telephone number including area code	608-935-9341
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INFORMATION INCLUDED IN THIS REPORT

Item 5. Other Events.

Attached as Exhibit 99 to this report is a news release issued by Lands' End, Inc., announcing its fourth quarter performance and fiscal 2002 results.

SIGNATURES

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

LANDS' END, INC.

March 15, 2002

By:/s/ DONALD R. HUGHES  
Donald R. Hughes  
Senior Vice President &  
Chief Financial Officer

FOR IMMEDIATE RELEASE

LANDS' END REPORTS RECORD FOURTH QUARTER  
AND FISCAL 2002 EARNINGS

DODGEVILLE, WIS. ... March 14, 2002... Lands' End, Inc. (LE), the direct merchant of classically styled apparel and home furnishings, today reported record earnings for its fourth quarter and fiscal year ended February 1, 2002.

FISCAL YEAR 2002 RECORD RESULTS

Net income for the year ended February 1, 2002 was \$66.9 million, or \$2.23 per diluted share, compared to \$34.7 million, or \$1.14 per diluted share in the prior year. Total revenue for the year just ended was \$1.569 billion, compared with \$1.462 billion for the prior year. This represents a net income gain of 93 percent on a revenue increase of 7.3 percent.

The fiscal year just ended includes 53 weeks compared to last year's 52 weeks. On a comparable 52-week basis, total revenue increased 5.5 percent.

FOURTH QUARTER RECORD RESULTS

Net income for the 14 weeks ended February 1, 2002 was \$45.9 million, or \$1.51 per diluted share, compared with \$31.8 million, or \$1.07 per diluted share in the prior year's 13-week fourth quarter. Total revenue for the fourth quarter was \$596.0 million, compared with \$538.6 million in the same quarter a year ago. This represents a net income gain of 44.3 percent on a revenue increase of 10.7 percent. On a comparable 13-week basis, total revenue increased 5.8 percent from the prior year.

In commenting on the results, company president and chief executive officer David F. Dyer said, "We are extremely pleased that we achieved record results, especially in the face of the challenging business environment this past year. The initiatives that we started three years ago, and the focused execution of the past year, contributed to our success. We are establishing the groundwork for future growth with programs such as enhanced customer segmentation, new catalogs and additional Internet innovations."

FOURTH QUARTER HIGHLIGHTS AND COMMENTS

For the 14-week quarter just ended, sales of full-price merchandise to U.S. consumers rose 11 percent and Internet sales increased 40 percent, compared with the similar 13-week quarter in the prior year. On a comparable 13-week basis, sales of full-price merchandise to U.S. consumers rose 8 percent, and Internet sales were up 34 percent. As a percentage of total revenue, gross margin improvement of 1.1 percentage points was the result of significantly better vendor sourcing. As a percentage of total revenue, selling, general and administrative expenses declined 1.8 percentage points. Inventory investments in key items allowed the company to ship 88 percent of its merchandise immediately upon customer order, compared with 79 percent last year.

The following table shows segment data on both a fiscal and

comparable calendar basis. The additional week in fiscal 2002 added \$24 million in merchandise sales to these periods.

SEGMENT DATA

Segment merchandise sales data for fourth quarter and full year (in millions)

	4Q02	4Q01	Percent change 14 weeks	Percent change 13 weeks
Core business segment	\$353	\$317	+11.2%	+ 6.6%
Specialty segment	145	134	+ 8.6%	+ 3.0%
International segment	52	46	+12.5%	+ 8.6%
Total merchandise sales	\$550	\$497	+10.6%	+ 5.8%
Internet	\$120	\$ 86	+40.1%	+33.7%
	FY02	FY01	Percent change 53 weeks	Percent change 52 weeks
Core business segment	\$ 873	\$ 814	+ 7.3%	+ 5.5%
Specialty segment	433	408	+ 6.0%	+ 4.2%
International segment	142	133	+ 6.8%	+ 5.4%
Total merchandise sales	\$1448	\$1355	+ 6.9%	+ 5.1%
Internet	299	218	+37.2%	+34.7%

Segment merchandise sales data (full-price and liquidation sales) excludes shipping & handling revenue. Internet sales are included in the respective business segments.

On a comparable 13-week basis for the quarter, the strong growth of the core business segment was led by a 17 percent increase in women's and a 7 percent increase in coed, while men's was down 3 percent. In the specialty business segment, Home grew by 12 percent and Kids by 7 percent. Sales for the Business Outfitters division, formerly called Corporate Sales, were down 7 percent, due to adverse economic conditions. However, in U.S. dollars, international sales were strong, up 9 percent from the prior year, led by the German and United Kingdom businesses. Measured in their local currencies, sales in both Germany and the United Kingdom showed even stronger results.

