

**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 11, 2011**

**Citi Trends, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation)

**000-51315**

(Commission File Number)

**52-2150697**

(IRS Employer Identification No.)

**104 Coleman Boulevard, Savannah, Georgia**

(Address of principal executive offices)

**31408**

(Zip Code)

Registrant's telephone number, including area code: **(912) 236-1561**

Former name or former address, if changed since last report: **Not applicable**

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))

**Item 2.02. Results of Operations and Financial Condition.**

On March 11, 2011, Citi Trends, Inc. (the "Company") issued a press release reporting its financial results for the fourth quarter and fiscal year ended January 29, 2011 (the "Earnings Release"). A copy of the Earnings Release is attached to this Current Report on Form 8-K ("Current Report") as Exhibit 99.1 and the contents of which are incorporated herein solely for purposes of this Item 2.02 disclosure.

The information in this Item 2.02, including the Earnings Release attached to this Current Report, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of such section. The information in this Item 2.02, including the Earnings Release, shall not be incorporated by reference into any filings under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

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

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Earnings Release dated March 11, 2011

**SIGNATURE**

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 thereunto duly authorized.

Date: March 11, 2011

By: /s/ Bruce D. Smith  
Name: Bruce D. Smith  
Title: Chief Financial Officer

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**Exhibit Index**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Earnings Release dated March 11, 2011

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## CITI TRENDS ANNOUNCES FOURTH QUARTER AND FISCAL 2010 RESULTS AND PROVIDES EARNINGS GUIDANCE FOR FISCAL 2011

SAVANNAH, GA (March 11, 2011) — Citi Trends, Inc. (NASDAQ: CTRN) today reported results for the fourth quarter and fiscal year ended January 29, 2011.

### **Financial Highlights — Fourth quarter ended January 29, 2011**

Total sales in the fourth quarter ended January 29, 2011 increased 1.3% to \$172.0 million compared with \$169.8 million in the quarter ended January 30, 2010. Comparable store sales decreased 11.4% in the fourth quarter. Sales were particularly weak in December due largely to a delay in the government's distribution of extended unemployment benefits until just before Christmas, a significant shortfall in sales of long denim, and a heavy promotional environment that included going-out-of-business sale events by a major competitor. Sales in January were negatively impacted by a later income tax refund season due to a lack of refund anticipation loan availability for the Company's customers.

Net income in the fourth quarter of 2010 was \$9.4 million compared with \$11.3 million in last year's fourth quarter. Earnings per diluted share decreased to \$0.64 in the fourth quarter of 2010 compared with \$0.78 in the fourth quarter of 2009. Financial results for the fourth quarter of 2010 included an immaterial correction of an error related to an accounting policy. Prior to the fourth quarter, the Company's policy was to expense the cost of inbound freight associated with the delivery of inventory to the Company's distribution centers in the period incurred, rather than capitalizing such costs as a component of inventory and expensing them as the related inventory was sold. In the fourth quarter of 2010, the Company began to capitalize freight costs as a component of the cost of inventory. The impact of this adjustment in the fourth quarter was a non-recurring reduction in cost of sales of \$2.7 million and a resulting increase in net income of \$1.8 million, or \$0.12 per diluted share.

The Company opened 3 stores in the fourth quarter of 2010, reaching a total store count of 461 at the end of the year. In addition, the Company converted 15 of its stores to its new Citi Lights prototype format in January 2011, and now has a total of 25 stores operating under the new format.

### **Financial Highlights — Fiscal year ended January 29, 2011**

Total sales in the fiscal year ended January 29, 2011 increased 12.8% to \$622.5 million compared with \$551.9 million in the fiscal year ended January 30, 2010. Comparable store sales decreased 1.8% for the full year.

Net income was \$20.9 million in 2010 compared with \$19.7 million in the prior year. Earnings per diluted share increased to \$1.44 in 2010 compared to \$1.36 in 2009, with 2010 including the aforementioned benefit related to capitalized freight.

The Company opened 60 stores, relocated or expanded 13 others, and closed 2 stores in 2010.

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### **Fiscal 2011 Outlook — Fiscal year ending January 28, 2012**

The Company estimates fiscal 2011 earnings of approximately \$1.40 to \$1.50 per diluted share, including an anticipated comparable store sales increase of approximately 2% and an increase in selling square footage of at least 15%. Through the first five-plus weeks of the new fiscal year, comparable store sales are down 2%, versus an 11% increase during the same period of time last year.

The Company reminds investors of the complexity of accurately assessing future results given the difficulty in predicting fashion trends, consumer preferences and general economic conditions and the impact of other business variables. See "Forward-Looking Statements" below for more information regarding these uncertainties.

### **Investor Conference Call and Webcast**

Citi Trends will host a conference call today at 9:00 a.m. ET. The number to call for the live interactive teleconference is (212) 231-2901. A replay of the conference call will be available until March 18, 2011, by dialing (402) 977-9140 and entering the passcode, 21510236. The live broadcast of Citi Trends' conference call will be available online at the Company's website, [www.cititrends.com](http://www.cititrends.com), as well as <http://ir.cititrends.com/events.cfm>, beginning today at 9:00 a.m. ET. The online replay will follow shortly after the call and continue through March 18, 2011.

