

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) November 6, 2001

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 608-935-9341
including area code

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 third quarter results of fiscal year 2002 for the period ended October 26, 2001.

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.

November 14, 2001

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

EXHIBIT 99

FOR IMMEDIATE RELEASE

LANDS' END REPORTS RECORD THIRD QUARTER SALES AND EARNINGS

DODGEVILLE, WI ... November 6, 2001 ... Lands' End, Inc. (LE), the direct merchant of classically styled apparel and home furnishings, today reported results for its third quarter of fiscal 2002, ended October 26, 2001.

Total revenue for the third quarter was \$376.1 million, up 4 percent from \$362.3 million in the same quarter last year. Net income for the quarter was \$12.1 million, compared with \$4.4 million earned in the same quarter last year. Diluted earnings per share were \$0.41, compared with \$0.15 in the prior year, representing a new third quarter company record.

In commenting on the quarter, company president and chief executive officer David F. Dyer said, "We're delighted with our strong third quarter results. Our performance in full-price sales, gross margin and prudent expense control propelled us to the new record. I believe these results, especially in such uncertain times, are due to our customers' response to our fresh merchandise, our improved catalog presentations and our strong quality/value proposition."

For the third quarter, sales of full-price merchandise to the U.S. consumer rose 16 percent, while as previously announced, liquidation sales declined about \$15 million. As a percent of total revenue, gross margin improvement of 3.7 percentage points was due to reduced liquidation and significantly better vendor sourcing. Overall selling, general and administrative expenses rose 6.1 percent, due to higher provisions for employee incentives and profit sharing. However, aside from these provisions, all other SG&A expenses declined 1.4 percentage points on a relative basis.

NINE MONTH RESULTS

For the nine months just ended, both revenue and operating income set records for the company. Total revenue was \$973.1 million, up about 5 percent from total revenue of \$923.7 million during the same period last year. Net income for the first nine months of fiscal 2002 was \$21.0 million, or \$0.71 per diluted share, compared with net income of \$2.9 million, or \$0.09 per share in the same period a year ago. Gross margin has improved 1.5 percentage points, and selling, general and administrative expenses were reduced 1.3 percentage points, as a percent of the total nine months revenue.

THIRD QUARTER COMMENTS

In the U.S. consumer business, women's and co-ed showed significant growth during the third quarter. In the specialty segment, Kids had strong double-digit sales increases, while

Corporate Sales, the non-consumer division that is part of the specialty segment, showed a double-digit decline, mainly due to the continued slowdown in national business spending. In local currencies, the U.K. and Germany had higher merchandise sales than a year ago, while Japan's were slightly down. When measured in U.S. dollars, the international business segment was up by about 14 percent, mainly due to double-digit increases in the U.K. and Germany.

Gross profit in the quarter just ended was \$164.9 million, or 43.8 percent of total revenue, compared with \$145.2 million, or 40.1 percent of total revenue, in the similar quarter last year. The strong improvement in gross profit margin was attributable to the \$15.4 million reduction in liquidation sales and continued improvements in vendor sourcing.

As expected, liquidations of excess inventory were 12 percent of net merchandise sales in the quarter just ended, compared with 17 percent in the prior year. Third quarter ending inventory was \$294 million, up 13 percent from \$261 million a year ago, reflecting the planned earlier receipts of fall merchandise and greater investment in key styles. Inventory is in excellent condition, significantly improved from the prior year. We shipped about 92 percent of items at the time of order placement during the quarter just ended, consistent with our high standards of customer service and an improvement over last year's 90 percent first time fulfillment rate.

For the third quarter this year, selling, general and administrative expenses totaled \$144.1 million, compared with \$135.7 million last year. As a percentage of total revenue, SG&A was 38.3 percent, compared with 37.5 percent in the similar period last year. As stated, the change in the SG&A ratio resulted from higher employee incentives and profit-sharing expense, as well as higher depreciation and opening costs for our Stevens Point complex. When measured as a percent of total revenue, these were mostly offset by reductions in catalog circulation cost, national advertising and all other operating expenses.

SEGMENT DATA

Segment merchandise sales data for third quarter
(in millions) Percent

	3Q02	3Q01	Change
Core business segment	\$188	\$185	+ 2 %
Specialty segment	128	123	+ 4 %
International segment	32	28	+14 %
Total merchandise sales	\$348	\$336	+ 4 %

Internet \$ 72 54 +33 %

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

BUSINESS OUTLOOK

For the full year, we plan capital expenditures of between \$42 million to \$45 million, of which about \$31 million has been spent during the first 9 months of fiscal 2002.

Given recent experience, we have a good opportunity to exceed last year's strong fourth quarter sales and earnings, and if our momentum continues, we will be successful in doing so. Last year's fourth quarter double-digit sales and earnings results present a challenging point of comparison, especially given the current uncertain economic environment. We are more cautious about post-Christmas performance and the general softness of consumer spending.

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.

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 2002 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 Corporate Sales 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 had an audio web cast of its conference call for the general public on Wednesday, November 6, at 9:30 a.m. CT. This call covered the company's performance for the third quarter and its business outlook for the remainder of the year. Register and listen at <http://www.videonewswire.com/event.asp?id=1895>. A playback was available for one week.

The conference call and webcast 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 was 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.

