BUCKLE INC
Form 10-K
March 28, 2012
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended January 28, 2012

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the Transition Period from ____________ to ____________

Commission File Number: 001-12951

THE BUCKLE, INC.
(Exact name of Registrant as specified in its charter)

Nebraska	47-0366193
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2407 West 24th Street, Kearney, Nebraska	68845-4915
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (308) 236-8491

Securities registered pursuant to Section 12(b) of the Act:

Title of class	Name of Each Exchange on Which Registered
Common Stock, $0.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes þ No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes o No þ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes þ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for a shorter period that the registrant was required to submit and post such files). Yes þ No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K o.

Indicate by check mark whether the registrant is a large accelerated filer, accelerated filer, non-accelerated filer, or smaller reporting company. (See definition of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act). Check one.
þ Large accelerated filer; o Accelerated filer; o Non-accelerated filer; o Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No þ

The aggregate market value (based on the closing price of the New York Stock Exchange) of the common stock of the registrant held by non-affiliates of the registrant was $1,182,934,157 on July 30, 2011. For purposes of this response, executive officers and directors are deemed to be the affiliates of the Registrant and the holdings by non-affiliates was computed as 26,696,776 shares.

The number of shares outstanding of the Registrant's Common Stock, as of March 23, 2012, was 47,921,437.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement for the registrant's 2012 Annual Meeting of Shareholders to be held June 1, 2012 are incorporated by reference in Part III.

The Buckle, Inc.
Form 10-K
January 28, 2012

Table of Contents

PART I

ITEM 1 – BUSINESS

The Buckle, Inc. (the "Company") is a retailer of medium to better-priced casual apparel, footwear, and accessories for fashion-conscious young men and women. As of January 28, 2012, the Company operated 431 retail stores in 43 states throughout the continental United States under the names "Buckle" and "The Buckle." The Company markets a wide selection of mostly brand name casual apparel including denims, other casual bottoms, tops, sportswear, outerwear, accessories, and footwear. The Company emphasizes personalized attention to its customers and provides customer services such as free hemming, free gift-wrapping, easy layaways, the Buckle private label credit card, and a frequent shopper program. Most stores are located in regional, high-traffic shopping malls and lifestyle centers, and this is the Company's strategy for future expansion. The majority of the Company's central office functions, including purchasing, pricing, accounting, advertising, and distribution, are controlled from its headquarters and distribution center in Kearney, Nebraska. The Company's men's buying team and a portion of its marketing team are located in Overland Park, Kansas.

Incorporated in Nebraska in 1948, the Company commenced business under the name Mills Clothing, Inc., a conventional men's clothing store with only one location. In 1967, a second store, under the trade name Brass Buckle, was purchased. In the early 1970s, the store image changed to that of a jeans store with a wide selection of denims and shirts. The first branch store was opened in Columbus, Nebraska, in 1976. In 1977, the Company began selling young women's apparel and opened its first mall store. The Company changed its corporate name to The Buckle, Inc. on April 23, 1991. The Company has experienced significant growth over the past ten years, growing from 295 stores at the start of 2002 to 431 stores at the end of fiscal 2011. All references herein to fiscal 2011 refer to the 52-week period ended January 28, 2012. Fiscal 2010 refers to the 52-week period ended January 29, 2011 and fiscal 2009 refers to the 52-week period ended January 30, 2010. All references herein to the “Company”, “Buckle”, “we”, “us”, or similar terms refe to The Buckle, Inc. and its subsidiary.

The Company's principal executive offices are located at 2407 West 24th Street, Kearney, Nebraska 68845. The Company's telephone number is (308) 236-8491. The Company publishes its corporate web site at www.buckle.com.

Available Information

The Company's annual reports on Form 10-K, along with all other reports and amendments filed with or furnished to the Securities and Exchange Commission, are publicly available free of charge on the Investor Information section of the Company's website at www.buckle.com as soon as reasonably practicable after the Company files such materials with, or furnishes them to, the Securities and Exchange Commission. The Company's corporate governance policies, ethics code, and Board of Directors' committee charters are also posted within this section of the website. The information on the Company's website is not part of this or any other report The Buckle, Inc. files with, or furnishes to, the Securities and Exchange Commission.

Marketing and Merchandising

The Company's marketing and merchandising strategy is designed to create customer loyalty by offering a wide selection of key brand name and private label merchandise and providing a broad range of value-added services. The Company believes it provides a unique specialty apparel store experience with merchandise designed to appeal to the fashion-conscious 15 to 30-year old. The merchandise mix includes denims, casual bottoms, tops, sportswear, outerwear, accessories, and footwear. Denim is a significant contributor to total sales (46.6% of fiscal 2011 net sales) and is a key to the Company's merchandising strategy. The Company believes it attracts customers with its wide selection of branded and private label denim and a wide variety of fits, finishes, and styles. Tops are also significant contributors to total sales (32.1% of fiscal 2011 net sales). The Company strives to provide a continually changing selection of the latest casual fashions.

The percentage of net sales over the past three fiscal years of the Company's major product lines are set forth in the following table:

	Fiscal Years Ended					
	January 28, 2012		January 29, 2011		January 30, 2010	
Denims	46.6	%	45.3	%	42.9	%
Tops (including sweaters)	32.1		34.0		36.7	
Accessories	8.2		8.4		7.7	
Sportswear/fashions	5.1		4.7		5.0	
Footwear	4.9		4.7		4.7	
Outerwear	2.3		2.3		2.5	
Casual bottoms	0.6		0.5		0.4	
Other	0.2		0.1		0.1	
	100.0	%	100.0	%	100.0	%

Brand name merchandise accounted for approximately 68% of the Company's sales during fiscal 2011. The remaining balance is comprised of private label merchandise. The Company's merchandisers continually work with manufacturers and vendors to produce brand name merchandise that they believe is exclusive in terms of color, style, and fit. While the brands offered by the Company change to meet current customer preferences, the Company currently offers denims from brands such as Big Star, Big Star Vintage, Miss Me, Rock Revival, Silver Jeans, and Buffalo Jeans. Other key brands include Hurley, Billabong, Affliction, Sinful, Archaic, Obey, Roar, RVCA, Fox, and Fossil. The Company expects that brand name merchandise will continue to constitute the majority of sales.

Management believes the Company provides a unique store environment by maintaining a high level of personalized service and by offering a wide selection of fashionable, quality merchandise. The Company believes it is essential to create an enjoyable shopping environment and, in order to fulfill this mission, it employs highly motivated employees who provide personal attention to customers. Each salesperson is educated to help create a complete look for the customer by helping them find the best fits and showing merchandise as coordinating outfits. The Company also incorporates specialized services such as free hemming, free gift wrapping, layaways, a frequent shopper card, the Buckle private label credit card, and a special order system that allows stores to obtain specifically requested merchandise from other Company stores. Customers are encouraged to use the Company's layaway plan, which allows customers to make a partial payment on merchandise that is then held by the store until the balance is paid. For the past three fiscal years, an average of approximately 3% to 5% of net sales have been made on a layaway basis, which is recorded upon delivery of the merchandise to the customer.

Merchandising and pricing decisions are made centrally; however, the Company's distribution system allows for variation in the mix of merchandise distributed to each store. This allows individual store inventories to be tailored to reflect differences in customer buying patterns at various locations. In addition, to assure a continually fresh look in its stores, the Company ships new merchandise daily to most stores. The Company also has a transfer program that shifts certain merchandise to locations where it is selling best. This distribution and transfer system helps to maintain customer satisfaction by providing in-stock popular items and reducing the need to mark down slow-moving merchandise at a particular location. The Company believes the reduced markdowns justify the incremental distribution costs associated with the transfer system. The Company does not hold storewide off-price sales at anytime.

The Company continually evaluates its store design as part of the overall shopping experience and feels the fiscal 2002 design continues to be well received by both guests and developers. This store design contains warm wood fixtures and floors, real brick finishes, and an appealing ceiling and lighting layout that creates a comfortable environment for the guest to shop. The Company has been able to modify the store design for specialized venues including lifestyle centers and larger mall fronts. The signature Buckle-B icon and red color are used throughout the store on fixtures, graphic images, and print materials to reinforce the brand identity. To enhance selling and product presentation, the Company continues to update the fixtures in its stores. New tables and fixtures have been added to the Company’s signature store design in each of the last several fiscal years. The new tables and fixtures were also rolled out to select existing stores to update their looks as well.

Marketing and Advertising

In fiscal 2011, the Company spent $8.9 million, or 0.8% of net sales, on seasonal marketing campaigns, advertising, promotions, online marketing, and in-store point-of-sale materials. Seasonal image and promotional signage is presented in store window displays and on merchandising presentations throughout the store to complement the product and reinforce the brand's image. Promotions such as sweepstakes, gift with purchase offers, and special events are offered to enhance the guest's shopping experience. Seasonal image guides, featuring current fashion trends and product selection, are distributed in the stores, at special events, and in new markets. Buckle partners with key merchandise vendors on joint advertising and promotional opportunities that expand the marketing reach and position Buckle as the destination store for these specialty branded fashions.

The Company also offers programs to build and strengthen its relationship with loyal guests. Two different programs work to achieve these goals. The Company continues to support its frequent shopper program (the Buckle Primo Card), a rewards program designed to build customer loyalty that is available to all guests. In addition, private label credit card guests receive even more benefits when they use their Buckle Card. The continued growth of the B-Rewards incentive program rewards loyal cardholders with a B-Rewards gift card at the end of each rewards period and invites them back into the store. The Company extends other exclusive benefits to active Buckle cardholders such as special bonus B-Rewards periods, targeted mailings, and exclusive gift with purchase offers. The Company also provides a special Buckle Black cardholder program for its most loyal Buckle Card guests. These accountholders must purchase at least $500 using their regular account in a 12 month period to qualify for the Buckle Black card. These guests receive an exclusively designed card and enjoy additional benefits including free ground shipping on special orders and online purchases. The Buckle Card marketing program is partially funded by WFNB, a third-party bank that owns the Buckle Card accounts.

The Company publishes a corporate web site at www.buckle.com. The Company's web site serves as a second retail touch-point for cross-channel marketing, reaching a growing online audience. Buckle.com is an e-Commerce enabled channel with an interactive, entertaining, informative, and brand building environment where guests can shop, enter sweepstakes, fill out a wish list, find out about career opportunities, and read the Company's latest financial news. The Company maintains an opt-in email database. National email campaigns are sent bi-monthly and targeted weekly messages are sent notifying guests of the latest store promotions and product offerings. Search engine and affiliate marketing programs are managed to increase online and in-store traffic as well as conversion rates. Buckle's online store was launched April 26, 1999 as a marketing tool, to extend the Company's brand beyond the physical locations. On August 31, 2011, the Company launched a redesigned Buckle.com. The new Buckle.com features enhanced screen resolution, the addition of product ratings and reviews, and improved site navigation and performance.

