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LANDS END INC
Form 8-K
May 17, 2001

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) May 17, 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 including area code	608-935-9341
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INFORMATION INCLUDED IN THIS REPORT

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Item 5. Other Events.

Attached as Exhibit 99 to this report are excerpted slides from a Lands' End meeting with members of the financial community in New York, New York, on Thursday, May 17, 2001. An audio broadcast of the meeting was simulcast on the Internet and will be archived there one week.

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.

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LANDS' END, INC.

May 17, 2001

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

EXHIBIT 99

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Lands' End Has Shown 15 Years of Solid Growth

Fiscal Year	U.S. Merchandise Sales (in millions)
1985	\$ 171.6

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1986	226.6
1987	264.9
1988	335.7
1989	454.6
1990	544.9
1991	602.0
1992	682.4
1993	724.4
1994	853.3
1995	953.9
1996	957.9
1997	1,023.0
1998	1,131.8
1999	1,225.5
2000	1,176.6
2001	1,221.8

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Vital Signs:
FY 99 to FY 01

	Change from FY 99 to FY 01
Consolidated Inventory	- \$ 31 M
Total Risk Inventory	- \$ 23 M
# SKU's	- 18 K
% New Products	+ 18.8%
Consolidated Peak Borrowing	- \$ 184 M
12 Month Buyers	+ 725 K
Annual Issues (U.S.)	- 16
Internet Merchandise Sales	+ \$ 157 M
EPS	+ \$ 0.13

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Vital Signs
Corporate Sales Growth
(\$ in millions)

Fiscal Year	Corporate Sales Merchandise Sales
1994	\$ 8.8
1995	17.9
1996	29.2
1997	48.4
1998	78.3

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1999	114.7
2000	145.9
2001	173.1

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Vital Signs Internet Growth (\$ in millions)

Fiscal Year	Internet Merchandise Sales
1997	\$ 3.4
1998	18.0
1999	61.0
2000	138.0
2001	218.0

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To Sum Up: Our Five-Year Opportunities

1. Grow the U.S. Consumer Business
 - Extend our merchandise lines in defined, focused ways.
 - Exploit new channels of marketing and customer service, enjoying greater efficiencies.
 - Expand our universe of customers.
 2. Grow Corporate Sales and International
 - Advance these businesses from their beach-head positions to true leadership positions.
 3. Grow Earnings at Least 3 Ways
 - Leverage existing expense structure.
 - Leverage existing capacity in Dodgeville and around the world.
 - Extend and improve recent strong margin gains.
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Two Major Growth Initiatives

1. Extended Sizes
 2. Intimates
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1. Extended Sizes
Extended Sizes Is a \$15.5B Market

Market Dollar

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Year	Sales in billions
1996	\$ 12.1
1997	12.8
1998	13.0
1999	14.2
2000	15.5

Lands' End Strategic Steps

- Develop Specialty Catalog to maximize growth potential.
- Develop an additional 20% styles to support growth.
- Hire experienced talent to drive business.

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2. Intimates Women's Intimate Apparel Is a \$8.2B Market

Year	Market Dollar Sales in billions
1996	\$ 6.6
1997	7.0
1998	7.4
1999	7.8
2000	8.2

Lands' End Strategic Steps

- Leverage our established fit position in Swim.
- Maximize trend in Sleepwear separates.
- Explore new ways to market our strong Intimates, Sleepwear and Spa products.

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Key Initiatives

- Continued Sourcing Improvements
- "Never Out" Key Items
- Great-Go-Together Selling
- Separate Gender Books
- Introduction of Extended Sizes and Intimates

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Lands' End Customer

From FY90 to FY01 our customer file has grown at a CAGR of 8.6%, from 10.9 million to 27 million households.

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Our 12 month buyer file grew to 5.9 million in FY01, a 9.5% rise over FY00.

FY01 was the largest customer acquisition year in our history. We acquired 1.3 million new buyers, a 17% increase over FY 00.