Contact Charlotte LaComb: 608-935-4835

PRELIMINARY AND UNAUDITED

CONSOLIDATED STATEMENTS OF OPERATIONS

Lands' End, Inc. & Subsidiaries

(Amounts in thousands, except per share data)

	Three months ended		Nine months ended	
	Oct. 26,	Oct. 27,	Oct. 26,	Oct. 27,
	2001	2000	2001	2000
Revenue				
Net merchandise sales	\$348,357	\$336,391	\$898,348	\$857,981
Shipping and handling revenue	27,758	25,870	74,708	65,745
Total revenue	376,115	362,261	973,056	923,726
Cost of sales				
Cost of merchandise sales	185,247	190,663	477,549	468,483
Shipping and handling costs	25,952	26,389	73,790	68,998
Total cost of sales	211,199	217,052	551,339	537,481
Gross profit	164,916	145,209	421,717	386,245

Selling, general and administrative expenses	144,050	135,713	385,142	378,156
Income from operations	20,866	9,496	36,575	8,089
Other income (expense):				
Interest expense	(658)	(801)	(1,141)	(1,148)
Interest income	59	235	984	1,454
Other	(843)	(1,878)	(2,757)	(3,865)
Total other expense, net	(1,442)	(2,444)	(2,914)	(3,559)
Income before income taxes	19,424	7,052	33,661	4,530
Income tax provision	7,284	2,609	12,623	1,676
Net income	\$ 12,140	\$ 4,443	\$ 21,038	\$ 2,854
Basic earnings per share	\$ 0.41	\$ 0.15	\$ 0.72	\$ 0.09
Diluted earnings per share	\$ 0.41	\$ 0.15	\$ 0.71	\$ 0.09
Basic weighted average shares outstanding	29,335	30,290	29,376	30,261
Diluted weighted average shares outstanding	29,782	30,491	29,798	30,681

PRELIMINARY AND UNAUDITED

CONSOLIDATED BALANCE SHEETS

Lands' End, Inc. & Subsidiaries (Dollars in thousands)	Oct. 26, 2001	Oct. 27, 2000
Assets		
Current assets:		
Cash and cash equivalents	\$ 12,339	\$ 20,031
Receivables, net	18,390	21,992
Inventory	294,344	260,503
Prepaid advertising	34,266	42,586
Other prepaid expenses	10,755	8,769
Deferred income tax benefit	11,628	10,661
Total current assets	381,722	364,542
Property, plant and equipment, at cost:		
Land and buildings	116,949	103,371
Fixtures and equipment	106,554	104,338
Computer hardware and software	116,744	95,740
Leasehold improvements	4,675	4,453
Construction in progress	-	1,301
Total property, plant and equipment	344,922	309,203
Less - accumulated depreciation and amortization	150,517	131,581
Property, plant and equipment, net	194,405	177,622
Intangibles, net	654	670
Total assets	\$576,781	\$ 542,834
Liabilities and shareholders' investment		
Current liabilities:		
Lines of credit	\$ 53,885	\$ 70,239
Accounts payable	108,386	109,940
Reserve for returns	10,472	8,521
Accrued liabilities	51,763	39,722
Accrued profit sharing	3,508	184
Income taxes payable	9,025	1,136
Total current liabilities	237,039	229,742
Deferred income taxes	12,304	9,117
Shareholders' investment:		
Common stock, 40,221 shares issued	402	402
Donated capital	8,400	8,400
Additional paid-in capital	33,060	31,541
Deferred compensation	(69)	(147)
Accumulated other comprehensive income	3,417	3,688
Retained earnings	510,125	457,284

Treasury stock, 11,091 and 9,977 shares at cost, respectively	(227,897)	(197,193)
Total shareholders' investment	327,438	303,975
Total liabilities and shareholders' investment	\$ 576,781	\$ 542,834

PRELIMINARY AND UNAUDITED

CONSOLIDATED STATEMENTS OF CASH FLOWS

Lands' End, Inc. & Subsidiaries
(In thousands)

Nine Months Ended
Oct. 26, 2001 Oct. 27,
2000

Cash flows from (used for) operating activities:		
Net income	\$ 21,038	\$ 2,854
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	19,578	17,220
Deferred compensation expense	52	89
Loss on disposal of fixed assets	364	40
Deferred income taxes	(2,918)	-
Tax benefit of stock options	1,152	1,832
Changes in current assets and liabilities:		
Receivables, net	1,418	(4,239)
Inventory	(106,133)	(98,310)
Prepaid advertising	(16,639)	(26,014)
Other prepaid expenses	(1,040)	(2,953)
Accounts payable	12,218	35,430
Reserve for returns	1,411	652
Accrued liabilities	12,536	(2,611)
Accrued profit sharing	1,151	(2,576)
Income taxes payable	(4,188)	(9,119)
Other	(2,557)	1,013
Net cash flows used for operating activities	(62,557)	(86,692)
Cash flows used for investing activities:		
Cash paid for capital additions	(30,965)	(30,185)
Net cash flows used for investing activities	(30,965)	(30,185)
Cash flows from (used for) financing activities:		
Proceeds from short-term debt	36,945	58,515
Purchases of treasury stock	(12,388)	(2,249)
Issuance of treasury stock	5,953	4,229
Net cash flows from financing activities	30,510	60,495
Net decrease in cash and cash equivalents	(63,012)	(56,382)
Beginning cash and cash equivalents	75,351	76,413
Ending cash and cash equivalents	\$ 12,339	\$ 20,031