DILLARDS INC
Form 10-K
May 01, 2002

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

(Mark One)

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

For the fiscal year ended February 2, 2002

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number 1-6140

DILLARD'S, INC.

(Exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation or organization)	71-0388071 (IRS Employer Identification Number)

1600 CANTRELL ROAD, LITTLE ROCK, ARKANSAS 72201
(Address of principal executive office)
(Zip Code)

(501) 376-5200
(Registrant's telephone number, including area code)

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

Title of each Class	Name of each exchange on which registered
Class A Common Stock	New York Stock Exchange

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

Indicate by checkmark whether the Registrant (1) has filed all reports required to be filed by
Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the
reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No_
_

Indicate by checkmark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K i
be contained, to the best of Registrant's knowledge, in definitive proxy or information statem
III of the Form 10-K or any amendment to this Form 10-K. [X]

State the aggregate market value of the voting stock held by non-affiliates of the Registrant as

Indicate the number of shares outstanding of each of the Registrant's classes of common stock as

CLASS A COMMON STOCK, $.01 par value	80,199,916
CLASS B COMMON STOCK, $.01 par value	4,010,929

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Annual Stockholders Report for the fiscal year ended February 2, 2002 (the "Re
into Parts I and II.

Portions of the Proxy Statement for the Annual Meeting of Stockholders to be held May 18,
incorporated by reference into Part III.

The Company cautions that any forward-looking statements (as such term is defined in the Privat
1995) contained in this report or made by management of the Company involve risks and uncertai
on various important factors. The following factors, among others, could affect the Company's
actual results for 2002 and beyond to differ materially from those expressed or implied in
economic and weather conditions in the regions in which the Company's stores are located and t
the Company's customers, changes in consumer spending patterns and debt levels, trends in pe
competitive market forces.

PART I

ITEM 1. BUSINESS.

General

Dillard's, Inc. (the "Company" or "Registrant") is an outgrowth of a department store
Dillard. The Company was incorporated in Delaware in 1964. The Company operates retail
in the southwest, southeast and midwest.

The department store business is highly competitive. The Company has several compe
levels as well as numerous competitors at the local level. Many factors enter
patronage, including price, quality, style, service, product mix, convenience an
earnings depend to a significant extent on the results of operations for the last
holiday buying patterns, sales for that period average approximately one-third of annual

For additional information with respect to the Registrant's business, reference is ma
of the Report under the headings "Net Sales", "Net Income", "Total Assets" and
information is incorporated herein by reference.

Executive Officers of the Registrant

The following table lists the names and ages of all Executive Officers of the r
relationship between them, and all positions and offices with the Registrant present
the Executive Officers listed below have been in managerial positions with the regist
for Robin Sanderford, Paul J. Schroeder, Jr. and Charles Unfried.

Mr. Sanderford has been employed by the Registrant as Vice President since Augu
employed as President of the Southeast Division of Mercantile Stores Company, Inc. (
President and Director of Real Estate and Long Range Planning for Mercantile (1993-1995
the Registrant as Vice President since January 1998. Prior to 1998 he was a partner wi
law firm of Bryan Cave, LLP, specializing in labor and employment law. Mr. Unfried
since August 1998. Prior to August 1998 he was President of Mercantile Credit Services
both subsidiaries of Mercantile.

The following is a listing of executive officers of the Company, their age, position an any.

Name	Age	Position & Office	Family Relationshi
William Dillard, II	57	Director; Chief Executive Officer	None
Alex Dillard	52	Director; President	Brother of Willia
Mike Dillard	50	Director; Executive Vice President	Brother of Willia
H. Gene Baker	63	Vice President	None
Joseph P. Brennan	57	Vice President	None
G. Kent Burnett	57	Vice President	None
Drue Corbusier	55	Director; Executive Vice President	Sister of William
James I. Freeman	52	Director; Senior Vice President; Chief Financial Officer	None
Randal L. Hankins	51	Vice President	None
Gaston Lemoine	58	Vice President	None
Robin Sanderford	55	Vice President	None
Paul J. Schroeder	53	Vice President	None
Burt Squires	52	Vice President	None
Charles Unfried	55	Vice President	None

ITEM 2. PROPERTIES.