Store Operations

The Company has a Vice President of Sales, a Regional Manager, 19 district managers, and 73 area managers. Certain of the district managers and each of the area managers also serve as manager of their home base store. In general, each store has one manager, one or two assistant managers, one to three additional full-time salespeople, and up to 20 part-time salespeople. Most stores have peak levels of staff during the back-to-school and Christmas seasons. Almost every location also employs an alterations person.

The Company places great importance on educating quality personnel. In addition to sharing career opportunities with current Buckle employees, the Company also recruits interns and management trainees from college campuses. A majority of the Company's store managers, all of its area and district managers, and most of its executive management team are former salespeople, including President and CEO, Dennis H. Nelson, and Chairman, Daniel J. Hirschfeld. Recognizing talent and promoting managers from within allows the Company to build a strong foundation for management.

Store managers receive compensation in the form of a base salary and incentive bonuses. District and area managers also receive added incentives based upon the performance of stores in their district/area. Store managers perform sales training for new employees at the store level.

The Company has established a comprehensive program stressing the prevention and control of shrinkage losses. Steps taken to reduce shrinkage include monitoring cash refunds, voids, inappropriate discounts, employee sales, and returns-to-vendor. The Company also has electronic article surveillance systems in all of the Company's stores as well as surveillance camera systems in approximately 99% of the stores. As a result, the Company achieved a merchandise shrinkage rate of 0.4% of net sales in fiscal 2011 and fiscal 2010 and 0.5% of net sales in fiscal 2009.

The average store is approximately 5,000 square feet (of which the Company estimates an average of approximately 80% is selling space), and stores range in size from 2,900 square feet to 8,475 square feet.

Purchasing and Distribution

The Company has an experienced buying team. The buying team is led by the Vice President of Women's Merchandising and Vice President of Men's Merchandising, who have over 63 years of combined experience with the Company. The experience and leadership within the buying team contributes significantly to the Company's success by enabling the buying team to react quickly to changes in fashion and by providing extensive knowledge of sources for both branded and private label goods.

The Company purchases products from manufacturers within the United States as well as from agents who source goods from foreign manufacturers. The Company's merchandising team shops and monitors fashion to stay abreast of the latest trends. The Company continually monitors styles, quality, and delivery schedules. The Company has not experienced any material difficulties with merchandise manufactured in foreign countries. The Company does not have long-term or exclusive contracts with any brand name manufacturer, private label manufacturer, or supplier. The Company plans its private label production with private label vendors three to six months in advance of product delivery. The Company requires its vendors to sign and adhere to its Code of Conduct and Standards of Engagement, which addresses adherence to legal requirements regarding employment practices and health, safety, and environmental regulations.

In fiscal 2011, Koos Manufacturing, Inc. (the Company that produces the majority of the Company's private label denim as well as the Big Star and Big Star Vintage branded merchandise) accounted for 19.4% of the Company's net sales and Miss Me/Rock Revival accounted for 19.5%. No other vendor accounted for more than 10% of the Company's net sales. Other current significant vendors include Silver Jeans, Buffalo Jeans, Hurley, Billabong, Affliction, Sinful, Archaic, Obey, Roar, RVCA, Fox, and Fossil. The Company continually strives to offer brands that are currently popular with its customers and, therefore, the Company's suppliers and purchases from specific vendors may vary significantly from year to year.

Buckle stores generally carry the same merchandise, with quantity and seasonal variations based upon historical sales data, climate, and perceived local customer demand. The Company uses a centralized receiving and distribution center located in Kearney, Nebraska. Merchandise is received daily in Kearney where it is sorted, tagged with bar-coded tickets (unless the vendor UPC code is used or the merchandise is pre-ticketed), and packaged for distribution to individual stores primarily via United Parcel Service. The Company's goal is to ship the majority of its merchandise out to the stores within one to two business days of receipt. This system allows stores to receive new merchandise almost daily, creating excitement within the store and providing customers with a reason to shop often.

The Company has developed an effective computerized system for tracking merchandise from the time it is checked in at the Company's distribution center until it arrives at the stores and is sold to a customer. The system's function is to insure that store shipments are delivered accurately and promptly, to account for inventory, and to assist in allocating merchandise among stores. Management can track, on a daily basis, which merchandise is selling at specific locations and direct transfers of merchandise from one store to another as necessary. This allows stores to carry a reduced inventory while at the same time satisfying customer demand.

6

To reduce inter-store shipping costs and provide timely restocking of in-season merchandise, the Company warehouses a portion of initial shipments for later distribution. Sales reports are then used to replenish, on a basis of one to three times each week, those stores that are experiencing the greatest success selling specific styles, colors, and sizes of merchandise. This system is also designed to prevent an over-crowded look in the stores at the beginning of a season.

The Company completed an 82,200 square foot expansion to its corporate headquarters facility during fiscal 2005, which housed its online fulfillment and customer service center as well as its supplies and returns-to-vendor departments. In March 2009, the Company relocated its supplies and returns-to-vendor departments to expand the online fulfillment infrastructure. The newly expanded online fulfillment center went live in June 2009 and the expansion approximately doubled the size of the previous infrastructure – which now occupies approximately 200,000 square feet of space on three levels.

During fiscal 2010, the Company completed construction of a new 240,000 square foot distribution center in Kearney, Nebraska. The Company transitioned to the new distribution center in September 2010 and the new facility is now the Company’s only operating store distribution center.

Store Locations and Expansion Strategies

As of March 9, 2012, the Company operated 431 stores in 43 states. The existing stores are in 4 downtown locations, 9 strip centers, 47 lifestyle centers, and 371 shopping malls. The Company anticipates opening approximately 10 new stores in fiscal 2012. For fiscal 2012, 9 of the new stores are expected to be located in higher traffic shopping malls and 1 new store is expected to be located in a lifestyle center. The following table lists the location of existing stores as of March 9, 2012:

Location of Stores

State	Number of Stores	State	Number of Stores	State	Number of Stores
Alabama	6	Massachusetts	1	Oregon	4
Arizona	12	Michigan	19	Pennsylvania	9
Arkansas	6	Minnesota	12	Rhode Island	1
California	18	Mississippi	5	South Carolina	3
Colorado	12	Missouri	15	South Dakota	3
Florida	22	Montana	5	Tennessee	12
Georgia	8	Nebraska	13	Texas	47
Idaho	6	Nevada	4	Utah	10
Illinois	18	New Jersey	3	Virginia	4
Indiana	14	New Mexico	4	Washington	14
Iowa	17	New York	3	West Virginia	4
Kansas	17	North Carolina	10	Wisconsin	13
Kentucky	5	North Dakota	4	Wyoming	1
Louisiana	11	Ohio	20		
Maryland	3	Oklahoma	13	Total	431

Buckle has grown significantly over the past ten years, with the number of stores increasing from 295 at the beginning of 2002 to 431 at the end of fiscal 2011. The Company's plan is to continue expansion by developing the geographic regions it currently serves and by expanding into contiguous markets. The Company intends to open new stores only when management believes there is a reasonable expectation of satisfactory results.

7

The following table sets forth information regarding store openings and closings from the beginning of fiscal 2002 through the end of fiscal 2011:

Total Number of Stores Per Year				
Fiscal Year	Open at start of year	Opened in Current Year	Closed in Current Year	Open at end of year
2002	295	11	2	304
2003	304	16	4	316
2004	316	13	2	327
2005	327	15	4	338
2006	338	17	5	350
2007	350	20	2	368
2008	368	21	2	387
2009	387	20	6	401
2010	401	21	2	420
2011	420	13	2	431

The Company's criteria used when considering a particular location for expansion include:

1. Market area, including proximity to existing markets to capitalize on name recognition;
2. Trade area population (number, average age, and college population);
3. Economic vitality of market area;
4. Mall location, anchor tenants, tenant mix, and average sales per square foot;
5. Available location within a mall, square footage, storefront width, and facility of using the current store design;
6. Availability of experienced management personnel for the market;
7. Cost of rent, including minimum rent, common area, and extra charges;
8. Estimated construction costs, including landlord charge backs and tenant allowances.

The Company generally seeks sites of 4,250 to 5,000 square feet for its stores. The projected cost of opening a store is approximately $0.9 million, including construction costs of approximately $0.7 million (prior to any construction allowance received) and inventory costs of approximately $0.2 million, net of accounts payable.

The Company anticipates opening approximately 10 new stores during fiscal 2012 and completing approximately 20 full remodels. The construction costs for a full remodel are comparable to those of a new store. The Company also plans to complete several smaller store remodeling projects during fiscal 2012. The Company anticipates capital spending of approximately $32.0 to $36.0 million during fiscal 2012 for new store construction, store remodeling, technology updates, and other improvements at the corporate headquarters.

The Company plans to expand in 2012 by opening stores in existing markets. The Company believes that, given the time required for training personnel, staffing a store, and developing adequate district and area managers, its current management infrastructure is sufficient to support its currently planned rate of growth.

The Company's ability to expand in the future will depend, in part, on general business conditions, the ability to find suitable malls with acceptable sites on satisfactory terms, the availability of financing, and the readiness of trained store managers. There can be no assurance that the Company's expansion plans will be fulfilled in whole or in part, or that leases under negotiation for planned new sites will be obtained on terms favorable to the Company.

Management Information Systems

The Company's management information systems (MIS) and electronic data processing systems (EDP) consist of a full range of retail, financial, and merchandising systems, including purchasing, inventory distribution and control, sales reporting, accounts payable, and merchandise management.

The system includes PC based point-of-sale (POS) registers in each store. These registers are polled nightly by the central computer (IBM iSeries) using a virtual private network for collection of comprehensive data, including complete item-level sales information, employee time clocking, merchandise transfers and receipts, special orders, supply orders, and returns-to-vendor. In conjunction with the nightly polling, the central computer sends the PC server messages from various departments at the Company headquarters and price changes for the price lookup ("PLU") file maintained within the POS registers.

Each weekday morning, the Company initiates an electronic "sweep" of the individual store bank accounts to the Company's primary concentration account. This allows the Company to meet its obligations with a minimum of borrowing and invest cash on a timely basis.

Management monitors the performance of each of its stores on a continual basis. Daily information is used to evaluate inventory, determine markdowns, analyze profitability, and assist management in the scheduling and compensation of employees.

