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**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): August 16, 2006**

**The Men's Wearhouse, Inc.**

(Exact name of registrant as specified in its charter)

**Texas**

(State or other jurisdiction  
of incorporation)

**1-16097**

(Commission File Number)

**74-1790172**

(IRS Employer Identification No.)

**5803 Glenmont Drive**

**Houston, Texas**

(Address of principal executive offices)

**77081**

(Zip Code)

**713-592-7200**

(Registrant's telephone  
number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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### **Item 2.02 Results of Operations and Financial Condition.**

On August 16, 2006, The Men's Wearhouse, Inc. (the "Company") issued a press release reporting its earnings results for its second quarter and six months ended July 29, 2006. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in this Current Report on Form 8-K and Exhibit 99.1 attached hereto is intended to be furnished under Item 2.02 and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Act, except as expressly set forth by specific reference in such filing.

### **Item 9.01 Financial Statements and Exhibits.**

The following exhibit is included in this Form 8-K.

(c) Exhibits

99.1 Press Release of the Company dated August 16, 2006.

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**SIGNATURES**

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.

**THE MEN'S WEARHOUSE, INC.**  
(Registrant)

Date: August 16, 2006

By:     /s/ Diana M. Wilson      
Diana M. Wilson  
Senior Vice President and Chief Accounting Officer

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**EXHIBIT INDEX**

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release of The Men's Wearhouse, Inc. dated August 16, 2006.





**The Men's Wearhouse, Inc.**

News Release

For Immediate Release

**MEN'S WEARHOUSE REPORTS  
FISCAL 2006 SECOND QUARTER RESULTS**

- *Q2 2006 GAAP diluted EPS was \$0.65 versus \$0.43 last year*
- *Company estimates Q3 2006 GAAP and adjusted diluted EPS in a range of \$0.49 to \$0.54 and \$0.51 to \$0.56, respectively*
- *Results and estimates include a number of significant items, refer to attached reconciliation tables*
- *Conference call at 5:00 pm eastern today*

HOUSTON — August 16, 2006 — The Men's Wearhouse (NYSE: MW) today announced its consolidated financial results for the second quarter ended July 29, 2006.

**SECOND QUARTER RESULTS**

Second Quarter Sales Summary – Fiscal 2006

	U.S. dollars, in millions		Total Sales Change %	Comparable Store Sales Change %
	Current Year	Prior Year		
<b>Total Company</b>	\$ 460.6	\$ 423.6	8.7%	
United States	\$ 395.6	\$ 369.6	7.1%	3.7%
Canada	\$ 65.0	\$ 54.0	20.3%(A)	7.3%

(A) Total sales change % using Canadian dollars was 8.1%.

Second quarter 2006 operating income was \$55.6 million compared to \$38.4 million last year, and net income was \$35.6 million compared to \$24.4 million last year. GAAP diluted earnings per share were \$0.65 for the second quarter ended July 29, 2006 compared to \$0.43 last year. Adjusted diluted earnings per share for the 2006 fiscal second quarter was \$0.67 per share compared to adjusted diluted earnings per share of \$0.50 last year. For additional information regarding adjusted diluted earnings per share, please see the table included below as well as the non-GAAP reconciliations provided at the end of this release.



## SECOND QUARTER HIGHLIGHTS

- **SALES** — Comparable store sales of 3.7% for the company's United States based stores were in line with the company's initial guidance range of 3% to 4% and compared to the prior year quarter increase of 10.5%.
- **GROSS MARGIN** — Gross margin, as a percentage of sales, increased 350 basis points to 43.23% from 39.73%. The increase in gross margin was driven by year over year improvements in merchandise margins which stems from lower product costs as well as the continued growth of tuxedo rental revenues.
- **SG&A EXPENSES** — Selling, general, and administrative expenses, as a percentage of sales, increased 49 basis points to 31.16% from 30.67%.
- **SHARE REPURCHASES** — The Company repurchased 369,400 shares during the quarter under its \$100 million authorization. Weighted average diluted shares outstanding decreased 3.5% over prior year second quarter from 56.490 million shares to 54.524 million shares.