All of the Registrant's stores are owned or leased from a wholly owned subsidiary or third-party store leases typically provide for rental payments based on a percentage o annual rent, while lease terms between the Registrant and its wholly-owned subsidiar the cost of insurance, maintenance and any increase in real estate taxes related to were 338 stores in operation with gross square footage approximating 56.8 million fee wholly owned subsidiary, a total of 253 stores with 42.4 million square feet. The parties, which totaled 14.4 million square feet. Additional information is conta Consolidated Financial Statements," on pages 23, 24, and 29 of the Report, which in reference.

ITEM 3. LEGAL PROCEEDINGS.

The Company does not have any material legal proceedings pending.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

With respect to the market for the Company's common stock, market prices, and divide contained on page 33 of the Report, which information is incorporated herein by refere 4,968 record holders of the Company's Class A Common Stock and 8 record holders of the C

ITEM 6. SELECTED FINANCIAL DATA.

Reference is made to information under the heading "Table of Selected Financial D information is incorporated herein by reference.

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

Reference is made to information under the heading "Management's Discussion and Analys of Operations" on pages 13 through 17 of the Report, which information is incorporated h

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Reference is made to information under the heading "Quantitative and Qualitative Dis of the Report which information is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Reference is made to the consolidated financial statements and notes thereto included which are incorporated herein by reference.

ITEM 9 CHANGES IN AND DISGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISRTANT.

A. Directors of the Registrant

Information regarding directors of the Registrant is incorporated herein by re through 8 under the heading "Nominees for Election as Directors" and pages 12 and Beneficial Ownership Reporting Compliance" in the Proxy Statement.

B. Executive Officers of the Registrant

Information regarding executive officers of the Registrant is incorporated herein under the heading "Executive Officers of the Registrant". Reference additionall heading "Section 16(a) Beneficial Ownership Reporting Compliance" on pages 12 information is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION.

Information regarding executive compensation and compensation of directors is in information beginning on page 8 under the heading "Compensation of Directors and Execu 10 under the heading "Compensation of Directors" in the Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

AND MANAGEMENT.

Information regarding security ownership of certain beneficial owners and management i
the information on page 4 under the heading "Principal Holders of Voting Securities"
for Election as Directors" and continuing through footnote 13 on page 7 in the Proxy Sta

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information regarding certain relationships and related transactions is incorporated
on page 12 under the heading "Certain Relationships and Transactions" in the Proxy State

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a)(1) Financial Statements

The following consolidated financial statements of the Registrant and its consolidated
are incorporated herein by reference in Item 8 of this report.

Independent Auditors' Report

Consolidated Balance Sheets - February 2, 2002 and February 3, 2001.

Consolidated Statements of Operations - Fiscal years ended February 2, 2002, February 3,

Consolidated Statements of Stockholders' Equity - Fiscal years ended February 2, 2002, F

Consolidated Statements of Cash Flows - Fiscal years ended February 2, 2002, February 3,

Notes to Consolidated Financial Statements - Fiscal years ended February 2, 2002, Februa

(a)(2) Financial Statement Schedules

The following consolidated financial statement schedule of the Registrant and its
pursuant to Item 14(d) (this schedule appears immediately following the signature page):

Schedule II - Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regul
Commission are not required under the related instructions or are inapplicable, and ther

(a)(3) Exhibits and Management Compensatory Plans

Exhibits

The following exhibits are filed pursuant to Item 14(c):

Number	Description
*3(a)	Restated Certificate of Incorporation(Exhibit 3 to Form 10-Q for the quarter en 1-6140).
*3(b)	By-Laws as currently in effect (Exhibit 3.1 to Form 8-K dated as of March 2, 2002
*4(a)	Indenture between the Registrant and Chemical Bank, Trustee, dated as of October in 2-85556).
*4(b)	Indenture between the Registrant and Chemical Bank, Trustee, dated as of October

in 33-8859).
*4(c) Indenture between Registrant and Chemical bank, dated as of April 15, 1987 (Exhibi
*4(d) Indenture between Registrant and Chemical bank, Trustee, dated as of May 15, 1
(Exhibit 4 in 33-21671, Exhibit 4.2 in 33-25114 and Exhibit 4(c) to Current Rep
September 26, 1990 in 1-6140).
*4(e) Rights Agreement between Dillard's, Inc. and Registrar and Transfer Company, as
4.1 to Form 8-K dated as of March 2, 2002 in 1-6140).