The PLU system allows management to control merchandise pricing centrally, permitting faster and more accurate processing of sales at the store and the monitoring of specific inventory items to confirm that centralized pricing decisions are carried out in each of the stores. Management is able to direct all price changes, including promotional, clearance, and markdowns on a central basis and estimate the financial impact of such changes.

The virtual private network for communication with the stores also supports the Company's intranet site. The intranet allows stores to view various types of information from the corporate office. Stores also have access to a variety of tools such as a product search with pictures, product availability, special order functions, printable forms, links to transmit various requests and information to the corporate office, training videos, email, and information/guidelines from each of the departments at the corporate office. The Company's network is also structured so that it can support additional functionality such as digital video monitoring and digital music content programming at each store location.

The Company is committed to the ongoing review of its MIS and EDP systems to maintain productive, timely information and effective controls. This review includes testing of new products and systems to assure that the Company is aware of technological developments. Most important, continual feedback is sought from every level of the Company to assure that information provided is pertinent to all aspects of the Company's operations. During fiscal 2012, the Company anticipates completing the replacement of its current point-of-sale software.

Employees

As of January 28, 2012, the Company had approximately 8,600 employees - approximately 2,300 of whom were full-time. The Company has an experienced management team and substantially all of the management team, from store managers through senior management, began work for the Company on the sales floor. The Company experiences high turnover of store and distribution center employees, primarily due to the number of part-time employees. However, the Company has not experienced significant difficulty in hiring qualified personnel. Of the total employees, approximately 600 are employed at the corporate headquarters and in the distribution center. None of the Company's employees are represented by a union. Management believes that employee relations are good.

The Company provides medical, dental, vision, and life insurance, short-term and long-term disability plans, as well as a 401(k) and a section 125 cafeteria plan for eligible employees. An employee must be at least 20 years of age and work a minimum of 1,000 hours during the plan year to be eligible for the 401(k) plan. To be eligible for the plans, other than the 401(k) plan, an employee must have worked for the Company for 98 days or more, and his or her normal workweek must be 35 hours or more. As of January 28, 2012, 1,690 employees participated in the medical plan, 1,694 in the dental plan, 742 in the vision plan, 2,307 in the life insurance plan, 665 in the supplemental life insurance plan, 1,030 in the long-term disability plan, and 1,279 in the cafeteria plan. With respect to the medical, dental, and life insurance plans, the Company pays 80% to 100% of the employee's expected premium cost plus 20% to 100% of the expected cost of dependent coverage under the health plan. The exact percentage is based upon the employee's term of employment and job classification within the Company. In addition, all employees receive discounts on Company merchandise.

9

Competition

The men's and women's apparel industries are highly competitive with fashion, selection, quality, price, location, store environment, and service being the principal competitive factors. While the Company believes it is able to compete favorably with other merchandisers, including department stores and specialty retailers, with respect to each of these factors, the Company believes it competes mainly on the basis of customer service and merchandise selection.

In the men's merchandise area, the Company competes primarily with specialty retailers such as Abercrombie & Fitch, American Eagle Outfitters, Aeropostale, Hollister, Gap, and Pacific Sunwear. The men's market also competes with certain department stores, such as Dillards, Macy’s, Bon-Ton stores, Nordstrom, and certain local or regional department stores and small specialty stores, as well as with mail order and internet retailers.

In the women's merchandise area, the Company competes primarily with specialty retailers such as Abercrombie & Fitch, American Eagle Outfitters, Express, Aeropostale, Hollister, Gap, Maurices, Pacific Sunwear, Wet Seal, Forever 21, and Vanity. The women's market also competes with department stores, such as Dillards, Macy’s, Bon-Ton stores, Nordstrom, and certain local or regional department stores and small specialty stores, as well as with mail order and internet retailers.

Many of the Company's competitors are considerably larger and have substantially greater financial, marketing, and other resources than the Company, and there is no assurance that the Company will be able to compete successfully with them in the future. Furthermore, while the Company believes it competes effectively for favorable site locations and lease terms, competition for prime locations within a mall is intense.

Trademarks

“BUCKLE”, “THE BUCKLE”, “BUCKLE BLACK”, “BKE”, “BKE BOUTIQUE”, “BKE SOLE”, “DAYTRIP”, “RECLAIM icon are federally registered trademarks of the Company. The Company believes the strength of its trademarks is of considerable value to its business, and its trademarks are important to its marketing efforts. The Company intends to protect and promote its trademarks as management deems appropriate.

Executive Officers of the Company

The Executive Officers of the Company are listed below, together with brief accounts of their experience and certain other information.

Daniel J. Hirschfeld, age 70. Mr. Hirschfeld is Chairman of the Board of the Company. He has served as Chairman of the Board since April 19, 1991. Prior to that time, Mr. Hirschfeld served as President and Chief Executive Officer. Mr. Hirschfeld has been involved in all aspects of the Company's business, including the development of the Company's management information systems.

Dennis H. Nelson, age 62. Mr. Nelson is President and Chief Executive Officer and a Director of the Company. He has held the titles of President and Director since April 19, 1991. Mr. Nelson was elected Chief Executive Officer on March 17, 1997. Mr. Nelson began his career with the Company in 1970 as a part-time salesman while he was attending Kearney State College (now the University of Nebraska - Kearney). While attending college, he became involved in merchandising and sales supervision for the Company. Upon graduation from college in 1973, Mr. Nelson became a full-time employee of the Company and he has worked in all phases of the Company's operations since that date. Prior to his election as President and Chief Operating Officer on April 19, 1991, Mr. Nelson performed all of the functions normally associated with those positions.

Karen B. Rhoads, age 53. Ms. Rhoads is Vice President of Finance and Chief Financial Officer and a Director of the Company. Ms. Rhoads was elected a Director on April 19, 1991. She worked in the corporate office while attending Kearney State College (now the University of Nebraska - Kearney) and later worked part-time on the sales floor. Ms. Rhoads practiced as a CPA for 6 1/2 years, during which time she began working on tax and accounting matters for the Company as a client. She has been employed with Buckle since November 1987.

Brett P. Milkie, age 52. Mr. Milkie is Vice President of Leasing. He was elected Vice President of Leasing on May 30, 1996. Mr. Milkie was a leasing agent for a national retail mall developer for 6 years prior to joining the Company in January 1992 as Director of Leasing.

Kari G. Smith, age 48. Ms. Smith is Vice President of Sales. She has held this position since May 31, 2001. Ms. Smith joined the Company on May 16, 1978 as a part-time salesperson. Later she became store manager in Great Bend, Kansas and then began working with other stores as an area manager. Ms. Smith has continued to develop her involvement with the sales management team, helping with manager meetings and the development of new store managers, as well as providing support for store managers, area managers, and district managers.

Patricia K. Whisler, age 55. Ms. Whisler is Vice President of Women's Merchandising. She has held this position since May 31, 2001. Ms. Whisler joined the Company in February 1976 as a part-time salesperson and later became manager of a Buckle store before returning to the corporate office in 1983 to work as part of the growing merchandising team.

Robert M. Carlberg, age 49. Mr. Carlberg is Vice President of Men's Merchandising. He has held this position since December 11, 2006. Mr. Carlberg started with the Company as a salesperson and also worked as a store manager and as an area and district leader while being involved and traveling with the men's merchandising team. He has been full-time with the merchandising team since January 2001.

Kyle L. Hanson, age 47. Ms. Hanson is Corporate Secretary and General Counsel. She has held this position since February 2001. Ms. Hanson joined the Company in May 1998 as General Counsel. She also worked for the Company as a part-time salesperson while attending Kearney State College (now the University of Nebraska - Kearney). Ms. Hanson was previously First Vice President and Trial Attorney for Mutual of Omaha Companies for 2 years and an attorney with the Kutak Rock law firm in Omaha from 1990 to 1996.

Thomas B. Heacock, age 34. Mr. Heacock is Treasurer and Corporate Controller. He has held this position since March 21, 2011. Mr. Heacock has been employed by the Company since October 2003 and has served as Corporate Controller since February 2007. Prior to joining the Company, he was employed by Ernst & Young, LLP. Mr. Heacock is the son-in-law of Dennis H. Nelson, who serves as President and Chief Executive Officer and a Director of The Buckle, Inc.

ITEM 1A – RISK FACTORS

Cautionary Statement Pursuant to the Private Securities Litigation Reform Act of 1995 and Risk Factors

Certain statements herein, including anticipated store openings, trends in or expectations regarding the Company's revenue and net earnings growth, comparable store sales growth, cash flow requirements, and capital expenditures, all constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based on currently available operating, financial, and competitive information and are subject to various risks and uncertainties. Actual future results and trends may differ materially depending on a variety of factors, including, but not limited to, changes in product mix, changes in fashion trends and/or pricing, competitive factors, general economic conditions, economic conditions in the retail apparel industry, successful execution of internal performance and expansion plans, and other risks detailed herein and in The Buckle, Inc.'s other filings with the Securities and Exchange Commission.

A forward-looking statement is neither a prediction nor a guarantee of future events or circumstances, and those future events or circumstances may not occur. Users should not place undue reliance on the forward-looking statements, which are accurate only as of the date of this report. The Company is under no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. In management's judgment, the following are material risk factors:

Dependence on Merchandising/Fashion Sensitivity. The Company's success is largely dependent upon its ability to gauge the fashion tastes of its customers and to provide merchandise that satisfies customer demand in a timely manner. The Company's failure to anticipate, identify, or react appropriately and timely to the changes in fashion trends would reduce the Company's net sales and profitability. Misjudgments or unanticipated fashion changes could have a negative impact on the Company's image with its customers, which would also reduce the Company's net sales and profitability.

Dependence on Private Label Merchandise. Sales from private label merchandise accounted for approximately 32% of net sales for fiscal 2011 and 33% of net sales for fiscal 2010. The Company may increase or decrease the percentage of net sales from private label merchandise in the future. The Company's private label products generally earn a higher margin than branded products. Thus, reductions in the private label mix would decrease the Company's merchandise margins and, as a result, reduce net earnings.

Fluctuations in Comparable Store Net Sales Results. The Company's comparable store net sales results have fluctuated in the past and are expected to continue to fluctuate in the future. A variety of factors affect comparable store sales results, including changes in fashion trends, changes in the Company's merchandise mix, calendar shifts of holiday periods, actions by competitors, weather conditions, and general economic conditions. As a result of these or other factors, the Company's future comparable store sales could decrease, reducing overall net sales and profitability.