## THIRD QUARTER 2006 GUIDANCE AND UPDATED FISCAL 2006 OUTLOOK

For the third quarter of 2006, the company expects 2% to 4% same store sales growth in the U.S. and 4% to 6% same store sales growth in Canada and GAAP diluted earnings per share to be in the range of \$0.49 to \$0.54. Adjusted diluted earnings per share for the third quarter are expected to be in the range \$0.51 to \$0.56.

For the fiscal year ending February 3, 2007 (which is a 53-week year under the retail calendar), the company expects GAAP diluted earnings per share in a range of \$2.40 to \$2.50. Adjusted diluted earnings per share for the fiscal year are expected to be in a range of \$2.42 to \$2.52. Same store sales increases for fiscal 2006 in the U.S. are expected to range between 2% and 4% and in Canada an expected range between 3% and 6% with an effective tax rate of approximately 36.4% and fully diluted shares outstanding of 54.4 million.

As previously announced and effective after August 2, 2006, Men's Wearhouse will no longer provide monthly updates of its consolidated sales and same store sales results. However, the company will initiate a practice of providing a one-time update of earnings per share guidance on the first Wednesday, after market close, of the third retail sales period in each fiscal quarter. The Company will also initiate a practice of providing, on a quarterly and year-to-date basis (including prior period comparisons), consolidated sales results and same stores sales results for each of the company's retail concepts — The Men's Wearhouse, K&G, and Moores concurrent with the release of quarterly earnings results on the third Wednesday of the first fiscal month following the preceding fiscal quarter.

## IMPACT OF SIGNIFICANT ITEMS

In order to aid investors' understanding of the Company's results and to improve comparability of financial information from period to period, explanatory non-GAAP reconciliation tables are included at the end of this press release. Summarized earnings per share information from these tables as well as guidance for the third quarter of fiscal 2006 and full year follows:

### Summary Reconciliation of GAAP diluted EPS to Adjusted diluted EPS

	HISTORICAL RESULTS (1) (2)					GUIDANCE			
	Fiscal 2005					Fiscal 2006		Fiscal 2006	
	1Q	2Q	3Q	4Q	YR	1Q	2Q	3Q	YR
<b>GAAP Diluted EPS</b>	0.41	0.43	0.44	0.60	1.88	0.53	0.65	0.49 - 0.54	2.40 - 2.50
Adjustments (3)									
Eddie Rodriguez Costs (4)	0.05	0.06			0.11				
Stock Based Compensation Reported in Earnings (5)		0.01	0.01	0.01	0.03	0.02	0.02	0.02	0.08
53rd Week Impact (6)									(0.06)
Foreign Earnings Repatriation (7)				0.07	0.07				
Discrete Tax Items (8)			(0.04)	(0.02)	(0.05)				
Net Adjustments	<u>0.05</u>	<u>0.07</u>	<u>(0.02)</u>	<u>0.07</u>	<u>0.17</u>	<u>0.02</u>	<u>0.02</u>	<u>0.02</u>	<u>0.02</u>
<b>Adjusted Diluted EPS</b>	<u>0.46</u>	<u>0.50</u>	<u>0.41</u>	<u>0.67</u>	<u>2.04</u>	<u>0.55</u>	<u>0.67</u>	<u>0.51 - 0.56</u>	<u>2.42 - 2.52</u>

1. Reflects a three-for-two stock split in the form of a stock dividend effective at the close of business on June 13, 2005.
2. Due to the effect of rounding, the sum of the individual per share amounts may not equal the total shown.
3. Net of tax.
4. The company ceased operating its test of the new retail concept "Eddie Rodriguez" in the second quarter of fiscal 2005.
5. In fiscal 2005 the company did not grant non-qualified stock options (NQO's) to key employees, opting instead to issue primarily deferred stock units (DSU's). In 2006 the company began recognizing stock option expense as it adopted FASB No. 123R. Amounts reported in earnings for 2005 include primarily DSU's and for 2006 include mostly DSU's and NQO's.
6. Fiscal 2006 will include one additional week (for a total of 53 weeks) as the company reports its fiscal operations on a retail calendar.
7. The company incurred a one-time tax expense of \$3.9 million (\$0.07 per share) related to the repatriation of foreign earnings under the provisions of the American Jobs Creation Act.
8. Adjustments to tax reserves associated with favorable developments on certain outstanding income tax matters.