Number	Description
*10(a)	Retirement Contract of William Dillard dated March 8, 1997 (Exhibit 10(a) to For year ended February 1, 1997 in 1-6140).
*10(b)	1998 Incentive and Nonqualified Stock Option Plan (Exhibit 10 (b) to Form 10- ended January 30, 1999 in 1-6140).
*10(c)	Corporate Officers Non-Qualified Pension Plan (Exhibit 10(c) to Form 10-K for January 29, 1994 in 1-6140).
*10(d)	Senior Management Cash Bonus Plan (Exhibit 10(d) to Form 10-K for the fiscal y 1995 in 1-6140).
*10(e)	2000 Incentive and Nonqualified Stock Option Plan (Exhibit 10(e) to Form 10- ended February 3, 2001 in 1-6140).
12	Statement re: Computation of Ratio of Earnings to Fixed Charges.
13	Incorporated portions of the Annual Stockholders Report for the fiscal year ended
*18	Letter re: Change in Accounting Principles (Exhibit 18 to Form 10-K for the February 3, 2001 in 1-6140).
21	Subsidiaries of Registrant
23	Consent of Independent Auditors

*Incorporated by reference as indicated.

Management Compensatory Plans

Listed below are management contracts and compensatory plans which are required to be filed as ex

Retirement Contract of William Dillard dated March 8, 1997.
1998 Incentive and Nonqualified Stock Option Plan.
Corporate Officers Non-Qualified Pension Plan.
Senior Management Cash Bonus Plan.
Nonqualified Stock Option Plan.

(b) Reports on Form 8-K filed during the fourth quarter:

None

(c) Exhibits

See the response to Item 14(a) (3).

(c) Financial Statement schedules:

See the response to Item 14(a)(2).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange
caused this report to be signed on its behalf by the undersigned, thereunto duly au

Dillard's, Inc.
Registrant

Date: May 1, 2002 /s/James I. Freeman

James I. Freeman, Senior Vice President and
Chief Financial Officer
(Principal Financial and Accounting O

Pursuant to the requirements of the Securities Exchange Act of 1934, this report
persons on behalf of the Registrant and in the capacity and on the date indicated.

Calvin N. Clyde, Jr.

Calvin N. Clyde, Jr.
Director

Drue Corbusier

Drue Corbusier
Executive Vice President and Dire

Robert C. Connor

Robert C. Connor
Director

Will D. Davis

Will D. Davis
Director

Alex Dillard

Alex Dillard
President and Director

Mike Dillard

Mike Dillard
Executive Vice President
and Director

William Dillard II

William Dillard II
Chief Executive Officer and Director
(Principal Executive Officer)

James I. Freeman

James I. Freeman
Senior Vice President and Chief
Financial Officer and Director

John Paul Hammerschmidt

John Paul Hammerschmidt
Director

John H. Johnson

John H. Johnson
Director

William H. Sutton

William H. Sutton
Director

Date May 1, 2002

Independent Auditors' Report

To the Board of Directors and Stockholders of
Dillard's, Inc.
Little Rock, Arkansas

We have audited the consolidated financial statements of Dillard's, Inc. and subsidiaries (the
February 3, 2001, and for each of the three fiscal years in the period ended February 2, 2002
dated March 2, 2002; which consolidated financial statements and report are included in your
are incorporated herein by reference. Our audits also included the consolidated financial stat
subsidiaries, listed in item 14. This consolidated financial statement schedule is the respon
Our responsibility is to express an opinion based on our audits. In our opinion, such consoli
when considered in relation to the basic consolidated financial statements taken as a whole, pr
the information set forth therein.

DELOITTE & TOUCHE LLP

New York, New York
March 2, 2002

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
DILLARD'S, INC. AND SUBSIDIARIES
(DOLLAR AMOUNTS IN THOUSANDS)

Column A	Column B	Column C	Column D	Column E
		Additions		
Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts (1)	Deductions (
Allowance for losses on accounts receivable:				
Year Ended February 2, 2002	$32,240	$78,121	$ -	$72,
Year Ended February 3, 2001	32,533	83,277	-	83,
Year Ended January 29, 2000	37,487	88,154	-	93,

(1) Represents the allowance for losses on accounts acquired.
(2) Accounts written off and charged to allowance for losses on accounts receivable (net of

Exhibit Index

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