Ability to Continue Expansion and Management of Growth. The Company's continued growth depends on its ability to open and operate stores on a profitable basis and management's ability to manage planned expansion. During fiscal 2012, the Company plans to open 10 new stores. This expansion is dependent upon factors such as the ability to locate and obtain favorable store sites, negotiate acceptable lease terms, obtain necessary merchandise, and hire and train qualified management and other employees. There may be factors outside of the Company's control that affect the ability to expand, including general economic conditions. There is no assurance that the Company will be able to achieve its planned expansion or that such expansion will be profitable. If the Company fails to manage its store growth, there would be less growth in the Company's net sales from new stores and less growth in profitability. If the Company opens unprofitable store locations, there could be a reduction in net earnings, even with the resulting growth in the Company's net sales.

Reliance on Key Personnel. The continued success of the Company is dependent to a significant degree on the continued service of key personnel, including senior management. The loss of a member of senior management could create additional expense in covering their position as well as cause a reduction in net sales, thus reducing net earnings. The Company's success in the future will also be dependent upon the Company's ability to attract and retain qualified personnel. The Company's failure to attract and retain qualified personnel could reduce the number of new stores the Company could open in a year which would cause net sales to decline, could create additional operating expenses, and could reduce overall profitability for the Company.

Dependence on a Single Distribution Facility and Third-Party Carriers. The distribution function for all of the Company's stores is handled from a single facility in Kearney, Nebraska. Any significant interruption in the operation of the distribution facility due to natural disasters, system failures, or other unforeseen causes would impede the distribution of merchandise to the stores, causing a decline in store inventory, a reduction in store sales, and a reduction in Company profitability. Interruptions in service by common carriers could also delay shipment of goods to Company store locations. Additionally, there can be no assurance that the current facilities will be adequate to support the Company's future growth.

Reliance on Foreign Sources of Production. The Company purchases a portion of its private label merchandise through sourcing agents in foreign markets. In addition, some of the Company's domestic vendors manufacture goods overseas. The Company does not have any long-term merchandise supply contracts and its imports are subject to existing or potential duties, tariffs, and quotas. The Company faces a variety of risks associated with doing business overseas including competition for facilities and quotas, political instability, possible new legislation relating to imports that could limit the quantity of merchandise that may be imported, imposition of duties, taxes, and other charges on imports, and local business practice and political issues which may result in adverse publicity. The Company's inability to rely on foreign sources of production due to these or other causes could reduce the amount of inventory the Company is able to purchase, hold up the timing on the receipt of new merchandise, and reduce merchandise margins if comparable inventory is purchased from branded sources. Any or all of these changes would cause a decrease in the Company's net sales and net earnings.

Dependence upon Maintaining Sales and Profit Growth in the Highly Competitive Retail Apparel Industry. The specialty retail industry is highly competitive. The Company competes primarily on the basis of fashion, selection, quality, price, location, service, and store environment. The Company faces a variety of competitive challenges, including:

- anticipating and responding timely to changing customer demands and preferences;
- effectively marketing both branded and private label merchandise to consumers in several diverse market segments and maintaining favorable brand recognition;
- providing unique, high-quality merchandise in styles, colors, and sizes that appeal to consumers;
- sourcing merchandise efficiently;
- competitively pricing merchandise and creating customer perception of value;
- monitoring increased labor costs, including increases in health care benefits and worker's compensation and unemployment insurance costs.

There is no assurance that the Company will be able to compete successfully in the future.

Reliance on Consumer Spending Trends. The continued success of the Company depends, in part, upon numerous factors that impact the levels of individual disposable income and thus, consumer spending. Factors include the political environment, economic conditions, employment, consumer debt, interest rates, inflation, and consumer confidence. A decline in consumer spending, for any reason, could have an adverse effect on the Company's net sales, gross profits, and results from operations.

Modifications and/or Upgrades to Information Technology Systems May Disrupt Operations. The Company relies upon its various information systems to manage its operations and regularly evaluates its information technology in order for management to identify investment opportunities for maintaining, modifying, upgrading, or replacing these systems. There are inherent risks associated with replacing or changing these systems. Any delays, errors in capturing data, or difficulties in transitioning to these or other new systems, or in integrating these systems with the Company's current systems, or any other disruptions affecting the Company's information systems, could have a material adverse impact on the Company's business.

Reliance on increasingly complex information systems for management of its distribution, sales, and other functions. If the Company’s information systems fail to perform these functions adequately or if the Company experiences an interruption in their operation, including a breach in cyber security, its business and results of operations could suffer. All of the Company’s major operations, including distribution, sales, and accounting, are dependent upon the Company’s complex information systems. The Company’s information systems are vulnerable to damage or interruption from:

Earthquake, fire, flood, tornado, and other natural disasters;
Power loss, computer systems failure, Internet and telecommunications or data network failure;
Hackers, computer viruses, software bugs, or glitches.

Any damage or significant disruption in the operation of such systems, or the failure of the Company’s information systems to perform as expected, could disrupt the Company’s business, result in decreased sales, increased overhead costs, excess inventory, or product shortages and otherwise adversely affect the Company’s operations, financial performance, and financial condition.

Unauthorized access to, or accidental disclosure of, consumer personally-identifiable information that the Company collects may result in significant expenses and negatively impact our reputation and business. There is growing concern over the security of personal information transmitted over the Internet, consumer identity theft, and user privacy. While the Company has implemented security measures, the Company’s computer systems may be susceptible to electronic or physical computer break-ins, viruses, and other disruptions and security breaches. Any perceived or actual unauthorized disclosure of personally-identifiable information regarding visitors to the Company’s websites or otherwise, whether through a breach of the Company’s network by an unauthorized party, employee theft, misuse, or error, or otherwise, could harm the Company’s reputation, impair the Company’s ability to attract and retain customers, or subject the Company to claims or litigation arising from damages suffered by consumers, and adversely affect the Company’s operations, financial performance, and financial condition.

Market/Liquidity Risk Related to the Company’s Investments. In prior years, the Company invested a portion of its investments in auction-rate securities (“ARS”), including auction-rate preferred securities (“ARPS”) that were converted to preferred stock. As of January 28, 2012 and January 29, 2011, $14.2 million and $20.0 million, respectively, of investments were in ARS and preferred securities. ARS have a long-term stated maturity, but are reset through a “dutch auction” process that occurs every 7 to 49 days, depending on the terms of the individual security. Since February 2008, a significant number of auctions related to these securities failed, meaning that there was not enough demand to sell the entire issue at auction. The failed auctions have limited the liquidity of the Company’s investments in ARS, and the Company believes that certain of the underlying issuers of its ARS are currently at risk. Further auction failures could have a material impact on Company’s earnings; however, the Company does not believe further auction failures would have a material impact on its ability to fund its business.

The Company reviews impairments to determine the classification of potential impairments as either “temporary” or “other-than-temporary.” A temporary impairment results in an unrealized loss being recorded in other comprehensive income. An impairment that is considered other-than-temporary would be recognized as a loss in the consolidated statements of income. The Company considers various factors in reviewing impairments, including the length of time and extent to which the fair value has been less than the Company’s cost basis, the financial condition and near-term prospects of the issuer, and the Company’s intent and ability to hold the investments for a period of time sufficient to allow for any anticipated recovery in market value. The Company believes it has the ability and maintains its intent to hold its investments until recovery of market value occurs.

The Company's investments in ARS and preferred securities are reported at fair market value, and as of January 28, 2012, the reported investment amount is net of a $1.1 million temporary impairment and a $2.7 million other-than-temporary impairment ("OTTI") to account for the impairment of certain securities from their stated par value. The Company reported the $1.1 million temporary impairment, net of tax, as an "accumulated other comprehensive loss" of $0.7 million in stockholders' equity as of January 28, 2012. The Company has accounted for the impairment as temporary, as it currently expects to be able to successfully liquidate its investments without loss once the ARS market resumes normal operations. The Company reviews all investments for OTTI at least quarterly or as indicators of impairment exist. Indicators of impairment include the duration and severity of the decline in market value. In addition, the Company considers qualitative factors including, but not limited to, the financial condition of the investee, the credit rating of the investee, and the current and expected market and industry conditions in which the investee operates. Given current market conditions in the ARS market, the Company may incur additional temporary impairment or OTTI in the future if market conditions persist and the Company is unable to recover the cost of its investments in ARS.

Interest Rate Risk. To the extent that the Company borrows under its line of credit facility, the Company would be exposed to market risk related to changes in interest rates. As of January 28, 2012, no borrowings were outstanding under the line of credit facility. The Company is not a party to any derivative financial instruments. Additionally, the Company is exposed to market risk related to interest rate risk on the cash and investments in interest-bearing securities. These investments have carrying values that are subject to interest rate changes that could impact earnings to the extent that the Company did not hold the investments to maturity. If there are changes in interest rates, those changes would also affect the investment income the Company earns on its cash and investments. For each one-quarter percent decline in the interest/dividend rate earned on cash and investments (approximately a 50% change in the rate earned), the Company's net income would decrease approximately $0.3 million or less than $0.01 per share. This amount could vary based upon the number of shares of the Company's stock outstanding and the level of cash and investments held by the Company.

The Company cautions that the risk factors described above could cause actual results to vary materially from those anticipated in any forward-looking statements made by or on behalf of the Company. Management cannot assess the impact of each factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to vary from those contained in forward-looking statements.

ITEM 1B – UNRESOLVED STAFF COMMENTS

None.

ITEM 2 – PROPERTIES

All of the store locations operated by the Company are leased facilities. Most of the Company's stores have lease terms of approximately ten years and generally do not contain renewal options. In the past, the Company has not experienced problems renewing its leases, although no assurance can be given that the Company can renew existing leases on favorable terms. The Company seeks to negotiate extensions on leases for stores undergoing remodeling to provide terms of approximately ten years after completion of remodeling. Consent of the landlord generally is required to remodel or change the name under which the Company does business. The Company has not experienced problems in obtaining such consent in the past. Most leases provide for a fixed minimum rental cost plus an additional rental cost based upon a set percentage of sales beyond a specified breakpoint, plus common area and other charges. The current terms of the Company's leases, including automatic renewal options, expiring on or before January 31st of each year is as follows:

Year	Number of expiring leases
2013	63
2014	64
2015	44
2016	35
2017	33
2018	34
2019	36
2020 and later	122
Total	431

The corporate headquarters and online fulfillment center for the Company are located within a facility purchased by the Company in 1988, which is located in Kearney, Nebraska. The building currently provides approximately 261,200 square feet of space, which includes approximately 82,200 square feet related to the Company's 2005 addition. The Company also owns a 40,000 square foot building with warehouse and office space near the corporate headquarters. This building houses the Company's screenprinting operations. The Company acquired the lease, with favorable terms, on the land the building is built upon. The lease is currently in the third of ten five-year renewal options, which expires on October 31, 2016. During fiscal 2010, the Company completed construction of a new 240,000 square foot distribution center in Kearney, Nebraska. The Company transitioned to the new distribution center in September 2010 and the new facility is now the Company's only operating store distribution center.