## CONFERENCE CALL AND WEBCAST INFORMATION

At 5:00 p.m. Eastern time today, company management will host a conference call and real time web cast to review the results for the fiscal second quarter 2006.

To access the conference call, dial 303-262-2211. To access the live webcast presentation, visit the Investor Relations section of the company's website at [www.menswearhouse.com](http://www.menswearhouse.com). A telephonic replay will be available through August 23rd by calling 303-590-3000 and entering the access code of 11067796#, or a webcast archive will be available free on the website for approximately 90 days.

## STORE INFORMATION

	July 29, 2006		July 30, 2005		January 28, 2006	
	Number of Stores	Sq. Ft. (000's)	Number of Stores	Sq. Ft. (000's)	Number of Stores	Sq. Ft. (000's)
Men's Wearhouse	534	2,952.5	523	2,870.2	526	2,898.4
Moores, Clothing for Men	116	719.8	114	708.3	116	719.8
K&G (B)	85	2,045.5	76	1,808.9	77	1,835.2
<b>Total</b>	<b>735</b>	<b>5,717.8</b>	<b>713</b>	<b>5,387.4</b>	<b>719</b>	<b>5,453.4</b>

(B) 63, 49 and 52 stores, respectively, offering women's apparel.

Founded in 1973, Men's Wearhouse is one of North America's largest specialty retailers of men's apparel with 735 stores. The stores carry a full selection of designer, brand name and private label suits, sport coats, furnishings and accessories, including tuxedo rentals available in the Men's Wearhouse and Moores stores.

This press release contains forward-looking information. The forward-looking statements are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be significantly impacted by various factors, including unfavorable local, regional and national economic developments, disruption in retail buying trends due to homeland security concerns, severe weather conditions, aggressive advertising or marketing activities of competitors and other factors described herein and in the company's annual report on Form 10-K for the year ended January 28, 2006 and Form 10-Q for the quarter ended April 29, 2006.

For additional information on Men's Wearhouse, please visit the company's website at [www.menswearhouse.com](http://www.menswearhouse.com).

CONTACT: Neill Davis, EVP & CFO, Men's Wearhouse (713) 592-7200  
Ken Dennard, DRG&E (713) 529-6600



**THE MEN'S WEARHOUSE, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS**  
(Unaudited)

**FOR THE SIX MONTHS ENDED**  
**July 29, 2006 AND July 30, 2005**  
(In thousands, except per share data)

	Six Months Ended			
	2006	% of Sales	2005	% of Sales
Net sales	\$895,151	100.00%	\$835,225	100.00%
Cost of goods sold, including buying, distribution and occupancy costs	513,199	57.33%	501,146	60.00%
Gross margin	381,952	42.67%	334,079	40.00%
Selling, general and administrative expenses	279,970	31.28%	258,801	30.99%
Operating income	101,982	11.39%	75,278	9.01%
Interest income	(4,788)	(0.53%)	(1,565)	(0.19%)
Interest expense	4,480	0.50%	2,999	0.36%
Earnings before income taxes	102,290	11.43%	73,844	8.84%
Provision for income taxes	37,813	4.22%	26,754	3.20%
Net earnings	\$ 64,477	7.20%	\$ 47,090	5.64%
Net earnings per share:				
Basic	\$ 1.21		\$ 0.87	
Diluted	\$ 1.18		\$ 0.84	
Weighted average common shares outstanding:				
Basic	53,196		54,245	
Diluted	54,622		56,162	



**THE MEN'S THE MEN'S WEARHOUSE, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS**  
(Unaudited)

**FOR THE THREE MONTHS ENDED**  
**July 29, 2006 AND July 30, 2005**  
(In thousands, except per share data)

	<b>Three Months Ended</b>			
	<b>2006</b>	<b>% of Sales</b>	<b>2005</b>	<b>% of Sales</b>
Net sales	\$460,587	100.00%	\$423,576	100.00%
Cost of goods sold, including buying, distribution and occupancy costs	261,464	56.77%	255,280	60.27%
Gross margin	199,123	43.23%	168,296	39.73%
Selling, general and administrative expenses	143,529	31.16%	129,892	30.67%
Operating income	55,594	12.07%	38,404	9.07%
Interest income	(2,793)	(0.61%)	(771)	(0.18%)
Interest expense	2,289	0.50%	1,512	0.36%
Earnings before income taxes	56,098	12.18%	37,663	8.89%
Provision for income taxes	20,477	4.45%	13,277	3.13%
Net earnings	\$ 35,621	7.73%	\$ 24,386	5.76%
Net earnings per share:				
Basic	\$ 0.67		\$ 0.45	
Diluted	\$ 0.65		\$ 0.43	
Weighted average common shares outstanding:				
Basic	53,260		54,235	
Diluted	54,524		56,490	



