

CATO CORP
Form 10-Q
December 08, 2010

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended October 30, 2010

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 1-31340

THE CATO CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

56-0484485
(I.R.S. Employer Identification No.)

8100 Denmark Road, Charlotte, North Carolina 28273-5975
(Address of principal executive offices)

(Zip Code)

(704) 554-8510
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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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 X No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of November 16, 2010, there were 27,760,077 shares of Class A common stock and 1,743,525 shares of Class B common stock outstanding.

THE CATO CORPORATION

FORM 10-Q

Quarter Ended October 30, 2010

Table of Contents

	Page No.
PART I – FINANCIAL INFORMATION	
Item 1. Financial Statements:	
Condensed Consolidated Statements of Income and Comprehensive Income For the Three and Nine Months Ended October 30, 2010 and October 31, 2009	2
Condensed Consolidated Balance Sheets At October 30, 2010, January 30, 2010, and October 31, 2009	3
Condensed Consolidated Statements of Cash Flows For the Nine Months Ended October 30, 2010 and October 31, 2009	4
Notes to Condensed Consolidated Financial Statements For the Three and Nine Months Ended October 30, 2010 and October 31, 2009	5 – 14
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	15 – 20
Item 3. Quantitative and Qualitative Disclosures About Market Risk	21
Item 4. Controls and Procedures	21
PART II – OTHER INFORMATION	
Item 1. Legal Proceedings	22
Item 1A. Risk Factors	22
Item 2. Unregistered Sales of Equity Securities and Use of	22
Table of Contents	3

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	Proceeds	
Item 3.	Defaults Upon Senior Securities	22
Item 4.	Removed and Reserved	23
Item 5.	Other Information	23
Item 6.	Exhibits	23
Signatures		24 - 28

Table of Contents

PART I FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****THE CATO CORPORATION****CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND
COMPREHENSIVE INCOME**

	Three Months Ended		Nine Months Ended	
	October 30, 2010	October 31, 2009	October 30, 2010	October 31, 2009
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(Dollars in thousands, except per share data)			
REVENUES				
Retail sales	\$ 197,985	\$ 190,966	\$ 689,610	\$ 654,389
Other income (principally finance charges, late fees and layaway charges)	2,799	2,854	8,584	8,724
Total revenues	200,784	193,820	698,194	663,113
COSTS AND EXPENSES, NET				
Cost of goods sold (exclusive of depreciation shown below)	125,694	124,545	415,588	409,917
Selling, general and administrative (exclusive of depreciation shown below)	60,473	60,519	191,301	181,643
Depreciation	5,645	5,441	16,191	16,467
Interest and other income	(1,039)	(957)	(2,888)	(2,878)
Cost and expenses, net	190,773	189,548	620,192	605,149
Income before income taxes	10,011	4,272	78,002	57,964

Table of Contents

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Income tax expense		3,275		1,289		28,187		19,509
Net income	\$	6,736	\$	2,983	\$	49,815	\$	38,455
Basic earnings per share	\$	0.23	\$	0.10	\$	1.69		