ITEM 3 – LEGAL PROCEEDINGS

From time to time, the Company is involved in litigation relating to claims arising out of its operations in the normal course of business. As of the date of this form, the Company was not engaged in legal proceedings that are expected, individually or in the aggregate, to have a material effect on the Company.

ITEM 4 – MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5 – MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED SHAREHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

The Company's common stock trades on the New York Stock Exchange under the symbol BKE. Prior to the Company's initial public offering on May 6, 1992, there was no public market for the Company's common stock.

Dividend Payments

During fiscal 2009, cash dividends were $0.20 per share in each of the four quarters. The Company also paid a special cash dividend of $1.80 per share in the third quarter of fiscal 2009. During fiscal 2010, cash dividends were $0.20 per share in each of the four quarters. The Company also paid a special cash dividend of $2.50 per share in the fourth quarter of fiscal 2010. During fiscal 2011, the Company paid cash dividends of $0.20 per share in each of the four quarters and also paid a special cash dividend of $2.25 per share in the third quarter. The Company plans to continue its quarterly dividends during fiscal 2012.

Issuer Purchases of Equity Securities

The following table sets forth information concerning purchases made by the Company of its common stock for each of the months in the fiscal quarter ended January 28, 2012:

	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans	Approximate Number of Shares Yet To Be Purchased Under Publicly Announced Plans
Oct. 30, 2011 to Nov. 26, 2011	-	-	-	543,900
Nov. 27, 2011 to Dec. 31, 2011	-	-	-	543,900
Jan. 1, 2012 to Jan. 28, 2012	-	-	-	543,900
	-	-	-	

The Board of Directors authorized a 1,000,000 share repurchase plan on November 20, 2008. The Company has 543,900 shares remaining to complete this authorization.

Stock Price Performance Graph

The graph below compares the cumulative total return on common shares of the Company for the last five fiscal years with the cumulative total return on the Russell 2000 Stock Index and a peer group of Retail Trade Stocks:

Total Return Analysis

	2/3/2007	2/2/2008	1/31/2009	1/30/2010	1/29/2011	1/28/2012
The Buckle , Inc.	100.00	126.76	106.81	166.46	214.48	278.38
New Peer Group	100.00	90.53	45.68	83.51	103.33	114.27
Old Peer Group	100.00	87.53	42.08	77.20	98.42	112.79
Russell 2000 Index	100.00	90.23	56.98	78.54	103.16	106.92

In addition to the Company, the New Peer Group included in the above performance graph includes the following retail company stocks: AEO, ANF, ARO, GPS, HOTT, LTD, PSUN, URBN, WTSLA, and ZUMZ. In addition to the Company, the Old Peer Group includes the following retail company stocks: AEO, ANF, ANN, ARO, CBK, GPS, LTD, PSUN, WTSLA, and ZUMZ. The Company believes the New Peer Group provides a more meaningful comparison in terms of comparable products, revenue composition, and size.

The following table lists the Company’s quarterly market range for fiscal years 2011, 2010, and 2009, as reported by the New York Stock Exchange:

	Fiscal Years Ended					
	January 28, 2012		January 29, 2011		January 30, 2010	
Quarter	High	Low	High	Low	High	Low
First	$46.38	$34.51	$40.35	$27.56	$38.30	$20.54
Second	47.97	38.54	38.30	26.85	39.09	28.75
Third	45.89	33.97	31.41	23.00	37.49	25.52
Fourth	45.98	36.58	39.84	28.92	33.72	26.39

The number of record holders of the Company’s common stock as of March 23, 2012 was 415. Based upon information from the principal market makers, the Company believes there are more than 17,000 beneficial owners. The closing price of the Company’s common stock on March 23, 2012 was $48.70.

Additional information required by this item appears in the Notes to Consolidated Financial Statements under Footnote J "Stock-Based Compensation" on pages 47 to 49 of this report and is incorporated by reference.

ITEM 6 – SELECTED FINANCIAL DATA

SELECTED FINANCIAL DATA
(Amounts in Thousands Except Share, Per Share Amounts, and Selected Operating Data)
Fiscal Years Ended

	January 28, 2012	January 29, 2011	January 30, 2010	January 31, 2009	February 2, 2008
Income Statement Data					
Net sales	$1,062,946	$ 949,838	$ 898,287	$ 792,046	$ 619,888
Cost of sales (including buying, distribution, and occupancy costs)	594,291	530,709	497,668	448,558	365,350
Gross profit	468,655	419,129	400,619	343,488	254,538
Selling expenses	195,294	177,610	168,741	151,251	118,699
General and administrative expenses	37,041	30,752	32,416	30,041	26,212
Income from operations	236,320	210,767	199,462	162,196	109,627
Other income, net	4,161	3,911	3,674	7,829	9,183
Gain (loss) - impairment of securities	-	-	991	(5,157)	-
Income before income taxes	240,481	214,678	204,127	164,868	118,810
Provision for income taxes	89,025	79,996	76,824	60,459	43,563
Net income	$151,456	$ 134,682	$ 127,303	$ 104,409	$ 75,247
Basic earnings per share	$3.23	$ 2.92	$ 2.79	$ 2.30	$ 1.69
Diluted earnings per share	$3.20	$ 2.86	$ 2.73	$ 2.24	$ 1.63
Dividends declared per share (a)	$3.05	$ 3.30	$ 2.60	$ 2.73	$ 0.60
Selected Operating Data					
Stores open at end of period	431	420	401	387	368
Average sales per square foot	$462	$ 428	$ 428	$ 401	$ 335
Average sales per store (000's)	$2,314	$ 2,133	$ 2,129	$ 1,995	$ 1,668
Comparable store sales change (b)	8.4 %	1.2 %	7.8 %	20.6 %	13.2 %
Balance Sheet Data (c)					
Working capital	$210,296	$ 160,663	$ 172,779	$ 197,539	$ 184,395
Long-term investments	$39,985	$ 66,162	$ 72,770	$ 56,213	$ 81,201
Total assets	$531,539	$ 494,844	$ 488,903	$ 465,340	$ 450,657
Long-term debt	$-	$ -	$ -	$ -	$ -
Stockholders' equity	$363,147	$ 345,665	$ 354,259	$ 337,222	$ 338,320

(a) During fiscal 2007, cash dividends were $0.1333 per share in the first and second quarters and $0.1667 per share in the third and fourth quarters. During fiscal 2008, cash dividends were $0.1667 per share in the first and second quarters and $0.20 per share in the third and fourth quarters. In addition, the Company paid a special cash dividend of $2.00 per share in the third quarter of fiscal 2008. During fiscal 2009, cash dividends were $0.20 per share in each of the four quarters. The Company also paid a special cash dividend of $1.80 per share in the third quarter of fiscal 2009. During fiscal 2010, cash dividends were $0.20 per share in each of the four quarters. In addition, the Company paid a special cash dividend of $2.50 per share in the fourth quarter of fiscal 2010. During fiscal 2011, cash dividends were $0.20 per share in each of the four quarters. The Company also paid a special cash dividend of $2.25 per share in the third quarter of fiscal 2011. Dividend amounts prior to the Company's 3-for-2 stock split with distribution date of October 30, 2008, have been adjusted to reflect the impact of this stock split.

(b) Stores are deemed to be comparable stores if they were open in the prior year on the first day of the fiscal period presented. Stores which have been remodeled, expanded, and/or relocated, but would otherwise be included as comparable stores, are not excluded from the comparable store sales calculation. Online sales are excluded from comparable store sales.

(c) At the end of the period.

ITEM 7 – MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto of the Company included in this Form 10-K. The following is management’s discussion and analysis of certain significant factors which have affected the Company’s financial condition and results of operations during the periods included in the accompanying consolidated financial statements included in this Form 10-K.

EXECUTIVE OVERVIEW

Company management considers the following items to be key performance indicators in evaluating Company performance.

Comparable Store Sales – Stores are deemed to be comparable stores if they were open in the prior year on the first day of the fiscal period being presented. Stores which have been remodeled, expanded, and/or relocated, but would otherwise be included as comparable stores, are not excluded from the comparable store sales calculation. Online sales are excluded from comparable store sales. Management considers comparable store sales to be an important indicator of current Company performance, helping leverage certain fixed costs when results are positive. Negative comparable store sales results could reduce net sales and have a negative impact on operating leverage, thus reducing net earnings.

Net Merchandise Margins – Management evaluates the components of merchandise margin including initial markup and the amount of markdowns during a period. Any inability to obtain acceptable levels of initial markups or any significant increase in the Company’s use of markdowns could have an adverse effect on the Company’s gross margin and results of operations.

Operating Margin – Operating margin is a good indicator for management of the Company’s success. Operating margin can be positively or negatively affected by comparable store sales, merchandise margins, occupancy costs, and the Company’s ability to control operating costs.

Cash Flow and Liquidity (working capital) – Management reviews current cash and short-term investments along with cash flow from operating, investing, and financing activities to determine the Company’s short-term cash needs for operations and expansion. The Company believes that existing cash, short-term investments, and cash flow from operations will be sufficient to fund current and long-term anticipated capital expenditures and working capital requirements for the next several years.