**THE MEN'S WEARHOUSE, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

(In thousands)  
(Unaudited)

	<u>July 29,</u> <u>2006</u>	<u>July 30,</u> <u>2005</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 79,511	\$ 54,627
Short-term investments	169,900	78,925
Inventories	429,882	416,828
Other current assets	<u>51,264</u>	<u>50,009</u>
Total current assets	730,557	600,389
Property and equipment, net	266,650	264,692
Goodwill	57,978	56,129
Other assets, net	<u>76,616</u>	<u>60,042</u>
Total assets	<u>\$1,131,801</u>	<u>\$981,252</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities	\$ 187,469	\$190,714
Long-term debt	206,427	130,000
Deferred taxes and other liabilities	49,762	51,665
Shareholders' equity	<u>688,143</u>	<u>608,873</u>
Total liabilities and equity	<u>\$1,131,801</u>	<u>\$981,252</u>



**THE MEN'S WEARHOUSE, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

**FOR THE SIX MONTHS ENDED**  
**July 29, 2006 AND July 30, 2005**  
(In thousands)

	<b>Six Months Ended</b>	
	<b>2006</b>	<b>2005</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net earnings	\$ 64,477	\$ 47,090
Non-cash adjustments to net earnings:		
Depreciation and amortization	30,297	31,796
Other	10,170	6,256
Changes in assets and liabilities	<u>(82,372)</u>	<u>(62,033)</u>
Net cash provided by operating activities	<u>22,572</u>	<u>23,109</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capital expenditures	(24,821)	(35,482)
Purchases of available-for-sale investments	(179,920)	(79,000)
Proceeds from sales of available-for-sale investments	72,795	75
Other	<u>(588)</u>	<u>(48)</u>
Net cash used in investing activities	<u>(132,534)</u>	<u>(114,455)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Cash dividends paid	(5,380)	—
Proceeds from issuance of common stock	5,160	21,393
Purchase of treasury stock	(11,512)	(40,490)
Other	<u>578</u>	<u>—</u>
Net cash used in financing activities	<u>(11,154)</u>	<u>(19,097)</u>
Effect of exchange rate changes	<u>401</u>	<u>62</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(120,715)</b>	<b>(110,381)</b>
Balance at beginning of period	200,226	165,008
Balance at end of period	<u>\$ 79,511</u>	<u>\$ 54,627</u>

**THE MEN'S WEARHOUSE, INC. AND SUBSIDIARIES**  
**UNAUDITED NON-GAAP CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS**  
**(A Non-GAAP Financial Measure)**  
(In thousands, except per share amounts)

**Use of Non-GAAP Financial Measures**

We have provided non-GAAP adjusted earnings per share information. This non-GAAP financial information is provided to enhance the user's overall understanding of the company's current financial performance. Specifically, we believe the non-GAAP adjusted results provide useful information to both management and investors by excluding certain expense items that we believe are not indicative of our core operating results. The non-GAAP financial information should be considered in addition to, not as a substitute for or as being superior to, operating income, cash flows, or other measures of financial performance prepared in accordance with GAAP. The following are the reconciliations of this non-GAAP information and reflect the three-for-two stock split in the form of a stock dividend effective at the close of business on June 13, 2005. Due to the effect of rounding, the sum of the individual per share amounts may not equal the total shown.