U.S. Consumer Business

Fiscal Year	Pages Circulated (in billions)	Number of Households (in millions)
1990	11.4	10.9
1995	20.1	19.8
2000	20.8	25.9
2001	24.5	27.0

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Operations/Facilities

Key statistics in FY 2001 for U.S. Consumer Business

24.5 Billion Catalog Pages Circulated
17.0 Million Orders Shipped
15.8 Million Sales/Service Contacts
70.0 Million Minutes of Customer Talk Time
4.5 Million Embroidered Units
1.9 Million Monogrammed Units

Distribution Center Square Footage

Fiscal Year	Square Footage
1990	717,000
1995	1,150,000
2000	1,736,000
2002	1,896,000

Significant capacity exists to meet future sales growth without facility expansion.

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Leveraging the Internet

Percentage of Internet Sales vs Merchandise Sales

1997	.3%
1998	1.4%
1999	4.4%
2000	10.5%
2001	16.1%

Opportunity to decrease catalog page circulation and reduce minutes of customer talk time.

A huge opportunity exists to reduce selling, general and administrative expenses by shifting more customer interactions to the Internet.

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Systems Development
For Emerging Strategic Goals

1. 1993 - 1999 Industrial Strength
Enhanced functionality on core processes
Call Center Systems
Warehouse/Pick and ship
 2. 1999 - 2001 Internet Platform
Successfully integrated Internet with core processes
Developed customer focused applications-
Personalization
 3. 2001 - 2004 Smart Systems
Superior Customer Relationship Management
Business Intelligence
Advanced Supply Chain Management
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Introducing the Lands' End
Alumni Collection

An upcoming/new marketing opportunity that will focus on college graduates to supply sportswear embroidered with university logos. Sizable sales opportunity with nominal investment in infrastructure.

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Fiscal year results
Lands' End, Inc. & Subsidiaries
(dollars in millions, except EPS)

	Fiscal 2001	Fiscal 2000	Fiscal 1999
Total Revenue	\$ 1,462.3	\$1,416.9	\$1,466.1
Pretax income	55.0	76.2	49.5
Net income	34.7	48.0	31.2
Diluted EPS	1.14	1.56	1.01
Return on Equity	11 %	18 %	13 %

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Recent Quarterly Performance
(\$ in millions, except EPS)

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	Q4 01	vs PY	Q1 02	vs PY
Revenue	\$ 538.6	11.5 %	\$ 311.1	8.8 %
Gross Profit	235.4	13.8 %	131.9	10.2 %
SG&A	181.9	12.8 %	121.4	2.5 %
EPS	\$ 1.07	16.3 %	\$ 0.20	1900.0 %

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Merchandise Sales and Earnings Growth
(\$ in millions)

Fiscal Year	Merchandise Sales	Net Income
1986	\$ 227	\$ 11.3
1991	602	14.7
1996	1,032	30.6
2001	1,355	34.7

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Financial Flexibility to Achieve Growth

Item	Balance Sheet As of 1/26/01 (\$ in millions)
Cash	\$ 75.4
Working Capital	142.8
Total Assets	507.6
Total Debt	16.9
Total Liabilities	193.4

- Strong Balance Sheet
- No long term debt
- Flexibility to pursue many strategic avenues

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Investment Highlights

- Lands' End is a unique, highly admired, and trusted brand destined to be high growth, high performance company.
- A wealth of promising merchandising ideas on the drawing board.
 - US Consumer
 - Business to Business
 - International
 - Internet
- Financial flexibility and significant free cash strategic investments.
- The drive and talent of a seasoned management team.

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STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Statements in this document that are not historical, including, without limitation, statements regarding our plans, expectations, assumptions, and estimations for fiscal 2002, 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 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

There was a live, audio webcast of a meeting with company management and the financial community discussing future marketing and product initiatives on Thursday, May 17, 2001 at 8:30am eastern time. A playback will be available for one week at "videonewswire.com/LANSEND/051701/".

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