RESULTS OF OPERATIONS

The following table sets forth certain financial data expressed as a percentage of net sales and the percentage change in the dollar amount of such items compared to the prior period:

	Percentage of Net Sales For Fiscal Years Ended						Percentage Increase (Decrease)			
	January 28, 2012		January 29, 2011		January 30, 2010		Fiscal Year 2010 to 2011		Fiscal Year 2009 to 2010	
Net sales	100.0	%	100.0	%	100.0	%	11.9	%	5.7	%
Cost of sales (including buying, distribution, and occupancy costs)	55.9	%	55.9	%	55.4	%	12.0	%	6.6	%
Gross profit	44.1	%	44.1	%	44.6	%	11.8	%	4.6	%
Selling expenses	18.4	%	18.7	%	18.8	%	10.0	%	5.3	%
General and administrative expenses	3.5	%	3.2	%	3.6	%	20.4	%	(5.1	%)
Income from operations	22.2	%	22.2	%	22.2	%	12.1	%	5.7	%
Other income, net	0.4	%	0.4	%	0.4	%	6.4	%	6.4	%
Gain - impairment of securities	0.0	%	0.0	%	0.1	%	0.0	%	(100.0	%)
Income before income taxes	22.6	%	22.6	%	22.7	%	12.0	%	5.2	%
Provision for income taxes	8.4	%	8.4	%	8.5	%	11.3	%	4.1	%
Net income	14.2	%	14.2	%	14.2	%	12.5	%	5.8	%

Fiscal 2011 Compared to Fiscal 2010

Net sales for the 52-week fiscal year ended January 28, 2012, increased 11.9% to $1.063 billion from net sales of $949.8 million for the 52-week fiscal year ended January 29, 2011. Comparable store net sales for the fiscal year increased by $72.2 million, or 8.4%, in comparison to the 52-week year ended January 29, 2011. The comparable store sales increase was due to a 4.6% increase in the average retail price of merchandise sold during the year, a 0.9% increase in the average number of units sold per transaction, and a 2.9% increase in the number of transactions at comparable stores during the year. Sales growth for the fiscal year was also attributable to the inclusion of a full year of operating results for the 21 new stores opened during fiscal 2010, to the opening of 13 new stores during fiscal 2011, and to growth in online sales. Online sales for the year (which are not included in comparable store sales) increased 25.0% to $78.0 million. Average sales per square foot for fiscal 2011 increased 8.0% from $428 to $462. Total square footage as of January 28, 2012 was 2.156 million.

The Company’s average retail price per piece of merchandise sold increased $2.12, or 4.6%, during fiscal 2011 compared to fiscal 2010. This $2.12 increase was primarily attributable to the following changes (with their corresponding effect on the overall average price per piece): a 3.6% increase in average denim price points ($0.78), a 2.2% increase in average knit shirt price points ($0.24), a 7.6% increase in average woven shirt price points ($0.21), an 18.9% increase in average sweater price points ($0.18), a 7.3% increase in average active apparel price points ($0.15), increased average price points in certain other merchandise categories ($0.15), and a shift in the merchandise mix ($0.41). These changes are primarily a reflection of merchandise shifts in terms of brands and product styles, fabrics, details, and finishes.

Gross profit after buying, distribution, and occupancy costs increased $49.5 million in fiscal 2011 to $468.7 million, an 11.8% increase. As a percentage of net sales, gross profit remained flat at 44.1% in both fiscal 2010 and fiscal 2011. A decrease in merchandise margins (0.20%, as a percentage of net sales) and increases in distribution and shipping expense (0.20%, as a percentage of net sales) and expense related to the incentive bonus accrual (0.10%, as a percentage of net sales) were offset by the leveraging of certain occupancy costs (0.50%, as a percentage of net sales).

The reduction in merchandise margins was the result of increased costs in certain merchandise categories, a slight reduction (as a percentage of net sales) in our private label business, and continued increased redemptions through our Primo Card loyalty program.

The increase in distribution and shipping costs was primarily attributable to additional depreciation expense related to the Company’s new distribution center that began operations during the third quarter of fiscal 2010 and increased shipping costs related to the shipment of merchandise from the distribution center to the stores and the transfer of inventory between stores. Merchandise shrinkage was 0.4% of net sales for both fiscal 2010 and fiscal 2011.

Selling expenses increased from $177.6 million in fiscal 2010 to $195.3 million in fiscal 2011, a 10.0% increase. Selling expenses as a percentage of net sales decreased from 18.7% in fiscal 2010 to 18.4% in fiscal 2011. The reduction was primarily attributable to a reduction in health insurance claims expense (0.15%, as a percentage of net sales), reduced bankcard fees (0.10%, as a percentage of net sales), and the leveraging of certain other selling expenses (0.15%, as a percentage of net sales); which were partially offset by an increase in store payroll expense (0.10%, as a percentage of net sales).

General and administrative expenses increased from $30.8 million in fiscal 2010 to $37.0 million in fiscal 2011, a 20.4% increase. As a percentage of net sales, general and administrative expenses increased from 3.2% in fiscal 2010 to 3.5% in fiscal 2011. The increase was primarily attributable to increases in expense related to the incentive bonus accrual (0.30%, as a percentage of net sales) and equity compensation expense (0.15%, as a percentage of net sales). These increases were partially offset by a reduction in the year-end accrual for vacation pay and by the leveraging of certain other general and administrative expenses (0.15%, as a percentage of net sales).

As a result of the above changes, the Company’s income from operations increased $25.6 million to $236.3 million for fiscal 2011, a 12.1% increase compared to fiscal 2010. Income from operations was 22.2% as a percentage of net sales in both fiscal 2010 and fiscal 2011.

Other income increased from $3.9 million in fiscal 2010 to $4.2 million in fiscal 2011, a 6.4% increase. The Company’s other income is derived primarily from interest and dividends received on the Company’s cash and investments.

Income tax expense as a percentage of pre-tax income was 37.0% in fiscal 2011 compared to 37.3% in fiscal 2010, bringing net income to $151.5 million in fiscal 2011 versus $134.7 million in fiscal 2010, an increase of 12.5%.

Fiscal 2010 Compared to Fiscal 2009

Net sales for the 52-week fiscal year ended January 29, 2011, increased 5.7% to $949.8 million from net sales of $898.3 million for the 52-week fiscal year ended January 30, 2010. Comparable store net sales for the fiscal year increased by $9.5 million, or 1.2%, in comparison to the 52-week year ended January 30, 2010. The comparable store sales increase was primarily due to a 1.9% increase in the average retail price of merchandise sold during the year and a 2.9% increase in the average number of units sold per transaction, partially offset by a 3.3% decrease in the number of transactions at comparable stores during the year. Sales growth for the fiscal year was also attributable to the inclusion of a full year of operating results for the 20 new stores opened during fiscal 2009, to the opening of 21 new stores during fiscal 2010, and to growth in online sales. Online sales for the year (which are not included in comparable store sales) increased 19.3% to $62.4 million. Average sales per square foot for fiscal 2010 remained flat at $428. Total square footage as of January 29, 2011 was 2.102 million.

The Company’s average retail price per piece of merchandise sold increased $0.84, or 1.9%, during fiscal 2010 compared to fiscal 2009. This $0.84 increase was primarily attributable to the following changes (with their corresponding effect on the overall average price per piece): a shift in the merchandise mix ($0.59), a 9.5% increase in average accessory price points ($0.33), a 0.7% increase in average denim price points ($0.15), and increased price points in certain other categories ($0.26). These increases were partially offset by a 4.1% decrease in average knit shirt price points (-$0.49). These changes are primarily a reflection of merchandise shifts in terms of brands and product styles, fabrics, details, and finishes.

Gross profit after buying, distribution, and occupancy costs increased $18.5 million in fiscal 2010 to $419.1 million, a 4.6% increase. As a percentage of net sales, gross profit decreased from 44.6% in fiscal 2009 to 44.1% in fiscal 2010. The decrease was attributable to an increase in distribution and occupancy costs (0.90%, as a percentage of net sales) and was partially offset by an improvement in merchandise margins (0.40%, as a percentage of net sales). The increase in distribution and occupancy costs is primarily the result of increases in rent and common area maintenance costs related to new and remodeled stores and additional depreciation expense related to new fixture rollouts. To a lesser extent, it is also attributable to additional depreciation expense related to the Company's new distribution center that went live during the third quarter and increased shipping costs. The improvement in merchandise margins was primarily attributable to reduced markdowns, as a result of strong sell-through on new product, and an increase in sales of private label merchandise, partially offset by an increase in redemptions through the Primo Card loyalty program. Merchandise shrinkage was 0.4% of net sales for fiscal 2010 compared to 0.5% of net sales for fiscal 2009.

Selling expenses increased from $168.7 million in fiscal 2009 to $177.6 million in fiscal 2010, a 5.3% increase. Selling expenses as a percentage of net sales decreased from 18.8% in fiscal 2009 to 18.7% in fiscal 2010. The reduction was primarily attributable to a 0.50% reduction, as a percentage of net sales, in expense related to the incentive bonus accrual. This reduction was partially offset by increases in health insurance claims expense (0.20%, as a percentage of net sales), internet related fulfillment and marketing expenses (0.10%, as a percentage of net sales), and certain other selling expenses (0.10%, as a percentage of net sales).

General and administrative expenses decreased from $32.4 million in fiscal 2009 to $30.8 million in fiscal 2010, a 5.1% decrease. As a percentage of net sales, general and administrative expenses decreased from 3.6% in fiscal 2009 to 3.2% in fiscal 2010. The reduction was primarily attributable to a 0.30% reduction, as a percentage of net sales, in expense related to the incentive bonus accrual, a 0.10% reduction in expense related to the vacation accrual, and a 0.10% reduction in equity compensation expense. These reductions were partially offset by increases in certain other general and administrative expenses (0.10%, as a percentage of net sales).

As a result of the above changes, the Company’s income from operations increased $11.3 million to $210.8 million for fiscal 2010, a 5.7% increase compared to fiscal 2009. Income from operations was 22.2% as a percentage of net sales in both fiscal 2010 and fiscal 2009.

Other income increased from $3.7 million in fiscal 2009 to $3.9 million in fiscal 2010, a 6.4% increase. The increase in other income is due to a $1.1 million sales tax refund the Company received through state economic incentive programs during the first quarter of fiscal 2010, which has been included in other income, partially offset by a reduction in interest earned on the Company’s cash and investments.

Income tax expense as a percentage of pre-tax income was 37.3% in fiscal 2010 compared to 37.6% in fiscal 2009, bringing net income to $134.7 million in fiscal 2010 versus $127.3 million in fiscal 2009, an increase of 5.8%.

LIQUIDITY AND CAPITAL RESOURCES

As of January 28, 2012, the Company had working capital of $210.3 million, including $166.5 million of cash and cash equivalents and $30.0 million of short-term investments. The Company’s cash receipts are generated from retail sales and from investment income, and the Company's primary ongoing cash requirements are for inventory, payroll, occupancy costs, dividend payments, new store expansion, remodeling, and other capital expenditures. Historically, the Company’s primary source of working capital has been cash flow from operations. During fiscal 2011, 2010, and 2009 the Company's cash flow from operations was $209.3 million, $179.9 million, and $158.0 million, respectively.

During fiscal 2011, 2010, and 2009, the Company invested $32.5 million, $36.2 million, and $35.1 million, respectively, in new store construction, store renovation, and store technology upgrades. The Company spent $4.1 million, $18.7 million, and $15.5 million in fiscal 2011, 2010, and 2009, respectively, in capital expenditures for the corporate headquarters and distribution facility. The capital spending for the corporate headquarters and distribution center during fiscal 2009 included $5.5 million invested in the expansion of the Company’s online fulfillment infrastructure within its current warehouse and distribution center in Kearney, Nebraska. The newly expanded online fulfillment center went live in June 2009 and the expansion approximately doubled the size of the previous infrastructure. Capital spending for the corporate headquarters and distribution facility during fiscal 2009 and fiscal 2010 includes payments made as work progressed on the Company’s new $25.0 million distribution center in Kearney, Nebraska. The Company transitioned to the new distribution center in late September 2010 and the new facility is the only operating store distribution center.