**Non-GAAP Financial Measures (in thousands, except per share information)**

	<b>Three Months Ended April 30, 2005</b>		
	<b>GAAP Results</b>	<b>(1) NON-GAAP Adjustments</b>	<b>NON-GAAP Adjusted Results</b>
Net sales	\$411,649	\$ (1,006)	\$ 410,643
Cost of goods sold, including buying, distribution and occupancy costs	<u>245,866</u>	<u>(1,631)</u>	<u>244,235</u>
Gross margin	165,783	625	166,408
Selling, general and administrative expenses	<u>128,909</u>	<u>(4,036)</u>	<u>124,873</u>
Operating Income	36,874	4,661	41,535
Interest income	(794)	—	(794)
Interest expense	<u>1,487</u>	<u>—</u>	<u>1,487</u>
Earnings before income taxes	36,181	4,661	40,842
Provision for income taxes	<u>13,477</u>	<u>1,736</u>	<u>15,213</u>
Net earnings	<u>\$ 22,704</u>	<u>\$ 2,925</u>	<u>\$ 25,629</u>
Net earnings per diluted share	<u>\$ 0.41</u>	<u>\$ 0.05</u>	<u>\$ 0.46</u>
Weighted average diluted common shares outstanding	<u>55,834</u>		<u>55,834</u>

(1) The net earnings adjustments are as follows:

- a. \$2.886 million, net of tax, or \$.05 diluted earnings per share in net losses from the Eddie Rodriguez stores and
- b. \$39 thousand, net of tax, related to stock based compensation.



## Non-GAAP Financial Measures (continued)

	Three Months Ended June 30, 2005		
	GAAP Results	(1) NON-GAAP Adjustments	NON-GAAP Adjusted Results
Net sales	\$423,576	\$ (785)	\$ 422,791
Cost of goods sold, including buying, distribution and occupancy costs	255,280	(3,485)	251,795
Gross margin	168,296	2,700	170,996
Selling, general and administrative expenses	129,892	(3,495)	126,397
Operating Income	38,404	6,195	44,599
Interest income	(771)	—	(771)
Interest expense	1,512	—	1,512
Earnings before income taxes	37,663	6,195	43,858
Provision for income taxes	13,277	2,183	15,460
Net earnings	\$ 24,386	\$ 4,012	\$ 28,398
Net earnings per diluted share	\$ 0.43	\$ 0.07	\$ 0.50
Weighted average diluted common shares outstanding	56,490		56,490

	Three Months Ended October 29, 2005		
	GAAP Results	(2) NON-GAAP Adjustments	NON-GAAP Adjusted Results
Net sales	\$392,695	\$ —	\$ 392,695
Cost of goods sold, including buying, distribution and occupancy costs	234,866	—	234,866
Gross margin	157,829	—	157,829
Selling, general and administrative expenses	123,380	(928)	122,452
Operating Income	34,449	928	35,377
Interest income	(557)	—	(557)
Interest expense	1,428	—	1,428
Earnings before income taxes	33,578	928	34,506
Provision for income taxes	9,499	2,278	11,777
Net earnings	\$ 24,079	\$ (1,350)	\$ 22,729
Net earnings per diluted share	\$ 0.44	\$ (0.02)	\$ 0.41
Weighted average diluted common shares outstanding	54,971		54,971

(1) The net earnings adjustments are as follows:

- a. \$3.379 million, net of tax, or \$0.06 diluted earnings per share in net losses from the Eddie Rodriguez stores and
- b. \$633 thousand, net of tax, or \$0.01 diluted earnings per share related to stock based compensation.

(2) The net earnings adjustments are as follows:

- a. \$666 thousand, net of tax, or \$0.01 diluted earnings per share related to stock based compensation and
- b. (\$2.016) million or (\$0.04) diluted earnings per share in discrete tax items.

## Non-GAAP Financial Measures (continued)

	Three Months Ended January 28, 2006		
	GAAP Results	(1) NON-GAAP Adjustments	NON-GAAP Adjusted Results
Net sales	\$496,978	\$ —	\$ 496,978
Cost of goods sold, including buying, distribution and occupancy costs	<u>291,751</u>	<u>—</u>	<u>291,751</u>
Gross margin	205,227	—	205,227
Selling, general and administrative expenses	<u>149,658</u>	<u>(939)</u>	<u>148,719</u>
Operating Income	55,569	939	56,508
Interest income	(1,158)	—	(1,158)
Interest expense	<u>1,461</u>	<u>—</u>	<u>1,461</u>
Earnings before income taxes	55,266	939	56,205
Provision for income taxes	<u>22,532</u>	<u>(2,631)</u>	<u>19,901</u>
Net earnings	<u>\$ 32,734</u>	<u>\$ 3,570</u>	<u>\$ 36,304</u>
Net earnings per diluted share	<u>\$ 0.60</u>	<u>\$ 0.07</u>	<u>\$ 0.67</u>
Weighted average diluted common shares outstanding	<u>54,166</u>		<u>54,166</u>

