

**URBAN OUTFITTERS, INC.**  
**Consolidated Balance Sheets**  
(in thousands, except share and per share data)

	January 31, 2017	January 31, 2016
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 248,140	\$ 265,276
Marketable securities	111,067	61,061
Accounts receivable, net of allowance for doubtful accounts of \$588 and \$664, respectively	54,505	75,723
Inventory	338,590	330,223
Prepaid expenses and other current assets	129,095	102,078
Total current assets	881,397	834,361
Property and equipment, net	867,786	863,137
Marketable securities	44,288	36,600
Deferred income taxes and other assets	109,166	99,203
Total Assets	<u>\$ 1,902,637</u>	<u>\$ 1,833,301</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 119,537	\$ 118,035
Accrued compensation and benefits	58,782	41,474
Accrued expenses and other current liabilities	174,609	169,722
Total current liabilities	352,928	329,231
Long-term debt	—	150,000
Deferred rent and other liabilities	236,625	216,843
Total Liabilities	589,553	696,074
Commitments and contingencies (see Note 14)		
Shareholders' equity:		
Preferred shares; \$.0001 par value, 10,000,000 shares authorized, none issued	—	—
Common shares; \$.0001 par value, 200,000,000 shares authorized, 116,233,781 and 117,321,120 shares issued and outstanding, respectively	12	12
Additional paid-in-capital	—	—
Retained earnings	1,347,141	1,160,666
Accumulated other comprehensive loss	(34,069)	(23,451)
Total Shareholders' Equity	1,313,084	1,137,227
Total Liabilities and Shareholders' Equity	<u>\$ 1,902,637</u>	<u>\$ 1,833,301</u>

The accompanying notes are an integral part of these consolidated financial statements.

**URBAN OUTFITTERS, INC.**  
**Consolidated Statements of Income**  
(in thousands, except share and per share data)

	Fiscal Year Ended January 31,		
	2017	2016	2015
Net sales	\$ 3,545,794	\$ 3,445,134	\$ 3,323,077
Cost of sales	<u>2,301,181</u>	<u>2,243,232</u>	<u>2,148,147</u>
Gross profit	1,244,613	1,201,902	1,174,930
Selling, general and administrative expenses	<u>906,086</u>	<u>848,323</u>	<u>809,545</u>
Income from operations	338,527	353,579	365,385
Interest income	1,879	943	2,319
Other income	2,280	958	580
Other expenses	<u>(4,587)</u>	<u>(5,449)</u>	<u>(4,834)</u>
Income before income taxes	338,099	350,031	363,450
Income tax expense	<u>119,979</u>	<u>125,542</u>	<u>131,022</u>
Net income	<u>\$ 218,120</u>	<u>\$ 224,489</u>	<u>\$ 232,428</u>
Net income per common share:			
Basic	<u>\$ 1.87</u>	<u>\$ 1.79</u>	<u>\$ 1.70</u>
Diluted	<u>\$ 1.86</u>	<u>\$ 1.78</u>	<u>\$ 1.68</u>
Weighted-average common shares outstanding:			
Basic	<u>116,873,023</u>	<u>125,232,499</u>	<u>136,651,899</u>
Diluted	<u>117,291,117</u>	<u>126,013,414</u>	<u>138,192,734</u>

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**URBAN OUTFITTERS, INC.**  
**Consolidated Statements of Cash Flows**  
(in thousands)

	Fiscal Year Ended January 31,		
	2017	2016	2015
Cash flows from operating activities:			
Net income	\$ 218,120	\$ 224,489	\$ 232,428
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	135,330	142,722	138,110
(Benefit) provision for deferred income taxes	(4,801)	13,662	(2,221)
Excess tax benefits from share-based awards	(350)	(6,194)	(3,822)
Share-based compensation expense	18,291	15,623	16,736
Impairment	4,341	8,928	—
Loss on disposition of property and equipment, net	3,667	1,400	3,189
Changes in assets and liabilities:			
Receivables	20,934	(13,820)	(18,393)
Inventory	(9,963)	26,739	(68,992)
Prepaid expenses and other assets	(10,359)	3,811	(23,257)
Payables, accrued expenses and other liabilities	39,692	(3,940)	48,543
Net cash provided by operating activities	414,902	413,420	322,321
Cash flows from investing activities:			
Cash paid for property and equipment	(143,714)	(134,950)	(229,804)
Cash paid for marketable securities	(318,742)	(265,872)	(405,659)
Sales and maturities of marketable securities	243,159	374,057	830,297
Acquisition of business	(15,325)	—	—
Net cash (used in) provided by investing activities	(234,622)	(26,765)	194,834
Cash flows from financing activities:			
Borrowings under long-term debt	—	291,612	—
Repayments of long-term debt	(150,000)	(141,612)	—
Proceeds from the exercise of stock options	4,096	46,400	10,693
Excess tax benefits from share-based awards	350	6,194	3,822
Share repurchases related to share repurchase program	(45,787)	(465,304)	(611,475)
Share repurchases related to taxes for share-based awards	(2,052)	(10,120)	(3,947)
Net cash used in financing activities	(193,393)	(272,830)	(600,907)
Effect of exchange rate changes on cash and cash equivalents	(4,023)	(3,107)	(3,748)
(Decrease) increase in cash and cash equivalents	(17,136)	110,718	(87,500)
Cash and cash equivalents at beginning of period	265,276	154,558	242,058
Cash and cash equivalents at end of period	\$ 248,140	\$ 265,276	\$ 154,558
Supplemental cash flow information:			
Cash paid during the year for:			
Income taxes	\$ 111,958	\$ 99,359	\$ 144,892
Non-cash investing activities—Accrued capital expenditures	\$ 17,020	\$ 11,607	\$ 18,771

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