Gross profit for the quarter just ended was \$267 million, or 44.8 percent of total revenue, compared with \$235 million, or 43.7 percent of total revenue in the prior year. Continued improved vendor sourcing resulted in higher initial margins.

Inventory was \$227 million as of February 1, 2002, compared with \$188 million at the end of the prior year. This year, the company invested \$30 million to accelerate receipts of spring merchandise. Fourth quarter liquidations of excess inventory were 7.5 percent of net merchandise sales versus 6.9 percent the year before, reflecting an additional week of clearance sales due to the calendar shift.

Selling, general and administrative expenses in the fourth quarter of fiscal 2002 were \$191 million, compared with \$182 million in the prior year. As a percentage of total revenue, SG&A was 32.0 percent, compared with 33.8 percent in the prior year. The improved leverage was primarily due to better fulfillment levels that allowed us to convert demand to sales at a higher rate.

BUSINESS OUTLOOK FOR FISCAL 2003

For the quarter to date, on a fiscal basis, total revenue is up mid-single digits. For the full fiscal year 2003, the company currently anticipates a single-digit percentage increase in total revenue and a diluted earnings per share increase in the high-single-digit to low-double-digit percentage range. Gross profit margin is expected to improve by 30 to 70 basis points, and capital expenditures are currently planned to be about \$35 million.

Lands' End is a direct merchant of traditionally styled, classic products offered to customers around the world through regular mailings of its monthly and specialty catalogs and via the Internet at [www.landsend.com](http://www.landsend.com).

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(in millions)		
Twelve-month buyers	7.0	6.7
Three-year buyers	11.5	11.2
Catalogs mailed	272	269
Capital expenditures	\$40.5	\$44.6
Depreciation & amortization	\$26.9	\$23.4

#### STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Statements in this release that are not historical, including, without limitation, statements regarding our plans, expectations, assumptions, and estimations for fiscal 2003 revenues, gross profit margin, and earnings, as well as anticipated sales trends and future development of our business strategy, are considered forward-looking and speak only as of today's date. As such, these statements are subject to a number of risks and uncertainties. Future results may be materially different from those expressed or implied by these statements due to a number of factors. Currently, we believe that the principal factors that create uncertainty about our future results are the following: customer response to our merchandise offerings, circulation changes and other initiatives; the mix of our sales between full price and liquidation merchandise; overall consumer confidence and general economic conditions, both domestic and foreign; effects of weather on customer purchasing behavior; effects of shifting patterns of e-commerce versus catalog purchases; costs associated with printing and mailing catalogs and fulfilling orders; dependence on consumer seasonal buying patterns; fluctuations in foreign currency exchange rates; and changes that may have different effects on the various sectors in which we operate (e.g., rather than individual consumers, the Business Outfitters division, included in the specialty segment, sells to numerous corporations, and certain of these sales are for their corporate promotional activities). Our future results could, of course, be affected by other factors as well. More information about these risks and uncertainties may be found in the company's 10-K filings with the S.E.C.

The company does not undertake to publicly update or revise its forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

#### WEBCAST ANNOUNCEMENT

The company will audio web cast its conference call for the general public at 9:30 a.m. CT today. This call will cover the company's performance for the holiday period and its business outlook for the remainder of the year. Register and listen at <http://www.videonewswire.com/event.asp?id=3558>. A playback will be available for one week.

The conference call and web cast consist of copyrighted material that may not be recorded, reproduced, retransmitted, rebroadcast, stored or forwarded without Lands' End's express written permission. Your participation represents your consent to these terms and conditions. The call will be recorded by Lands' End, and your participation on this call also constitutes your consent to having any comments or statements you make appear on a transcript or broadcast of this call.

Lands' End is a direct merchant of traditionally styled, classic casualwear offered to customers around the world through regular mailings of its monthly and specialty catalogs and via the Internet at [www.landsend.com](http://www.landsend.com).

Contact Charlotte LaComb: 608-935-4835

#### CONSOLIDATED STATEMENTS OF OPERATIONS

Lands' End, Inc. & Subsidiaries  
(Amounts in thousands, except per share data)