  

	Twelve Months Ended January 28, 2006		
	GAAP Results	(2) NON-GAAP Adjustments	NON-GAAP Adjusted Results
Net sales	\$1,724,898	\$ (1,791)	\$1,723,107
Cost of goods sold, including buying, distribution and occupancy costs	<u>1,027,763</u>	<u>(5,116)</u>	<u>1,022,647</u>
Gross margin	697,135	3,325	700,460
Selling, general and administrative expenses	<u>531,839</u>	<u>(9,398)</u>	<u>522,441</u>
Operating Income	165,296	12,723	178,019
Interest income	(3,280)	—	(3,280)
Interest expense	<u>5,888</u>	<u>—</u>	<u>5,888</u>
Earnings before income taxes	162,688	12,723	175,411
Provision for income taxes	<u>58,785</u>	<u>3,566</u>	<u>62,351</u>
Net earnings	<u>\$ 103,903</u>	<u>\$ 9,157</u>	<u>\$ 113,060</u>
Net earnings per diluted share	<u>\$ 1.88</u>	<u>\$ 0.17</u>	<u>\$ 2.04</u>
Weighted average diluted common shares outstanding	<u>55,365</u>		<u>55,365</u>

(1) The net earnings adjustments are as follows:

- a. \$556 thousand, net of tax, or \$0.01 diluted earnings per share related to stock based compensation
- b. (\$898) thousand or (\$0.02) diluted earnings per share in discrete tax items and
- c. \$3.912 million or \$0.07 diluted earnings per share in foreign earnings repatriation tax expense.

(2) The net earnings adjustments are as follows:

- a. \$6.265 million, net of tax, or \$0.11 diluted earnings per share in net losses from the Eddie Rodriguez stores
- b. \$1.894 million, net of tax, or \$0.03 diluted earnings per share related to stock based compensation
- c. (\$2.914) million or (\$0.05) diluted earnings per share in discrete tax items and
- d. \$3.912 million or \$0.07 diluted earnings per share in foreign earnings repatriation tax expense.

## Non-GAAP Financial Measures (continued)

	<b>Three Months Ended April 29, 2006</b>		
	<b>GAAP Results</b>	<b>(1) NON-GAAP Adjustments</b>	<b>NON-GAAP Adjusted Results</b>
Net sales	\$434,564	\$ —	\$ 434,564
Cost of goods sold, including buying, distribution and occupancy costs	251,735	(143)	251,592
Gross margin	182,829	143	182,972
Selling, general and administrative expenses	136,441	(1,485)	134,956
Operating Income	46,388	1,628	48,016
Interest income	(1,995)	—	(1,995)
Interest expense	2,191	—	2,191
Earnings before income taxes	46,192	1,628	47,820
Provision for income taxes	17,336	611	17,947
Net earnings	\$ 28,856	\$ 1,017	\$ 29,873
Net earnings per diluted share	\$ 0.53	\$ 0.02	\$ 0.55
Weighted average diluted common shares outstanding	54,719		54,719

(1) The adjustments are related to stock based compensation.

	<b>Three Months Ended July 29, 2006</b>		
	<b>GAAP Results</b>	<b>(2) NON-GAAP Adjustments</b>	<b>NON-GAAP Adjusted Results</b>
Net sales	\$460,587	\$ —	\$ 460,587
Cost of goods sold, including buying, distribution and occupancy costs	261,464	(178)	261,286
Gross margin	199,123	178	199,301
Selling, general and administrative expenses	143,529	(1,542)	141,987
Operating Income	55,594	1,720	57,314
Interest income	(2,793)	—	(2,793)
Interest expense	2,289	—	2,289
Earnings before income taxes	56,098	1,720	57,818
Provision for income taxes	20,477	628	21,105
Net earnings	\$ 35,621	\$ 1,092	\$ 36,713
Net earnings per diluted share	\$ 0.65	\$ 0.02	\$ 0.67
Weighted average diluted common shares outstanding	54,524		54,524

(2) The adjustments are related to stock based compensation.