During fiscal 2012, the Company anticipates completing approximately 30 store construction projects, including approximately 10 new stores and approximately 20 stores to be remodeled and/or relocated. The average cost of opening a new store during fiscal 2011 was approximately $0.9 million, including construction costs of approximately $0.7 million and inventory costs of approximately $0.2 million, net of payables. Management estimates that total capital expenditures during fiscal 2012 will be approximately $32.0 to $36.0 million, which includes primarily planned new store and store remodeling projects. The Company believes that existing cash and cash equivalents, investments, and cash flow from operations will be sufficient to fund current and long-term anticipated capital expenditures and working capital requirements for the next several years. The Company has had a consistent record of generating positive cash flows each year and, as of January 28, 2012, had total cash and investments of $236.5 million. The Company does not currently have plans for any merger or acquisition, and has fairly consistent plans for new store expansion and remodels. Based upon past results and current plans, management does not anticipate any large swings in the Company's need for cash in the upcoming years.

Future conditions, however, may reduce the availability of funds based upon factors such as a decrease in demand for the Company's product, change in product mix, competitive factors, and general economic conditions as well as other risks and uncertainties which would reduce the Company's sales, net profitability, and cash flows. Also, the Company's acceleration in store openings and/or remodels, or entering into a merger, acquisition, or other financial related transaction could reduce the amount of cash available for further capital expenditures and working capital requirements.

The Company has available an unsecured line of credit of $17.5 million with Wells Fargo Bank, N.A. for operating needs and letters of credit. The line of credit provides that outstanding letters of credit cannot exceed $10.0 million. Borrowings under the line of credit provide for interest to be paid at a rate equal to the prime rate established by the Bank. The Company has, from time to time, borrowed against these lines of credit. There were no borrowings during fiscal 2011, 2010, and 2009. The Company had no bank borrowings as of January 28, 2012 and was in compliance with the terms and conditions of the line of credit agreement.

Dividend payments – During fiscal 2011, the Company paid total cash dividends of $144.6 million as follows: $0.20 per share in each of the four quarters and a special cash dividend of $2.25 per share in the third quarter. During fiscal 2010, cash dividends totaled $154.3 million as follows: $0.20 per share in each of the four quarters and a special cash dividend of $2.50 per share in the fourth quarter. During fiscal 2009, cash dividends totaled $120.3 million as follows: $0.20 per share in each of the four quarters and a special cash dividend of $1.80 per share in the third quarter. The Company plans to continue its quarterly dividends in fiscal 2012.

Stock repurchase plan – During fiscal 2011, the Company repurchased 8,600 shares of its common stock at a cost of $0.3 million. During fiscal 2010, the Company repurchased 246,800 shares of its common stock at a cost of $6.0 million. The Company did not repurchase any shares of its common stock during fiscal 2009. The Company's current 1,000,000 share repurchase plan was approved by the Board of Directors on November 20, 2008. As of January 28, 2012, 543,900 shares remained available for repurchase under the plan.

Auction-Rate Securities – As of January 28, 2012, total cash and investments included $14.2 million of auction-rate securities ("ARS") and preferred securities, which compares to $20.0 million of ARS and preferred securities as of January 29, 2011. Of the $14.2 million in ARS and preferred securities as of January 28, 2012, $25,000 has been included in short-term investments with the remainder included in long-term investments. ARS have a long-term stated maturity, but are reset through a "dutch auction" process that occurs every 7 to 49 days, depending on the terms of the individual security. During February 2008, a significant number of auctions related to these securities failed, meaning that there was not enough demand to sell the entire issue at auction. The failed auctions have limited the current liquidity of the Company's investments in ARS and the Company has reason to believe that certain of the underlying issuers of its ARS are currently at risk. The Company does not anticipate, however, that further auction failures will have a material impact on the Company’s ability to fund its business.

ARS and preferred securities are reported at fair market value, and as of January 28, 2012, the reported investment amount is net of a $1.1 million temporary impairment and a $2.7 million other-than-temporary impairment ("OTTI") to account for the impairment of certain securities from their stated par value. The Company reported the $1.1 million temporary impairment, net of tax, as an "accumulated other comprehensive loss" of $0.7 million in stockholders' equity as of January 28, 2012. The Company has accounted for the impairment as temporary, as it currently expects to be able to successfully liquidate its investments without loss once the ARS market resumes normal operations. During fiscal 2011, the Company was able to successfully liquidate $5.8 million of its investments in ARS at par value.

The Company reviews all investments for OTTI at least quarterly or as indicators of impairment exist. The value and liquidity of ARS held by the Company may be affected by continued auction-rate failures, the credit quality of each security, the amount and timing of interest payments, the amount and timing of future principal payments, and the probability of full repayment of the principal. Additional indicators of impairment include the duration and severity of the decline in market value. The interest rates on these investments will be determined by the terms of each individual ARS. The material risks associated with the ARS held by the Company include those stated above as well as the current economic environment, downgrading of credit ratings on investments held, and the volatility of the entities backing each of the issues. In addition, the Company considers qualitative factors including, but not limited to, the financial condition of the investee, the credit rating of the investee, and the current and expected market and industry conditions in which the investee operates. The Company believes it has the ability and intent to hold these investments until recovery of market value occurs.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Management's Discussion and Analysis of Financial Condition and Results of Operations are based upon The Buckle, Inc.'s consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these consolidated financial statements requires that management make estimates and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the financial statement date, and the reported amounts of sales and expenses during the reporting period. The Company regularly evaluates its estimates, including those related to inventory, investments, incentive bonuses, and income taxes. Management bases its estimates on past experience and on various other factors that are thought to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Management believes that the estimates and judgments used in preparing these consolidated financial statements were the most appropriate at that time. Presented below are those critical accounting policies that management believes require subjective and/or complex judgments that could potentially affect reported results of operations.

1. Revenue Recognition. Retail store sales are recorded upon the purchase of merchandise by customers. Online sales are recorded when merchandise is delivered to the customer, with the time of delivery being based on estimated shipping time from the Company's distribution center to the customer. Shipping fees charged to customers are included in revenue and shipping costs are included in selling expenses. The Company recognizes revenue from sales made under its layaway program upon delivery of the merchandise to the customer. Revenue is not recorded when gift cards and gift certificates are sold, but rather when a card or certificate is redeemed for merchandise. A current liability for unredeemed gift cards and certificates is recorded at the time the card or certificate is purchased. The amounts of the gift certificate and gift card liabilities are determined using the outstanding balances from the prior three and four years of issuance, respectively. The liability recorded for unredeemed gift certificates and gift cards was $20.3 million and $17.2 million as of January 28, 2012 and January 29, 2011, respectively. The Company records breakage as other income when the probability of redemption, which is based on historical redemption patterns, is remote. Breakage reported for the fiscal years ended January 28, 2012, January 29, 2011, and January 30, 2010 was $0.7 million, $0.5 million, and $0.4 million, respectively.

The Company establishes a liability for estimated merchandise returns based upon the historical average sales return percentage. Customer returns could potentially exceed the historical average, thus reducing future net sales results and potentially reducing future net earnings. The accrued liability for reserve for sales returns was $0.8 million and $0.7 million at January 28, 2012 and January 29, 2011, respectively.

2. Inventory. Inventory is valued at the lower of cost or market. Cost is determined using an average cost method that approximates the first-in, first-out (FIFO) method. Management makes adjustments to inventory and cost of goods sold, based upon estimates, to reserve for merchandise obsolescence and markdowns that could affect market value, based on assumptions using calculations applied to current inventory levels within each different markdown level. Management also reviews the levels of inventory in each markdown group and the overall aging of the inventory versus the estimated future demand for such product and the current market conditions. Such judgments could vary significantly from actual results, either favorably or unfavorably, due to fluctuations in future economic conditions, industry trends, consumer demand, and the competitive retail environment. Such changes in market conditions could negatively impact the sale of markdown inventory, causing further markdowns or inventory obsolescence, resulting in increased cost of goods sold from write-offs and reducing the Company's net earnings. The liability recorded as a reserve for markdowns and/or obsolescence was $4.9 million and $5.1 million as of January 28, 2012 and January 29, 2011, respectively. The Company is not aware of any events, conditions, or changes in demand or price that would indicate that its inventory valuation may not be materially accurate at this time.

3. Income Taxes. The Company records a deferred tax asset and liability for expected future tax consequences resulting from temporary differences between financial reporting and tax bases of assets and liabilities. The Company considers future taxable income and ongoing tax planning in assessing the value of its deferred tax assets. If the Company determines that it is more than likely that these assets will not be realized, the Company would reduce the value of these assets to their expected realizable value, thereby decreasing net income. During fiscal 2010, the Company recorded a $0.2 million valuation allowance to reduce the value of its capital loss carryforward to its expected realizable amount prior to expiration. Estimating the value of these assets is based upon the Company's judgment. If the Company subsequently determined that the deferred tax assets, which had been written down, would be realized in the future, such value would be increased. Adjustment would be made to increase net income in the period such determination was made.

4. Operating Leases. The Company leases retail stores under operating leases. Most lease agreements contain tenant improvement allowances, rent holidays, rent escalation clauses, and/or contingent rent provisions. For purposes of recognizing lease incentives and minimum rental expenses on a straight-line basis over the terms of the leases, the Company uses the date of initial possession to begin amortization, which is generally when the Company enters the space and begins to make improvements in preparation of intended use. For tenant improvement allowances and rent holidays, the Company records a deferred rent liability on the consolidated balance sheets and amortizes the deferred rent over the terms of the leases as reductions to rent expense on the consolidated statements of income.

For scheduled rent escalation clauses during the lease terms or for rental payments commencing at a date other than the date of initial occupancy, the Company records minimum rental expenses on a straight-line basis over the terms of the leases on the consolidated statements of income. Certain leases provide for contingent rents, which are determined as a percentage of gross sales in excess of specified levels. The Company records a contingent rent liability on the consolidated balance sheets and the corresponding rent expense when specified levels have been achieved or are reasonably probable to be achieved.

