
**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 9, 2010

J.CREW GROUP, INC.

Commission File Number: 001-32927

Delaware
(Registrant, State of
Incorporation)

22-2894486
(I.R.S. Employer
Identification No.)

770 Broadway
New York, New York 10003
(Address of principal executive offices, including zip code)

(212) 209-2500
(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 March 9, 2010, J.Crew Group, Inc. issued a press release announcing the Company's financial results for the fourth quarter and fiscal year ended January 30, 2010. The Company is furnishing a copy of the press release hereto as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) Press Release issued by J.Crew Group, Inc. on March 9, 2010.

The information in 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 ("Exchange Act"), nor shall such information be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly stated by specific reference in such filing.

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.

J.CREW GROUP, INC.

By: /s/ James S. Scully

Name: James S. Scully

Title: Chief Administrative Officer and Chief Financial
Officer

Date: March 9, 2010

Company Contact:

James S. Scully
Chief Administrative Officer and
Chief Financial Officer
(212) 209-8040

Investor Contact:

Allison Malkin/Chad Jacobs/Joe Teklits
ICR, Inc.
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J.CREW GROUP, INC. ANNOUNCES FOURTH QUARTER AND FISCAL 2009 RESULTS**Fourth Quarter Revenues Rise 19% to \$460.6 million****Fourth Quarter Diluted EPS of \$0.61****Fiscal 2009 Diluted EPS of \$1.91**

New York, NY – March 9, 2010 – J.Crew Group, Inc. [NYSE:JCG] today announced financial results for the three months (fourth quarter) and fiscal year ended January 30, 2010 (fiscal 2009).

Fourth Quarter highlights:

- Revenues increased 19% to \$460.6 million. Store sales increased 23% to \$311.1 million, with comparable store sales increasing 17%. Comparable store sales decreased 13% in the fourth quarter of fiscal 2008. Direct sales (Internet and Phone) increased 13% to \$139.2 million. Direct sales decreased 2% to \$123.0 million in the fourth quarter of fiscal 2008.
- Gross margin increased to 43.9% of revenues from 27.6% of revenues in the fourth quarter of fiscal 2008. The increase in gross margin is primarily due to decreased markdowns and promotional selling in the fourth quarter of 2009 compared to 2008.
- Operating income increased to \$68.6 million, or 14.9% of revenues, compared with an operating loss of \$20.4 million, or 5.3% of revenues, in the fourth quarter of fiscal 2008.
- Net income in the fourth quarter of fiscal 2009 was \$40.4 million, or \$0.61 per diluted share. Net loss was \$13.5 million, or \$0.22 per diluted share, in the fourth quarter of fiscal 2008.

Millard Drexler, J.Crew's Chairman and CEO stated: "We are extremely pleased with all we achieved in 2009. Our bar has been set high and it is our continued mission to be creative, to be innovative, and to emotionally connect with our customers."

Fiscal 2009 highlights:

- Revenues increased 11% to \$1,578.0 million. Store sales increased 14% to \$1,110.9 million, with comparable store sales increasing 4%. Comparable store sales decreased 4% in fiscal 2008. Direct sales increased 5% to \$428.2 million. Direct sales increased 8% to \$408.9 million in fiscal 2008.
- Gross margin increased to 44.1% of revenues from 38.9% of revenues in fiscal 2008.
- Operating income increased to \$211.3 million, or 13.4% of revenues, compared to \$96.7 million, or 6.8% of revenues, in fiscal 2008.
- Net income for fiscal 2009 was \$123.4 million, or \$1.91 per diluted share. Net income was \$54.1 million, or \$0.85 per diluted share, in fiscal 2008.

Balance Sheet highlights as of January 30, 2010:

- Cash and cash equivalents were \$298.1 million at the end of the fourth quarter and after a voluntary principal payment of debt of \$50 million made during fiscal 2009. Cash and cash equivalents were \$146.4 million at the end of fiscal 2008.
- Inventories at the end of the fourth quarter were \$190.2 million, compared to \$187.0 million at the end of the fourth quarter of fiscal 2008. Inventory per square foot at the end of fiscal 2009 decreased 3%, compared to the end of fiscal 2008.

Guidance

The Company currently expects first quarter fiscal 2010 diluted earnings per share in the range of \$0.48 to \$0.53 and fiscal 2010 diluted earnings per share in the range of \$2.20 to \$2.30.

Conference Call Information

A conference call to discuss fourth quarter results is scheduled for today, March 9, 2010, at 4:30 PM Eastern Time. Investors and analysts interested in participating in the call are invited to dial (877) 407-0784 approximately ten minutes prior to the start of the call. The conference call will also be webcast live at www.jcrew.com. A replay of this call will be available until March 16, 2010 and can be accessed by dialing (877) 660-6853 and entering account number 3055 and conference ID number 345777.

About J.Crew Group, Inc.

J.Crew Group, Inc. is a nationally recognized multi-channel retailer of women's, men's and children's apparel, shoes and accessories. As of March 9, 2010, the Company operates 244 retail stores (including 218 J.Crew retail stores, 9 Crewcuts and 17 Madewell stores), the J.Crew catalog business, jcrew.com, and 79 factory outlet stores. Additionally, certain product, press release and SEC filing information concerning the Company are available at the Company's website www.jcrew.com.