During the conference call, the Company may discuss and answer questions concerning business and financial developments and trends. The Company's responses to questions, as well as other matters discussed during the conference call, may contain or constitute information that has not been disclosed previously.

### **About Citi Trends**

Citi Trends, Inc. is a value-priced retailer of urban fashion apparel and accessories for the entire family. After opening three stores and closing one thus far in the first quarter of 2011, the Company currently operates 463 stores located in 27 states. Citi Trends' website address is [www.cititrends.com](http://www.cititrends.com). CTRN-E

### **Forward-Looking Statements**

All statements other than historical facts contained in this news release, including statements regarding our future financial results and position, business policy and plans and objectives of management for future operations, are forward-looking statements that are subject to material risks and uncertainties. The words “believe,” “may,” “could,” “plans,” “estimate,” “continue,” “anticipate,” “intend,” “expect” and similar expressions, as they relate to Citi Trends, are intended to identify forward-looking statements. Statements with respect to earnings guidance are forward-looking statements. Investors are cautioned that any such forward-looking statements are subject to the finalization of the Company’s year-end financial and accounting procedures, are not guarantees of future performance or results and are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Actual results or developments may differ materially from those included in the forward-looking statements, as a result of various factors which are discussed in Citi Trends, Inc. filings with the Securities and Exchange Commission. These risks and uncertainties include, but are not limited to, uncertainties relating to economic conditions, growth risks, consumer spending patterns, competition within the industry, competition in our markets and the ability to anticipate and respond to fashion trends. Except as required by applicable law, including the securities laws of the United States and the rules and regulations of the Securities and Exchange Commission, Citi Trends does not undertake to publicly update any forward-looking statements in this news release or with respect to matters described herein, whether as a result of any new information, future events or otherwise.

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**CITI TRENDS, INC.**  
**CONDENSED STATEMENTS OF INCOME (unaudited)**  
**(in thousands, except per share data)**

	Thirteen Weeks Ended January 29, 2011 (unaudited)	Thirteen Weeks Ended January 30, 2010 (unaudited)
Net sales	\$ 172,043	\$ 169,811
Cost of sales	105,184	104,258
Gross profit	66,859	65,553
Selling, general and administrative expenses	47,112	44,050
Depreciation and amortization	5,692	4,752
Income from operations	14,055	16,751
Interest income	34	75
Interest expense	(7)	(6)
Income before income tax expense	14,082	16,820
Income tax expense	4,718	5,569
Net income	\$ 9,364	\$ 11,251
Basic net income per common share	\$ 0.64	\$ 0.78
Diluted net income per common share	\$ 0.64	\$ 0.78
Net income attributable to common shares (1):		
Basic	\$ 9,364	\$ 11,251
Diluted	\$ 9,364	\$ 11,251
Weighted average shares used to compute basic net income per share	14,523	14,402
Weighted average shares used to compute diluted net income per share	14,537	14,447
	Fifty-Two Weeks Ended January 29, 2011 (unaudited)	Fifty-Two Weeks Ended January 30, 2010 (unaudited)
Net sales	\$ 622,528	\$ 551,869
Cost of sales	383,318	338,898
Gross profit	239,210	212,971
Selling, general and administrative expenses	187,231	165,166
Depreciation and amortization	20,535	18,431
Income from operations	31,444	29,374
Interest income	174	404
Interest expense	(24)	(92)
Income before income tax expense	31,594	29,686
Income tax expense	10,742	9,969
Net income	\$ 20,852	\$ 19,717
Basic net income per common share	\$ 1.44	\$ 1.36
Diluted net income per common share	\$ 1.44	\$ 1.36
Net income attributable to common shares (1):		
Basic	\$ 20,852	\$ 19,540

Diluted	\$	20,852	\$	19,541
Weighted average shares used to compute basic net income per share		14,503		14,364
Weighted average shares used to compute diluted net income per share		14,523		14,396

(1) Net of income allocated to nonvested restricted stockholders

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**CITI TRENDS, INC.**  
**CONDENSED BALANCE SHEETS (unaudited)**  
**(in thousands)**

	<u>January 29, 2011</u> (unaudited)	<u>January 30, 2010</u> (unaudited)
<b>Assets:</b>		
Cash and cash equivalents	\$ 69,231	\$ 62,993
Short-term investment securities	586	33,025
Inventory	121,432	100,874
Other current assets	16,669	14,927
Property and equipment, net	85,299	63,791
Long-term investment securities	9,205	—
Other noncurrent assets	3,980	4,376
Total assets	<u>\$ 306,402</u>	<u>\$ 279,986</u>
<b>Liabilities and Stockholders' Equity:</b>		
Accounts payable	\$ 67,934	\$ 62,706
Accrued liabilities	23,184	22,273
Other current liabilities	444	3,669
Noncurrent liabilities	10,036	9,995
Total liabilities	<u>101,598</u>	<u>98,643</u>
Total stockholders' equity	204,804	181,343
Total liabilities and stockholders' equity	<u>\$ 306,402</u>	<u>\$ 279,986</u>

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