14 weeks ended Feb. 1, 2002	13 weeks ended Jan. 26, 2001	53 weeks ended Feb. 1, 2002	52 weeks ended Jan. 26, 2001
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Net merchandise sales	\$549,882	\$496,993	\$1,448,230	\$1,354,974
Shipping and handling revenue	46,124	41,564	120,832	107,309
Total revenue	596,006	538,557	1,569,062	1,462,283
Cost of merchandise sales	281,243	259,963	758,792	728,446
Shipping and handling costs	47,654	43,160	121,444	112,158
Total cost of sales	328,897	303,123	880,236	840,604
Gross profit	267,109	235,434	688,826	621,679
Selling, general and administrative expenses	190,520	181,863	575,662	560,019
Income from operations	76,589	53,571	113,164	61,660
Other income (expense):				
Interest expense	(209)	(364)	(1,350)	(1,512)
Interest income	537	790	1,521	2,244
Other	(2,649)	(3,516)	(5,406)	(7,381)
Total other expense, net	(2,321)	(3,090)	(5,235)	(6,649)
Income before income taxes	74,268	50,481	107,929	55,011
Income tax provision	28,390	18,678	41,013	20,354
Net income	\$ 45,878	\$ 31,803	\$ 66,916	\$ 34,657
Basic earnings per share	\$ 1.54	\$ 1.08	\$ 2.27	\$ 1.15
Diluted earnings per share	\$ 1.51	\$ 1.07	\$ 2.23	\$ 1.14
Basic weighted average shares outstanding	29,772	29,412	29,476	30,047
Diluted weighted average shares outstanding	30,372	29,623	29,977	30,422

#### CONSOLIDATED BALANCE SHEETS

Lands' End, Inc. & Subsidiaries	Feb. 1,	Jan. 26,
(Amounts in thousands)	2002	2001
Assets		
Current assets:		
Cash and cash equivalents	\$122,091	\$ 75,351
Receivables, net	13,297	19,808
Inventory	227,220	188,211
Prepaid advertising	15,710	17,627
Other prepaid expenses	8,361	7,103
Deferred income tax benefit	15,905	10,973
Total current assets	402,584	319,073
Property, plant and equipment, at cost:		
Land and buildings	117,785	104,815
Fixtures and equipment	105,588	103,866
Computer hardware and software	116,000	99,979
Leasehold improvements	4,837	4,630
Construction in progress	-	4,289
Total property, plant and equipment	344,210	317,579
Less - accumulated depreciation and amortization	150,342	132,286
Property, plant and equipment, net	193,868	185,293
Other assets	2,668	3,263
Total assets	\$599,120	\$507,629
Liabilities and shareholders' investment		
Current liabilities:		
Lines of credit	\$ 16,169	\$ 16,940
Accounts payable	83,363	96,168
Reserve for returns	9,384	9,061
Accrued liabilities	46,910	41,135
Accrued profit sharing	4,781	2,357
Income taxes payable	24,957	13,213
Total current liabilities	185,564	178,874

Deferred income taxes	12,838	14,567
Shareholders' investment:		
Common stock, 40,221 shares issued	402	402
Donated capital	8,400	8,400
Additional paid-in capital	39,568	31,908
Deferred compensation	(56)	(121)
Accumulated other comprehensive income	3,343	5,974
Retained earnings	556,003	489,087
Treasury stock, 10,236 and 10,945 shares at cost, respectively	(206,942)	(221,462)
Total shareholders' investment	400,718	314,188
Total liabilities and shareholders' investment	\$599,120	\$507,629

CONSOLIDATED STATEMENTS OF CASH FLOWS  
Lands' End, Inc. & Subsidiaries  
(In thousands)

	Twelve months ended	
	Feb. 1, 2002	Jan. 26, 2001
Cash flows from (used for)		
operating activities:		
Net income	\$ 66,916	\$ 34,657
Adjustments to reconcile net income to net cash flows from operating activities-		
Depreciation and amortization	26,946	23,432
Deferred compensation expense	65	115
Deferred income taxes	(6,661)	5,138
Loss on disposal of fixed assets	2,427	437
Tax benefit of stock options	7,660	2,199
Changes in assets and liabilities:		
Receivables, net	6,511	(2,055)
Inventory	(39,009)	(26,018)
Prepaid advertising	1,917	(1,055)
Other prepaid expenses	(1,258)	(1,888)
Accounts payable	(12,805)	21,658
Reserve for returns	323	1,192
Accrued liabilities	8,465	(1,091)
Accrued profit sharing	2,424	(403)
Income taxes payable	11,744	2,958
Other	(2,160)	1,288
Net cash flows from operating activities	73,505	60,564
Cash flows used for investing activities:		
Cash paid for capital additions	(40,514)	(44,553)
Net cash flows used for investing activities:	(40,514)	(44,553)
Cash flows from (used for)		
financing activities:		
Proceeds from (payment of) short-term debt	(771)	5,216
Purchases of treasury stock	(12,388)	(27,988)
Issuance of treasury stock	26,908	5,699
Net cash flows from (used for) financing activities	13,749	(17,073)
Net increase (decrease) in cash and cash equivalents	46,740	(1,062)
Beginning cash and cash equivalents	75,351	76,413
Ending cash and cash equivalents	\$122,091	\$ 75,351