Forward-Looking Statements:

Certain statements herein are "forward-looking statements" made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements reflect the Company's current expectations or beliefs concerning future events and actual results of operations may differ materially from historical results or current expectations. Any such forward-looking statements are subject to various risks and uncertainties, including the strength of the economy, changes in the overall level of consumer spending or preferences in apparel, the performance of the Company's products within the prevailing retail environment, trade restrictions, political or financial instability in countries where the Company's goods are manufactured, postal rate increases, paper and printing costs, availability of suitable store locations at appropriate terms and other factors which are set forth in the Company's Form 10-K and in all filings with the SEC made by the Company subsequent to the filing of the Form 10-K. The Company does not undertake to publicly update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

J.Crew Group, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

(In thousands, except percentages and per share amounts)	Three Months Ended January 30, 2010	Three Months Ended January 31, 2009	Fiscal Year Ended January 30, 2010	Fiscal Year Ended January 31, 2009
Net sales				
Stores	\$ 311,061	\$ 252,026	\$ 1,110,932	\$ 974,284
Direct	139,174	122,957	428,186	408,916
	450,235	374,983	1,539,118	1,383,200
Other	10,374	13,054	38,924	44,770
Total Revenues	460,609	388,037	1,578,042	1,427,970
Costs of goods sold, buying and occupancy costs	258,542	281,101	882,385	872,547
Gross Profit	202,067	106,936	695,657	555,423
As a percent of revenues	43.9%	27.6%	44.1%	38.9%
Selling, general and administrative expenses	133,471	127,378	484,396	458,738
As a percent of revenues	29.0%	32.8%	30.7%	32.1%
Operating income (loss)	68,596	(20,442)	211,261	96,685
As a percent of revenues	14.9%	(5.3)%	13.4%	6.8%
Interest expense, net	2,177	1,570	5,384	5,940
Income (loss) before income taxes	66,419	(22,012)	205,877	90,745
Provision (benefit) for income taxes	25,983	(8,463)	82,517	36,628
Net income (loss)	<u>\$ 40,436</u>	<u>\$ (13,549)</u>	<u>\$ 123,360</u>	<u>\$ 54,117</u>
Income (loss) per share:				
Basic	\$ 0.64	\$ (0.22)	\$ 1.97	\$ 0.88
Diluted	\$ 0.61	\$ (0.22)	\$ 1.91	\$ 0.85
Weighted average shares outstanding:				
Basic	63,085	61,991	62,583	61,687
Diluted	65,882	61,991	64,714	64,027

J.Crew Group, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)

<u>(In thousands)</u>	<u>January 30, 2010</u>	<u>January 31, 2009</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 298,107	\$ 146,430
Inventories	190,231	187,044
Prepaid expenses and other current assets	29,522	34,926
Prepaid income taxes	1,455	23,116
Total current assets	519,315	391,516
Property and equipment, net	194,615	201,675
Deferred income taxes, net	14,851	8,862
Other assets	9,777	11,756
Total assets	<u>\$ 738,558</u>	<u>\$ 613,809</u>
Liabilities and Stockholders' equity		
Current liabilities:		
Accounts payable	\$ 127,733	\$ 119,719
Other current liabilities	106,652	83,889
Deferred income taxes, net	958	4,049
Current portion of long-term debt	—	800
Total current liabilities	235,343	208,457
Long-term debt	49,229	99,200
Deferred credits	67,646	73,815
Other liabilities	10,462	7,388
Stockholders' equity	375,878	224,949
Total liabilities and stockholders' equity	<u>\$ 738,558</u>	<u>\$ 613,809</u>

Actual and Projected Store Count and Square Footage ^(Note 1)**Actual Fiscal 2009**

<u>Quarter</u>	<u>Total stores open at beginning of the quarter</u>	<u>Number of stores opened during the quarter</u>	<u>Number of stores closed during the quarter</u>	<u>Total stores open at end of the quarter</u>
1 st Quarter	300	12	2	310
2 nd Quarter	310	9	0	319
3 rd Quarter	319	2	1	320
4 th Quarter	320	1	0	321

Actual Fiscal 2009

<u>Quarter</u>	<u>Total gross square feet at beginning of the quarter</u>	<u>Gross square feet for stores opened or expanded during the quarter</u>	<u>Reduction of gross square feet for stores closed or downsized during the quarter</u>	<u>Total gross square feet at end of the quarter</u>
1 st Quarter	1,864,133	52,185	(8,258)	1,908,060
2 nd Quarter	1,908,060	38,166	0	1,946,226
3 rd Quarter	1,946,226	10,274	(2,872)	1,953,628
4 th Quarter	1,953,628	4,512	0	1,958,140

Projected Fiscal 2010

<u>Quarter</u>	<u>Total stores open at beginning of the quarter</u>	<u>(Note 2) Number of stores opened during the quarter</u>	<u>Number of stores closed during the quarter</u>	<u>Total stores open at end of the quarter</u>
1 st Quarter	321	5	0	326
2 nd Quarter	326	2	1	327
3 rd Quarter	327	4	0	331
4 th Quarter	331	4	0	335

Projected Fiscal 2010

<u>Quarter</u>	<u>Total gross square feet at beginning of the quarter</u>	<u>Gross square feet for stores opened or expanded during the quarter</u>	<u>Reduction of gross square feet for stores closed or downsized during the quarter</u>	<u>Total gross square feet at end of the quarter</u>
1 st Quarter	1,958,140	25,168	(615)	1,982,693
2 nd Quarter	1,982,693	7,631	(7,822)	1,982,502
3 rd Quarter	1,982,502	13,249	0	1,995,751
4 th Quarter	1,995,751	24,605	0	2,020,356

Note 1 - Store count and square footage summary excludes three clearance store locations.

Note 2 - Projected number of stores opened during Fiscal 2010 by quarter:

1st Quarter - two retail and three factory stores.

2nd Quarter - one retail and one Madewell store.

3rd Quarter - two retail and two Madewell stores.

4th Quarter - one retail, two factory and one Madewell store.