5. Investments. As more fully described in Liquidity and Capital Resources on pages 23 to 25 and in Note B to the consolidated financial statements on pages 40 to 41, in prior years the Company invested a portion of its investments in auction-rate securities ("ARS") and preferred securities. These investments are classified as available-for-sale securities and are reported at fair market values of $14.2 million and $20.0 million as of January 28, 2012 and January 29, 2011, respectively.

The Company reviews impairment to determine the classification of potential impairments as either temporary or other-than-temporary. A temporary impairment results in an unrealized loss being recorded in other comprehensive income. An impairment that is considered other-than-temporary would be recognized in net income. The Company considers various factors in reviewing impairment, including the duration and severity of the decline in market value. In addition, the Company considers qualitative factors including, but not limited to, the financial condition of the investee, the credit rating of the investee, the current and expected market and industry conditions in which the investee operates, and the Company's intent and ability to hold the investments for a period of time sufficient to allow for any anticipated recovery in market value. The Company believes it has the ability and maintains its intent to hold these investments until recovery of market value occurs.

The Company determined the fair value of ARS using Level 1 inputs for known or anticipated subsequent redemptions at par value, Level 2 inputs using observable inputs, and Level 3 using unobservable inputs, where the following criteria were considered in estimating fair value:

Pricing was provided by the custodian of ARS;
Pricing was provided by a third-party broker for ARS;
Sales of similar securities;
Quoted prices for similar securities in active markets;
Quoted prices for publicly traded preferred securities;
Quoted prices for similar assets in markets that are not active - including markets where there are few transactions for the asset, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly;
Pricing was provided by a third-party valuation consultant (using Level 3 inputs).

In addition, the Company considers other factors including, but not limited to, the financial condition of the investee, the credit rating, insurance, guarantees, collateral, cash flows, and the current and expected market and industry conditions in which the investee operates. Management believes it has used information that was reasonably obtainable in order to complete its valuation process and determine if the Company's investments in ARS had incurred any temporary and/or other-than-temporary impairment as of January 28, 2012.

OFF-BALANCE SHEET ARRANGEMENTS, CONTRACTUAL OBLIGATIONS, AND COMMERCIAL COMMITMENTS

As referenced in the tables below, the Company has contractual obligations and commercial commitments that may affect the financial condition of the Company. Based on management's review of the terms and conditions of its contractual obligations and commercial commitments, there is no known trend, demand, commitment, event, or uncertainty that is reasonably likely to occur which would have a material effect on the Company's consolidated financial condition, results of operations, or cash flows.

In addition, the commercial obligations and commitments made by the Company are customary transactions, which are similar to those of other comparable retail companies. The operating lease obligations shown in the table below represent future cash payments to landlords required to fulfill the Company's minimum rent requirements. Such amounts are actual cash requirements by year and are not reported net of any tenant improvement allowances received from landlords.

The following tables identify the material obligations and commitments as of January 28, 2012:

		Payments Due by Period			
Contractual obligations (dollar amounts in thousands):	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Long-term debt	$-	$-	$-	$-	$-
Purchase obligations	5,761	5,586	175	-	-
Deferred compensation	8,581	-	-	-	8,581
Operating leases	342,604	55,546	97,284	80,259	109,515
Total contractual obligations	$356,946	$61,132	$97,459	$80,259	$118,096

		Amount of Commitment Expiration Per Period			
Other commercial commitments (dollar amounts in thousands):	Total Amounts Committed	Less than 1 year	1-3 years	4-5 years	After 5 years
Lines of credit	$-	$-	$-	$-	$-
Total commercial commitments	$-	$-	$-	$-	$-

The Company has available an unsecured line of credit of $17.5 million, of which $10.0 million is available for letters of credit, which is excluded from the preceding table. Certain merchandise purchase orders require that the Company open letters of credit. When the Company takes possession of the merchandise, it releases payment on the letters of credit. The amounts of outstanding letters of credit reported reflect the open letters of credit on merchandise ordered, but not yet received or funded. The Company believes it has sufficient credit available to open letters of credit for merchandise purchases. There were no bank borrowings during fiscal 2011, 2010, and 2009. The Company had outstanding letters of credit totaling $2.3 million and $1.4 million at January 28, 2012 and January 29, 2011, respectively. The Company has no other off-balance sheet arrangements.

SEASONALITY AND INFLATION

The Company's business is seasonal, with the holiday season (from approximately November 15 to December 30) and the back-to-school season (from approximately July 15 to September 1) historically contributing the greatest volume of net sales. For fiscal years 2011, 2010, and 2009, the holiday and back-to-school seasons accounted for approximately 35% of the Company's fiscal year net sales. Although the operations of the Company are influenced by general economic conditions, the Company does not believe that inflation has had a material effect on the results of operations during the past three fiscal years. Quarterly results may vary significantly depending on a variety of factors including the timing and amount of sales and costs associated with the opening of new stores, the timing and level of markdowns, the timing of store closings, the remodeling of existing stores, competitive factors, and general economic conditions.

RELATED PARTY TRANSACTIONS

Included in other assets is a note receivable of $1.1 million at January 28, 2012 and $1.1 million at January 29, 2011, from a life insurance trust fund controlled by the Company's Chairman. The note was created over three years, beginning in July 1994, when the Company paid life insurance premiums of $0.2 million each year for the Chairman on a personal policy. The note accrues interest at 5% of the principal balance per year and is to be paid from the life insurance proceeds. The note is secured by a life insurance policy on the Chairman.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In January 2010, the FASB issued ASU No. 2010-06, Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements. ASU 2010-06 revises two disclosure requirements concerning fair value measurements and clarifies two others. It requires separate presentation of significant transfers into and out of Levels 1 and 2 of the fair value hierarchy and disclosure of the reasons for such transfers. It also requires the presentation of purchases, sales, issuances, and settlements within Level 3 on a gross basis rather than a net basis. The amendments also clarify that disclosures should be disaggregated by class of asset or liability and that disclosures about inputs and valuation techniques should be provided for both recurring and non-recurring fair value measurements. The new disclosures about fair value measurements are presented in Note C to the consolidated financial statements included in this Form 10-K. The adoption of this statement had no effect on the Company's financial position or results of operations.

In June 2011, the FASB issued ASU No. 2011-05, Comprehensive Income –Presentation of Comprehensive Income. ASU 2011-05 requires comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. This update eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. The amendments in this update do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. The amendments in this update should be applied retrospectively and are effective for interim and annual reporting periods beginning after December 15, 2011. The adoption of ASU 2011-05 is not expected to have a material impact on the Company's financial position or results of operations.

FORWARD-LOOKING STATEMENTS

Information in this report, other than historical information, may be considered to be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the “1995 Act”). Such statements are made in good faith by the Company pursuant to the safe-harbor provisions of the 1995 Act. In connection with these safe-harbor provisions, this management’s discussion and analysis contains certain forward-looking statements, which reflect management’s current views and estimates of future economic conditions, Company performance, and financial results. The statements are based on many assumptions and factors that could cause future results to differ materially. Such factors include, but are not limited to, changes in product mix, changes in fashion trends, competitive factors, and general economic conditions, economic conditions in the retail apparel industry, as well as other risks and uncertainties inherent in the Company’s business and the retail industry in general. Any changes in these factors could result in significantly different results for the Company. The Company further cautions that the forward-looking information contained herein is not exhaustive or exclusive. The Company does not undertake to update any forward-looking statements, which may be made from time to time by or on behalf of the Company.

ITEM 7A – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk - To the extent that the Company borrows under its line of credit facility, the Company would be exposed to market risk related to changes in interest rates. As of January 28, 2012, no borrowings were outstanding under the line of credit facility. The Company is not a party to any derivative financial instruments. Additionally, the Company is exposed to market risk related to interest rate risk on the cash and investments in interest-bearing securities. These investments have carrying values that are subject to interest rate changes that could impact earnings to the extent that the Company did not hold the investments to maturity. If there are changes in interest rates, those changes would also affect the investment income the Company earns on its cash and investments. For each one-quarter percent decline in the interest/dividend rate earned on cash and investments (approximately a 50% change in the rate earned), the Company’s net income would decrease approximately $0.3 million or less than $0.01 per share. This amount could vary based upon the number of shares of the Company’s stock outstanding and the level of cash and investments held by the Company.

Other Market Risk – At January 28, 2012, the Company held $18.0 million, at par value, of investments in auction-rate securities (“ARS”) and preferred stock. The Company concluded that a $1.1 million temporary impairment and $2.7 million other-than-temporary impairment (“OTTI”) existed related to these securities as of January 28, 2012. Given current market conditions in the ARS and capital markets, the Company may incur additional temporary or other-than-temporary impairment in the future if market conditions persist and the Company is unable to recover the cost of its investments in ARS.

ITEM 8 – FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
The Buckle, Inc.
Kearney, Nebraska

We have audited the accompanying consolidated balance sheets of The Buckle, Inc. (the "Company") as of January 28, 2012 and January 29, 2011, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three fiscal years in the period ended January 28, 2012. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of The Buckle, Inc. as of January 28, 2012 and January 29, 2011, and the results of its operations and its cash flows for each of the three years in the period ended January 28, 2012, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of January 28, 2012, based on the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 28, 2012, expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP

DELOITTE & TOUCHE LLP
Omaha, Nebraska
March 28, 2012

THE BUCKLE, INC.

CONSOLIDATED BALANCE SHEETS
(Dollar Amounts in Thousands Except Share and Per Share Amounts)

ASSETS	January 28, 2012	January 29, 2011
CURRENT ASSETS:		
Cash and cash equivalents	$ 166,511	$ 116,470
Short-term investments (Notes A, B, and C)	29,998	22,892
Receivables	4,584	14,363
Inventory	104,209	88,593
Prepaid expenses and other assets (Note F)	14,825	14,718
Total current assets	320,127	257,036
PROPERTY AND EQUIPMENT (Note D):	358,866	342,413
Less accumulated depreciation and amortization	(189,832)	(173,179)
	169,034	169,234
LONG-TERM INVESTMENTS (Notes A, B, and C)	39,985	66,162
OTHER ASSETS (Note G)	2,393	2,412
	$ 531,539	$ 494,844
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 27,416	$ 33,489
Accrued employee compensation	42,854	36,018
Accrued store operating expenses	11,125	9,653
Gift certificates redeemable	20,286	17,213
Income taxes payable	8,150	-
Total current liabilities	109,831	96,373
DEFERRED COMPENSATION (Note I)	8,581	7,727
DEFERRED RENT LIABILITY	36,503	37,430
OTHER LIABILITIES (Note F)	13,477	7,649
Total liabilities	168,392	149,179
COMMITMENTS (Notes E and H)		
STOCKHOLDERS' EQUITY (Note J):		